



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

## *Spending Taxpayer Dollars*

# Early Warning Report: Some EPA Employees Found to Be on Paid Administrative Leave for Years

Report No. 15-N-0025

November 19, 2014



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## Abbreviations

EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
GAO	U.S. Government Accountability Office
OIG	Office of Inspector General
OPM	Office of Personnel Management

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# At a Glance

## Why We Did This Review

In reaction to an October 17, 2014, U.S. Government Accountability Office (GAO) report, *FEDERAL PAID ADMINISTRATIVE LEAVE, Additional Guidance Needed to Improve OPM Data*, a member of the Senate Committee on the Judiciary and a member of the House Committee on Oversight and Government Reform sent a letter on October 21, 2014, to the U.S. Environmental Protection Agency (EPA) Administrator requesting information concerning administrative leave taken by EPA employees. As a result of that request, this early warning report provides information identified during the EPA Office of Inspector General's time and attendance audit (still in process) in connection with administrative leave.

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

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

Send all inquiries to our public affairs office at (202) 566-2391 or visit [www.epa.gov/oig](http://www.epa.gov/oig).

The full report is at: [www.epa.gov/oig/reports/2014/20141119-15-N-0025.pdf](http://www.epa.gov/oig/reports/2014/20141119-15-N-0025.pdf)

## ***Early Warning Report: Some EPA Employees Found to Be on Paid Administrative Leave for Years***

### What We Found

We provided to the EPA Administrator data on eight employees who had recorded significant amounts of administrative leave. The amount of administrative leave recorded by these eight employees totaled 20,926 hours and cost the government an estimated \$1,096,868. Each of these employees was on extended administrative leave for 4 or more months. For four of the eight employees, the administrative leave covered more than a year.

According to GAO, there is no general statutory authority for the use of paid administrative leave, which is an excused absence without loss of pay or charge to other (annual or sick) leave. However the U.S. Office of Personnel Management has provided direction on the permissible use of administrative leave.

This early warning report is for informational purposes only; therefore, there are no recommendations for the agency to address. Our audit work on EPA time and attendance is in process and could result in additional matters reported to the agency regarding the EPA's use of administrative leave.

### Briefing With the Administrator and Agency Response

The EPA Inspector General met with the EPA Administrator on October 30, 2014, to brief her on our currently ongoing work related to this matter. The Administrator subsequently requested the background information on the employees for follow-up by the EPA's Office of Administration and Resources Management. We provided the requested information on November 3 and November 5, 2014.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

November 19, 2014

**MEMORANDUM**

**SUBJECT:** Early Warning Report: Some EPA Employees Found to Be on  
Paid Administrative Leave for Years  
Report No. 15-N-0025

**FROM:** Arthur A. Elkins Jr.

A handwritten signature in black ink, appearing to read "Arthur A. Elkins Jr.", is written over the printed name.

**TO:** Gina McCarthy, Administrator

On October 21, 2014, you received a letter from a member of the Senate Committee on the Judiciary and a member of the House Committee on Oversight and Government Reform requesting information concerning administrative leave taken by U.S. Environmental Protection Agency employees. This request was in response to the U.S. Government Accountability Office report, *FEDERAL PAID ADMINISTRATIVE LEAVE, Additional Guidance Needed to Improve OPM Data*, issued on October 17, 2014. As a result of that congressional request, this early warning report is providing you with information obtained during our currently ongoing time and attendance audit in connection with administrative leave.

This report is for informational purposes only. No recommendations have been made, and a response to this report is not required.

This report will be available at <http://www.epa.gov/oig>.

## Purpose

The purpose of this report is to provide early information obtained during our time and attendance audit of the U.S. Environmental Protection Agency (EPA) in connection with administrative leave—where an excused absence is taken without loss of pay or charge to other (annual or sick) leave. This report is for informational purposes only and no recommendations are being made; any recommendations in connection with administrative leave will be made in a subsequent report on the EPA’s time and attendance audit.

## Background

On October 21, 2014, the EPA Administrator received a letter from a member of the Senate Committee on the Judiciary and a member of the House Committee on Oversight and Government Reform requesting information concerning administrative leave taken by EPA employees. This request was in response to a U.S. Government Accountability Office (GAO) report, *FEDERAL PAID ADMINISTRATIVE LEAVE, Additional Guidance Needed to Improve OPM Data*, issued on October 17, 2014.

The GAO report provided summary data for paid administrative leave for 24 federal agencies, including the EPA. The GAO selected five agencies for an in-depth review of administrative leave policies and collected information on the reasons why these agencies had large amounts of paid administrative leave; the EPA was not one of those five agencies selected for in-depth review.

The GAO, however, identified that the estimated salary cost for EPA employees on administrative leave for fiscal years (FYs) 2011 through 2013 was \$17,550,100. During that period, GAO identified 69 EPA employees who used a month or more of administrative leave. There were 50 employees who had used between 1 and 3 months of administrative leave and two employees who had used administrative leave in excess of 1 year. The total amount of administrative leave taken by the 69 EPA employees for FYs 2011 through 2013 totaled 4,711 days.

According to GAO, there is no general statutory authority for the use of paid administrative leave, which is an excused absence without loss of pay or charge to leave. However, the U.S. Office of Personnel Management has provided direction on the permissible use of administrative leave.

## Scope and Methodology

As part of the OIG’s audit of EPA time and attendance that is still in process, we reviewed data for EPA employees who were on extended periods of administrative leave in FY 2014. We compiled leave and salary information for these employees. To determine the hours and amounts associated with EPA

employees' administrative leave taken without a loss of pay or charge to leave accounts, we performed the following steps:

- Based upon the EPA time and attendance audit sample of four pay periods in FY 2014 (two pay periods in November 2013 and two pay periods in May 2014), we reviewed data for employees who had recorded administrative leave.
- For these employees, we determined the duration of administrative leave between FYs 2007 and 2014.
- We estimated the cost of administrative leave based upon the estimated annual pay listed in the employee's Standard Form 50, *Notification of Personnel Action*.

This report was not prepared in accordance with generally accepted government auditing standards. In particular, the report does not contain any findings or conclusions in connection with internal controls or EPA's compliance with administrative leave criteria. This report is for informational purposes only. The departure from generally accepted government auditing standards had no impact on the information provided in this report.

## Results of Review

During our audit of EPA's time and attendance, employees in our sample had recorded administrative leave during the months of November 2013 and/or May 2014. We analyzed data for eight employees who had recorded significant amounts of administrative leave. The total amount of administrative leave recorded for these eight employees from January 3, 2010, to September 20, 2014, totaled 20,926 hours and cost the government an estimated \$1,096,868 (see Table 1 below). Each of these employees was on extended administrative leave for 4 or more months. For four of the eight employees, the administrative leave covered more than a year.

The EPA has policies and procedures for administering leave benefits through its EPA Leave Manual 3165. According to the leave manual, first-line supervisors are authorized to approve the various types of leave for the employees whom they supervise, unless they are notified in writing that the authority is retained at a higher organizational level. Agency officials authorized to approve leave are required to administer leave in compliance with the EPA leave manual.

Chapter 9 of the leave manual states that administrative leave is synonymous with an excused absence. An excused absence is an absence from duty without loss of pay and without charge to the employee's leave account (i.e., annual and sick leave). The distinction is that an employee, while on excused absence (as opposed

to formal leave, such as annual leave or sick leave), is not acting within the employer–employee relationship.

The leave manual identifies a variety of circumstances where administrative leave can be authorized, including absence for voting, participation in funeral ceremonies, blood donations, sitting for examinations, and hazardous weather conditions. The leave manual also provides that one authorized use of administrative leave is when an employee’s removal or indefinite suspension is proposed, and the employee’s continued presence at the work site during the notice period would constitute a threat to public property or the health and safety of coworkers or the public. However, the leave manual does not provide any guidance as to an acceptable amount of administrative leave or list other personnel matters that would qualify for administrative leave.

We examined the agency’s payroll records<sup>1</sup> to determine the extent of the administrative leave recorded for the eight employees who were on extended administrative leave for 4 or more months. The total amount of leave recorded and the estimated costs associated with the leave are shown in Table 1:

**Table 1: Administrative leave information for sampled EPA employees<sup>2</sup>**

Employee No.	Administrative leave hours	Period when leave was taken <sup>3</sup>	Total estimated cost
1	1,820	07/28/13 – 09/20/14	\$69,593
2	5,883	01/03/10 – 09/20/14	300,671
3	767	01/12/14 – 09/20/14	35,226
4	6,300	05/09/10 – 09/20/14	351,300
5	3,916	01/16/11 – 01/11/14	239,600
6	1,050	03/09/14 – 09/20/14	61,145
7	300	09/08/13 – 01/11/14	15,385
8	890	04/06/14 – 09/20/14	23,948
<b>Total</b>	<b>20,926</b>		<b>\$1,096,868</b>

Sources: OIG analysis and EPA’s Compass Financial Data Warehouse.

During the process of collecting data, we became aware of two payroll codes used by one employee that raised additional concerns because of the large amount of time charged closely preceding this employee’s extended administrative leave. The suspect time charges included hours charged for dispute resolution (payroll code EMRDR) and general labor management (payroll code EMRGL). The charges included 1,231 hours at a cost of \$57,636. According to the EPA Office of Administration and Resources Management, these labor categories are used to track official time for union representation as identified in Title 5 U.S. Code §7131.

<sup>1</sup> EPA employees did not always have a timesheet prepared and approved in EPA’s payroll system. Therefore, the amounts of administrative leave recorded for employees with missing timesheets could be higher than reported in the table.

<sup>2</sup> We only included the administrative leave hours identified in EPA’s payroll system if the employee charged such leave regularly for an extended period of time (more than four consecutive pay periods).

<sup>3</sup> Recorded administrative leave may not have been taken for the entire period cited.

## **Briefing With the Administrator and Agency Response**

We briefed the EPA Administrator on October 30, 2014, on the leave and salary information we compiled. The Administrator subsequently requested the background information on the employees for follow-up by the EPA's Office of Administration and Resources Management. We provided the requested information on November 3 and November 5, 2014.



## ***Distribution***

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