



OFFICE OF INSPECTOR GENERAL

Semiannual Report to Congress

October 1, 2019–March 31, 2020

350-R-20-001
May 2020

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Abbreviations

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

Are you aware of fraud, waste, or abuse in an EPA or CSB program?

EPA Inspector General Hotline

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Message to Congress

It is truly an honor to have been appointed as the inspector general for the U.S. Environmental Protection Agency and the U.S. Chemical Safety and Hazard Investigation Board. Although most of the work detailed within the pages of this *Semiannual Report to Congress* was either initiated or completed before I took the helm, this report showcases the extraordinary dedication of OIG staff. I would like to thank the Office's tireless employees and leaders—including Deputy Inspector General Charles J. Sheehan, who served as the acting inspector general—for remaining focused on our critical mission to fight waste, fraud, and abuse in and promote economy, efficient, and effectiveness of Agency programs and operations. I am proud to now count these exceptional civil servants as my colleagues. I look forward to all that we will accomplish together.



Sean W. O'Donnell

Preservation and Perseverance: The COVID-19 Pandemic. While our work is important, the wellbeing of our employees and their families takes precedence. The OIG has implemented measures to mitigate the risks of the COVID-19 virus, including unscheduled telework, and has offered increased flexibilities to our employees to help them through these challenging times, such as greatly expanded core hours. Despite the dual challenges of being a temporarily virtual workforce and of managing personal health and safety in these uncertain times, our staff has come together in unique and creative ways. We may not be conducting business in our usual environment, but I am pleased to report that we are conducting business with our usual vigor.

The OIG continues to move steadily forward, conferring with congressional and Agency leadership; issuing reports; and investigating waste, fraud, and abuse. Congress and the public rely on our independent oversight mission even more so in times of crisis, depending on us to ensure that the Agency continues, unabatedly, to protect human health and the environment. As such, we have started examining and identifying how the pandemic has impacted Agency programs and operations, from water infrastructure worries to air quality enforcement. The public can rest assured that our oversight mission will continue undeterred and undiminished.

Fight Against Waste, Fraud, and Abuse. Even before the onslaught of COVID-19, I prioritized reinvigorating the OIG's fight against waste, fraud, and abuse. The most successful OIGs are those that employ each of their parts to support their overall mission. Our Office of Investigations is increasingly focusing on grant and contract fraud. To doggedly investigate instances of fraud, waste, or abuse, our special agents are employing all of the investigative tools at our disposal. We are also hiring investigative counsel to support our special agents. Our Office of Audit and Evaluation is examining grants and contracts where we suspect there may be issues. Our Office of Management is creating a data analytics/data mining unit that will analyze Agency data to identify possible problems. These capabilities serve to enhance our responsibility to provide independent oversight of the EPA and the CSB.

Significant Partners: Whistleblowers and Agencies. The OIG cannot effectively and faithfully carry out its mission to fight waste, fraud, and abuse without the support of EPA and CSB employees, contractors, subcontractors, and grantees. It was my goal to, within the first month of my tenure, make all these stakeholders aware of their whistleblower rights and the safeguards in place to protect whistleblowers. To that end, I widely and publicly distributed a letter outlining how these stakeholders may confidentially report waste, fraud, and abuse, and I provided resources for those who believe they have been retaliated against for protected whistleblowing activities. For example, I updated the OIG's website to include

information about protections to contractors, subcontractors, and grantees, and I directed our whistleblower protection coordinator to expand support to these important stakeholders.

Other allies in our fight against misuse of taxpayer dollars are the EPA and the CSB. It is important to note that the Agency and OIG missions are closely linked. By faithfully executing our mission to promote economy, efficiency, and effectiveness in the EPA's operations and programs, for example, we enable the Agency to successfully execute its mission to protect human health and the environment. By working with the Agency to clearly explain our findings and recommendations, we hope to help shape improvements. By the same token, the Agency must provide us with timely access to all requested information, so that we can produce the most benefit to our common customer: the American public.

Projects and Investigations of Note. In this semiannual reporting period, the OIG has seen several projects come to fruition that warrant notice. Based on a tip provided to the OIG Hotline, we investigated a company for fraudulently certifying to the EPA that 830 homes in Florida met ENERGY STAR standards. In October 2019, the company's owner was sentenced to 36 months of probation and fined \$31,125 for making a false statement to the EPA. As a direct result of this investigation, in March 2020, the EPA

OIG Accomplishments (October 1, 2019–March 31, 2020)
<ul style="list-style-type: none"> • Questioned costs and potential monetary benefits (includes results from single audits): \$60.59 million • Total fines and recoveries (includes EPA-only and joint investigations): \$.03 million • Reports issued: 25 • Investigative cases closed: 70 • Administrative actions resulting from investigative cases: 24 • Hotline inquiries referred for action: 196

debarred both the owner and his company from participating in federal contracts and assistance activities for three years. This investigation illustrates how our work is not done in a vacuum and how working collaboratively with hotline complainants, whistleblowers, and the Agency helps us both detect and prevent fraud.

Our audits and evaluations completed this reporting period have had similar impact. One audit found that, when working to repeal the rule that glider trucks must comply with emissions standards, the EPA did not conduct an evaluation of the environmental health risks to children, as required by executive order. We recommended that the EPA conduct the required analyses before finalizing the repeal. We conducted

three audits of the EPA's emergency efforts in response to the 2017 hurricane season and made various recommendations to help the Agency improve how it will monitor air quality and assess drinking water and wastewater systems in the aftermath of future disasters. Our auditors completed the first of a two-part series examining the EPA's enforcement actions, noting that nationwide, the numbers of inspections of regulated entities such as pesticide manufacturers and oil refineries have steadily decreased since 2007. These projects are in addition to audits focused on Agency operations—such as grant closeouts, timekeeping practices, and use of time-off awards—that nevertheless carry great implications in terms of the Agency being a financial steward of taxpayer dollars.

Closing Thoughts. The most successful OIG is a healthy and productive one. The most successful OIG projects spur action and growth. And the most successful governmental agency operates efficiently, effectively, and with integrity. As the inspector general for the EPA and CSB, I am excited to continue the fine work of this reputable Office, and I am proud to be in service and of service to the American people.

Sean W. O'Donnell
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 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

The Office of Inspector General, established by the Inspector General Act of 1978, as amended, 5 U.S.C. app., 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 effectively. OIG staff are located at EPA headquarters in Washington, D.C.; the EPA's ten regional offices; 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. Our vision, mission, and goals are as follows:

Vision

Be a premier oversight organization trusted to speak the truth, promote good governance, and contribute to improved human health and the environment.

Mission

Conduct independent audits, evaluations, and investigations; make evidence-based recommendations to promote economy, efficiency, and effectiveness; and prevent and detect fraud, waste, abuse, mismanagement, and misconduct for the EPA and the CSB.

Goals

1. Contribute to improved EPA and CSB programs and operations protecting human health and the environment, and enhancing safety.
2. Conduct audits, evaluations, and investigations that enable the EPA and the CSB to improve business practices and accountability.
3. Improve OIG processes, resource allocation, and accountability to meet stakeholder needs.

Scoreboard of Results

The information below shows return on investment to the taxpayer for work performed by the EPA OIG during the first half of fiscal year 2020 compared to FY 2020 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: 51 (26.02% of goal)	Supporting measures 6 Environmental/health improvements realized or influenced by OIG work 45 Environmental, chemical safety, or business policy, practice, or process change made, or decision implemented 0 Legislative or regulatory changes
Annual Performance Goal 2: Recommendations, challenges, best practices, or risks identified for action	
Target: 460 Reported: 364 (79.13% of goal)	Supporting measures *11 Certifications, verifications, and validations *118 Recommendations for improvement (including risk identified) 6 Referrals for Agency action *229 OIG-identified findings in external reports impacting EPA
Annual Performance Goal 3: Return on investment: potential dollar return as percentage of OIG budget	
Target: \$80,427,200 (160% of budget) Reported: \$61,083,194 (75.95% of target)	Supporting measures (in millions) OIG budget: \$53.1 Potential return: \$61.1 *\$1.151 Questioned costs \$49.585 Potential monetary benefits identified in reports—excluding questioned costs \$9.853 Monetary actions taken or resolved prior to report issuance \$0 Actual cost saved identified after report issuance \$0.462 Cost avoidance savings/cost savings identified after report issuance or based on investigative results \$0.031 Fines, penalties, settlements, and restitutions resulting from EPA OIG investigations \$0.001 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: 200 Reported: 128 (64% of goal)	Supporting measures 28 Allegations disproved 5 Indictments, informations, and complaints 3 Criminal convictions 0 Civil actions 17 Administrative actions taken (other than debarments or suspensions) 7 Suspension or debarment actions 68 Fraud briefings conducted
Other (no targets established)	
Savings and recommendations sustained: <ul style="list-style-type: none"> *128 sustained environmental or business recommendations (resolved or agreed-to) for action *\$0 million in sustained questioned costs \$51.156 million in sustained potential monetary benefits 	

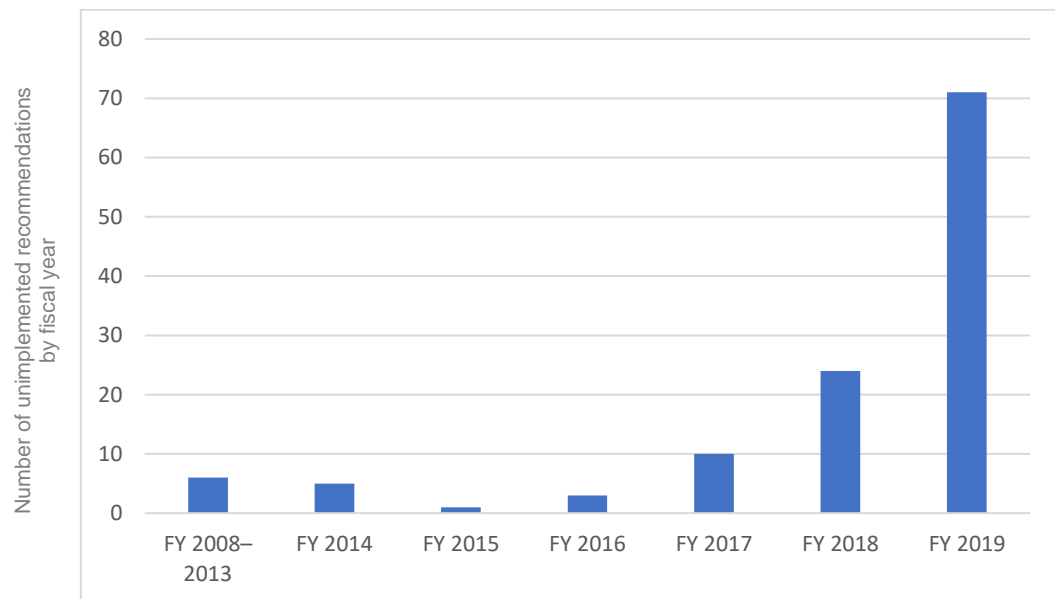
Sources: The OIG Performance Measurement Results System and the Inspector General Enterprise Management System.

* These measures include single audits, which are audits of nonfederal entities performed by private firms.

Status of OIG Unimplemented Recommendations

OIG audits and evaluations provide recommendations to improve EPA program offices and regions. Both the Agency and the public benefit from the implementation of these recommendations. We have 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. Recommendations that are *unresolved*—that is, not agreed to by the Agency—are not counted as *unimplemented* recommendations. Recommendations that remain unresolved after six months of a final report being issued are listed in Appendix 2.

Unimplemented recommendations as of March 31, 2020
(presented by fiscal year issued)



For the semiannual reporting period ending March 31, 2020, 116 recommendations to the EPA remain unimplemented, and two recommendations to the CSB remain unimplemented. If implemented, these recommendations have the potential to result in \$70 million in benefits for the EPA and \$349,000 for the CSB. We divide these unimplemented recommendations into six categories in the table below.

Category	Total	
	Number of unimplemented recommendations	Potential monetary benefits (in \$000s)
<i>EPA Unimplemented Recommendations</i>		
1. Management and Operations	31	\$38,917
2. Water Issues	16	0
3. Environmental Contamination and Cleanup	15	27,800
4. Toxics, Chemical Safety, and Pesticides	19	0
5. Air Quality	27	2,905
6. Research and Laboratories	8	0
EPA subtotal	116	69,622
<i>CSB Unimplemented Recommendations</i>		
Management and Operations	2	349
CSB subtotal	2	349
TOTAL	118	\$69,971

Category 1—Management and Operations

We issued the 33 unimplemented recommendations in this category within the following 15 reports. When implemented, these recommendations will lead to more effective and efficient operations and potential monetary benefits of \$38.9 million for the EPA and \$349,000 for the CSB:

- Improve oversight of:
 - Records management policy (Report No. [19-P-0283](#)).
 - Senior Environmental Employment program (Report No. [19-P-0198](#)).
 - Improper payments review process and compliance with sampling and estimating plan (Report No. [19-P-0163](#)). *The potential monetary benefit of this unimplemented recommendation is \$1,912,000.*
 - Overpaid invoices (Report No. [19-P-0157](#)). *The potential monetary benefit of this unimplemented recommendation is \$5,000.*
 - Administrator’s and associated staff’s travel (Report No. [19-P-0155](#)).
 - Law Enforcement Availability Pay control processes (Report No. [19-P-0001](#)).
 - Companies with multiple cleanup liabilities that self-insure (Report No. [18-P-0059](#)).
 - CSB’s agency governance and operations (Report No. [16-P-0179](#)). *The potential monetary benefit of this unimplemented recommendation is \$349,000.*
 - Grants execution in the U.S. Virgin Islands (Report No. [15-P-0137](#)). *The potential monetary benefit of this unimplemented recommendation is \$37 million.*
 - Emergency and rapid response contracts (Report No. [14-P-0109](#)).

- Implement better processes for information technology regarding:
 - Enterprise customer service solution oversight (Report No. [19-P-0278](#)).
 - Pesticide registration fee, vulnerability mitigation, and database security controls for the EPA’s Federal Insecticide, Fungicide, and Rodenticide Act and Pesticide Registration Improvement Act systems (Report No. [19-P-0195](#)).
 - Combatting cyberthreats due to insufficient practices for managing known security weaknesses and system settings (Report No. [19-P-0158](#)).
 - CSB’s “Incident Response” and “Identity and Access Management” information security functions (Report [19-P-0147](#)).
 - Individual personal identity verification cards and access to computer equipment (Report No. [19-F-0003](#)).

Category 2—Water Issues

We issued the 16 unimplemented recommendations in this category within the following seven reports. When implemented, these recommendations will lead to improved human health and environment, as well as more effective and efficient operations:

- Improve oversight of notice to the public on drinking water risks to better protect human health (Report No. [19-P-0318](#)).
- Improve emergency outreach to disadvantaged communities (Report No. [19-P-0236](#)).
- Act on transfer request and petition regarding Ohio's concentrated animal feeding operation permit program (Report No. [19-N-0154](#)).
- Strengthen oversight of state drinking water programs to improve response to drinking water contamination emergencies like in Flint, Michigan (Report No. [18-P-0221](#)).
- Provide leadership and better guidance to improve fish advisory risk communications (Report No. [17-P-0174](#)).
- Improve management of the Oil Pollution Prevention program (Report No. [12-P-0253](#)).
- Revise outdated or inconsistent EPA-state clean water memorandums of agreement (Report No. [10-P-0224](#)).

Category 3—Environmental Contamination and Cleanup

We issued the 15 unimplemented recommendations in this category within the following four reports. When implemented, these recommendations will lead to improved human health and environment, more effective and efficient operations, and potential monetary benefits of \$27.8 million:

- Implement more efficient and effective methods to assess the impact of unregulated pollutants in land-applied biosolids (Report No. [19-P-0002](#)).
- Finish prioritization and resource allocation methodologies for abandoned uranium mine sites on or near Navajo lands (Report No. [18-P-0233](#)).
- Revise risk management inspection guidance to recommend minimum inspection scope and provide detailed examples of minimum reporting (Report No. [13-P-0178](#)).
- Make better use of Stringfellow Superfund Special Accounts (Report No. [08-P-0196](#)). *The potential monetary benefit of this unimplemented recommendation is \$27.8 million.*

Category 4—Toxics, Chemical Safety, and Pesticides

We issued the 19 unimplemented recommendations in this category within the following seven reports. When implemented, these recommendations will lead to improved human health and environment:

- Effectively implement the Lead-Based Paint Renovation, Repair and Painting Rule (Report No. [19-P-0302](#)).
- Determine strategies and level of support for overseeing State Managed Pollinator Protection Plans (Report No. [19-P-0275](#)).
- Improve measures and management controls over the pesticide emergency exemption process (Report No. [18-P-0281](#)).
- Better manage state pesticide cooperative agreements to more effectively use funds and reduce risk of pesticide misuse (Report No. [18-P-0079](#)).
- Reduce risks from illegal pesticides by effectively identifying imports for inspection and sampling (Report No. [17-P-0412](#)).
- Manage pesticide funds more efficiently (Report No. [17-P-0395](#)).
- Evaluate structural fumigation treatment incidents (Report No. [17-P-0053](#)).

Category 5—Air Quality

We issued the 27 unimplemented recommendations in this category within the following ten reports. When implemented, these recommendations will lead to improved human health and the environment, as well as potential monetary benefits of \$2.9 million:

- Improve the 2017 glider vehicle testing policy and processes to make them consistent with the Clean Air Act (Report No. [19-P-0252](#)).
- Improve oversight for particulate matter emissions compliance testing (Report No. [19-P-0251](#)).

- Enhance verification of continuous monitoring system performance for air emissions data (Report No. [19-P-0207](#)).
- Improve the on-road heavy-duty vehicle compliance program (Report No. [19-P-0168](#)).
- Collect additional performance data from states to better assess the effectiveness of vehicle inspection and maintenance programs (Report No. [18-P-0283](#)).
- Strengthen the process for revising air quality dispersion models that predict impact of pollutant emissions (Report No. [18-P-0241](#)).
- Improve controls to address strategic risks in the light-duty vehicle compliance program and achieve compliance with mobile source regulations (Report No. [18-P-0181](#)).
- Improve data and oversight to assure compliance with the standards for benzene content in gasoline (Report No. [17-P-0249](#)).
- Meet certain statutory requirements to identify environmental impacts of the Renewable Fuel Standard (Report No. [16-P-0275](#)).
- Provide a verifiable and enforceable remedy to reduce diesel emissions in the Baton Rouge ozone nonattainment area (Report No. [13-R-0297](#)). *The potential monetary benefit of this unimplemented recommendation is \$2.9 million.*

Category 6—Research and Laboratories

We issued the eight unimplemented recommendations in this category within the following two reports. When implemented, these recommendations will lead to improved human health and environment, as well as more effective and efficient operations:

- Improve regional research programs with enhanced project tracking (Report No. [19-P-0123](#)).
- Develop a comprehensive vision and strategy for citizen science that aligns with the Agency’s strategic objectives on public participation (Report No. [18-P-0240](#)).

Furthering EPA's Efforts to Protect Human Health and Environment

When conducting audits and evaluations, we consider how our efforts support both the OIG's mission to promote economy and efficiency in Agency operations and the EPA's mission to protect human health and the environment. The table below shows how our reports issued during the first half of FY 2020 support the Agency and OIG missions.

OIG-Issued Reports Related to EPA Programs and Operations

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
Region 4 Quickly Assessed Water Systems After Hurricane Irma but Can Improve Emergency Preparedness	20-P-0001		X					X	X
EPA's Purchase Card and Convenience Check Program Merits an Audit in Fiscal Year 2020	20-P-0006								X
Management Alert: EPA Still Unable to Validate that Contractors Received Role-Based Training for Information Security Protection	20-P-0007								X
EPA Adequately Managed Hurricane Harvey Funding Received from FEMA	20-P-0010								X
While EPA Regions Enforce at Six Superfund Sites Reviewed, Four of Those Sites Remain in Significant Noncompliance, and Nationwide Reporting and Tracking Can Be Improved	20-P-0011			X					
Tribal Pesticide Enforcement Comes Close to Achieving EPA Goals, but "Circuit Rider" Inspector Guidance Needed	20-P-0012				X			X	
EPA Budget Systems Need Improved Oversight of Security Controls Testing	20-P-0015								X
EPA's Fiscal Year 2019 First Quarter Compliance with the Digital Accountability and Transparency Act of 2014	20-P-0026						X		X
Management Alert: Unapproved Use of Slag at Anaconda Co. Smelter Superfund Site	20-N-0030			X			X		
EPA's Fiscal Years 2019 and 2018 (Restated) Consolidated Financial Statements	20-F-0033								X
EPA Failed to Develop Required Cost and Benefit Analyses and to Assess Air Quality Impacts on Children's Health for Proposed Glider Repeal Rule Allowing Used Engines in Heavy-Duty Trucks	20-P-0047	X				X	X		
Despite Requirements of Inspector General Act, Chief of Staff Refuses to Provide Agency Information for OIG Evaluation; Required Whistleblower Training Does Not Address Interference with or Intimidation of Congressional Witnesses	20-E-0053						X		
EPA Needs to Improve Its Emergency Planning to Better Address Air Quality Concerns During Future Disasters	20-P-0062	X							

OIG Report	Report No.	Improving air quality	Ensuring clean/safe water	Cleaning up/ revitalizing land	Ensuring safety of chemicals	Improving EPA research programs	Compliance with the law	Partnering with states/ others	Operating efficiently/ effectively
Outdated EPA Leave Manual and Control Weaknesses Caused Irregularities in the Office of Air and Radiation's Timekeeping Practices	20-P-0063								X
EPA Needs to Improve Management and Monitoring of Time-Off Awards	20-P-0065								X
EPA Can Improve Incident Readiness with Better Management of Homeland Security and Emergency Response Equipment	20-P-0066			X				X	X
EPA Should Improve Oversight of Mobile Phones	20-P-0068								X
Management Controls Needed to Verify and Report Border 2020 Program Accomplishments	20-P-0083	X	X	X				X	X
EPA Needs to Improve Its Risk Management and Incident Response Information Security Functions	20-P-0120						X		X
EPA Did Not Accurately Report Under the Grants Oversight and New Efficiency Act and Needs to Improve Timeliness of Expired Grant Closeouts	20-P-0126								X
Management Alert: Prompt Action Needed to Inform Residents Living Near Ethylene Oxide-Emitting Facilities About Health Concerns and Actions to Address Those Concerns	20-N-0128	X							
EPA's Compliance Monitoring Activities, Enforcement Actions, and Enforcement Results Generally Declined from Fiscal Years 2006 Through 2018	20-P-0131						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 reporting 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, 2020. No officials were found to have engaged in retaliation.

Interference with Independence

Section 5(a)(21) of the Inspector General Act requires a detailed description of any attempt by the establishment to interfere with the independence of the EPA OIG. This requirement includes budget constraints designed to limit the OIG's capabilities and incidents where the Agency resisted OIG oversight or delayed OIG access to information. Additionally, Section 5(a)(5) requires a summary of any report issued to the head of the establishment outlining any circumstances where the Agency unreasonably refused to provide information or assistance to the OIG during the reporting period.

The OIG's ability to conduct investigative and audit work was impeded during this semiannual reporting period when the now former chief of staff refused to fully cooperate and provide information to the OIG in an investigation and an audit.

During an administrative investigation, the chief of staff refused to cooperate with OIG investigators. The chief of staff terminated an initial interview with OIG investigators before it could be completed. When contacted to schedule a second interview, the chief of staff first delayed and then refused to submit to an interview unless he was informed in advance of the subject matter. And during an audit based on a congressional request, OIG auditors asked the chief of staff to identify who had provided him an advance copy of witness testimony given before the U.S. House of Representatives Committee on Science, Space, and Technology. The chief of staff stated that he would not answer the question.

After unsuccessfully appealing to the associate deputy administrator and ultimately the administrator to compel the chief of staff's cooperation in both matters, on October 29, 2019, the OIG issued a "Seven-Day Letter" to the administrator. Section 5(d) of the Inspector General Act requires an inspector general to report to the head of the agency "whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and

operations of such [agency].” The Seven-Day Letter outlined the chief of staff’s refusal to fully cooperate and provide information in the OIG investigation and audit, as well as how that refusal undermined the OIG’s right under the Inspector General Act to timely access to all records and other materials relating to Agency programs or operations.

As to the investigation, following the Seven-Day Letter, the chief of staff agreed to sit for an interview. The OIG declined his requests that Agency counsel be present with him during the interview and that he be informed in advance of the topics to be covered. The interview of the chief of staff was conducted on December 18, 2019. Although the OIG considers the chief of staff’s cooperation with regard to the investigation to be complete, his actions did not fulfill the Inspector General Act’s requirement of “timely” cooperation under Section 6(a)(1)(A).

As to the audit, however, the chief of staff never answered the question as to who provided him with an advance copy of the testimony. Accordingly, as discussed on the next page, OIG Report No. [20-E-0053](#), *Despite Requirements of Inspector General Act, Chief of Staff Refuses to Provide Agency Information for OIG Evaluation; EPA Whistleblower Training Does Not Address Interference with or Intimidation of Congressional Witnesses*, issued December 10, 2019, addressed only one of two stated objectives.

Significant OIG Activity

Congressionally Requested Activities

Reports

Despite Requirements of Inspector General Act, Chief of Staff Refuses to Provide Agency Information for OIG Evaluation; Required Whistleblower Training Does Not Address Interference with or Intimidation of Congressional Witnesses

Report No. [20-E-0053](#), issued December 10, 2019

The OIG reviewed how a senior political appointee obtained a copy of a congressional witness's testimony prior to the hearing, as well as reviewed whether employees in the Office of the Administrator received whistleblower training on federal prohibitions against interfering with or intimidating individuals who testify before Congress.

We confirmed with the then chief of staff that he had received a copy of the witness testimony prior to the congressional hearing; however, he did not provide us with information we requested, contrary to the Inspector General Act and the administrator's

What Is a "Seven-Day Letter"?

Section 5(d) of the Inspector General Act requires an inspector general to report to the head of the agency:

whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of such establishment. The head of the establishment shall transmit any such report to the appropriate committees or subcommittees of Congress within seven calendar days, together with a report by the head of the establishment containing any comments such head deems appropriate.

This type of report is commonly called a "Seven-Day Letter."

earlier memorandum urging all EPA staff to cooperate with the OIG. After several failed attempts to obtain the requested information, the then acting inspector general issued a "Seven-Day Letter" on October 29, 2019, in accordance with Section 5(d) of the Inspector General Act.

In addition, we found that all EPA employees, including political appointees, are required to complete whistleblower protection training and review other materials that relate to prohibited personnel practices. However, the training and

materials do not specifically address interfering with or intimidating individuals who seek to communicate with or testify before Congress. We also determined that the Agency's ethics office has no role in whistleblower training.

EPA Failed to Develop Required Cost and Benefit Analyses and to Assess Air Quality Impacts on Children’s Health for Proposed Glider Repeal Rule Allowing Used Engines in Heavy-Duty Trucks

Report No. [20-P-0047](#), issued December 5, 2019

When developing and issuing the proposed Glider Repeal Rule, which would relieve the glider industry of complying with emissions standards and production limits, the EPA did not comply with:

Podcast



- Executive Order 12866, which triggers an assessment of the anticipated costs, benefits, and any reasonable alternatives for any regulatory action deemed “economically significant” under the Order.
- Executive Order 13045, which requires—for any “economically significant” regulatory actions that “concern an environmental health or safety risk that an agency has reason to believe may disproportionately affect children”—an evaluation of the environmental health risks to children and an explanation of why the planned regulation is preferable to alternatives.

Although EPA officials were aware that the proposed Glider Repeal Rule could be “economically significant,” the then EPA administrator directed the Office of Air and Radiation to develop the proposed rule without conducting analyses required by the Executive Orders. Additionally, the EPA did not follow its principal rulemaking guidance in developing the proposed Glider Repeal Rule, nor did it meet Federal Records Act requirements. The lack of analyses resulted in the public not being informed of the proposed rule’s costs, benefits, potential alternatives, and impacts on children’s health. We issued three recommendations to the Agency, including that it conduct the required analyses prior to finalizing the repeal and provide the public a means to comment on the analyses supporting the rulemaking. The Agency agreed with two recommendations, while one recommendation is unresolved with resolution efforts in progress.

What are heavy-duty “glider vehicles” and “glider kits”?

The term “glider kit” is used in the heavy-duty vehicle industry to describe a chassis and cab assembly that is generally produced by a vehicle manufacturer without a new engine, transmission, or rear axle. A third party then typically installs a used engine, transmission, and/or rear axle to complete assembly of the vehicle. The terms “glider vehicle” and “glider” are typically used for the completed vehicles. Historically, gliders have been used to salvage valuable components, such as used engines, transmissions, and axles, from vehicles that were badly damaged in collisions. A typical glider kit configuration is pictured to the right. (EPA photo)



Briefings, Requests, and Inquiries

During this reporting period, the OIG provided 55 briefings to Congress on the OIG's work. Several briefings involved Inspector General Sean W. O'Donnell meeting with members of Congress on a bipartisan basis to better understand their perspectives, obtain feedback on the OIG, and establish the foundation for an open dialogue. Other briefings included ongoing OIG work related to trends in environmental enforcement, the EPA's implementation of Title VI, the Office of Air Quality Planning and Standards' actions to address air toxics emissions through its Residual Risk and Technology Review program, and the EPA's Action Development Process for rulemaking. During the reporting period, the OIG also received eight congressional requests.

EPA's Response Efforts Related to 2017 Hurricane Season

EPA Needs to Improve Its Emergency Planning to Better Address Air Quality Concerns During Future Disasters

Report No. [20-P-0062](#), issued December 16, 2019

Air monitoring activities were not initiated in time to assess air quality during most of the emission incidents that occurred when Hurricane Harvey hit the U.S. Gulf Coast in August 2017. The majority of these incidents were due to industrial facilities shutting down and later restarting operations. In addition, monitoring efforts did not always generate suitable data to make health-based assessments. There was also a lack of guidance outlining how agencies and other partners should monitor air quality following an emergency. Although we did not identify any inaccurate communication from the EPA to the public regarding air quality, there was limited communication of air monitoring results. We made six recommendations to the Agency, two of which the EPA agreed with and four of which are unresolved with resolution efforts in progress.

Podcast

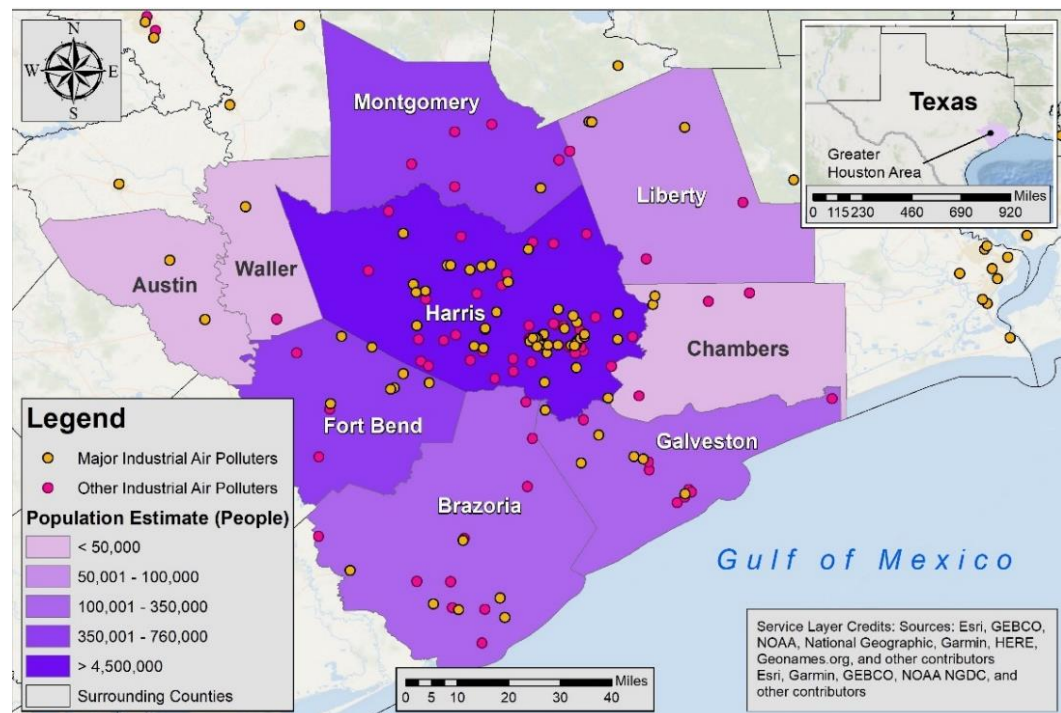


Video



Translation

Español
Tiếng Việt



Houston population estimates and industrial air polluter locations, as of 2017 and 2019, respectively. (OIG analysis using Esri's ArcMap)

Region 4 Quickly Assessed Water Systems After Hurricane Irma but Can Improve Emergency Preparedness

Report No. [20-P-0001](#), issued October 7, 2019

The EPA successfully assessed water systems within the mandated 15-day period after Hurricane Irma struck Florida in September 2017. However, some EPA staff members were unfamiliar with some of EPA Region 4's internal emergency response protocols, and more exercises could be conducted with the EPA's Florida partners. We recommended that the EPA Region 4 regional administrator direct the Water Division to finalize its standard operating procedure for disaster response and conduct annual hurricane emergency response exercises with state partners. The EPA agreed with our recommendations.



EPA Region 4 mobile command post in St. Petersburg, Florida. (EPA photo)

EPA Adequately Managed Hurricane Harvey Funding Received from FEMA

Report No. [20-P-0010](#), issued October 23, 2019

The EPA effectively managed the more than \$11 million in Hurricane Harvey Disaster Relief Funding it received from FEMA for emergency response efforts. Hurricane



Local Emergency Operation Centers and Federal Emergency Management Agency Disaster Recovery Centers conducted joint efforts—pictured here at a base at the Harris County Greensport Mall in Houston, Texas—to disseminate information to residents. (EPA photo)

Harvey struck Texas and Louisiana in late August 2017. Previously, in response to prior OIG audits about the Agency's emergency response efforts, the EPA had identified strengths and areas for improvement, as well as implemented corrective actions. During this audit, we did not identify any additional significant issues in the EPA's contracting, logistics, or resource acquisition processes, and we made no recommendations.

Human Health and Environmental Issues

While EPA Regions Enforce at Six Superfund Sites Reviewed, Four of Those Sites Remain in Significant Noncompliance, and Nationwide Reporting and Tracking Can Be Improved

Report No. [20-P-0011](#), issued October 24, 2019

EPA regions enforced compliance with terms of enforcement instruments, as described in the table below, at the six Superfund sites we reviewed. However, four of those sites were in substantial noncompliance and were erroneously coded in EPA databases as not in substantial noncompliance. The EPA’s ineffective tracking of compliance with enforcement instruments at Superfund sites limited its ability to measure whether and how well the regions addressed instances of noncompliance. Furthermore, the EPA’s guidance for tracking and monitoring compliance allows for overly subjective determinations of substantial noncompliance. The EPA agreed to take action to improve its guidance and correct status codes as needed.

EPA’s three primary enforcement instruments

Administrative Order on Consent	A legal document that formalizes an agreement between the EPA and one or more potentially responsible parties that obligates action or reimbursement of costs to the government.
Consent Decree	A legal agreement between the United States (through the EPA and Department of Justice) and the potentially responsible parties entered by a court.
Unilateral Administrative Order	An order against a noncomplying potentially responsible party to perform the cleanup work; the EPA may subsequently seek to recover needed funds from the party.

Source: OIG analysis.

Management Controls Needed to Verify and Report Border 2020 Program Accomplishments

Report No. [20-P-0083](#), issued February 18, 2020



Tijuana River National Estuarine Research Reserve. (EPA OIG photo)

The EPA needs to publicly share essential documentation and products regarding the activities of the Border 2020: U.S.-Mexico Environmental Program, an eight-year binational plan executed in 2012 to protect the environment and public health in the border region. The Agency also needs to provide sufficient resources to the program so that it can provide reliable information on the status and trends on environmental quality in the U.S.-Mexico border region. The EPA agreed with our five recommendations.



Management Alert: Prompt Action Needed to Inform Residents Living Near Ethylene Oxide-Emitting Facilities About Health Concerns and Actions to Address Those Concerns

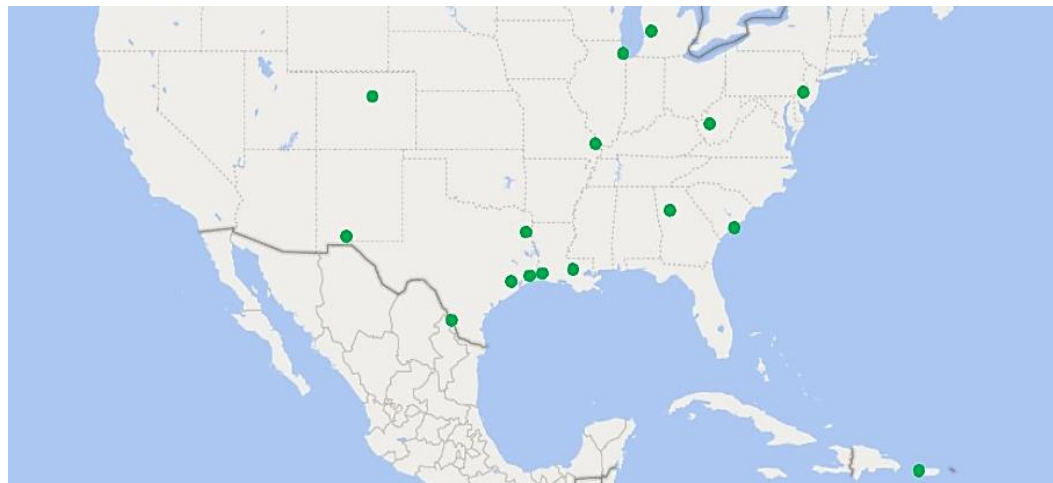
Report No. [20-N-0128](#), issued March 31, 2020

The EPA has prioritized activities to more fully assess ethylene oxide emissions and the associated health risks to the public for 25 ethylene oxide-emitting facilities that contribute to elevated estimated cancer risks. Ethylene oxide, which the Agency characterizes as “carcinogenic to humans,” is a gas used to manufacture a variety of products and to sterilize medical equipment. The EPA or state personnel, or both, have met with residents living near only nine of the 25 high-priority facilities about the health risks and actions being taken to address those risks. Our recommendation that the EPA communicate with residents near all high-priority facilities is unresolved with resolution efforts in progress.

Podcast



Translation
Español



The EPA identified census tracts in 17 metropolitan areas with elevated estimated cancer risks primarily driven by ethylene oxide emissions. (OIG-developed image based on the 2014 NATA and information from the EPA)

Management Alert: Unapproved Use of Slag at Anaconda Co. Smelter Superfund Site

Report No. [20-N-0030](#), issued November 18, 2019

During an audit of the Agency’s risk communication efforts at contaminated sites, we discovered that slag—a waste material produced from historical mining and smelting operations at the Anaconda Co. Smelter Superfund Site in Montana—was being used or sold as souvenirs. This use of slag has not been approved by the EPA, and the public risks exposure to contamination. We made various recommendations in a management alert so that the Agency could immediately address these concerns while our overall audit work continued.

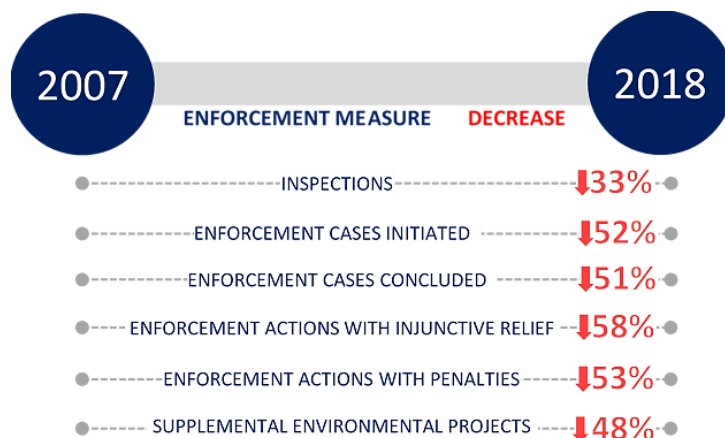
EPA's Compliance Monitoring Activities, Enforcement Actions, and Enforcement Results Generally Declined from Fiscal Years 2006 Through 2018

Report No. [20-P-0131](#), issued March 31, 2020

The EPA conducts monitoring activities to verify that regulated entities—such as pesticide manufacturers or oil refineries—comply with environmental laws and regulations; when the Agency identifies noncompliance, it takes enforcement actions to return those regulated entities to compliance. The EPA's annual level of compliance monitoring activities, enforcement actions, and enforcement results generally declined during the period we reviewed. Specifically, during our audit period,¹ the number of:

- Inspections decreased by 33 percent.
- Enforcement actions initiated decreased by 52 percent.
- Enforcement actions concluded decreased by 51 percent.
- Concluded enforcement actions with the following results also decreased: injunctive relief (58 percent); penalties (53 percent); supplemental environmental projects (48 percent); and commitments to reduce, treat, or eliminate pollutants (31 percent).

Additionally, funding for the EPA's enforcement program and the number of enforcement staff decreased by 18 percent and 21 percent, respectively. In FY 2019, enforcement funding and number of enforcement staff continued to decrease in comparison to FY 2018. Eleven of the analyzed enforcement measures also continued to decrease in FY 2019, while four measures increased.



The EPA's enforcement measures decreased when comparing FYs 2007 and 2018. (OIG graphic)

Because this report focused on identifying national trends, we made no recommendations. A forthcoming report will discuss regional and statute-specific trends, identify key factors contributing to these and national trends, and make resulting recommendations to the Agency.

¹ Due to an unusually high number of enforcement efforts in FY 2006, we based all of our analyses on the FYs 2007–2018 time frame, except for enforcement funding and staff (FYs 2006–2018) and for the three environmental benefit measures (FYs 2012–2018).

Tribal Pesticide Enforcement Comes Close to Achieving EPA Goals, but “Circuit Rider” Inspector Guidance Needed

Report No. [20-P-0012](#), issued October 29, 2019

The EPA’s negotiation, review, and approval of tribal pesticide cooperative agreement work plans—which outline the planned inspections and other work under the cooperative agreement—came close to supporting Agency goals to protect human health and the environment. For FYs 2016–2017, the EPA entered into cooperative agreements with 17 tribes so that they could conduct pesticide compliance and enforcement activities. These 17 tribes completed 87 percent of the projected inspections and met 86 percent of the applicable work plan requirements. However, tribes that used “circuit riders”—a tribal inspector shared among two or more tribes—may not be fully aware of the scope or outcome of activities conducted by the circuit riders. The Agency agreed with our three recommendations.



Farm workers on Navajo Nation land. (EPA photo)

Agency Business Practices and Accountability

EPA Can Improve Incident Readiness with Better Management of Homeland Security and Emergency Response Equipment

Report No. [20-P-0066](#), issued January 3, 2020

The EPA needs to improve its management of its homeland security and emergency response equipment so that the Agency can cost-effectively fulfill its responsibilities during an incident. The EPA should also use all the functions of its Agency Asset Management System, which has the ability to manage and track the EPA's equipment. The Agency agreed with two of our recommendations but did not provide corrective actions. It disagreed with the remaining three recommendations. All five recommendations are unresolved with resolution efforts in progress.



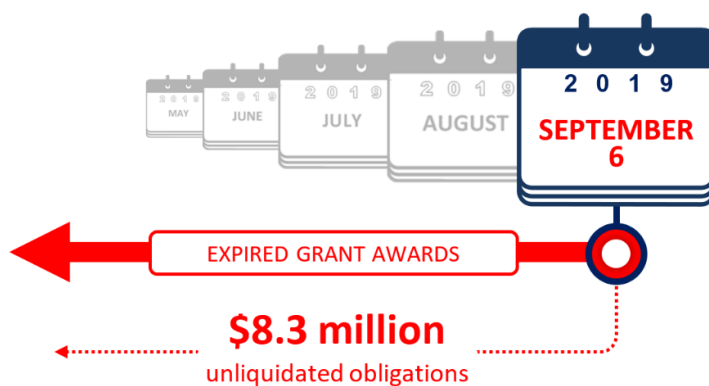
A Region 10 emergency response vehicle in Seattle, Washington. (EPA OIG photo)

EPA Did Not Accurately Report Under the Grants Oversight and New Efficiency Act and Needs to Improve Timeliness of Expired Grant Closeouts

Report No. [20-P-0126](#), issued March 31, 2020

The EPA complied with the Grants Oversight and New Efficiency Act by submitting the required information to Congress and the Department of Health and Human Services in a timely manner. However, the Agency reported inaccurate counts of expired grant awards. In addition, the EPA did not always close out grants in a timely manner, require underperforming regions to submit grant closeout improvement strategies, or have a

process for regions to escalate difficult grant closeouts to headquarters. The Agency had \$8.3 million in unliquidated obligations that expired more than one year earlier. The EPA agreed with two recommendations, while two recommendations remain unresolved with resolution efforts in progress.



As of September 6, 2019, the EPA had approximately \$8.3 million in ULOs (i.e., undisbursed balances) for grant awards that expired more than one year prior to September 1, 2019. (OIG image)

Outdated EPA Leave Manual and Control Weaknesses Caused Irregularities in the Office of Air and Radiation’s Timekeeping Practices

Report No. [20-P-0063](#), issued December 19, 2019

The EPA did not formalize entitlements under the Family and Medical Leave Act of 1993 in its Leave Manual, so staff and supervisors may not be aware of or fully understand these entitlements. The EPA also allowed untimely adjustments to time and attendance records of prior pay periods, which resulted in salary overpayments, and improperly approved Travel Compensatory Time Off. Of our five recommendations, the Agency agreed with two and already completed corrective actions for one. The remaining three are unresolved with resolution efforts in progress.

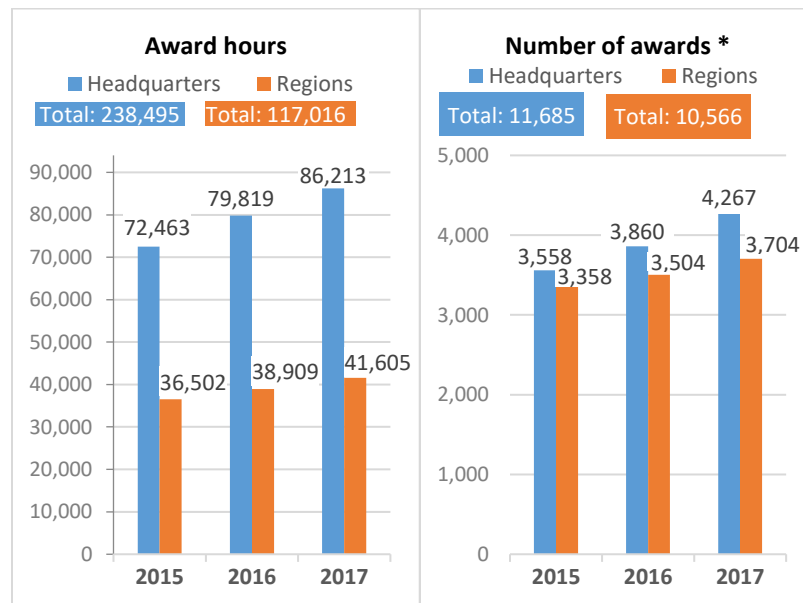


Policies provide critical direction and information. (OIG graphic)

EPA Needs to Improve Management and Monitoring of Time-Off Awards

Report No. [20-P-0065](#), issued December 30, 2019

The EPA successfully implemented interim policies and procedures for reviewing and approving monetary awards that total more than \$5,000 in a fiscal year for any one employee. However, the Agency does not follow U.S. Office of Personnel Management guidance and assess a value for time-off awards as part of its awards program. The Agency therefore cannot determine whether its time-off awards are consistently assessed, approved at the appropriate level when combined with monetary awards, and commensurate with employee achievements. The Agency also does not monitor time-off awards as a resource. Our three recommendations are unresolved with resolution efforts in progress.



Time-off awards comparison by headquarters and regions for calendar years 2015–2017. (OIG analysis of Agency award data)

* The total number of individual awards granted per calendar year, not the number of employees receiving awards. An employee may receive multiple individual awards.

Management Alert: EPA Still Unable to Validate that Contractors Received Role-Based Training for Information Security Protection

Report No. [20-P-0007](#), issued October 21, 2019

Despite recommendations in a prior OIG report, the EPA continued to lack information about whether contractor personnel comply with training requirements based on their job functions and responsibilities. Specifically, the EPA did not confirm that contractor personnel completed required training, include role-based training provisions in existing contracts, or maintain a list of contractor personnel required to complete role-based training. As a result, the EPA had limited assurance that contractor personnel can protect Agency systems and sensitive information. The EPA agreed with our four recommendations and already completed corrective actions for three.

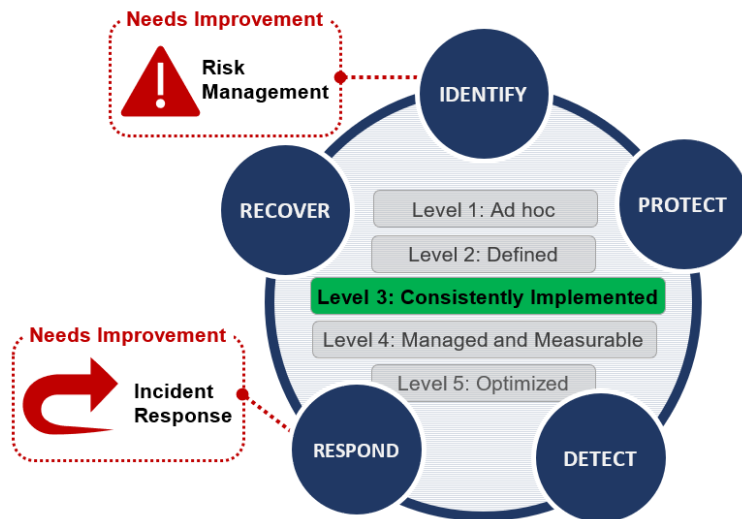
Role-based training is role-specific training for an individual based on the person’s functional job and responsibilities; through continuous education, the person’s knowledge, skills and abilities are enhanced.

EPA Needs to Improve Its Risk Management and Incident Response Information Security Functions

Report No. [20-P-0120](#), issued March 24, 2020

Each year, as required by the Federal Information Security Modernization Act of 2014, we assess the EPA’s information systems security protections. We assessed the “maturity” of the EPA’s information security program in FY 2019 at Level 3, *Consistently Implemented*, which means that the EPA’s policies, procedures, and

strategies are consistently implemented but quantitative and qualitative effectiveness measures are lacking. Improvements are still needed in risk management and incident response. The Agency agreed with our three recommendations.



OIG assessment of the EPA’s FISMA function areas and domains. (OIG graphic)

EPA Budget Systems Need Improved Oversight of Security Controls Testing

Report No. [20-P-0015](#), issued November 1, 2019

The Office of the Chief Financial Officer identified the required security controls needed for the Agency's legacy and replacement budget systems, both of which were in use during our audit fieldwork. However, the Office and its service providers did not always test the security controls for the Agency's legacy budget system. In addition, for the Agency's replacement budget system, the EPA did not maintain documentation to substantiate whether (1) the service provider tested and implemented the required security controls or (2) the controls were working as intended to protect Agency data. The Office of the Chief Financial Officer also did not always correctly assign and document responsibility for testing security controls and did not always review security reports in a timely manner. The Agency agreed with and completed one of our two recommendations. The remaining recommendation is unresolved with resolution efforts in progress.

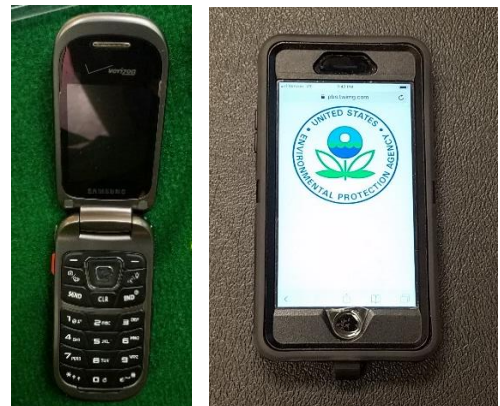
	Inherited controls	
	2016	2017
Total population of security controls scheduled to be tested	103	87
Controls in OIG sample	20	17
Controls in our sample tested by the control provider	20	14
Percent tested by the control provider	100%	82%
Controls in our sample not tested by the control provider	0	3
Percent not tested by the control provider	0%	18%

Testing of the inherited security controls in the Agency's legacy budget system. The National Institute of Standards and Technology defines *inherited security controls* as a security capability that is provided by another entity. (OIG analysis)

EPA Should Improve Oversight of Mobile Phones

Report No. [20-P-0068](#), issued January 10, 2020

The EPA's Office of Information Technology Operations did not require justifications for mobile phone use; determine whether the program and regional offices had standard operating procedures to manage mobile phones; confirm that the required acknowledgment forms were signed and completed before processing mobile phone orders; or inform Agency mobile phone users about what types of calls do not count toward the monthly ceiling of voice and data limits. The Agency agreed with our three recommendations.



EPA-issued mobile phone and smartphone at EPA Region 4. (OIG photos)

EPA's Fiscal Year 2019 First Quarter Compliance with the Digital Accountability and Transparency Act of 2014

Report No. [20-P-0026](#), November 8, 2019

The EPA's 2019 first quarter financial and award data were of "higher" quality, according to the requirements of the Digital Accountability and Transparency Act of 2014 audit guide. Overall, the Agency has complied with the requirements of the Act. However, inconsistencies in processing data caused reporting errors in terms of completeness, accuracy, and timeliness, and the EPA did not have standard operating policies and procedures for reporting under the Act. The Agency agreed with our two recommendations.

EPA's Fiscal Years 2019 and 2018 (Restated) Consolidated Financial Statements

Report No. [20-F-0033](#), issued November 19, 2019

We rendered an unmodified opinion on the EPA's consolidated financial statements for FYs 2019 and 2018 (restated), meaning they were fairly presented and free of material misstatement. We noted one material weakness: that the EPA needs to improve its financial statement preparation process. In addition, we noted that:

- The EPA improperly recorded e-Manifest receivables and earned revenue.
- The EPA misclassified e-Manifest user fee revenue.
- The EPA understated its contract accrued liabilities.
- The EPA needs to improve the process to disable user accounts for financial and mixed financial systems.
- The EPA's Office of the Chief Financial Officer needs to protect personally identifiable information on its server used to transfer data with vendors.

The Agency agreed with all 17 of our recommendations.

EPA's Purchase Card and Convenience Check Program Merits an Audit in Fiscal Year 2020

Report No. [20-P-0006](#), issued October 18, 2019



Sample government purchase card. (U.S. General Services Administration)

The EPA certified that it implemented corrective actions—including the establishment of additional internal controls—in response to our FY 2018 audit of the Agency's purchase card and convenience check program. However, some of these internal controls were not fully implemented during the EPA's FY 2019 transition to a new commercial purchase card contract. As a result, we assessed that the Agency's risk of illegal, improper, and erroneous purchases is high enough for us to conduct an audit of its purchase card and convenience check program in FY 2020.

Investigations

Significant Investigations

Man Debarred After Illegally Disassembling Bridge, Which Damaged EPA-Owned Water Monitors

On March 2, 2020, Kenneth Morrison and TK Metals Contracting were debarred from federal contracts and assistance activities for 13 years, ending August 7, 2033. In addition, in 2019, Morrison was sentenced in the U.S. District Court for the Northern District of Indiana to two years' imprisonment, followed by two years of supervised release, and ordered to pay over \$54,000 in restitution. In 2018, Morrison was convicted of interstate transportation of stolen goods. In 2015, Morrison was arrested by the Indiana Department of Natural Resources Police Department for illegally disassembling a city rail bridge and stealing the scrap metal for resale. The disassembly of the bridge caused it to collapse into the Grand Calumet River. The OIG investigation found that, as a result of the bridge collapse, several EPA-owned water monitors were damaged. The debris removal process also delayed a \$12 million EPA dredging project.

Man Sentenced and Fined for Mailing Threatening Communications

On January 31, 2020, Brian C. Charles was sentenced in the U.S. District Court of New Mexico to 18 months in prison with time served and three years' supervised release. He was also fined \$500.00. On September 10, 2019, Charles pleaded guilty to five counts of mailing threatening communications to officers in the Albuquerque Police Department. This investigation was predicated based on information that the OIG received in October 2015 regarding numerous threatening letters that Charles allegedly mailed to the then EPA administrator's private residence. Additionally, Charles allegedly made threats to other government officials, including former Secretary of State John Kerry.

The investigation leading to these outcomes was conducted jointly by the EPA OIG and the U.S. Department of State Diplomatic Security Service.

Reports of Investigation—Employee Integrity

A Report of Investigation documents the facts and findings of an OIG investigation and generally involves an employee integrity matter. When the OIG's Office of Investigations issues a Report of Investigation that has at least one "supported" allegation, it requests that the entity receiving the report—whether it is an office within the OIG, the EPA, or the CSB—provide a notification to the OIG within 60 days regarding the administrative action taken or proposed to be taken in the matter. This section provides information on

how many Reports of Investigation with at least one supported allegation were issued to the EPA, the CSB, or 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, 2020, the Office of Investigations issued five Reports of Investigation and received no responses outside the 60-day window:

Agency and OIG Reports of Investigation

Number 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
5	0	0	0	0

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

Hotline Activities

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

Significant Investigations Initiated via OIG Hotline

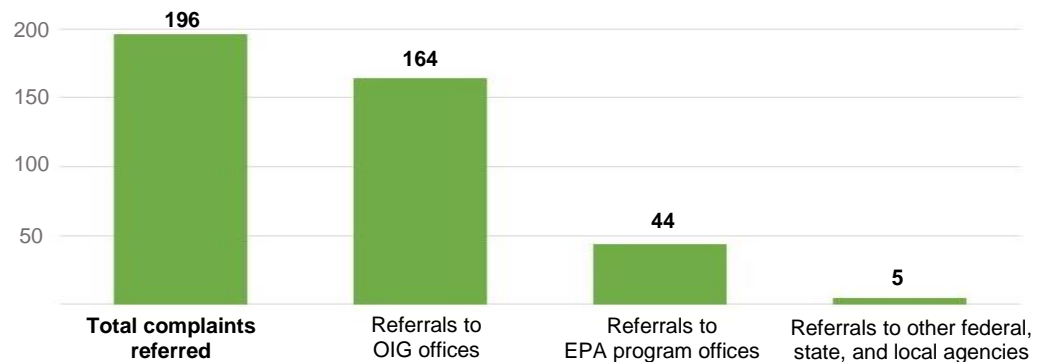
Company and Officer Debarred After Fraudulently Certifying That Homes Met ENERGY STAR Standards

On March 25, 2020, Home Energy Services Inc. and one of its corporate officers were debarred from participating in federal contracts and assistance activities for three years. On October 21, 2019, the officer was sentenced in the U.S. District Court for the Middle District of Florida to probation for a term of 36 months and fined \$31,125. On July 26, 2019, the officer pleaded guilty to one count of making a false statement to the EPA relating to the ENERGY STAR Certified Homes program. As part of the plea agreement, the officer acknowledged that beginning in September 2012 and possibly earlier, the officer and/or the company fraudulently certified to the EPA that approximately 830 homes in Florida met ENERGY STAR standards.

Hotline Statistics

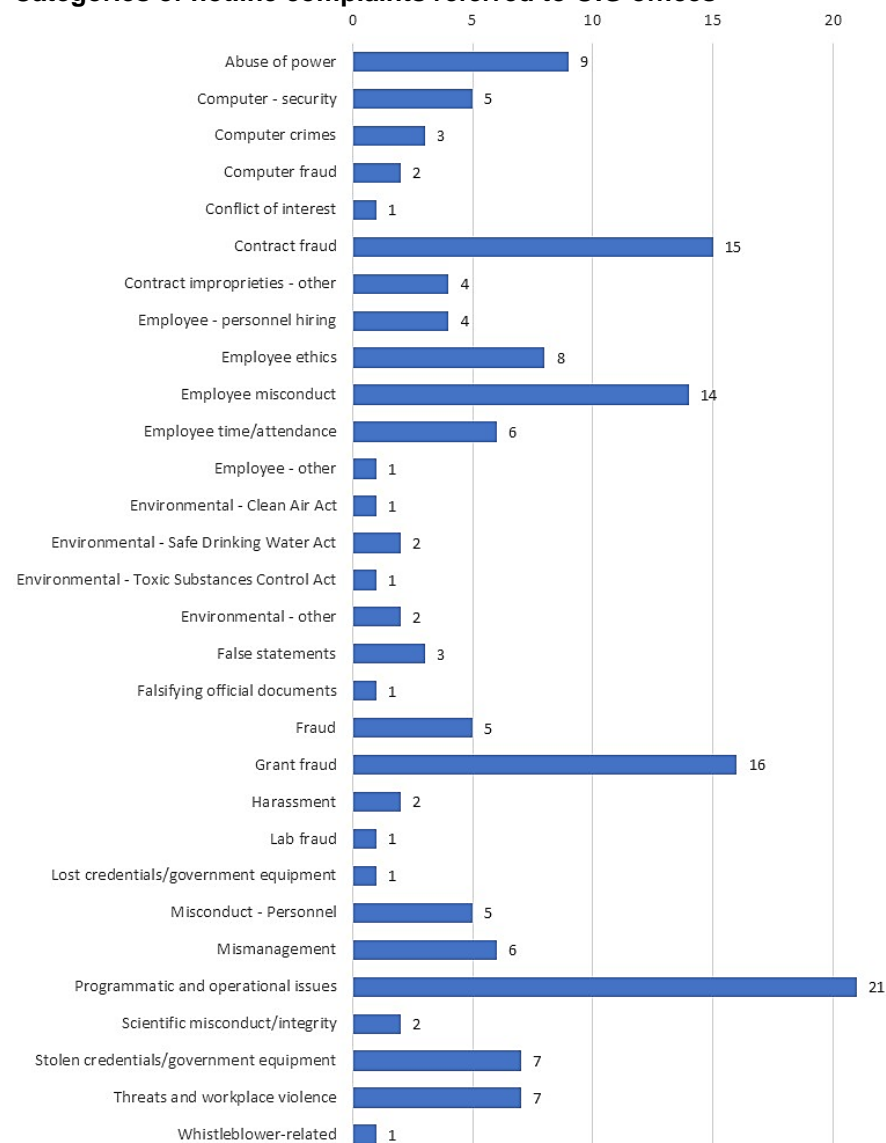
The OIG Hotline receives complaints of fraud, waste, abuse, mismanagement, and misconduct in EPA and CSB programs and operations. The figures below detail the number and type of complaints that the hotline received and referred for review by OIG investigation, audit, and evaluation staff; EPA program offices; and other government agencies during the first half of FY 2020.

Hotline complaints referred: October 1, 2019–March 31, 2020



Note: Hotline complaints may be referred to more than one entity, so the number of referrals made to individual entities may be higher than the total number of complaints referred.

Categories of hotline complaints referred to OIG offices



Note: Because hotline complaints may be referred to more than one OIG office, the number of complaints in this chart may not equal the total number of referrals made to OIG offices.

Hotline Confidentiality

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 an 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](#)

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

EPA Whistleblower Protection Coordinator

To contact the EPA Whistleblower Coordinator:

Phone: (202) 566-1513

Online: [EPA Whistleblower Protection](#)

U.S. Chemical Safety and Hazard Investigation Board

The CSB was created by the Clean Air Act Amendments of 1990. The CSB’s mission is to investigate accidental chemical releases at facilities, report the root causes to the public, 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 this OIG [webpage](#).



CSB Audit Reports

CSB’s Information Security Program Is Defined, but Improvements Needed in Risk Management, Identity and Access Management, and Incident Response

Report No. [20-P-0077](#), issued February 12, 2020

Each year, as required by the Federal Information Security Modernization Act of 2014, we assess the CSB’s information systems security protections. We assessed the “maturity” of the CSB’s information security program in FY 2019 at Level 2, *Defined*, which means that the CSB’s policies, procedures, and strategies are formalized and documented but not consistently implemented. Improvements are needed in the CSB’s risk management, identity and access management, and incident response. The CSB agreed with our two recommendations.

Function area	Domain	Federal Information Security Modernization Act questions that need improvement
Identify	Risk Management	The CSB neither identified nor defined its risk management procedures for identifying, assessing, or managing supply chain risk.
Protect	Identity and Access Management	The CSB did not fully define or implement processes for the use of Personal Identity Verification cards for logical access. This issue was identified in a previous audit, and the CSB plans to complete corrective actions to resolve the deficiency by March 31, 2020.
Respond	Incident Response	The CSB did not define incident response processes for the eradication of security incidents, as required by the National Institute of Science and Technology, Special Publication 800-53, Revision 4, Security Control: Incident Response–4.

CSB domains that require further improvement. (OIG analysis)

Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2019 and 2018 Financial Statements

Report No. [20-F-0032](#), issued November 19, 2019

The firm contracted by the OIG that audited the CSB's financial statements for FYs 2019 and 2018 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 control and CSB operation that it considered to be a material weakness or a significant deficiency.

U.S. Chemical Safety and Hazard Investigation Board's Compliance in Fiscal Year 2019 with Improper Payments Legislation and Guidance

Report No. [20-N-0064](#), issued January 23, 2020

We found that the CSB was fully compliant with the Improper Payments Elimination and Recovery Act of 2010 and related guidance.

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, 2020, involved follow-up on prior OIG reports.

Report number	Report title	Date issued
20-P-0120	EPA Needs to Improve Its Risk Management and Incident Response Information Security Functions	March 24, 2020
20-P-0083	Management Controls Needed to Verify and Report Border 2020 Program Accomplishments	February 18, 2020
20-P-0077	CSB's Information Security Program Is Defined, but Improvements Needed in Risk Management, Identity and Access Management, and Incident Response	February 12, 2020
20-N-0064	U.S. Chemical Safety and Hazard Investigation Board's Compliance in Fiscal Year 2019 with Improper Payments Legislation and Guidance	January 23, 2020
20-P-0068	EPA Should Improve Oversight of Mobile Phones	January 10, 2020
20-P-0066	EPA Can Improve Incident Readiness with Better Management of Homeland Security and Emergency Response Equipment	January 3, 2020
20-P-0065	EPA Needs to Improve Management and Monitoring of Time-Off Awards	December 30, 2019
20-P-0063	Outdated EPA Leave Manual and Control Weaknesses Caused Irregularities in the Office of Air and Radiation's Timekeeping Practices	December 19, 2019
20-P-0062	EPA Needs to Improve Its Emergency Planning to Better Address Air Quality Concerns During Future Disasters	December 16, 2019
20-F-0033	EPA's Fiscal Years 2019 and 2018 (restated) Consolidated Financial Statements	November 19, 2019
20-F-0032	Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2019 and 2018 Financial Statements	November 19, 2019
20-P-0026	EPA's Fiscal Year 2019 First Quarter Compliance with the Digital Accountability and Transparency Act of 2014	November 8, 2019
20-P-0015	EPA Budget Systems Need Improved Oversight of Security Controls Testing	November 1, 2019
20-P-0011	While EPA Regions Enforce at Six Superfund Sites Reviewed, Four of Those Sites Remain in Significant Noncompliance, and Nationwide Reporting and Tracking Can Be Improved	October 24, 2019
20-P-0010	EPA Adequately Managed Hurricane Harvey Funding Received from FEMA	October 23, 2019

Report number	Report title	Date issued
20-P-0007	Management Alert: EPA Still Unable to Validate that Contractors Received Role-Based Training for Information Security Protection	October 21, 2019
20-P-0006	EPA's Purchase Card and Convenience Check Program Merits an Audit in Fiscal Year 2020	October 18, 2019

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 are required to have a comprehensive annual audit of their financial statements and compliance with major federal program requirements. The entities receiving the funds include states, local governments, tribes, and nonprofit organizations. The Act provides that grantees are to be subject to one annual comprehensive audit of all their federal programs versus a separate audit of each federal program, hence the term “single audit.” The single audits are 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 we issue memorandums to the EPA for audit resolution and corrective action. These memorandums recommend that EPA action officials confirm 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. The following is a summary of single audit reporting actions during the semiannual reporting period ending March 31, 2020.

Summary of single audit activity in first half of FY 2020

	October 1, 2019– March 31, 2020
No. of single audit memorandums issued to EPA	107
No. of single audit findings reported to EPA	265
Questioned costs reported to EPA	\$1,150,644
No. of quality reviews of single audits reports done by OIG	2
Deficiency letters issued to single auditors by OIG	2

Source: EPA OIG analysis.

The OIG also provides technical assistance and advice to the EPA, single auditors, and others involved with the single audit process.

Agency Best Practices

During this semiannual reporting period, OIG reports highlighted Agency best practices that have potential value and applicability to other components in the EPA or elsewhere:

- In 2019, the EPA streamlined its processing of monetary and time-off awards. According to the Agency, this streamlined process reduced the overall costs of processing awards by 31.3 percent, or \$1.33 million annually. (Report No. [20-P-0065](#))
- EPA Region 6 deployed more than 80 community liaisons to the region impacted by Hurricane Harvey, representing—according to an EPA staff person—the first instance in which so many liaisons were used by the Agency to respond to a disaster. (Report No. [20-P-0062](#))
- The Office of Emergency Management solicited input from responding and impacted personnel through interviews, surveys, and feedback to provide an overall review of the EPA’s emergency response efforts. This information was consolidated into the *2017 Hurricane and Wildfire Response After-Action Report* that highlighted strengths, best practices, areas for improvement, and corrective action recommendations. The EPA collected feedback on its relief efforts, which can impact future disaster relief efforts. (Report No. [20-P-0010](#))

Statistical Data

Profile of Activities and Results

OIG audits and evaluations^a (\$ in millions)	
October 1, 2019– March 31, 2020	
Questioned costs ^b	\$1.151
Potential monetary benefits ^c	\$59.438
Audit and evaluation reports issued by OIG ^d	22

^a Section 5(a)(22) requires detailed descriptions of the particular circumstances of each inspection, evaluation, and audit conducted by the OIG that was closed and not publicly disclosed. There were no instances of inspections, evaluations, or audits that were closed and not publicly disclosed during the semiannual period ending March 31, 2020. Investigations that were closed during this semiannual reporting period are found in Appendix 4.

^b This measure includes single audits, which are audits of nonfederal entities performed by private firms.

^c This measure includes potential monetary benefits identified in reports and monetary actions taken or resolved prior to report issuance.

^d This measure includes performance and financial audits conducted in accordance with generally accepted government auditing standards, as well as evaluations conducted in accordance with the Quality Standards of Inspection and Evaluation. Appendix 1 lists all reports issued.

Investigative operations (\$ in millions)			
October 1, 2019–March 31, 2020			
	EPA OIG only	Joint*	Total
Total fines and recoveries	\$0.031	\$0.001	\$0.032
Cost savings	\$0.377	\$0.085	\$0.462
Civil settlements	\$0.000	\$0.000	\$0.000
Cases opened during period	53	10	63
Cases closed during period	56	14	70
Indictments/informations/complaints	0	5	5
Convictions	0	3	3
Civil judgments/settlements/filings	0	0	0

* With one or more federal agencies.

Audit Report Resolution

Table 1: OIG-issued reports with questioned costs for semiannual period ending March 31, 2020 (\$ in thousands)

Report category	Number of reports	Questioned costs *	Unsupported costs
A. For which no management decision was made by October 1, 2019 **	8	\$3,332	\$3,037
B. New reports issued during period	25	0	0
Subtotals (A + B)	33	\$3,332	\$3,037
C. For which a management decision was made during the reporting period:	22		
(i) Dollar value of disallowed costs		0	0
(ii) Dollar value of costs not disallowed		\$3,102	\$3,037
D. For which no management decision was made by March 31, 2020	11	\$230	\$0

* Questioned costs include unsupported costs.

** Any difference in the number of reports and the 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, 2020 (\$ in thousands)

Report category	Number of reports	Funds to put to better use
A. For which no management decision was made by October 1, 2019 *	8	\$3,332
B. New reports issued during the reporting period	25	\$59,439
Subtotals (A + B)	33	** \$62,770
C. For which a management decision was made during the reporting period:	22	
(i) Dollar value of recommendations from reports that were agreed to by management		\$9,865
(ii) Dollar value of recommendations from reports that were not agreed to by management		\$3,102
D. For which no management decision was made by March 31, 2020	11	\$49,803

* Any difference in the number of reports and the 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.

** Due to rounding, this number may not appear to be the exact sum.

Summary of Investigative Results

Summary of investigative activity for semiannual period ending March 31, 2020

Cases open as of October 1, 2019*	142
Cases opened during period	63
Cases closed during period	70
Cases open as of March 31, 2020	135
Complaints	
Complaints open as of October 1, 2019	22
Complaints opened during period	44
Complaints closed during period	48
Complaints open as of March 31, 2020	18

* Adjusted from prior period.

Results of prosecutive actions

	EPA OIG only	Joint *	Total
Criminal indictments/informations/complaints **	0	5	5
Convictions	0	3	3
Civil judgments/settlements/filings	0	0	0
Criminal fines and recoveries	\$31,225	\$500	\$31,725
Civil recoveries	\$0	\$0	\$0
Prison time	0 months	18 months	18 months
Prison time suspended	0 months	0 months	0 months
Home detention	0 months	0 months	0 months
Probation	36 months	36 months	72 months
Community service	0 hours	15 hours	15 hours

* With one or more federal agencies.

** Sealed indictments are not included in this category.

Administrative actions

	EPA OIG only	Joint *	Total
Suspensions	0	2	2
Debarments	3	2	5
Other administrative actions	14	3	17
Total	17	7	24
Administrative recoveries	\$0	\$0	\$0
Cost savings	\$377,204	\$85,121	\$462,325

* With one or more federal agencies.

Summary of investigative reports issued and referrals for prosecution *

Number of Investigative Reports issued **	5
Number of persons referred to U.S. Department of Justice for criminal prosecution	24
Number of persons referred to state and local authorities for criminal prosecution	2
Number of criminal indictments and informations resulting from any prior referrals to prosecutive authorities	2

* Investigative reports comprise final, interim, and supplemental Reports of Investigation, as well as Final Summary Reports.

** Reports of Investigation issued may differ from the numbers reported in the Reports of Investigation section. In calculating the number of referrals, corporate entities were counted as “persons.”

Employee integrity cases*

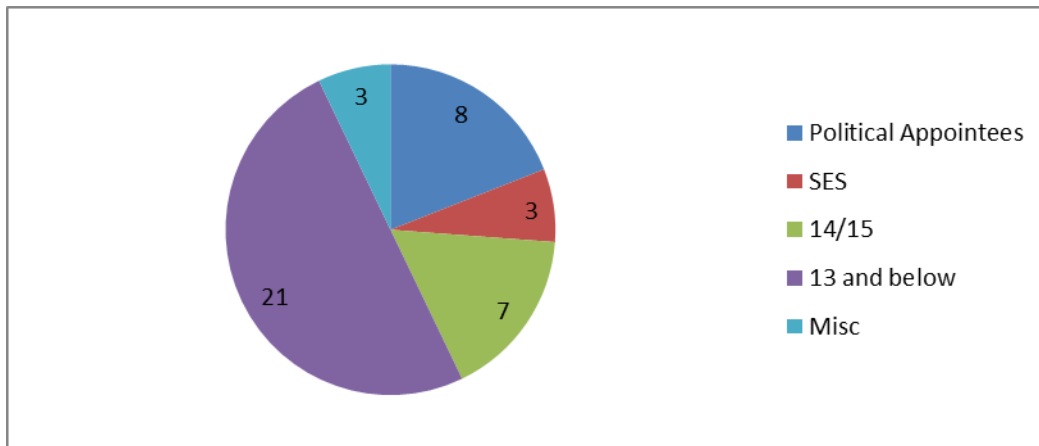
	Political appointees	SES	GS-14/15	GS-13 and below	Misc.	Total
Pending as of October 1, 2019	6	5	7	26	5	49
Opened*	2	1	6	7	0	16
Closed*	0	4	6	13	2	25
Pending March 31, 2020 **	8	3	7	21	3	42

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

** Pending numbers as of March 31, 2020, may not add up due to investigative developments resulting in subjects being added or changed.

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

Employee integrity cases: Breakdown by grade and number of employees



Appendices

Appendix 1—Reports Issued

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

Report number	Report title	Date	Questioned costs			Potential monetary benefits
			Ineligible	Unsupported	Unreasonable	
EVALUATIONS IN ACCORDANCE WITH QUALITY STANDARDS FOR INSPECTION AND EVALUATION						
20-E-0053	Despite Requirements of Inspector General Act, Chief of Staff Refuses to Provide Agency Information for OIG Evaluation; EPA Whistleblower Training Does Not Address Interference with or Intimidation of Congressional Witnesses	12/9/19	\$0	\$0	\$0	\$0
SUBTOTAL = 1			\$0	\$0	\$0	\$0
FINANCIAL AUDITS IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS						
20-F-0032	Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2019 and 2018 Financial Statements	11/19/19	\$0	\$0	\$0	\$0
20-F-0033	EPA's Fiscal Years 2019 and 2018 (Restated) Consolidated Financial Statements	11/19/19	0	0	0	9,853,030
SUBTOTAL = 2			\$0	\$0	\$0	\$9,853,030
PERFORMANCE AUDITS IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS						
20-P-0001	Region 4 Quickly Assessed Water Systems After Hurricane Irma but Can Improve Emergency Preparedness	10/7/19	\$0	\$0	\$0	\$0
20-P-0006	EPA's Purchase Card and Convenience Check Program Merits an Audit in Fiscal Year 2020	10/18/19	0	0	0	0
20-P-0007	Management Alert: EPA Still Unable to Validate that Contractors Received Role-Based Training for Information Security Protection	10/21/19	0	0	0	0
20-P-0010	EPA Adequately Managed Hurricane Harvey Funding Received from FEMA	10/23/19	0	0	0	0
20-P-0011	While EPA Regions Enforce at Six Superfund Sites Reviewed, Four of Those Sites Remain in Significant Noncompliance, and Nationwide Reporting and Tracking Can Be Improved	10/24/19	0	0	0	0
20-P-0012	Tribal Pesticide Enforcement Comes Close to Achieving EPA Goals, but "Circuit Rider" Inspector Guidance Needed	10/29/19	0	0	0	0
20-P-0015	EPA Budget Systems Need Improved Oversight of Security Controls Testing	11/1/19	0	0	0	0
20-P-0026	EPA's Fiscal Year 2019 First Quarter Compliance with the Digital Accountability and Transparency Act of 2014	11/8/19	0	0	0	0
20-P-0047	EPA Failed to Develop Required Cost and Benefit Analyses and to Assess Air Quality Impacts on Children's Health for Proposed Glider Repeat Rule Allowing Used Engines in Heavy-Duty Trucks	12/5/19	0	0	0	0
20-P-0062	EPA Needs to Improve Its Emergency Planning to Better Address Air Quality Concerns During Future Disasters	12/16/19	0	0	0	0
20-P-0063	Outdated EPA Leave Manual and Control Weaknesses Caused Irregularities in the Office of Air and Radiation's Timekeeping Practices	12/19/19	0	0	0	0
20-P-0065	EPA Needs to Improve Management and Monitoring of Time-Off Awards	12/30/19	0	0	0	0
20-P-0066	EPA Can Improve Incident Readiness with Better Management of Homeland Security and Emergency Response Equipment	1/3/20	0	0	0	41,291,000

Report number	Report title	Date	Questioned costs			Potential monetary benefits
			Ineligible	Unsupported	Unreasonable	
20-P-0068	EPA Should Improve Oversight of Mobile Phones	1/9/20	0	0	0	12,000
20-P-0077	CSB's Information Security Program Is Defined, but Improvements Needed in Risk Management, Identity and Access Management, and Incident Response	2/12/20	0	0	0	0
20-P-0083	Management Controls Needed to Verify and Report Border 2020 Program Accomplishments	2/18/20	0	0	0	0
20-P-0120	EPA Needs to Improve Its Risk Management and Incident Response Information Security Functions	3/24/20	0	0	0	0
20-P-0126	EPA Did Not Accurately Report Under the Grants Oversight and New Efficiency Act and Needs to Improve Timeliness of Expired Grant Closeouts	3/31/20	0	0	0	8,282,470
20-P-0131	EPA's Compliance Monitoring Activities, Enforcement Actions, and Enforcement Results Generally Declined from Fiscal Years 2006 Through 2018	3/31/20	0	0	0	0
SUBTOTAL = 19			\$0	\$0	\$0	\$49,585,470
PROJECTS NOT IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS OR QUALITY STANDARDS FOR INSPECTION AND EVALUATION						
20-N-0030	Management Alert: Unapproved Use of Slag at Anaconda Co. Smelter Superfund Site	11/18/19	\$0	\$0	\$0	\$0
20-N-0064	U.S. Chemical Safety and Hazard Investigation Board's Compliance in Fiscal Year 2019 with Improper Payments Legislation and Guidance	12/19/19	0	0	0	0
20-N-0128	Management Alert: Prompt Action Needed to Inform Residents Living Near Ethylene Oxide-Emitting Facilities About Health Concerns and Actions to Address Those Concerns	3/31/20	0	0	0	0
SUBTOTAL = 3			\$0	\$0	\$0	\$0
TOTAL REPORTS ISSUED = 25			\$0	\$0	\$0	\$59,438,500

Appendix 2—Reports Issued Without Management Decisions

For Reporting Period Ended March 31, 2020

Section 5(a)(10)(B) of the Inspector General Act of 1978, as amended, requires a summary of each audit, inspection, and evaluation report issued during the reporting period for which no establishment comment was returned within 60 days of providing the report to the establishment. The literal language of Section 5(a)(10)(B) requests the OIG to track reports issued prior to commencement of the reporting period. However, given that this provision was intended to codify the February 27, 2015 semiannual requests from Senators Grassley and Johnson, the OIG interprets this provision to apply to reports within the semiannual period. There were two reports for which we did not receive a response within 60 days during the semiannual period. We discuss these reports in the “Reports for Which No Response Was Received Within 60 Days” section at the end of this appendix.

Section 5(a)(10)(A) of the Inspector General Act 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 six months of a final report being issued. In this section, we report on audits and evaluations with no management decision or resolution within six months of final report issuance. In the summaries below, we provide the resolution status of management decisions not made as of March 31, 2020, which the OIG desires to resolve as soon as possible.

Office of the Administrator

Report No. [19-P-0318](#), *EPA Must Improve Oversight of Notice to the Public on Drinking Water Risks to Better Protect Human Health*, September 25, 2019

Summary: Primacy agencies have the responsibility to oversee whether public water systems meet federal requirements, including notifying consumers of certain situations regarding their drinking water. We found that some primacy agencies do not consistently fulfill their responsibility to enforce drinking water public notice requirements. Specifically, some primacy agencies do not consistently record violations, nor do they track the need for and issuance of public notices. In addition, the EPA’s protocol for assessing primacy agency oversight does not fully cover all public notice requirements. As a result, not all primacy agencies know whether public water systems under their supervision appropriately notify consumers about drinking water problems, and the EPA and primacy agencies do not hold all public water systems to the same compliance standards. Of nine recommendations issued to the Office of the Administrator, three remain unresolved.

Resolution Status: The OIG has not received proposed corrective actions for the unresolved recommendations from the action official.

Office of Enforcement and Compliance Assurance

Report No. [18-P-0239](#), *EPA Asserts Statutory Law Enforcement Authority to Protect Its Administrator but Lacks Procedures to Assess Threats and Identify the Proper Level of Protection*, September 4, 2018

Summary: We found that the Protective Service Detail for the EPA administrator had no approved standard operating procedures to address the level of protection required for the administrator or how those services were to be provided. As a result, the detail incurred over \$3.5 million in costs from February 1, 2017, through December 31, 2017, for the then EPA administrator—an increase of over 110 percent compared to the prior period’s costs of \$1.6 million for the previous administrator—without documented justification. We also found that agents worked overtime without proper justification, resulting in improper payments. We recommended that the EPA implement new policies, procedures, and guidance for Protective Service Detail operations and agents; regularly complete a threat analysis to identify the proper protection required for the administrator; and identify and report any improper payments to the Office of the Chief Financial Officer. Of seven recommendations issued to the Office of Enforcement and Compliance Assurance, three remain unresolved.

Resolution Status: The Agency provided responses on August 29, 2019, and October 4, 2019. In addition, other information was provided to us by the Office of General Counsel and the Office of the Chief Financial Officer. The Agency provided another response on March 31, 2020. That response is currently under review by the OIG.

Office of the Chief Financial Officer; Office of Chief of Staff**Report No. [19-P-0155](#), *Actions Needed to Strengthen Controls over the EPA Administrator's and Associated Staff's Travel, May 16, 2019***

Summary: The OIG identified 40 trips and \$985,037 in costs associated with the former administrator's travel for the ten-month period from March 1, 2017, to December 31, 2017. This audit covered 34 completed and six canceled trips and included costs incurred not only by the former administrator but also by his Protective Service Detail and other staff. We estimated excessive costs of \$123,942 regarding use of first or business-class travel by the former administrator and accompanying Protective Service Detail agents; an exception that allowed for a travel accommodation was granted without sufficient justification and, initially, without appropriate approval authority. Although the EPA's travel policy is sufficiently designed to prevent fraud, waste, and abuse and is consistent with the Federal Travel Regulation, we found that the policy did not initially outline who had the authority to approve the administrator's travel authorizations and vouchers. This report made recommendations to two offices that remain unresolved:

- **Office of the Chief Financial Officer:** Of ten recommendations issued to the Office of the Chief Financial Officer, eight remain unresolved.

Resolution Status: The Office of the Chief Financial Officer provided a response on March 31, 2020. It is currently under review by the OIG.

- **Office of Chief of Staff:** Two recommendations issued to the Office of Chief of Staff remain unresolved.

Resolution Status: Resolution efforts are ongoing.

Total reports issued before reporting period for which no management decision had been made as of March 31, 2020 = 3

Reports for Which No Response Was Received Within 60 Days**Office of the Chief Financial Officer****Report No. [20-P-0015](#), *EPA Budget Systems Need Improved Oversight of Security Controls Testing, November 1, 2019***

Summary: We found that the Office of the Chief Financial Officer lacked internal controls needed to make informed, risk-based decisions regarding the security of the Agency's budget systems. We recommended that the chief financial officer update the Budget Automation System security planning documents to specify who is responsible for testing information system security controls, as required by the National Institute of Standards and Technology. We also recommend that the chief financial officer implement a process for obtaining and documenting the timely review of all Budget Automation System and Budget Formulation System security reports. The EPA agreed with our recommendations. The Agency provided sufficient evidence that it completed corrective actions for Recommendation 1, and the recommendation is resolved. The Agency did not provide a milestone date or acceptable documentation to support that it completed corrective actions for Recommendation 2, and that recommendation is unresolved. In the final report, the Agency was advised that a written response to the report was required within 60 calendar days.

Status of Agency Response: The response was due on January 1, 2020. While the Agency did not provide a response within 60 days of the final report issuance, the EPA did provide a proposed corrective action on January 8, 2020, in response to the final report. Subsequently, the Agency provided a formal response on April 3, 2020. The response is currently under review by the OIG.

Office of Land and Emergency Management; Region 6 Regional Administrator

Report No. [20-P-0062](#), *EPA Needs to Improve Its Emergency Planning to Better Address Air Quality Concerns During Future Disasters*, December 16, 2019.

Summary: Most air toxic emission incidents during Hurricane Harvey occurred within a five-day period of the storm's landfall. The majority of these emissions were due to industrial facilities shutting down and restarting operations in response to the storm and storage tank failures. However, state, local, and EPA mobile air monitoring activities were not initiated in time to assess the impact of these emissions. The air monitoring data collected did not indicate that the levels of individual air toxics after Hurricane Harvey exceeded the health-based thresholds established by the State of Texas and the EPA. However, these thresholds do not consider the cumulative impact of exposure to multiple air pollutants at one time. Consequently, the thresholds may not be sufficiently protective of residents in communities that neighbor industrial facilities and experience repeated or ongoing exposures to air toxics.

We did not identify instances of inaccurate communication from the EPA to the public regarding air quality after Hurricane Harvey. However, public communication of air monitoring results was limited.

We recommended that the assistant administrator for Land and Emergency Management develop guidance for emergency air monitoring in heavily industrialized areas, develop a plan to provide public access to air monitoring data, and assess the availability and use of remote and portable monitoring methods. We also recommended that the Region 6 regional administrator develop a plan to inform communities near industrial areas of adverse health risks and to limit exposure to air toxics in these communities and conduct environmental justice training. We recommend that the associate administrator for Public Affairs establish a process to communicate the resolution of public concerns. Four recommendations, which we revised after we issued our draft report, remain unresolved. In the final report, the Agency was advised that a written response to the report was required within 60 calendar days.

Status of Agency Response: The response was due on January 14, 2020. While the Agency did not provide a response within 60 days of the final report issuance, the Agency requested an extension on February 12, 2020, to coordinate its response with other EPA offices. The OIG granted a two-week extension. The EPA provided a formal response on February 28, 2020. The response is currently under review by the OIG.

Total reports issued during the reporting period for which the Agency did not provide a written response within 60 days, as of March 31, 2020 = 2

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 described in previous semiannual reports for the EPA and the CSB from 2008 to September 31, 2019, in 49 OIG audit reports.

There is a total of 116 current and unimplemented recommendations for the EPA with total potential monetary benefits of approximately \$70 million, \$37 million of which was sustained and redeemed by the Agency. Sustained cost is the dollar value of questioned costs or monetary benefits identified by the OIG during an audit or evaluation and agreed to in whole or in part by the Agency. There were two CSB recommendations with \$0.349 million of sustained monetary benefits.

Below is a list of the responsible EPA offices and regions responsible for the recommendations in the following tables. 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:

DA	Deputy Administrator (within the Office of the Administrator)
OAR	Office of Air and Radiation
OCFO	Office of the Chief Financial Officer
OCSPP	Office of Chemical Safety and Pollution Prevention
OECA	Office of Enforcement and Compliance Assurance
OGC	Office of General Counsel
OITA	Office of International and Tribal Affairs
OLEM	Office of Land and Emergency Management
OMS ²	Office of Mission Support
ORD	Office of Research and Development
OW	Office of Water
Region 2	
Region 5	
Region 6	
Region 9	
Region 10	

² Effective November 26, 2018, the former Office of Environmental Information and Office of Administration and Resources Management were merged into the new Office of Mission Support. In this appendix, any recommendations originally issued to the former offices will be listed as under the purview of the new office.

EPA Reports with Unimplemented Recommendations

Report title, number, and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits (in \$000s)
Category 1—Management and Operations					
Follow-Up Audit - EPA Took Steps to Improve Records Management 19-P-0283 , August 27, 2019	OGC	1. Issue an updated Agency Freedom of Information Act policy and procedure.	12/5/19	3/31/20	
EPA Oversight over Enterprise Customer Service Solution Needs Improvement 19-P-0278 , August 19, 2019	OMS	6. Update the Capital Planning and Investment Control policy and procedure to incorporate the existing requirement for the Agency to document its formal evaluations of Capital Planning and Investment Control “medium” and “lite” investments.	U	9/30/20	
EPA Needs to Improve Oversight of the Senior Environmental Employment Program 19-P-0198 , June 24, 2019	OMS	1. Implement Senior Environmental Employment program internal controls to verify that required annual monitoring reports are placed into the Grantee Compliance Database in a timely manner, and that grantees receive timely notification of results.	4/30/20		
		3. Implement additional communication and guidance for monitors regarding Senior Environmental Employment Program policies and procedures.	7/18/19		
		4. Issue a memorandum to the leadership of program and regional offices that participate in the Senior Environmental Employment Program to emphasize compliance with guidance and communication provided by the program.	6/7/19		
		5. Revise the Senior Environmental Employment Guidance and Procedures Manual to include internal controls related to reviewing and setting wage rates, the timing for pay scale reviews, and responsibilities.	4/30/20		
Pesticide Registration Fee, Vulnerability Mitigation and Database Security Controls for EPA’s FIFRA and PRIA Systems Need Improvement 19-P-0195 , June 21, 2019	OCSP	2. Complete the actions and milestones identified in the Office of Pesticide Programs’ PRIA Maintenance Fee Risk Assessment document and associated plan regarding the fee payment and refund posting processes.	12/31/20		
EPA Complied with Improper Payments Legislation but Stronger Internal Controls Are Needed 19-P-0163 , May 31, 2019	OCFO	1. Revise the Office of the Chief Financial Officer’s grant improper payments review process to include internal controls for training reviewers and annually verifying that reviewers are knowledgeable and proficient in the identification and reporting of improper payments. <i>In this Improper Payments Elimination and Recovery Act of 2010 audit, the EPA certified that corrective actions were complete. On the IPERA audit ongoing as of March 31, 2020, the OIG has found similar problems and will make recommendations as appropriate. The timing of the recommendation(s) and resolution(s) will determine whether this issue is presented in any future semiannual report.</i>	4/30/19		\$1,912

Report title, number, and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits (in \$000s)
Insufficient Practices for Managing Known Security Weaknesses and System Settings Weaken EPA's Ability to Combat Cyber Threats 19-P-0158 , May 21, 2019	OMS	1. Establish a control to validate that Agency personnel are creating the required plans of action and milestones for those weaknesses identified from the vulnerability testing but not remediated within the Agency's established time frames per the EPA's information security procedures.	12/31/21		
		2. Establish a process to periodically review the Agency's information security weakness tracking system's settings to validate that each setting is appropriately implemented and compliant with the Agency's standards.	10/31/19		
		3. Collaborate with the vendor of the Agency's information security weakness tracking system to determine whether audit logging to capture "all data changes" is an available security feature within the Agency's information security weakness tracking system and, if so, activate the audit log settings to capture all data changes. If audit logging is not available, establish compensating controls within the Agency's information security weakness tracking system that would record or describe what data has been changed.	11/30/19		
EPA Overpaid Invoices Due to Insufficient Contract Management Controls 19-P-0157 , May 20, 2019	OMS	2. Establish internal controls to verify that all required Contractor Performance Assessment Reporting System reports are finalized. Complete fiscal years 2016 and 2017 reports for the contract audited.	6/28/19		
		4. Require the contractor to refund the \$5,158.29 fixed fee overbilled to the EPA under Task Order 12.	9/30/19		\$5
		5. Prior to contract closeout, review all Task Order 12 invoices to verify that costs billed on the contract (e.g., indirect costs) are allowable. Report any improperly paid costs to the OIG and recoup overpayments.	9/30/19		TBD
		6. Revoke the certification of the contract-level contracting officer's representative responsible for paying invoices without adequate review.	6/28/19		
		7. Investigate the circumstances surrounding the then Office of Environmental Information manager involved with these contract transactions and determine whether the manager's actions were appropriate. If not, implement appropriate actions.	6/28/19		
Actions Needed to Strengthen Controls over the EPA Administrator's and Associated Staff's Travel 19-P-0155 , May 16, 2019	OITA	10. Clarify the requirement and importance of trip reports for all international travel.	9/30/19	4/30/20	
		11. Implement controls to verify that international trip reports are accurate and complete.	9/30/19	4/30/20	
EPA's Fiscal Years 2018 and 2017 Consolidated Financial Statements 19-F-0003 , November 14, 2018	OMS	14. Implement controls to enforce the required verification of individuals' identity every time individuals enter the computer rooms.	3/31/20		
		15. Perform a review of system requirements and evaluate the suitability of existing technology to replace or implement updates to the computer room's surveillance system and generators. Update or replace, if warranted, the equipment based on the results of the evaluation.	1/15/22		
EPA Law Enforcement Availability Pay Properly Certified but Controls over Process Could Be Improved 19-P-0001 , November 6, 2018	OECA	1. Enforce compliance by the investigators to submit, and the supervisors to approve, the monthly activity reports supporting Law Enforcement Availability Pay within the required time frames in the Monthly Activity Reporting System Purpose, Requirements and Procedures Manual.	10/1/19	4/1/20	
		2. Implement controls to improve timeliness of the annual certification process for Law Enforcement Availability Pay.	10/1/19	4/1/20	

Report title, number, and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits (in \$000s)
Self-Insurance for Companies with Multiple Cleanup Liabilities Presents Financial and Environmental Risks for EPA and the Public 18-P-0059 , December 22, 2017	OLEM	2. Once the study in Recommendation 1 is complete, use the information to develop appropriate risk management actions to mitigate any identified problems in line with Agency practices for enterprise risk management under Office of Management and Budget Circular A-123, and determine whether additional controls, such as the requirement for full disclosure of all self-insured environmental liabilities over corporate self-insurance, should be implemented and if corporate self-insurance should continue as an option.	9/30/20		
		3. Update standard operating procedures and data systems to accommodate the implemented risk management actions.	9/30/21		
	OLEM OECA	4. Train staff on the implemented risk management actions.	12/31/21		
	OLEM	5. Develop or update existing standard operating procedures to outline the Office of Land and Emergency Management and Office of Enforcement and Compliance Assurance roles and responsibilities for overseeing the validity of Resource Conservation and Recovery Act and Superfund financial assurance instruments, where needed.	6/30/20		
		6. Develop and include procedures for checking with other regions for facilities/sites with multiple self-insured liabilities in the standard operating procedures created for Recommendation 5.	6/30/20		
		7. Develop and include instructions on the steps to take when an invalid financial assurance instrument (expired, insufficient in dollar amount, or not provided) is identified in the standard operating procedures created for Recommendation 5 collect information on the causes of invalid financial assurance.	6/30/20		
		8. Train staff on the procedures and instructions developed for Recommendations 5 through 7.	9/30/20		
	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 , April 17, 2015	Region 2	18. Develop a plan to address currently uncompleted tasks and activities and develop a schedule for reprogramming grant funds to accomplish these tasks if the U.S. Virgin Islands does not or cannot complete them. Upon completion of the financial management corrective actions, follow the Office of the Chief Financial Officer's Resource Management Directive System 2520-03 to determine whether any of the current unspent funds of approximately \$37 million under the U.S. Virgin Islands' assistance agreements could be put to better use.	9/30/18	9/30/19 3/31/20 3/31/21
Internal Controls Needed to Control Costs of Emergency and Rapid Response Services Contracts, as Exemplified in Region 6 14-P-0109 , February 4, 2014	Region 6	3. Direct contracting officers to require that the contractor adjust all its billings to reflect the application of the correct rate to team subcontract Other Direct Costs.	9/30/24		

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Category 2—Water Issues					
EPA Must Improve Oversight of Notice to the Public on Drinking Water Risks to Better Protect Human Health 19-P-0318 , September 25, 2018	OW	3. Define for primacy agencies and public water systems acceptable methods and conditions under which the electronic delivery of Tiers 2 and 3 notices meet the Safe Drinking Water Act's direct delivery requirement.	9/30/20		
		4. Update the EPA's drinking water program review protocols to include steps for reviewing Tier 3 notices and for citing primacy agencies that do not retain complete public notice documentation.	12/31/20		
		5. Update and revise the 2010 <i>Revised State Implementation Guidance for the Public Notification Rule</i> to include: a. Public notice delivery methods that are consistent with regulations. b. Information on modern methods for delivery of public notice.	6/30/20		
		6. Update and revise the 2010 <i>Public Notification Handbooks</i> to include: a. Public notice delivery methods that are consistent with regulations. b. Information on modern methods for delivery of public notice. c. Public notice requirements for the latest drinking water regulations. d. Procedures for public water systems to achieve compliance after violating a public notice regulation. e. Up-to-date references to compliance assistance tools. f. Additional resources for providing public notice in languages other than English.	9/30/20		
	OW OECA	7. Conduct a national review of the adequacy of primacy agency implementation, compliance monitoring, reporting, and enforcement of the Safe Drinking Water Act's public notice requirements.	12/31/20		
	OECA OW	9. Implement a strategy and internal controls to improve the consistency of public notice violation data available in the EPA's new national drinking water database, including the review and update of open public notice violations prior to migrating the data to the new database	9/30/20		
EPA Region 6 Quickly Assessed Water Infrastructure after Hurricane Harvey but Can Improve Emergency Outreach to Disadvantaged Communities 19-P-0236 , July 16, 2019	Region 6	1. Include environmental justice outreach in planning and pre-landfall preparation exercises by gathering data to determine the population, unique needs, and challenges of vulnerable communities.	9/30/20		
		2. Revise the Region 6 pre-landfall hurricane plan to incorporate steps based on the results of outreach conducted during the planning and pre-landfall preparation exercises.	3/31/21		
EPA Region 5 Needs to Act on Transfer Request and Petition Regarding Ohio's Concentrated Animal Feeding Operation Permit Program 19-N-0154 , May 15, 2019	Region 5	2. Issue a decision regarding the citizen petition to withdraw Ohio's National Pollutant Discharge Elimination System program with respect to Concentrated Animal Feeding Operations and related permitting authority.	3/31/20	12/31/20	
Management Weaknesses Delayed Response to Flint Water Crisis 18-P-0221 , July 19, 2018	OW	1. Establish controls to annually verify that states are monitoring compliance with all Lead and Copper Rule requirements, including accurately identifying tier 1 sampling sites and maintaining continuous corrosion control treatment.	9/30/19		
		2. Include in the revised Lead and Copper Rule the most protective protocols for monitoring and corrosion control.	2/28/19	9/1/19	
		9. Improve oversight by establishing a clear and credible escalation policy for EPA intervention in states. The policy should provide steps the EPA will take when states do not act.	7/31/19		

Report title, number, and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits (in \$000s)
EPA Needs to Provide Leadership and Better Guidance to Improve Fish Advisory Risk Communications 17-P-0174 , April 12, 2017	OW	1. Provide updated guidance to states and tribes on clear and effective risk communication methods for fish advisories, especially for high-risk groups. This guidance could recommend posting fish advisory information at locations where fish are caught and using up-to-date communication methods that include social media, webinars, emails, newsletters, etc.	3/31/20		
		2. Working with states and tribes, develop and disseminate best practices they can use to evaluate the effectiveness of fish advisories in providing risk information to subpopulations, such as subsistence fishers, tribes, and other high fish-consuming groups.	3/30/20		
EPA Needs to Further Improve How It Manages Its Oil Pollution Prevention Program 12-P-0253 , February 6, 2012	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.	U	6/30/20	
EPA Should Revise Outdated or Inconsistent EPA-State Clean Water Memoranda of Agreement 10-P-0224 , September 14, 2010	OW	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.	9/28/18	9/30/20	
Category 3—Environmental Contamination and Cleanup					
EPA Unable to Assess the Impact of Hundreds of Unregulated Pollutants in Land-Applied Biosolids on Human Health and the Environment 19-P-0002 , November 15, 2018	OW	3. Complete development of the probabilistic risk assessment tool and screening tool for biosolids land application scenarios.	12/31/21		
		4. Develop and implement a plan to obtain the additional data needed to complete risk assessments and finalize safety determinations on the 352 identified pollutants in biosolids and promulgate regulations as needed.	12/31/22		
		6. Publish guidance on the methods for the biosolids pathogen alternatives 3 and 4.	12/31/20		
		7. Issue guidance on what new technologies are allowable options or alternatives for biosolids pathogen reduction.	U	5/31/19 5/30/20	
		8. Issue updated and consistent guidance on biosolids fecal coliform sampling practices.	12/31/20		
		9. Change the website response to the question "Are biosolids safe?" to include that the EPA cannot make a determination on the safety of biosolids because there are unregulated pollutants found in the biosolids that still need to have risk assessments completed. This change should stay in place until the EPA can assess the risk of all unregulated pollutants found in biosolids.	U	9/30/19 5/30/20	
		10. Modify the EPA's website responding to public questions on the safety of biosolids to: (a) identify unregulated pollutants found in biosolids, (b) disclose biosolids data gaps, and (c) include descriptions of areas where more research is needed. Make similar revisions in other EPA-published documents that include a response to the question "Are biosolids safe?" These changes should stay in place until the EPA can assess the risk of all unregulated pollutants found in biosolids.	9/30/19	4/30/20 5/30/20	
		11. Determine whether the impact on the safety and protection of human health justifies a requirement to include a general disclaimer message on the biosolids labels and information sheets regarding unregulated pollutants and a referral to the website for additional information. Publish the rationale for the determination on the EPA biosolids website.	9/30/19		
		12. Conduct regular biosolids training and conference calls or meetings for regional and state staff and wastewater treatment operators to improve consistency in rule interpretation and aid in knowledge transfer.	12/31/19		

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		13. In addition to EPA technical biosolids trainings or conferences, include on the biosolids website general questions and answers the regions and states have dealt with regarding biosolids to improve EPA knowledge transfer to regional and state biosolids program managers as well as wastewater treatment plant operators.	9/30/19	5/30/20	
EPA Needs to Finish Prioritization and Resource Allocation Methodologies for Abandoned Uranium Mine Sites on or Near Navajo Lands 18-P-0233 , August 22, 2018	Regions 6 and 9	1. Complete the necessary removal site evaluations and engineering evaluations/cost analyses.	12/31/20		
		2. Fully develop and implement prioritization and resource allocation methodologies for the Tronox abandoned uranium mine sites on or near Navajo Nation lands.	12/31/21		
Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections 13-P-0178 , March 21, 2013	OLEM	7. Coordinate with the assistant administrator for Enforcement and Compliance Assurance to revise inspection guidance to recommend minimum inspection scope for the various types of facilities covered under the program and provide detailed examples of minimum reporting.	7/31/14 2/28/19	6/30/22	
		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.	9/30/14 2/28/20	2/30/23	
Making Better Use of Stringfellow Superfund Special Accounts 08-P-0196 , July 9, 2008	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	9/21/23	\$27,800
Category 4—Toxics, Chemical Safety, and Pesticides					
EPA Not Effectively Implementing the Lead-Based Paint Renovation, Repair and Painting Rule 19-P-0302 , September 9, 2019	OECA	1. Identify the regulated universe of Lead-Based Paint Renovation, Repair and Painting Rule firms in support of regional targeting strategies, in coordination with the Office of Chemical Safety and Pollution Prevention.	U	12/31/21	
		2. Establish Lead-Based Paint Renovation, Repair and Painting Rule enforcement objectives, goals, and measurable outcomes.	U	7/1/21	
		3. Establish management oversight controls to verify that Lead-Based Paint Renovation, Repair and Painting Rule Program guidance and expectations are being met; this may also involve specific reporting requirements for regions and authorized states and tribes.	U	5/1/20	
		4. Establish or identify an effective forum to document and share best practices and innovations related to the Lead-Based Paint Renovation, Repair and Painting Rule Program.	U	5/1/20	
	OCSP	5. Establish specific guidelines for resources and funding allocated to the Lead-Based Paint Renovation, Repair and Painting Rule Program that will further the goals of the Federal Action Plan to Reduce Childhood Lead Exposures and Associated Health Impacts.	12/31/20		
		6. Establish the Lead-Based Paint Renovation, Repair and Painting Rule Program's objectives, goals, and measurable outcomes, such as measures to demonstrate the effectiveness of program contributions toward decreasing elevated blood lead levels.	12/31/20		

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EPA Needs to Determine Strategies and Level of Support for Overseeing State Managed Pollinator Protection Plans 19-P-0275 , August 15, 2019	OCSPSP	2. Using survey data, determine how the EPA will assist states with implementing their Managed Pollinator Protection Plans.	6/30/20		
		3. Using survey data, fully communicate to states what Managed Pollinator Protection Plan implementation assistance is available from the EPA and how this assistance will be provided.	6/30/20		
		4. Determine whether and how the EPA will help states address additional areas of concern—such as chronic pesticide risks and other limitations identified by stakeholders—through their Managed Pollinator Protection Plan implementation efforts.	6/30/20		
		5. Determine how the EPA can use the Managed Pollinator Protection Plan survey results to advance its National Program Manager Guidance goals and its regulatory mission.	6/30/21		
Measures and Management Controls Needed to Improve EPA's Pesticide Emergency Exemption Process 18-P-0281 , September 25, 2018	OCSPSP	1. Develop and implement applicable outcome-based performance measures to demonstrate the human health and environmental effects of the EPA's emergency exemption decisions.	6/30/20		
		5. Develop concise emergency exemption application guidance that specifies the minimum requirements of an application submission and is available on the Office of Pesticide Programs Section 18 website.	9/30/20		
		6. Provide clear guidance to state lead agencies on how and when they can use efficacy data from other state lead agencies to satisfy the emergency exemption application criteria.	9/30/20		
		7. Expand the data presented in the Office of Pesticide Programs Section 18 database by considering additional data points, such as application acreage requested, actual acreage applied, and registration status of each exempted pesticide.	6/30/20		
EPA Can Better Manage State Pesticide Cooperative Agreements to More Effectively Use Funds and Reduce Risk of Pesticide Misuse 18-P-0079 , February 13, 2018	OECA	1. Develop and implement additional Federal Insecticide, Fungicide, and Rodenticide Act guidance to assist project officers in evaluating whether funding is reasonable given projected work plan tasks.	11/30/19	5/29/20	
EPA Can Better Reduce Risks From Illegal Pesticides by Effectively Identifying Imports for Inspection and Sampling 17-P-0412 , September 28, 2017	OECA	1. Establish national compliance monitoring goals based on assessment and consideration of available regional resources.	9/30/19	3/27/20	
		2. Implement internal controls to monitor and communicate progress on regional goals.	9/30/19	3/27/20	
EPA Needs to Manage Pesticide Funds More Efficiently 17-P-0395 , September 18, 2017	OCSPSP	2. Develop and implement a plan to reduce excess Pesticides Reregistration and Expedited Processing Fund and Pesticide Registration Fund balances within the established target range.	12/31/21		
Additional Measures Can Be Taken to Prevent Deaths and Serious Injuries From Residential Fumigations, 17-P-0053 , December 12, 2016	OCSPSP	3B: Within two years of the Final Report, by November 30, 2018, OCSPSP will validate an implement new device clearance guidance.	11/30/18	3/31/20	

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Category 5—Air Quality					
EPA's 2017 Glider Vehicle Testing Complied with Standard Practices 19-P-0252 , July 31, 2019	OAR	1. In consultation with the general counsel, the designated Agency ethics official, and the assistant administrator for Research and Development, revise EPA Delegation of Authority 7-170 to enable practical implementation for the acceptance of donated property consistent with Section 104 of the Clean Air Act and address pertinent ethics considerations.	9/30/20		
		2. In consultation with the general counsel and the designated agency ethics official, evaluate and document whether the Office of Transportation and Air Quality needs to develop further guidance or policies to implement the Delegation of Authority for the acceptance of donated property under Section 104 of the Clean Air Act and, if determined necessary, develop further guidance or policies as appropriate.	9/30/20		
More Effective EPA Oversight Is Needed for Particulate Matter Emissions Compliance Testing 19-P-0251 , July 30, 2019	OECA	1. Develop and implement a plan for improving the consistency of stack test reviews across EPA regions and delegated agencies.	3/31/22		
	OAR	2. Assess the training needs of EPA regions and state, local, and tribal agencies concerning stack test plans and report reviews and EPA test methods and develop and publish a plan to address any training shortfalls.	3/31/22		
		3. Develop stack test report checklists for EPA Method 5 and other frequently used EPA methods to assist state, local, and tribal agencies in their review of stack test plans and reports.	6/30/21		
	Region 10	5. Develop a communication plan to make all state and local agencies within Region 10 aware of EPA requirements and guidance for conducting stack testing oversight.	5/31/22		
EPA Effectively Screens Air Emissions Data from Continuous Monitoring Systems but Could Enhance Verification of System Performance 19-P-0207 , June 27, 2019	OAR	6. Develop and implement controls to assess delegated agencies' stack testing oversight activities.	3/31/22		
		1. Develop and implement electronic checks in the EPA's Emissions Collection and Monitoring Plan System or through an alternative mechanism to retroactively evaluate emissions and quality assurance data in instances where monitoring plan changes are submitted after the emissions and quality assurance data have already been accepted by the EPA.	3/31/25		

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EPA Demonstrates Effective Controls for Its On-Road Heavy-Duty Vehicle Compliance Program; Further Improvements Could Be Made 19-P-0168 , June 3, 2019	OAR	1. Define performance measures to assess the performance of the EPA's on-road heavy-duty vehicle and engine compliance program.	9/30/22		
		2. Conduct and document a risk assessment for the on-road heavy-duty vehicle and engine compliance program that prioritizes risk and links specific control activities to specific risks. Update the risk assessment on a scheduled and periodic basis.	6/30/21		
		3. Address the following risks as part of the on-road heavy-duty vehicle and engine compliance program risk assessment, in addition to other risks that the EPA identifies: a. Non-criteria pollutants not being measured. b. Level of heavy-duty sector testing throughout the compliance life cycle. c. Marketplace ambiguity over regulatory treatment of rebuilt versus remanufactured engines. d. Different compliance challenges for heavy-duty compression-ignition and spark-ignition engines. e. Lack of laboratory test cell and in-house testing capacity for heavy-duty spark-ignition engines.	9/30/21		
		4. Evaluate the following issues, which may require regulatory or programmatic action, as part of (1) the on-road heavy-duty vehicle and engine emission control program risk assessment and (2) the EPA's annual regulatory agenda development process: a. Regulatory definition of on-road heavy-duty engine useful life may not reflect actual useful life. b. Not-to-Exceed standard may not reflect real-world operating conditions, especially for certain applications. c. In-use testing requirements for heavy-duty spark-ignition engines may be needed. d. A particle number standard may more accurately control particulate matter emissions that impact human health.	9/30/22		
		6. Conduct and document an evaluation of opportunities to reassess the manufacturer in-use testing program, including the use of targeted, nonstandard testing in areas of concern.	9/30/20		
		8. Develop and implement procedures for communicating potential compliance issues to the EPA's Office of Enforcement and Compliance Assurance. a. Establish clear criteria for when compliance issues should be referred to the EPA's Office of Enforcement and Compliance Assurance.	9/30/20		
Collecting Additional Performance Data from States Would Help EPA Better Assess the Effectiveness of Vehicle Inspection and Maintenance Programs 18-P-0283 , September 25, 2018	OAR	3. Revise the vehicle inspection and maintenance rule to remove the cross reference to Title 40 § 51.353(b)(1) of the Code of Federal Regulations and provide defined evaluation methodology guidance to enable states to quantify emission reductions.	6/30/19	12/31/19	
		5. Develop and implement guidance on the calculation of individual test statistics in state reports to provide consistency in state reports across regions.	6/30/19	12/31/19	
		7. Issue guidance to address any trends or common problems identified by the outreach conducted to states with deficiencies in program implementation.	3/31/20		

Report title, number, and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits (in \$000s)
EPA Can Strengthen Its Process for Revising Air Quality Dispersion Models that Predict Impact of Pollutant Emissions 18-P-0241 , September 5, 2018	OAR	2. Develop a quality assurance project plan or equivalent documents describing the results of systematic planning before developing a new air quality dispersion model or undertaking any significant revisions in the future to existing preferred air quality dispersion models, which are codified in Appendix A to Appendix W of 40 C.F.R. Part 51.	3/31/20	9/30/20	
		3. Revise the Office of Air Quality Planning and Standards' Quality Management Plan to state whether the Agency is developing quality assurance project plans or equivalent documents to meet EPA Quality System requirements for developing or revising preferred air quality dispersion models.	3/31/20	9/30/20	
EPA Did Not Identify Volkswagen Emissions Cheating; Enhanced Controls Now Provide Reasonable Assurance of Fraud Detection 18-P-0181 , May 29, 2018	OAR	1. Define performance measures to assess the performance of the EPA's light-duty vehicle compliance program.	3/31/21		
24. Improved Data and EPA Oversight Are Needed to Assure Compliance With the Standards for Benzene Content in Gasoline 17-P-0249 , June 8, 2017	OAR	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: a. Volumes and average benzene concentrations in facilities annual benzene reports match those calculated based on their batch reports. b. Benzene concentrations in facility batch reports and annual benzene reports contain two decimal places. c. Production dates match the compliance year in facility reports. d. Facilities use only valid product codes in their reports. e. Only valid company and facility identification numbers are used. f. Maximum average benzene concentrations for the second compliance period and beyond match the corresponding annual average benzene concentrations. g. Import companies aggregate their facilities and submit just one annual benzene report. h. All required reports are submitted.	U	6/30/20	
		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.	U	9/30/20	
		6. Ensure the integrity of benzene credit trading by developing and implementing a process to verify that annual average benzene concentration and total volume values that facilities input into the trading database are supported by batch reports.	6/30/20		
		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.	9/30/20		
EPA Has Not Met Certain Statutory Requirements to Identify Environmental Impacts of Renewable Fuel Standard 16-P-0275 , August 18, 2016	OAR	2. Complete the anti-backsliding study on the air quality impacts of the Renewable Fuel Standard as required by the Energy Independence and Security Act.	9/30/24		
		3. Determine whether additional action is needed to mitigate any adverse air quality impacts of the Renewable Fuel Standard as required by the Energy Independence and Security Act.	9/30/24		

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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 , June 20, 2013	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.	9/30/20		\$2,905
Category 6—Research and Laboratories					
Regional Research Programs Address Agency Needs but Could Benefit from Enhanced Project Tracking 19-P-0123 , April 18, 2019	ORD	1. Complete data entry of all Regional Sustainability and Environmental Sciences projects into the Regional Science Program Tracker.	10/1/20		
		2. Verify and update information for Regional Applied Research Effort projects in the Regional Science Program Tracker.	10/1/20		
		3. Update the Regional Science Program Tracker to improve Regional Applied Research Effort/Regional Sustainability and Environmental Sciences project tracking by including: <ul style="list-style-type: none"> a. A timeline with significant dates/milestones and events. b. Significant products/outputs that stem from a project, including interim products/outputs to show project progress prior to completion/final report. c. A feature to prompt staff to add impacts and/or evidence of use of project results in decision-making. 	10/1/20		
		4. Update the Regional Applied Research Effort Program Annual Process Guidelines to require that Regional Science Liaisons use the Regional Science Program Tracker and increase awareness of the system among regional staff as a one-stop source of information on regional research projects.	10/1/20		
EPA Needs a Comprehensive Vision and Strategy for Citizen Science that Aligns with Its Strategic Objectives on Public Participation 18-P-0240 , September 5, 2018	DA	1. Establish a strategic vision and objectives for managing the use of citizen science that identifies: <ul style="list-style-type: none"> a. Linkage to the Agency's strategic goals, b. Roles and responsibilities for implementation, and c. Resources to maintain and build upon existing Agency expertise. 	12/31/20		
		2. Through appropriate EPA offices, direct completion of an assessment to identify the data management requirements for using citizen science data and an action plan for addressing those requirements, including those on sharing and using data, data format/standards, and data testing/validation.	12/31/20		
	ORD	3. Finalize, in coordination with the Office of Environmental Information and Region 1, the <i>Draft Quality Assurance Handbook for Citizen Science</i> , and communicate to Agency staff and citizen science groups the availability and content of this handbook.	12/31/20		
		4. Build capacity for managing the use of citizen science, and expand awareness of citizen science resources, by: <ul style="list-style-type: none"> a. Finalizing the checklist on administrative and legal factors for Agency staff to consider when developing citizen science projects, as well as identifying and developing any procedures needed to ensure compliance with steps in the checklist; b. Conducting training and/or marketing on the EPA's citizen science intranet site for program and regional staff in developing projects; and c. Finalizing and distributing materials highlighting project successes and how the EPA has used results of its investment in citizen science. 	12/31/20		
Total					\$69,622

CSB Reports with Unimplemented Recommendations

Report title, number, and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits (in \$000s)
Category 1—Management and Operations					
CSB Still Needs to Improve Its 'Incident Response' and 'Identity and Access Management' Information Security Functions 19-P-0147 , May 9, 2019	CSB	1. Implement use of Homeland Security Presidential Directive-12, regarding Personal Identity Verification card technology for physical and logical access, as required. If unable to implement this card technology, obtain a waiver from the Office of Management and Budget not to operate as required by the National Institute of Standards and Technology.	10/28/19	3/31/20	
36. CSB Needs to Continue to Improve Agency Governance and Operations 16-P-0179 , May 23, 2016	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.	10/20/22		\$349
Total					\$349

Appendix 4—Closed Investigations

For Reporting Period Ended March 31, 2020

Section 5(a)(19) of the Inspector General Act of 1978, as amended, requires a report on each investigation involving a senior government employee where allegations of misconduct were substantiated. Section 5(a)(22) of the Inspector General Act requires a detailed description of the particular circumstances of any investigation conducted by the OIG involving a senior government employee that is closed and was not disclosed to the public. Details on each investigation conducted by the OIG involving both senior and non-senior employees closed during the semiannual reporting period ending March 31, 2020, 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 Senior Employees

CASE NUMBER: OI-HQ-2018-ADM-0079

An EPA political appointee and an EPA Senior Executive Service employee allegedly improperly influenced the hiring process to give prohibited preferential treatment to an applicant for an EPA position. The investigation was inconclusive.

CASE NUMBER: OI-HQ-2020-ADM-0028

An EPA GS-15 employee allegedly submitted a resume to the EPA that falsely claimed receipt of a degree. The investigation found that the resume said the employee attended—but did not specifically claim that the employee received a degree from—an educational institution. It was further determined that the employee's GS-15 position does not require a degree. The allegation was not supported.

CASE NUMBER: OI-DE-2017-CAC-0028

An EPA GS-15 employee allegedly gave special treatment to a former GS-13 subordinate employee by allowing the subordinate employee to telework on a recurring weekly basis in violation of the office's telework policy. The allegation was not supported.

CASE NUMBER: OI-HQ-2019-ADM-0084

A CSB GS-15 employee allegedly accepted unauthorized gifts from a subordinate employee in violation of federal government ethics standards. The investigation found that the gifts received by the GS-15 did not rise to a level that violated the applicable ethics standards. The allegation was not supported.

CASE NUMBER: OI-HQ-2019-ADM-0101

A CSB GS-15 employee allegedly approved Agency-funded payments to cover a subordinate employee's residential cable and internet service in violation of the CSB's internal policies. After the investigation was initiated, the CSB discontinued said payments, and the GS-15 employee resigned.

Investigations Involving Non-Senior Employees

CASE NUMBER: OI-DA-2018-ADM-0034

An EPA GS-13 employee allegedly provided a false statement when completing Standard Form 86, *Questionnaire for National Security Positions*, by failing to disclose an arrest and subsequent guilty plea for driving under the influence. It was determined that the employee had misinterpreted the questionnaire. The allegation was not supported. The Agency reassigned the employee to other duties so that the employee would not operate a government- or privately owned vehicle while on Agency business, pending the employee's successful completion of court-ordered probation.

CASE NUMBER: OI-AT-2017-ADM-0126

An EPA GS-13 employee allegedly violated federal government ethics standards by socializing with government contractors at a private birthday dinner, as well as allegedly helped the employee's child's school obtain an EPA-funded grant. The investigation determined that the employee had socialized with government contractors, had used government property in relation to the aforementioned grant, and represented an outside organization back to the EPA. The investigative results were referred to EPA management, and the employee was suspended for 12 days.

CASE NUMBER: OI-HQ-2018-ADM-0099

An EPA GS-13 employee allegedly verbally abused and stalked a private citizen online. The private citizen reported the matter to the local police department. The investigation found no evidence that any contacts were conducted during official government hours or used official government resources. The allegation was not supported.

CASE NUMBER: OI-NE-2019-ADM-0025

An EPA GS-14 employee allegedly engaged in time and attendance fraud by conducting personal travel on days claimed as teleworking, reported episodic telework as regular hours, and was unreachable during official telework hours. The investigation regarding the employee's personal travel was inconclusive. The remaining allegations were referred to the employee's management to address as deemed appropriate.

CASE NUMBER: OI-HQ-2018-ADM-0018

An EPA GS-13 employee allegedly fraudulently signed a change of beneficiary form for another employee's retirement account in an attempt to be named as the beneficiary. The results of the investigation found that the GS-13 employee never submitted a change of beneficiary form on behalf of the other employee. The allegation was not supported.

CASE NUMBER: OI-HQ-2017-ADM-0149

An EPA GS-13 employee allegedly engaged in time and attendance fraud. The allegation was not supported.

CASE NUMBER: OI-SA-2018-ADM-0111

An EPA GS-12 employee allegedly provided false education information during the EPA hiring process and the subsequent security clearance investigation. A requirement of the employee's job included having a level of education in a specific field of study. The investigation disclosed that the employee had never attended the schools listed on the employee's job application, resume, and security investigation (SF-82) paperwork. The employee retired after receiving a letter of proposed removal. The employee was debarred from working on any federal contracts and assistance agreements for three years.

CASE NUMBER: OI-NE-2018-ADM-0134

An EPA GS-7 employee allegedly submitted fraudulent transit reimbursement paperwork by claiming to use one mode of transportation while actually taking a less expensive one. Due to a lack of records, the OIG investigation could not confirm whether the employee's reimbursement claims were inaccurate. The investigation was inconclusive.

CASE NUMBER: OI-DA-2018-CFD-0036

An EPA GS-11 employee allegedly purposely provided a false statement when completing the SF-86, *Questionnaire for National Security Positions*, by not disclosing a prior arrest. The investigation found that the employee had misinterpreted the questions. The allegation was not supported.

CASE NUMBER: OI-PH-2018-ADM-0133

An EPA GS-13 employee allegedly conducted personal business activities while on official government duty. The investigation disclosed that the employee conducted personal business activities during hours claimed as teleworking. The employee resigned after receiving a notice of proposed removal.

CASE NUMBER: OI-PH-2019-OTH-0112

An unknown subject allegedly created an unauthorized pay allotment from an EPA employee's biweekly paycheck. During the investigation, the employee realized that the allotment was an authorized amount for a life insurance program. The allegation was not supported.

CASE NUMBER: OI-DA-2018-ADM-0077

An EPA GS-12 employee allegedly claimed to be an EPA federal agent and made threatening statements to students at a college in Oklahoma. Those allegations were not supported. However, the investigation uncovered additional allegations, including that the EPA employee allowed a non-EPA employee to perform work on behalf of the employee and submitted inaccurate scientific reports and false time and attendance records. These additional allegations were supported. The EPA employee resigned during the investigation. A notation about the adverse finding was permanently added in the former employee's personnel file.

CASE NUMBER: OI-HQ-2016-CFR-0068

An unknown EPA employee allegedly disclosed an EPA contract bidder's proprietary information to another bidder. The investigation was inconclusive.

CASE NUMBER: OI-CH-2019-ADM-0045

An EPA GS-14 employee allegedly used an EPA-issued laptop and other government equipment to do non-EPA-related work and did not submit timesheets that accurately reflected work times. The allegations were supported. The investigation further found that the employee was teleworking from nonapproved alternate work locations. The employee retired from federal service during the investigation.

CASE NUMBER: OI-CH-2016-CFR-0057

An EPA GS-13 employee was convicted of obstructing a child pornography investigation and sentenced to 38 months in prison. During this reporting period, the employee was debarred from working on federal contracts and assistance agreements for a period of ten years.

CASE NUMBER: OI-PH-2020-ADM-0024

An unknown subject allegedly stole an EPA employee's EPA-issued laptop. The OIG investigators attempted to locate the computer, but it was not recovered and no subject was identified. Identifying information about the laptop, such as the serial number, was entered into the National Crimes and Information Center. The investigation was inconclusive.

CASE NUMBER: OI-AT-2020-ADM-0043

An EPA GS-13 employee allegedly falsely claimed to be conducting visits to Superfund sites during work hours. The investigation was inconclusive.

CASE NUMBER: OI-CH-2019-ADM-0071

An EPA OIG GS-13 Special Agent was arrested and charged while off-duty for allegedly driving under the influence. During the course of the OIG's investigation, the employee also allegedly made inconsistent statements to investigators. Both allegations were supported. The employee resigned after receiving a notice of proposed removal.

CASE NUMBER: OI-HQ-2019-ADM-0051

A GS-13 EPA OIG employee allegedly claimed hours for working in the office when the employee was not there. The allegation was supported, and the employee was suspended for ten days.

CASE NUMBER: OI-NE-2019-ADM-0100

Numerous EPA employees were allegedly involved in falsifying records regarding radioactive materials that were removed from a Superfund site and delivered to a disposal facility. Although the OIG investigation was inconclusive as to whether the employees falsified records, it did find that the disposal facility may have improperly received contaminated material. The OIG referred the matter to the EPA's Criminal Investigation Division. The OIG investigation was inconclusive.

CASE NUMBER: OI-AT-2020-AFD-0011

EPA employees allegedly prevented a nonprofit grantee from receiving reimbursement of expenses relating to an EPA Superfund site. The allegation was not supported.

CASE NUMBER: OI-CH-2018-CCR-0095

An EPA GS-13 employee allegedly removed the hard drive from the employee's EPA-issued computer and replaced it with a personal hard drive without authorization. The investigation found that the employee replaced the original hard drive in the EPA-issued computer and connected to the EPA network on multiple occasions. The employee was suspended for 14 days.

Investigations Involving Non-Employees**CASE NUMBER: OI-CH-2017-CAC-0087**

A computer store owner allegedly fraudulently received thousands of computers and related equipment from various federal agencies, including the EPA, which he then sold through his business or on eBay. The allegation was supported. The investigation found that the owner received the computer equipment through the U.S. Government Services Administration's Computers for Learning Program, which is designed to transfer unused government computers and equipment to schools and educational nonprofit organizations. The owner had received over \$22 million in computers and related equipment from the federal government since 2007, including over \$158,000 from the EPA. The owner was indicted on four counts of mail fraud, one count each of wire fraud and theft of government property, and interstate transportation of stolen property. The owner died, and the investigation was subsequently closed.

CASE NUMBER: OI-AR-2011-CFR-1142

A company allegedly violated the provisions of the EPA's Disadvantaged Business Enterprise program by falsely claiming it used a socially and economically disadvantaged company on a contract partially funded by the EPA. The allegation was supported. The investigation resulted in a civil settlement agreement in which the company agreed to pay \$3,800 to the United States.

CASE NUMBER: OI-DA-2018-ADM-0044

A subcontractor for a U.S. government travel system allegedly inappropriately used EPA travel information to collect unauthorized commission fees from the General Services Administration. Since the EPA was not directly charged or impacted by the collection of the commission fees, the matter was referred to the GSA OIG.

CASE NUMBER: OI-DA-2018-AFD-0074

An EPA grant recipient allegedly improperly withdrew \$91,000 in grant funds prior to the costs being incurred by the grantee. The investigation determined that the premature withdrawal of funds was caused by a miscommunication between a former EPA project officer and the grant recipient. The EPA implemented corrective actions, and the grant recipient returned the unexpended funds.

CASE NUMBER: OI-NE-2018-THT-0097

A private citizen allegedly made threats against an EPA employee through the mail and in voicemails. The allegation was supported. The investigation also disclosed that the private citizen inundated several other EPA personnel with harassing, nuisance emails, and voicemails. The Agency barred the private citizen from accessing the impacted EPA locations.

CASE NUMBER: OI-AT-2020-ADM-0023

An EPA subcontractor allegedly used undocumented workers for activities involving an EPA contract. The investigation determined that no EPA funds were used to pay those workers, and the prime contractor took steps to ensure that all subcontractors complied with the U.S. Customs and Immigration Service requirements related to verifying a worker's identity and employment eligibility.

CASE NUMBER: OI-SE-2015-CFR-0013

An individual allegedly misapplied EPA grant funds for personal purposes. The allegation was supported. As a result of this investigation, the individual pleaded guilty to one count of misapplication from an organization receiving federal funds, as well as to one count of making and subscribing a false tax return. The investigation was worked jointly with the Internal Revenue Service. The individual was sentenced to 18 months in prison, followed by two years of supervised release.

CASE NUMBER: OI-SE-2019-LFD-0102

An operator of a public water system allegedly provided falsified water samples to a laboratory funded by an EPA public water system grant. The operator admitted to OIG investigators having submitted falsified water samples to the laboratory. The matter was declined by the EPA's Suspension and Debarment Division.

CASE NUMBER: OI-SE-2019-AFD-0009

Two elected officials at a state nonregulatory agency that received EPA grant funds allegedly were removed from their positions because they neglected to provide timely and accurate records, delayed approving timesheets and signing checks, and failed to attend a public hearing to consider future county funding. The investigation was inconclusive as to whether these allegations involved EPA money. The allegations were referred to the EPA's Suspension and Debarment Division, which declined to pursue the matter.

CASE NUMBER: OI-HQ-2019-AFD-0106

Unidentified officials at the Department of Planning and Natural Resources for the U.S. Virgin Islands allegedly received kickbacks and other considerations from a local financier to mitigate paying fines for engaging in illegal construction of environmentally regulated lands on two privately owned islands. The allegations were not supported.

CASE NUMBER: OI-DA-2017-CFR-0018

A laboratory with an EPA contract allegedly manipulated data to make the results appear acceptable and to meet specific contractual requirements. The allegations were supported. The EPA terminated the contract, and the company and its owner were debarred for three years.

CASE NUMBER: OI-AT-2020-ADM-0019

Unknown individuals at the Tennessee Valley Authority and the Tennessee Department of Environment and Conservation allegedly knowingly used improper computer models to estimate air pollution and deposition in the Lower Watts Bar Reservoir. The allegations were not supported.

CASE NUMBER: OI-DA-2015-CFR-0131

An EPA Clean Water and Drinking Water State Revolving Funds recipient allegedly used Minority/Disadvantaged Business Enterprises merely as pass-throughs, not to perform any commercially useful functions on EPA-funded projects. The allegation was not supported.

CASE NUMBER: OI-AT-2019-ADM-0069

The OIG was alerted via the hotline about a whistleblower action that was filed in federal court against members of a Board of Directors for a city water system. The action alleged violations of the False Claims Act, improper contract awarding, and various other violations of state law. The U.S. Department of Justice and the OIG declined to intervene in the lawsuit.

CASE NUMBER: OI-HQ-2019-ADM-0052

A subject allegedly stole an EPA employee's EPA-issued laptop while the employee was commuting from work on public transportation. The allegation was supported. The OIG investigators recovered the laptop from the subject, who claimed to have found the laptop on a Washington, D.C., Metro train. Prosecution of the subject was subsequently declined by the U.S. Department of Justice.

CASE NUMBER: OI-NE-2012-CFR-0031

Several prime contractors allegedly falsely represented that a Disadvantaged Business Enterprise had performed a commercially useful function on EPA-funded contracts when, in reality, the prime contractors performed that function. The investigation resulted in civil false claims settlements totaling \$605,000.

CASE NUMBER: OI-HQ-2020-CCR-0027

The EPA Office of Superfund Remediation and Technology Innovation received an email that appeared to be spam. The OIG investigates reports of spam to determine whether the spam has affected the EPA network. The investigation revealed that there were no identified threats or vulnerabilities to the EPA network. Additionally, it was determined that the email was not malicious. The allegation was not supported.

CASE NUMBER: OI-HQ-2020-CCR-0015

An EPA employee was the victim of an email scam that used the employee's official EPA email account. The investigation revealed no threats or vulnerabilities to the EPA network and did not find that the employee was targeted because of employment with the EPA. The appropriate agencies were notified of the incident.

CASE NUMBER: OI-SE-2019-THT-0076

An individual allegedly left two threatening voicemails with an EPA Operations Office in Region 10. The OIG investigated the allegation. Due to the escalation in behavior exhibited by the individual, a bar notice was issued for the individual in EPA Region 10.

CASE NUMBER: OI-AT-2020-PFD-0003

A company allegedly misused the EPA logo. The investigation determined that this appeared to involve a trademark violation, and it was not readily apparent that the EPA logo was being used to commit false statements. The investigation was inconclusive.

CASE NUMBER: OI-HQ-2019-ADM-0053

The U.S. Army Corps of Engineers allegedly used EPA funds to pay for labor not related to the EPA's Superfund projects and overcharged the EPA. The USACE OIG previously had investigated the allegation and found that the USACE could improve how it charges the EPA. The allegation was not supported.

CASE NUMBER: OI-DE-2019-THT-0022

The husband of an EPA employee allegedly threatened to kill the employee. The OIG determined that this threat did not occur when the employee was acting in an official capacity and referred the matter to local law enforcement.

CASE NUMBER: OI-DA-2014-CAC-0016

An EPA laboratory contractor who received over \$7 million in EPA funds during an eight-year period allegedly provided numerous false data analysis reports. The allegation was supported. The EPA cancelled all grants with the contractor, and the contractor shut down that business. The EPA's Suspension and Debarment Division declined to take action in this matter.

CASE NUMBER: OI-DE-2019-AFD-0037

A tribal employee allegedly committed grant fraud by creating a fake contract to misappropriate \$50,000 in EPA funds to provide to the employee's significant other. The allegation was not supported.

CASE NUMBER: OI-HQ-2019-OTH-0020

An unknown person allegedly wrote racially insensitive messages on various dry erase boards throughout EPA headquarters. The investigation identified an EPA contractor's employee as responsible for the writings. The individual was dismissed from working at the EPA.

CASE NUMBER: OI-AR-2014-CAC-0052

A company allegedly did not subcontract work to a Disadvantaged Business Enterprise, as contractually required. OIG investigators conducted numerous interviews and reviewed records related to the contracted work. The investigation determined that the allegation was supported, but the U.S. Department of Justice declined to prosecute the matter.

CASE NUMBER: OI-LE-2019-ADM-0047

An eBay seller allegedly was selling stolen EPA 2017 Emergency Response Challenge Coins on eBay. The investigation revealed that the coins were misdelivered, rather than stolen. The allegation was not supported.

CASE NUMBER: OI-HQ-2019-ADM-0105

A civil complaint alleging the misappropriation of funds was filed against an individual involved in the administration of an EPA Superfund site. An investigation was opened to determine whether the civil complaint implicated the potential misuse of EPA funds. The investigation found that the EPA's financial interest in the Superfund site was limited to receiving funds for the sale of land and for any cost incurred related to the cleanup of the site. The allegation was not supported.

CASE NUMBER: 2007-CS-0033

A contractor was allegedly involved in a kickback and bid rigging scheme involving two Superfund sites in New Jersey. The allegation was supported. The investigation resulted in the conviction of ten individuals and three companies on charges including major fraud, tax fraud, bid rigging, money laundering, and obstruction of justice. Criminal fines and restitution of more than \$6 million were imposed. The contractor also paid the U.S. government \$2,727,200 plus interest under a civil settlement. The aforementioned results were reported in prior semiannual periods. The investigation was officially closed during this semiannual period.

CASE NUMBER: OI-DA-2017-CFR-0037

A contractor on a Drinking Water State Revolving Fund project allegedly arranged to provide water tanks that did not meet the American Industrial Steel standards. The allegation was not supported.

CASE NUMBER: OI-DA-2019-CFD-0075

A contractor on two Drinking Water State Revolving Fund projects allegedly did not pay project employees the prevailing wage and benefit rates in accordance with the Davis-Bacon Act. The OIG investigators identified misclassifications that affected proper payments. The contractor subsequently paid the employees the appropriate amount.

CASE NUMBER: OI-DA-2019-CFD-0080

A contractor on a Drinking Water State Revolving Fund project was allegedly not paying subcontractors appropriately. The investigation revealed that the contractor had paid the subcontractors all amounts due at the time. The allegation was not supported.

CASE NUMBER: OI-DE-2010-CFR-0337

A contractor allegedly manufactured wastewater treatment blowers outside of the United States, violating the Buy American clause of the American Recovery and Reinvestment Act. The allegation was supported. The individual was sentenced to 12 months of jail and ordered to pay restitution totaling \$180,392. The aforementioned results were reported in prior semiannual periods. The investigation was officially closed during this semiannual period.

CASE NUMBER: OI-SE-2019-AFD-0089

A tribe in Alaska allegedly misused EPA grant funds by using Conex boxes and a utility vehicle purchased with EPA funds for personal purposes. The investigation was inconclusive.

CASE NUMBER: OI-AT-2020-CFD-0012

Construction contractors allegedly defrauded a city government during a water infrastructure project. An investigation was opened to determine whether the contractors' alleged fraudulent activities involved a Drinking Water State Revolving Fund project. The investigation determined that the contractors had not participated in the Drinking Water State Revolving Fund activities. The allegations were not supported.

CASE NUMBER: OI-CH-2017-AFD-0147

An executive director of a Michigan Conservation District allegedly committed grant fraud. The investigation disclosed that the individual siphoned EPA grant funds to the individual's personal accounts and spent them at the local casino. The individual was convicted of grant fraud, sentenced to 37 months in prison, and ordered to pay \$573,159.00 in restitution. Additionally, the individual was debarred from government contracts and assistance agreements for a period of ten years. The aforementioned results were reported in prior semiannual periods. The investigation was officially closed during this semiannual period.

CASE NUMBER: OI-HQ-2019-CDF-0104

A company self-disclosed to the OIG that it determined 323 hours totaling \$14,725.94 were mischarged to an EPA contract. The OIG investigation revealed that the company's contractual agreement was with the General Services Administration under the GSA's Alliant Contract. The EPA contracted with the GSA to provide services to the EPA. As such, the company sent a partial payment in the amount of \$10,523.32 to the GSA, and a credit for the rest of the amount owed. The GSA fully refunded the funds to the EPA.

CASE NUMBER: OI-SE-2018-OTH-0076

An EPA contractor allegedly stole an EPA laptop and sold it to a pawn shop. The allegation was supported. The contractor pleaded guilty to second degree theft and was sentenced to 364 days in jail. The sentence was suspended under the condition that the contractor paid \$1,233 in restitution, \$200 in court costs, and \$500 as a crime victim compensation penalty assessment.

CASE NUMBER: OI-CH-2020-AFD-0051

It was alleged that employees with a state environmental agency accepted bribes related to an entity's filing for a wetlands permit under the Federal Clean Water Act. The allegation was not supported.

CASE NUMBER: OI-AT-2019-AFD-0079

It was alleged that an EPA grantee was misusing EPA grant funds. The investigation determined that the grantee failed to provide proper supporting documentation for expenditures from EPA grant funds due to accounting errors and implemented new policies to address the identified weaknesses.

CASE NUMBER: OI-HQ-2017-CAC-0098

An EPA information technology contractor responsible for working on EPA-owned laptops allegedly stole and sold over 30 of them. The allegation was supported. The contractor accepted a plea agreement and received a suspended sentence, paid restitution in the amount of \$15,100, and was put on probation for five years.

CASE NUMBER: OI-AT-2020-CFD-0054

An employee of an Indian tribe allegedly stole approximately \$500,000 to \$1,500,000 from the tribe over four years, some of which were allegedly monies from EPA grants. The OIG determined that the allegation already had been investigated by the Federal Bureau of Investigation; the employee admitted to stealing over \$500,000 of nonfederal monies from the tribe and subsequently was prosecuted by the U.S. Department of Justice.

Appendix 5—Peer Reviews Conducted

For Reporting Period Ended March 31, 2020

Section 5(a)(14) of the Inspector General Act of 1978, as amended, requires an appendix containing the results of any peer review conducted of the EPA OIG by another OIG during the reporting period or, if no such peer review was conducted, a statement identifying the date of the last peer review conducted of the EPA OIG by another OIG. Section 5(a)(15) of the Inspector General Act requires a list of any outstanding recommendations from any peer review conducted of the EPA OIG by another OIG that have not been fully implemented. Section 5(a)(16) of the Inspector General Act requires a list of all peer reviews conducted by the EPA OIG of another OIG during the reporting period, including a list of any recommendations from any previous peer review that remain outstanding.

The EPA OIG did not conduct any peer reviews of other OIGs during the semiannual reporting period. The following are the most recent peer reviews conducted by another OIG of the EPA OIG. There are no outstanding recommendations from these peer reviews.

Audits

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

Investigations

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

Appendix 6—OIG Mailing Addresses and Telephone Numbers

Headquarters

U.S. Environmental Protection Agency
Office of Inspector General
1200 Pennsylvania Ave., NW (2410T)
Washington, D.C. 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 (Mail Code: 15-1)
Boston, MA 02109-3912
Audit/Evaluation: (617) 918-1475
Investigations: (617) 918-1466

Chicago

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

Dallas

U.S. Environmental Protection Agency
Office of Inspector General – 4th Floor
1201 Elm Street
Dallas, TX 75270
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: (913) 551-7420

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) 637-3040

Philadelphia

U.S. Environmental Protection Agency
Office of Inspector General
1650 Arch Street, 3rd Floor
Philadelphia, PA 19103-2029
Audit/Evaluation: (215) 814-2326
Investigations: (215) 814-2470

Research Triangle Park

U.S. Environmental Protection Agency
Office of Inspector General
Mail Drop N283-01
Research Triangle Park, NC 27711
Audit/Evaluation: (919) 541-1030
Investigations: (919) 541-3668

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 17-H13
1200 Sixth Avenue, Suite 155
Seattle, WA 98101-3140
Audit/Evaluation: (206) 553-6906
Investigations: (206) 553-1273