



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

*Operating efficiently and effectively*

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

Report No. 20-P-0066

January 3, 2020



## Report Contributors:

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## Abbreviations

AAMS	Agency Asset Management System
CMAD	Consequence Management Advisory Division
EPA	U.S. Environmental Protection Agency
ERT	Environmental Response Team
ERTG	Emergency Response Technical Group
HS/ER	Homeland Security and Emergency Response
NCERT	National Criminal Enforcement Response Team
NEL	National Equipment List
OEM	Office of Emergency Management
OHS	Office of Homeland Security
OIG	Office of Inspector General
OLEM	Office of Land and Emergency Management
OSC	On-Scene Coordinator
RERT	Radiological Emergency Response Team

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

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# At a Glance

## Why We Did This Project

The U.S. Environmental Protection Agency's (EPA's) Office of Inspector General (OIG) conducted this audit to determine whether the EPA has the needed and required homeland security and emergency response (HS/ER) equipment, whether the EPA efficiently manages and tracks that equipment, and whether the equipment is readily available for potential homeland security or emergency response incidents.

The EPA's Office of Emergency Management, within the agency's Office of Land and Emergency Management, works with federal partners to maintain capabilities to respond to emergencies. The EPA's Office of Homeland Security, within the Office of the Administrator, provides agencywide leadership and coordination for planning, prevention, preparedness and response to homeland security incidents. Also, within the EPA, four special teams and all 10 regions respond to homeland security or emergency response incidents.

## This report addresses the following:

- *Operating efficiently and effectively.*

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List of [OIG reports](#).

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

### What We Found

The EPA needs to improve its management of HS/ER equipment. Specifically:

- The EPA did not identify the HS/ER equipment needed to respond to a nationally significant incident.
- The EPA did not fully use its agencywide equipment system to track the availability of EPA-owned HS/ER equipment.
- The EPA's special teams need to address the status of HS/ER equipment that is unused or broken.

**The EPA needs to improve its management of its HS/ER equipment, worth over \$40 million, so that it can adequately track the equipment it needs to fulfill its responsibilities during an incident in a cost-effective manner.**

While the EPA has successfully responded to past incidents, there is a risk that—until it identifies a list of HS/ER equipment it needs to meet its responsibilities during an incident—the agency may not have the correct equipment to respond to future incidents. Also, while the EPA spends \$554,310 annually on the Agency Asset Management System (AAMS), which has the ability to manage and track the EPA's equipment, the agency is not using this functionality. Instead, the EPA spent an additional \$2,365,938 to track the equipment outside of AAMS, making it difficult for the EPA to have an accurate inventory of HS/ER equipment. Compounding this problem is the mismanagement of unused or broken equipment.

### Recommendations and Planned Agency Corrective Actions

We recommend that the agency create and maintain an official agencywide list of the equipment needed for incidents, maintain one official agencywide management and tracking system for HS/ER equipment, update AAMS to include missing equipment, implement controls to verify and record the status of unused or broken equipment, and verify the implementation of internal controls to justify the agency keeping unused or broken equipment.

The EPA agreed with two recommendations but did not provide corrective actions, and it disagreed with the remaining three recommendations. Thus, all recommendations in this report are unresolved with resolution efforts in progress.



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

OFFICE OF  
INSPECTOR GENERAL

January 3, 2020

**MEMORANDUM**

**SUBJECT:** EPA Can Improve Incident Readiness with Better Management of Homeland Security and Emergency Response Equipment  
Report No. 20-P-0066

**FROM:** Charles J. Sheehan, Acting Inspector General

A handwritten signature in blue ink that reads "Charles J. Sheehan".

**TO:** Doug Benevento, Associate Deputy Administrator

Peter Wright, Assistant Administrator  
Office of Land and Emergency Management

This is our report on the subject audit conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). The project number for this audit was OA&E-FY18-0109. This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The Office of Emergency Management, within the Office of Land and Emergency Management, and the Office of Homeland Security, within the Office of the Administrator, share responsibilities for the subjects covered in this audit.

**Action Required**

All recommendations in this report are unresolved. In accordance with EPA Manual 2750, the resolution process begins immediately with the issuance of this report. We are requesting a meeting within 30 days with the Associate Deputy Administrator, the Assistant Administrator for Land and Emergency Management, and the OIG's Assistant Inspector General for Audit and Evaluation. If resolution is still not reached, the Office of the Administrator and the Office of Land and Emergency Management must submit a dispute resolution request to the Chief Financial Officer.

We will post this report to our website at [www.epa.gov/oig](http://www.epa.gov/oig).

# Table of Contents

## Chapters

<b>1</b>	<b>Introduction</b> .....	<b>1</b>
	Purpose .....	1
	Background.....	1
	Responsible Offices .....	3
	Scope and Methodology .....	3
	Prior Reports.....	5
<b>2</b>	<b>EPA Needs Official List of HS/ER Equipment to Adequately Respond to Significant Incidents</b> .....	<b>6</b>
	EPA Has Not Identified Equipment It Needs to Meet Its Responsibilities to Respond to Incidents .....	6
	Agency Policy Implements Management of Emergency Response Equipment.....	6
	EPA Has Outdated and Incomplete Equipment List .....	7
	Without an Official Agencywide List, EPA May Not Know Whether It Has the Correct Equipment to Respond .....	9
	Recommendation.....	9
	Agency Response and OIG Evaluation .....	9
<b>3</b>	<b>EPA Needs to Track Availability of HS/ER Equipment Agencywide</b> .....	<b>11</b>
	Existing Tracking System Not Used to Track Equipment.....	11
	EPA Did Not Have Equipment Items in Its Asset System, and Estimated Acquisition Costs May Be Inaccurate .....	13
	Agency Compliance with Financial Management Requirements Needed .....	14
	EPA at Risk of Not Having Needed Equipment Available for Future Incident.....	14
	Recommendations .....	14
	Agency Response and OIG Evaluation .....	14
<b>4</b>	<b>EPA Special Teams Are Not Addressing Unused or Broken Equipment</b> .....	<b>16</b>
	EPA Special Teams Need to Address Unused or Broken Equipment.....	16
	EPA Policy Requires Identification of Unused or Broken Equipment.....	17
	Special Teams Were Not Declaring Unused Equipment as Excess .....	17
	Recommendations .....	17
	Agency Response and OIG Evaluation .....	18
	<b>Status of Recommendations and Potential Monetary Benefits</b> .....	<b>19</b>

## Appendices

<b>A</b>	<b>Agency Response to Draft Report .....</b>	<b>20</b>
<b>B</b>	<b>Distribution.....</b>	<b>24</b>

# Chapter 1

## Introduction

### Purpose

The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) conducted an audit of the EPA's management of homeland security and emergency response (HS/ER) equipment. Our objective was to determine whether the EPA has the needed HS/ER equipment, the EPA efficiently manages and tracks that equipment, and the equipment is readily available for potential HS/ER incidents.

### Background

The EPA uses HS/ER equipment to respond to chemical, biological or radiological incidents; oil spills; and hazardous waste releases. The EPA's HS/ER equipment can be used in local or regional emergencies, as well as in nationally significant incidents. The EPA senior leadership manages internal activities and coordinates with federal, state and local entities regardless of the incident type.

#### ***EPA Roles and Responsibilities in Response Efforts***

The EPA's Office of Homeland Security (OHS), Office of Land and Emergency Management (OLEM), Regional Administrators, On-Scene Coordinators (OSCs) and special teams can all have a role in responding to an emergency or nationally significant incident. The OSC responding to the incident will perform an assessment to determine the equipment that is needed for the response. Senior leadership responsible for the oversight include:

- Associate Administrator for Homeland Security, who is responsible for the agency's preparedness, response and recovery for nationally significant incidents.
- Assistant Administrator for Land and Emergency Management, who oversees the agency's incident response.
- Assistant Administrators from other program offices, who provide information on their EPA programs.
- Regional Administrators, who serve as the designated contact on policy or political issues, act as the regional spokesperson, and coordinate at the political and strategic level with other agencies.

Generally, at the program or regional level depending on the incident, the following are involved in responding to an emergency or incident:

- The OSC from the impacted region responds to an incident; initially determines whether federal assistance is required; and coordinates with responding state and local agencies, if needed.
- A special team, under the direction of an EPA program office (Table 1), focuses its response activity on the type of homeland security or emergency incident that has occurred. Each team has its own assigned HS/ER equipment. The four special teams are:
  1. Environmental Response Team (ERT).
  2. Consequence Management Advisory Division (CMAD).
  3. Radiological Emergency Response Team (RERT).
  4. National Criminal Enforcement Response Team (NCERT).

**Table 1: Special teams’ response activity focus**

<b>Team</b>	<b>Program office</b>	<b>Response activities focus</b>
ERT	OLEM – Office of Superfund Remediation and Technology Innovation	Environmental emergencies.
CMAD	OLEM – Office of Emergency Management	All phases of a chemical, biological, radiological and nuclear response.
RERT	Office of Air and Radiation – Office of Radiation and Indoor Air	Radiation monitoring and evaluation.
NCERT	Office of Enforcement and Compliance Assurance – Office of Criminal Enforcement, Forensics and Training	Forensic evidence collection and protective escorts.

Source: OIG analysis of EPA information. See Figure 1 for each team location.

The EPA also has an Emergency Response Technical Group (ERTG) that has representatives from regions and special teams. The technical group developed the national emergency response equipment list to assure equipment standardization and consistency across the nation. The ERTG’s mission is “to enhance emergency response planning, preparedness and technical capabilities of [OSCs] to respond to oil and hazardous material incidents.” The technical group is coordinated through the Office of Emergency Management’s (OEM’s), Preparedness and Response Operations Division.

***EPA’s HS/ER Equipment and Asset Management System***

As of April 2018, the EPA had 7,908 HS/ER equipment items—ranging from rubber boots and paper towels to meters, tractors, trucks and forklifts— with an estimated total value of \$40,456,809.

The EPA uses the Agency Asset Management System (AAMS) to track and inventory EPA equipment. The EPA Property Manual states that AAMS is used to track assets that meet one or more of the following criteria:

(1) for which expected useful life is two years or longer and an acquisition value of \$5,000 or more; (2) that is classified as sensitive; (3) for which controls and official asset records are maintained; (4) for which physical inventories are conducted; and/or (5) that is otherwise assigned and accounted for. It includes capitalized property, sensitive property, controlled property, firearms and weapons, motor vehicles and trailers, vessels, aircraft, and classified property.

The manual also states that program and regional offices shall develop and maintain internal controls that provide reasonable assurance that all assets are managed in accordance with federal laws, regulations and EPA policy.

## Responsible Offices

The OHS, within the Office of the Administrator, provides agencywide leadership and coordination for planning, prevention, preparedness and response to homeland security incidents. The OLEM, through its OEM, works with federal partners to prevent accidents and maintain capabilities to respond to emergencies.

## Scope and Methodology

We conducted our audit from March 2018 to May 2019 in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report.

To answer our objective, we reviewed the following federal law, guidance, and agency policies and procedures related to the HS/ER equipment process:



Region 8 storage of HS/ER equipment.  
(EPA OIG photo)

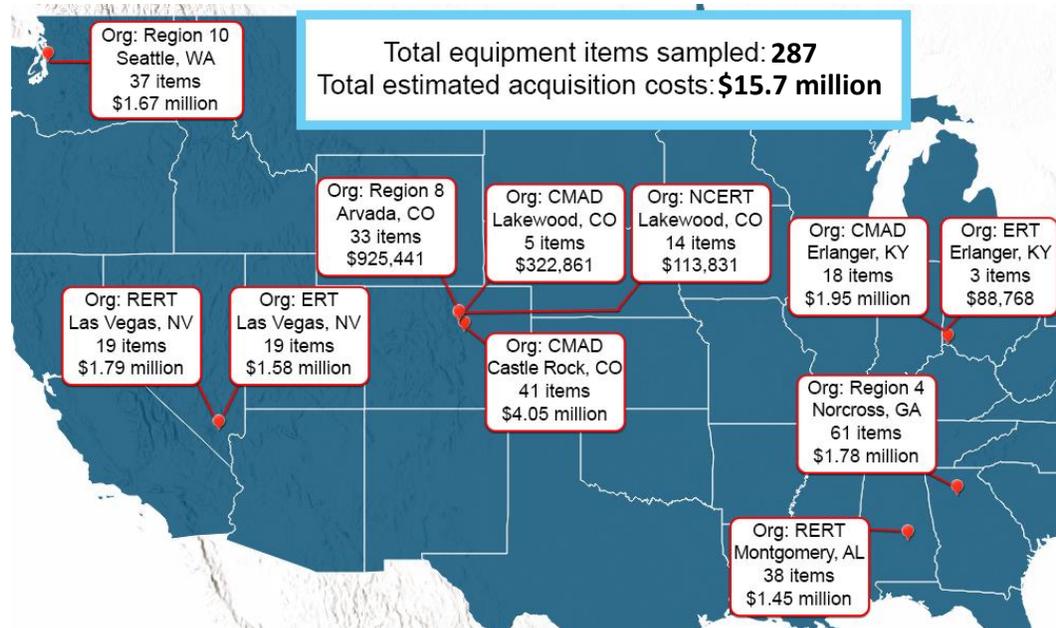
- *Federal Financial Management Improvement Act of 1996*, Pub. L. No. 104-208, Div. A, Title I, §101(f), 110 Stat. 3009-389 (1996).
- The Joint Financial Management Improvement Program's JFMIP-SR-00-4, *Federal Financial Management System Requirements: Property Management System Requirements*, October 2000.
- The Government Accountability Office's GAO-02-171G, *Property Management Systems Requirements: Checklist for Reviewing Systems*

Under the Federal Financial Management Improvement Act, December 1, 2001.

- EPA Order 2071, *National Approach to Response*, October 27, 2016.
- EPA 4832, *EPA Personal Property Manual*, June 2017.
- OLEM memorandum, *Decommissioning of the Equipment Tracking Module (ETM) and Move to the Agency Asset Management System (AAMS) to Track Equipment*, May 22, 2018.

We selected site visit locations based on the type of equipment (EPA- or contractor-managed) and the total value of the equipment. We selected 287 equipment items for review with an estimated acquisition cost of \$15.7 million based on the highest estimated acquisition costs at each site. Figure 1 shows the organizations and locations selected.

**Figure 1: Audit sites visited, number of equipment items and estimated costs of equipment**



Source: OIG analysis of site visits.

For each item sampled, we reviewed equipment tags, purchase costs, maintenance/usage records and the condition of the equipment. At each site, we reviewed the systems that were used to track equipment and the process for handling unused or broken equipment; we also looked at whether the equipment was agency- or contractor-owned and/or managed. We reviewed AAMS to determine whether the equipment was accurately recorded and compared data in the system to data provided to us from regional or contractor databases and spreadsheets.

We interviewed regional OSCs, property management staff, a criminal investigator, scientists, program office staff and contractors. We also interviewed property management specialists about AAMS updates and use, as well as controls and changes for HS/ER equipment.

## Prior Reports

The EPA OIG issued several prior reports that relate to HS/ER equipment:

- Report No. [11-P-0616](#), *EPA Has Not Fully Implemented a National Emergency Response Equipment Tracking System*, issued September 13, 2011. This report involved a review of a hotline complaint that alleged the EPA was not using the Emergency Management Portal equipment module and that the module was ineffective and costly. The OIG recommended that the EPA determine whether the Emergency Management Portal was the most cost-efficient equipment-tracking alternative. The OIG also recommended that the EPA mandate that regions and response teams use the national tracking system. The agency indicated that the corrective actions were completed.
- Report No. [09-P-0087](#), *EPA Plans for Managing Counter Terrorism/Emergency Response Equipment and Protecting Critical Assets Not Fully Implemented*, issued January 27, 2009. The OIG found that the EPA needed to improve management of counter terrorism/emergency response equipment. The OIG recommended that the agency establish milestones and accountability for implementing the Emergency Management Portal equipment module and ensure resources are available for training and implementation of the module. The agency indicated that all corrective actions were completed.
- Report No. [2006-P-00022](#), *EPA Needs to Better Implement Plan for Protecting Critical Infrastructure and Key Resources Used to Respond to Terrorist Attacks and Disasters*, issued April 26, 2006. The OIG found that the EPA had not implemented a national system for tracking emergency response equipment. The OIG recommended that the EPA determine the categories of equipment to be tracked, as well as update warehouse data at specific intervals until a national equipment system is operational. The agency indicated that it completed corrective actions.
- Report No. [2004-P-00011](#), *EPA Needs to Better Manage Counter Terrorism/Emergency Response Equipment*, issued March 29, 2004. The OIG found that the EPA did not have a national counter terrorism/emergency response equipment tracking system. The OIG recommended that the agency establish a timetable to (1) determine what emergency response equipment and characteristics to track and (2) develop and implement a plan, with points of accountability, for a national tracking system. The agency indicated that it completed corrective actions.

## Chapter 2

### EPA Needs Official List of HS/ER Equipment to Adequately Respond to Significant Incidents

The EPA has not identified the HS/ER equipment needed to respond to a nationally significant incident. EPA Order 2071, *National Approach to Response*, says the agency must “continue to focus preparation and response planning on the possibility for multiple, simultaneous significant incidents that could occur across several regions.” The EPA’s response planning includes an outdated and incomplete national equipment list (NEL) and separate equipment lists maintained by regions and special teams. Without one official agencywide list of items, there is a risk that the agency may not have the correct equipment to respond to future incidents. Also, a list will help the agency spend taxpayer funds in a responsible manner to support its equipment needs.

#### EPA Has Not Identified Equipment It Needs to Meet Its Responsibilities to Respond to Incidents

The EPA has not identified the HS/ER equipment needed to support its role in the federal response to incidents. Without this information against which to compare the EPA’s actual equipment, the agency may not know whether it has the assets to respond quickly and effectively to a nationally significant incident. The EPA’s OHS has performed evaluations related to the EPA’s responsibilities under presidential directives that address the agency’s requirements to respond to incidents such as chemical, biological or radiological incidents; oil spills; hazardous waste releases; and water emergencies. However, these evaluations contained only observations and did not identify the equipment needed or provide a roadmap for developing one for emergencies or homeland security incidents.



A CMAD HS/ER response vehicle in Castle Rock, Colorado. (EPA OIG photo)

#### Agency Policy Implements Management of Emergency Response Equipment

In 2003, the EPA issued a National Approach to Response policy to manage its emergency response, including its management of assets during a nationally significant incident or disaster. The National Approach to Response stated that the agency would deploy people and equipment to emergency responses in a timely manner and take a national approach to coordinating efforts, regardless of whether the EPA had the lead or provided support. The National Approach to Response

noted that a nationally significant incident might be the result of a chemical, biological or radiological emergency or a natural disaster.

Effective October 27, 2016, the National Approach to Response was updated and became part of EPA Order 2071, *National Approach to Response*. This order documents agency policy for implementing “the government-wide national incident management system.” EPA Order 2071 states that the EPA “must continue to focus preparedness and response planning on the possibility for multiple, simultaneous significant incidents that could occur across several regions.”

## **EPA Has Outdated and Incomplete Equipment List**

The EPA has not been able to identify what equipment is needed to respond to emergencies or significant incidents because it has an outdated and incomplete National Emergency Response Equipment List, which is also referred to as the NEL. In addition, regions and special teams have separate equipment lists.

### ***EPA Does Not Maintain Complete Equipment List***

The ERTG developed the NEL for equipment consistency and standardization across the country for all regions and special teams. We only became aware of the NEL when the agency provided its working draft of the *Five-Year Equipment Replacement Plan 2017-2022*, dated March 7, 2018. The plan identified replacement priorities and aids the agency in identify funding needed to support equipment replacement and maintenance. The NEL, which was last updated in 2015, is in the appendix of the plan. The OIG requested an updated list, but the agency did not provide one.

The NEL does not list all equipment maintained by regions and special teams. The plan assumes that the emergency response program will support one large and one small concurrent national incident or event. We found that the NEL did not include large emergency response equipment, such as response vehicles, generators, trailers and communications equipment. The plan has not been finalized or implemented because of the agency’s limited budget.

The budget is also a factor for OLEM and its management of HS/ER equipment. Specifically, an OLEM Director said that “existing budgets allow us to operate and maintain our capabilities and assets. The budgets are not at levels that allow us to evolve, upgrade or modernize to keep up with technological advancements and emerging threats.”

If the EPA updates and maintains an official agencywide equipment list, like the NEL, it may help the agency know whether it has the HS/ER equipment needed to support its role in the federal response to incidents.

## ***Regions and Special Teams Maintain Separate Equipment Lists***

Each region and special team that we reviewed maintained its own list of HS/ER equipment and knew its ability to respond to an incident. The regions and special teams that we visited told us about various methods they use to identify needs for their HS/ER equipment:

- Special teams in Las Vegas, Nevada, and staff in Regions 4 and 8 said that information about the need for equipment comes from the agency's ERTG review process.
- CMAD said that it follows Homeland Security Presidential Directives and Presidential Policy Directives to determine the need for its equipment.
- NCERT said that it developed a 5-day model to determine the amount and type of equipment needed.
- A special team in Montgomery, Alabama, said that the air program office develops a yearly acquisition plan for purchases over \$150,000, which would include large equipment items.
- Region 4 said that it is using its own 3-year purchase plan to help identify equipment needs.
- Region 10 said that it has a 5-year plan for equipment acquisition derived from ERTG's NEL.

OLEM noted that it was not aware of any EPA requirement to maintain a single agencywide list of HS/ER equipment. However, the agency stated that the ERTG had defined the current makes and models of the specific instruments needed for standard hazardous material releases/spills. The ERTG's NEL specifies the items that a region/team needs to respond appropriately, along with the ability to rapidly pool equipment from across all regions and teams to respond to major incidents.

Regions and special teams determine whether they require additional equipment based on local assessments.

An official agencywide list would allow the EPA to understand agencywide capabilities and assess needs it should address as an agency, so it is prepared to respond to a nationally significant incident.



EPA Region 4 emergency response warehouse. (EPA OIG photo)

## Without an Official Agencywide List, EPA May Not Know Whether It Has the Correct Equipment to Respond

The EPA has HS/ER equipment with an estimated value of \$40,456,809. Without an agencywide list of equipment, the EPA will not know whether it is using its limited budget on the equipment it needs for an emergency or incident. A list of the equipment needed will also help the agency responsibly spend taxpayer funds. While the EPA has successfully responded to past incidents, there is a risk that the agency may not have the correct equipment to meet its responsibilities when responding to future incidents.



Canberra 300G iSolo Gasless Gross Alpha Beta Machines (HS/ER equipment) in RERT Montgomery, Alabama. (EPA OIG photo)

### Recommendation

We recommend that the Deputy Administrator and the Assistant Administrator for Land and Emergency Management:

1. Create and maintain an official agencywide list of needed homeland security and emergency response equipment, so that the agency can maintain readiness for significant incidents in accordance with EPA Order 2071, *National Approach to Response*.

### Agency Response and OIG Evaluation

The EPA did not agree with Recommendation 1 and proposed deleting it. The EPA stated that:

The creation of a single list of ‘needed and required equipment’ for emergency responses is only possible with appropriate bounds given the Agency’s authorities and resource constraints. The current requirements for equipment are provided in the National Equipment List and are estimated based on realistic and probable scenarios for which EPA is authorized and delegated to provide equipment.

Responses vary, and the necessary equipment required to adequately respond to [sic]varies. It is impossible to preselect equipment types and number due to the uncertainty of the different types of incidents, equipment technology advances and evolving

intelligence. EPA has an Emergency Response and Removal Program National Equipment List (aka National Equipment List or NEL). The National Equipment List provided through the ERTG contacts is maintained by the regions and special teams and supports a planning scenario for 1 large and 1 medium incident.

The EPA has not created an official agencywide list of equipment needed to respond to significant incidents. The agency's draft *Five-Year Equipment Replacement Plan 2017-2022* is not final and has not been implemented. The NEL is outdated, is incomplete and does not identify all needed emergency response equipment. While the EPA has successfully responded to past incidents, there is a risk that the agency may not have the correct equipment to respond to future incidents until it creates a list of needed HS/ER equipment.

Recommendation 1 is unresolved with resolution efforts in progress. The full agency response is in Appendix A.

# Chapter 3

## EPA Needs to Track Availability of HS/ER Equipment Agencywide

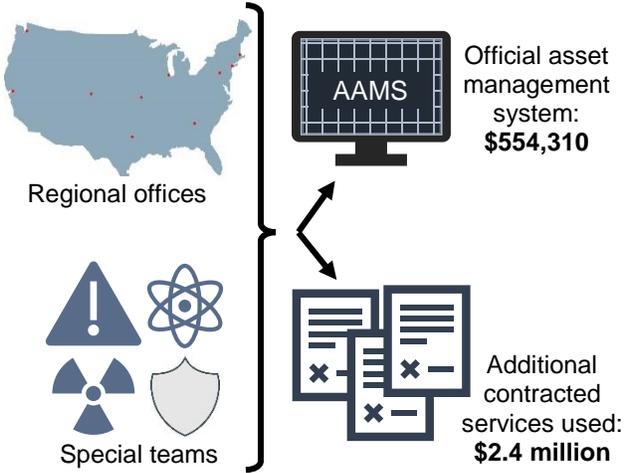
The EPA did not use AAMS to track the availability of EPA-owned HS/ER equipment. Without a cost-effective and efficient agencywide tracking system for all HS/ER equipment, the EPA is at risk of not knowing whether it has the necessary equipment to timely respond to a nationally significant incident. AAMS, which costs the agency \$554,310 annually, does not have information on HS/ER equipment availability, nor does it always include EPA-owned HS/ER equipment, and it may have inaccurate equipment costs. Moreover—at an acquisition cost of \$2,365,938—the agency uses contractors to track equipment, even though AAMS could do this for the agency.

### Existing Tracking System Not Used to Track Equipment

The EPA did not use its agencywide equipment system to indicate whether HS/ER equipment is available to respond to a nationally significant incident. The EPA said that in the event of a homeland security or emergency incident, the regions and special teams call each other to determine who has HS/ER equipment available to be deployed (see Figure 2). This interaction is not an efficient, systematic way to

identify the availability of HS/ER equipment that is used to respond to nationally significant incidents.

**Figure 2: HS/ER equipment managers/trackers and services used**



Source: EPA OIG image.

### ***EPA Has Not Fully Used Agency’s Tracking System Abilities***

In May 22, 2018, the EPA issued the memorandum, *Decommissioning of the Equipment Tracking Module (ETM) and Move to the Agency Asset Management System (AAMS) to Track Equipment*, which mandated the use of AAMS to track all HS/ER equipment. The agency explained that in December 2015, AAMS became the “authoritative information technology system for all enterprise asset management for the Agency.” Additionally, the memorandum

stated, “This designation requires all regional program offices and labs to transition from using external and existing internal equipment tracking tools and begin using AAMS.”

The EPA’s special teams and regions use tools and contractors to track the availability of HS/ER equipment outside of AAMS. The agency has not fully used AAMS to track the availability of equipment, despite the EPA stating that AAMS can track availability. The agency noted:

AAMS is an all-inclusive asset management system designed to track and account for various types of assets. In addition to tracking, key features and requirements include: acquisition, utilization, and disposition data. Also included are 1) a maintenance module that is capable of tracking events like asset calibration, 2) a materials module which is a solution for supply chain management of expensed and consumed items, and 3) a reporting capability covering the varying aspects of lifecycle management.

Although the EPA directed the use of AAMS, other tools to track equipment availability continue to be used throughout the agency to manage HS/ER equipment needs. From our site visits, we found that three regions had contracted \$2,365,938 to manage and track equipment. Table 2 provides a breakdown of the contracts.

**Table 2: EPA contractors who manage and track HS/ER equipment**

Special team or region	Contractor name/contract number	Summary of some contractor services provided to the EPA	Estimated annual contract value	Period of performance
Region 4	Basha Services EP-S4-16-05	<ul style="list-style-type: none"> <li>Manage inventory of equipment and supplies and maintain and calibrate government-owned equipment.</li> </ul>	\$858,123*	6/23/18 to 6/22/19
Region 8	CBT Logistics EP-S8-16-01	<ul style="list-style-type: none"> <li>Provide 24/7 on-call access to the warehouse for the EPA Region 8 Emergency Planning and Response staff and other authorized third parties such as the START3 contractor.</li> <li>Operate and maintain the warehouse facility, to include all services and functions, in conformance with established commercial/government practices.</li> <li>Maintain a detailed warehouse inventory for all government property. Ensure that the inventory control system provides accurate location and selection of stock.</li> </ul>	\$713,171	8/11/17 to 8/11/18
Region 10 (3 locations)**	Vanquish Worldwide EP-S7-13-01	<ul style="list-style-type: none"> <li>Manage warehouse facilities operations.</li> <li>Provide emergency response equipment management on a 24/7 basis.</li> <li>Provide inventory control and a tracking system.</li> <li>Maintain equipment.</li> </ul>	\$794,644 <i>Amount is for three warehouses in Region 10; Seattle, Washington, is the largest.</i>	5/6/17 to 11/5/18
<b>Total</b>			<b>\$2,365,938</b>	

Source: OIG analysis of EPA data.

\* Total contract amount was \$2,574,368 over 3 years. Amount in Table 2 is equivalent to 1 year.

\*\* Locations—Seattle, Washington; Portland, Oregon; Anchorage, Alaska.

## EPA Did Not Have Equipment Items in Its Asset System, and Estimated Acquisition Costs May Be Inaccurate

**Figure 3: HS/ER equipment items not in AAMS**

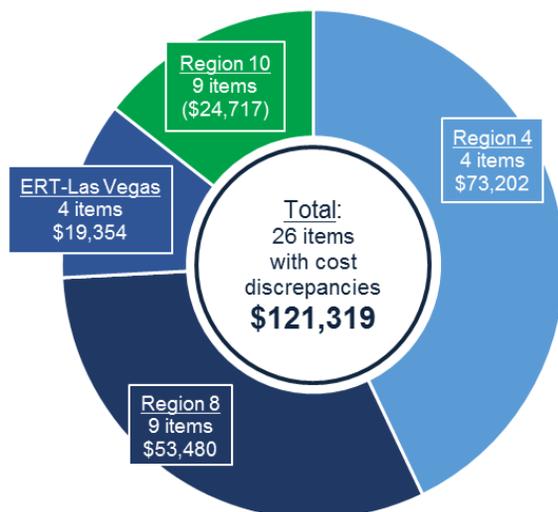


Source: OIG analysis of EPA data.

Due to the EPA using both AAMS and contractors to manage and track equipment, AAMS was missing some HS/ER equipment items and had some inaccurate acquisition cost information. Out of the 287 items we sampled during the audit, the EPA had nine HS/ER equipment items that were not in AAMS and 26 equipment items in AAMS with inaccurate acquisition costs.

When we compared the acquisition costs of HS/ER equipment recorded in AAMS with Excel spreadsheets provided to us from contractors and regional or special team staff, we found discrepancies in the equipment items and acquisition costs. As noted in Figure 3, NCERT—a special team located in Colorado and Region 8—had nine items totaling \$284,906 that were tracked outside of AAMS. We sampled 14 items from the NCERT special team with a total value of \$113,831. Two items (14 percent) in our sample were missing from AAMS, with a value of \$13,902, or 12 percent of the entire value of the sample. We found a higher rate of missing items from AAMS in the Region 8 sample. Seven (21 percent) of the 33 items in our Region 8 sample were missing from AAMS. The value of the seven items missing from AAMS was \$271,004, or 29 percent of the total value of the Region 8 sample.

**Figure 4: HS/ER special teams and regions with AAMS equipment acquisition cost discrepancies\***



Source: OIG analysis of EPA data.

\* Discrepancies are defined as AAMS costs, less the amounts reported on regional and special team spreadsheets. The amount in parentheses is a negative amount representing an understated amount in AAMS.

In addition, Figure 4 shows that there were 26 items in Region 4, Region 8, Region 10 and the Las Vegas ERT special team that had discrepancies totaling \$121,819 between what was reported in Excel spreadsheets for acquisition costs and amounts in AAMS. We also found that the 26 items resulted in a high percentage of items that were misstated in our samples from the Las Vegas ERT special team, Region 8, Region 10 and Region 4, which were 22 percent, 27 percent, 24 percent, and 7 percent respectively, therefore raising concerns about AAMS data integrity.

## Agency Compliance with Financial Management Requirements Needed

The EPA needs to fully use AAMS to track HS/ER equipment to comply with the Property Management System Requirements, which state that property accountability includes tracking the movement of assets, recording changes in physical condition, and verifying the number of equipment. A property management system must also capture the quantity of property, when it was received, or the date that it is available for use.

### EPA at Risk of Not Having Needed Equipment Available for Future Incident

While the EPA stated that AAMS could track the availability of HS/ER equipment, the agency does not use it for that purpose because of functional issues and therefore used other tracking tools. By not using an agencywide equipment system to track the availability of HS/ER equipment, the EPA is at risk of not knowing whether the agency has specific equipment available for a future incident. In addition, Regions 4, 8 and 10 each have their own contractors, with a total value of \$2,365,938, to manage and track EPA-owned HS/ER equipment, while AAMS costs \$554,310 total. The EPA needs a more accurate agencywide system that tracks the availability of HS/ER equipment to help the agency to respond timely to nationally significant incidents.



Thermofisher FH40G Multipurpose Digital Survey Meter at NCERT warehouse in Lakewood, Colorado. Item was not included in AAMS. (EPA OIG photo)

## Recommendations

We recommend that the Deputy Administrator and the Assistant Administrator for Land and Emergency Management:

2. Maintain one official agencywide management and tracking system for homeland security and emergency response equipment that provides for the status, availability and acquisition costs of all equipment.
3. Update the Agency Asset Management System with any missing homeland security and emergency response equipment.

## Agency Response and OIG Evaluation

The EPA did not agree with Recommendation 2; proposed deleting the recommendation; and stated that it was completed in December 2015, when the EPA made AAMS the system of record for all asset management in the agency. However, the EPA spent funds on contractors to manage and track HS/ER equipment throughout the agency. The EPA has not used the capability to track

the availability of equipment in AAMS and should maintain one official system for managing and tracking HS/ER equipment. The use of multiple contracts throughout the agency is an inefficient use of taxpayer funds. If the agency had completed the proposed recommendation in December 2015, the agency would have an official agencywide list of HS/ER equipment.

The EPA agreed with Recommendation 3 but did not provide planned corrective actions. In accordance with EPA Manual 2750, *Audit Management Procedures*, the agency is to provide intended corrective actions and estimated completion dates for recommendations with which it agrees.

Both Recommendations 2 and 3 are considered unresolved with resolution efforts in progress. The full agency response is in Appendix A.

# Chapter 4

## EPA Special Teams Are Not Addressing Unused or Broken Equipment

The EPA special teams need to address the status of HS/ER equipment that is unused or broken. Special teams had eight unused or broken HS/ER equipment, with a total acquisition value of \$929,644, that could have been excessed or used for other purposes. The EPA’s Personal Property Manual states that property is declared excess when it is no longer needed to fulfill the requirements for which it was acquired and that management teams should identify excess personal property and declare it as such. Special teams indicated that they kept unused or broken equipment for replacement parts or future use. However, special teams did not identify excess equipment as required. The EPA could have better used the equipment if the agency had the accurate status of unused or broken HS/ER equipment.

### EPA Special Teams Need to Address Unused or Broken Equipment

The EPA special teams have not addressed the status of unused or broken HS/ER equipment. Table 3 notes each special team and estimated costs of the eight broken or unused equipment identified during site visits.

**Table 3: Unused or broken HS/ER equipment**

Special team	Number of equipment items	Unused or broken HS/ER equipment estimated acquisition costs
CMAD – Castle Rock, Colorado	1*	\$94,043
RERT – Montgomery, Alabama	3**	576,617
RERT – Las Vegas, Nevada	4	258,984
<b>Total</b>	<b>8</b>	<b>\$929,644</b>

Source: OIG analysis.

\* The EPA put the item on the excess equipment list after the OIG inquiry.

\*\* The RERT team decided to repurpose the unused items for spare parts after the OIG inquiry.

In one instance, we found that RERT Las Vegas categorized its unused or broken HS/ER equipment as “standby” with an “out of service” tag because RERT was evaluating its need for the equipment. However, from our audit, damaged equipment could be excessed or used for other purposes.

## EPA Policy Requires Identification of Unused or Broken Equipment

The EPA should determine whether unused or broken HS/ER equipment should be excessed or repurposed. According to the EPA Personal Property Manual, “all



Solid Phase Extractor in the CMAD warehouse in Castle Rock, Colorado, that was unused equipment. (EPA OIG photo)

EPA employees and contractors must adhere to the policy guidance set forth in the manual when executing personal property management functions on behalf of the EPA.” According to Section 7.4, equipment should be declared excess when it is no longer needed to fulfill the requirement for which it was acquired. Section 6.5.1 states that management teams should, at a minimum, identify excess personal property and declare it as such.

Section 8.3.5 states that contractor responsibilities include reporting lost, stolen, damaged and destroyed property incidents, or excess government-furnished property, to the contract property

coordinator. Section 8.5.2 states that the contractor is also required to promptly report government property that is in excess of contract requirements.

## Special Teams Were Not Declaring Unused Equipment as Excess

Special teams were not declaring unused equipment as excess. One special team kept broken items for repair parts for other items, and another special team stated that it was waiting for a budget to fix and upgrade broken equipment.

The EPA special teams could have better used equipment items if they had the accurate status of the unused or broken HS/ER equipment. The equipment could have been made available to other parts of the agency or to other federal agencies. Also, the EPA special teams would have more warehouse space for other equipment if they remove unused or broken equipment, such as a large unused tractor-trailer in the RERT Montgomery warehouse.

## Recommendations

We recommend that the Deputy Administrator and the Assistant Administrator for Land and Emergency Management:

4. Require special teams to implement controls that require property officers over homeland security and emergency response equipment to verify and record the proper status of unused or broken equipment during the agency’s annual inventory.
5. Require special teams to verify implementation of internal controls for their teams that justify maintaining unused or broken equipment in accordance with requirements in the EPA Personal Property Manual.

## Agency Response and OIG Evaluation

The EPA agreed with Recommendation 4 but did not provide planned corrective actions. In accordance with EPA Manual 2750, *Audit Management Procedures*, the agency is to provide intended corrective actions and estimated completion dates for recommendations with which it agrees.

The EPA did not agree with Recommendation 5 and proposed deleting the recommendation. The EPA stated that Recommendation 5 was completed in December 2015. If the agency completed the proposed recommendation in December 2015, the agency should provide the implemented internal controls established by special teams to verify that unused or broken equipment was excessed, repaired and maintained in accordance with the EPA Personal Property Manual.

Both Recommendations 4 and 5 are unresolved with resolution efforts in progress. The full agency response is in Appendix A.

## **Status of Recommendations and Potential Monetary Benefits**

### RECOMMENDATIONS

Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date	Potential Monetary Benefits (in \$000s)
1	9	Create and maintain an official agencywide list of needed homeland security and emergency response equipment, so that the agency can maintain readiness for significant incidents in accordance with EPA Order 2071, <i>National Approach to Response</i> .	U	Deputy Administrator and Assistant Administrator for Land and Emergency Management		
2	14	Maintain one official agencywide management and tracking system for homeland security and emergency response equipment that provides for the status, availability and acquisition costs of all equipment.	U	Deputy Administrator and Assistant Administrator for Land and Emergency Management		\$40,456
3	14	Update the Agency Asset Management System with any missing homeland security and emergency response equipment.	U	Deputy Administrator and Assistant Administrator for Land and Emergency Management		
4	17	Require special teams to implement controls that require property officers over homeland security and emergency response equipment to verify and record the proper status of unused or broken equipment during the agency's annual inventory.	U	Deputy Administrator and Assistant Administrator for Land and Emergency Management		
5	17	Require special teams to verify implementation of internal controls for their teams that justify maintaining unused or broken equipment in accordance with requirements in the EPA Personal Property Manual.	U	Deputy Administrator and Assistant Administrator for Land and Emergency Management		\$835

<sup>1</sup> C = Corrective action completed.  
R = Recommendation resolved with corrective action pending.  
U = Recommendation unresolved with resolution efforts in progress.

## Agency Response to Draft Report



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

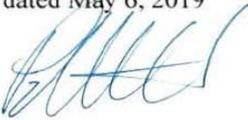
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OFFICE OF  
SOLID WASTE AND  
EMERGENCY RESPONSE

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OFFICE OF LAND AND  
EMERGENCY MANAGEMENT

### MEMORANDUM

**SUBJECT:** Response to the Office of Inspector General's Audit: EPA Needs to Improve Management of Homeland Security and Emergency Response Equipment, Project No. OA&E-FY18-0109, draft dated May 6, 2019

**FROM:** Peter C. Wright  
Assistant Administrator 

**TO:** Charles J. Sheehan, Acting Inspector General  
Office of Inspector General

We appreciate the opportunity to review the subject Office of the Inspector General (OIG) report. The consolidated list of specific concerns was sent to you via email on June 17, 2019, and the OIG discussed its responses with the stakeholder workgroup on June 24, 2019.

Although we agree there are some areas for improvement, we do not concur that there is evidence for the draft conclusion "EPA may not be able to respond in a timely manner to future incidents" and "EPA does not have an agency-wide system capable of tracking EPA-owned [homeland security/emergency response] HS/ER equipment." We continue to believe that the draft report does not provide the evidence to support many of the findings and conclusions and mischaracterizes EPA's role in responding to emergencies, as well as our delegated responsibilities related to the National Response Framework. Throughout the OIG audit and summarized within this response and attached, we have provided data to support our concerns. We recommend the OIG remove or revise these and related unsupported statements throughout the report, or supplement the record and allow us to review that record.

EPA concurs with the OIG's recommendations to "Update the Agency Asset Management System ("Sunflower") with any missing homeland security and emergency response equipment" and to "implement controls to verify and record proper status of unused or broken equipment and establish internal controls to act as needed on unused or broken equipment."

EPA's Office of Emergency Management (OEM) works with other EPA offices, federal agencies, state, local and tribal governments to respond quickly to chemical, radiological and hazardous substance releases and oil spills, and continually strives to protect the public from immediate dangers and future accidents. EPA is:

- Designated as the nation's lead federal agency for emergency response to hazardous substance and inland oil spills,

- Staffed with about 230 emergency responders who are ready to deploy to anywhere in the country,
- Equipped with cutting edge monitoring technology such as the Airborne Spectral Photometric Environmental Collection Technology airplane, the Portable High-throughput Integrated Laboratory Information System mobile units, and the Trace Atmosphere Gas Analyzer that provide real-time monitoring information for decision makers,
- Strongly connected with other federal agencies, states, local governments and tribes, to ensure coordinated and efficient responses to emergencies.

**Overview of EPA positions:**

- The significant errors on the part of the OIG regarding the role and authority of EPA in an emergency response and impact of EPA’s response programs render the associated findings unsound.
- The creation of a single list of “needed and required equipment” for emergency responses is only possible with appropriate bounds given the Agency’s authorities and resource constraints. The current requirements for equipment are provided in the National Equipment List and are estimated based on realistic and probable scenarios for which EPA is authorized and delegated to provide equipment.
- National level emergencies are managed by the Federal Emergency Management Agency, which draws necessary resources from across the federal government to supplement that of states, tribes and local governments, where needed. The extremely remote possibility that the federal government would not be able to respond to an extraordinary emergency is evaluated by FEMA and its leadership partners.
- EPA has mandated the use of the Agency Asset Management System (“AAMS”) as the single system for managing personal property. The responsibility for populating AAMS lies with each national program office and Region.
- Not all “equipment” used in an emergency response is considered personal property.

Following the June 24 meeting, the OIG provided revised language with respect to conclusions on timely responses and incidents and AAMS capabilities for the final report, along the following lines:

- While EPA has successfully responded to past incidents, there is a low Agency risk remaining that it may not have the correct equipment when responding to future incidents until a list of the needed and required HS/ER equipment is identified.
- While the EPA Sunflower system has other HS/ER equipment tracking capabilities, EPA’s regions and special teams have contracted to obtain those needed tracking capabilities outside of Sunflower.

While improved, we are still concerned that these statements go beyond the record, because the OIG did not audit EPA’s response capabilities and only audited the status of the equipment list. In addition, tracking capability incidental to AAMS is necessary for managing required and needed HS/ER equipment that is not EPA personal property and, subsequently, would not be tracked in AAMS. We continue to recommend that changes be made in the following statements:

**FROM:** “As a result, the EPA may not be able to respond in a timely manner to future incidents” and “The EPA’s response to a nationally significant incident may be impaired because it did not identify specific HS/ER equipment needed and required for such a response” and “EPA at Risk of Not Responding Timely to a Future Incident”

**TO:** “EPA can make improvements/reduce risks to ensure continued timely responses to future incidents.”

Also,

**FROM:** “The EPA does not have an agencywide equipment system capable of tracking the availability of EPA-owned HS/ER equipment.”

**TO:** “The EPA is not consistently implementing the agencywide equipment tracking system (i.e., AAMS) available to all Regions and Programs to track EPA owned HS/ER equipment.”

**Agency’s Response to Report Recommendations:**

**Agreements**

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by Quarter and FY
3	Update the Agency Asset Management System (“Sunflower”) with any missing homeland security and emergency response equipment.		
4	Require special teams to implement controls that require property officers over homeland security and emergency response equipment to verify and record the proper status of unused or broken equipment during the agency’s annual inventory		

**Disagreements**

No.	Recommendation	Agency Explanation/Response	Proposed Alternative
1	Create and maintain an agencywide list of all needed and required homeland security and emergency response equipment	Responses vary, and the necessary equipment required to adequately respond to varies. It is impossible to preselect equipment types and number due to the uncertainty of the different types of incidents, equipment technology advances and evolving intelligence. EPA has an Emergency Response and Removal Program National Equipment List (aka National	Delete

No.	Recommendation	Agency Explanation/Response	Proposed Alternative
		Equipment List or NEL). The National Equipment List provided through the ERTG contacts is maintained by the regions and special teams and supports a planning scenario for 1 large and 1 medium incident.	
2	Maintain one official, required agencywide management and tracking system for homeland security and emergency response equipment that provides for the status, availability and acquisition costs of all equipment	Duplicate of #1 above and completed December 22, 2015.	Delete
5	Require special teams to establish internal controls for, and verify implementation to, excess, repair or justify maintaining unused or broken equipment in accordance with requirements in the EPA Personal Property Manual.	Duplicate of #2 above	Delete

If you have questions, please feel free to contact me at (202) 566-0200 or have your staff contact Reggie Cheatham, Director, Office of Emergency Management, at (202) 564-8003.

Attachment

- cc: Henry Darwin, AO
- Barry Breen, OLEM
- Kevin Christensen, OIG
- Susan Bodine, OECA
- Bill Wehrum, OAR
- Anne Idsal, OAR
- Donna Vizian, OMS
- Mary Walker, Region 4
- Greg Sopkin, Region 8
- Chris Hladick, Region 10

## ***Distribution***

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Associate Deputy Administrator  
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