MEMORANDUM

SUBJECT: Office of Air and Radiation’s (OAR) Response to OIG Report: EPA Could Improve the SmartWay Transport Partnership Program by Implementing a Direct Data Verification Process, Report No. 12-P-0747

FROM: Gina McCarthy
Assistant Administrator

TO: Carolyn Copper
Assistant Inspector General for Program Evaluation
Office of Inspector General

Thank you for the opportunity to respond to the Office of Inspector General’s (OIG) August 30, 2012, Report entitled, “EPA Could Improve the SmartWay Transport Partnership Program by Implementing a Direct Data Verification Process” (Report No. 12-P-0747). The report focused on the agency’s SmartWay Transport Partnership (“SmartWay”) with the freight industry and how OAR could continue to uphold the integrity of program results in the future. We share your interest in protecting the integrity of the SmartWay program. Accordingly, we have moved forward to implement measures proposed in our initial response and in accordance with your recommendation, as outlined below.

OIG Recommendation

Develop and implement direct verification or other measures to verify the accuracy of a sample of the self-reported, industry data for the SmartWay program.

Response/Corrective Action Plan

The OIG report acknowledges a number of measures that the U.S. Environmental Protection Agency has in place already to strengthen the integrity of SmartWay program data. For example, the EPA performs a comprehensive review and cross-checking of partner data before it is accepted by the program. Further, the reporting system that partners use to submit their data already has rigorous internal data quality assurance controls as well, which include reasonableness checks and annual data comparison reports to ensure consistency and to eliminate input errors. The SmartWay program is also diligent in resolving any issues that may arise regarding improper use of the SmartWay brand.

In response to the OIG’s draft report (Project No. OPE-FY11-0011) dated June 29, 2012, OAR proposed, and is in the process of implementing, the following five-step action plan which we anticipate will be completed by December 31, 2013:

- Step 1: Identify a cross section of SmartWay shippers, carriers and logistics partners that have demonstrated program compliance with a credible quality process or certification program, such as ISO certification, Six-Sigma designation or similar quality assurance system. OAR staff
interviewed each candidate to assess their readiness and suitability for participation before selecting the most appropriate candidates. This activity has been completed.

- Step 2: Conduct site visits on a sample of SmartWay partners, which includes firsthand observation and recording of the processes and safeguards employed to collect, handle, check, manage, track and preserve the data reported in their SmartWay partner submissions. Such partner site visits were made with 13 SmartWay partners, and these visits were accompanied by discussions and interviews with key staff involved in data collection and review to clarify how their data management and quality assurance measures ensure partner data validity. This activity has been completed.

- Step 3: Assess and synthesize the results of these interviews and site visits into a comprehensive and consistent set of best practices available for all SmartWay partners to use in their data collection, management and quality assurance procedures. OAR anticipates that the first draft of this guidance document will be available by December, 2012.

- Step 4: Have the draft document reviewed internally and externally by subject matter experts. OAR anticipates that the review process for the best practices guidance document will be completed by May, 2013. Additionally, existing SmartWay partner tool guides and technical guidance documents will also be updated to reflect the best practices identified during the site visits and to further clarify program requirements for data integrity. OAR anticipates that the updated partner tool guidance and technical guidance documents will be finalized on or before March 31, 2013.

- Step 5: Publish the best practices guidance document, and conduct partner outreach and training. OAR will publish the guidance document on the SmartWay website by August, 2013. From September through December, 2013, OAR will conduct a series of training, communications and outreach activities to ensure that all SmartWay partners are aware of and have access to this information and fully understand the program’s expectations for partner data integrity.

OIG commended OAR’s five-step program as a step in the right direction, and the OIG report’s sole recommendation is for OAR to implement direct verification or other measures to verify the accuracy of a sample of the self-reported, industry data for the SmartWay program. In response to this recommendation, OAR will develop an annual verification program to assess the quality of SmartWay partner data collection and verification procedures.

This annual verification program will be based on OAR’s five-step action plan outlined above. To verify the integrity of SmartWay data submissions, a sample of partners will be selected annually from a cross-section of industries. The EPA staff will visit these partners to observe and record processes and safeguards employed by the SmartWay partner to collect, handle, check, manage, track and preserve the data reported in their SmartWay data submissions. During these visits, the EPA will meet with key staff involved in data collection and review to clarify how their data management and quality assurance measures ensure partner data validity. The EPA will also review best practices with these partners to ensure that they are following SmartWay guidelines for ensuring the integrity of SmartWay submissions.

The EPA will also review the findings from these interviews. Based upon the findings, the EPA will determine whether existing guidance or tools need to be revised or additional training is needed to ensure that SmartWay partners fully understand the program’s expectations for partner data integrity, as a condition of membership in SmartWay.
We anticipate that implementing these partner data quality assurance measures will be responsive to the OIG’s concerns about maintaining SmartWay program data integrity. If you have any questions, please contact me or the SmartWay Center Director, Cheryl L. Bynum ((734) 214-4844 bynum.cheryl@epa.gov).