



At a Glance

Why We Did This Audit

The purpose of this audit was to determine whether the U.S. Environmental Protection Agency's (EPA's) Region 7 is monitoring its Superfund Technical Assessment & Response Team (START) contract to ensure compliance with contract terms and to ensure the costs billed are in accordance with the terms and conditions of the contract.

Region 7 awarded the START contract in June 2013. The contract contains a 3-year base period with a 2-year option, and has a maximum value of \$54,174,363. With large spending comes a higher risk of fraud, waste and abuse.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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The full report is at: www.epa.gov/oig/reports/2015/20150720-15-P-0215.pdf

Internal Controls Needed to Control Costs of Superfund Technical Assessment & Response Team Contracts, as Exemplified in Region 7

What We Found

The EPA spends hundreds of millions of dollars under START contracts. We found that Region 7 is not adequately reviewing contractor bills to ensure compliance with the START contract terms. Based on a limited sample of 10 invoices, we found \$82,322 in unallowable billings. Additionally, we found that Region 7 is not adequately monitoring the contractor for compliance with the contract requirements. Specifically, we found that:

Lack of oversight led to unallowable billings of \$82,322 and noncompliance with contract terms and conditions.

- Region 7 did not sufficiently review contractor invoices.
- Monthly progress reports did not meet contract requirements.
- Contractor billings included double-billed items and other unallowable items.
- Staffing plans were not being received as required.
- The region's annual invoice reviews were lacking.
- Adjustment vouchers were not submitted timely.
- The region's START Contracting Officer did not timely appoint Contracting Officer's Representatives for the contract.
- Statements of Work were too general and Independent Government Cost Estimates lacked details.
- Contract clauses were incomplete, repetitive or contradictory.

Recommendations and Planned Agency Corrective Actions

This report makes 26 recommendations. Most of the recommendations are to the Region 7 Administrator, but we do make two recommendations to the Assistant Administrator for Administration and Resources Management. Our recommendations require personnel to notify the contractor of required contract data not being received, use current guidance and tools to review contractor invoices, recover unallowable costs billed on the contract, and properly nominate and appoint contracting officer's representatives on the contract.

The EPA agreed with most of the recommendations and provided corrective actions and estimated completion dates. Where the agency did not agree with a recommendation, it proposed an acceptable alternate corrective action. No final response from the agency is required because all recommendations are resolved.