United States
Environmental Protection
Agency

Office of
Inspector General (2441)
Washington, DC 20460

EPA-350-N-95-001
November 1995

Office of Inspector General Semiannual Report to the Congress

April 1, 1995 through September 30, 1995

On the cover: Kings River Canyon in the Sierras, by Ansel Adams (Photo courtesy of the National Museum of American Art, Smithsonian Institution).

Recycled/Recyclable • Printed with Vegetable Oil Based Inks on 100% Recycled Paper (50% Postconsumer)

Foreword

During this semiannual reporting period, the Office of Inspector General has been involved in change, both in Agency operations and in our own. We have continued helping the Agency make strategic planning and streamlining decisions and have continued identifying cost saving opportunities through our report recommendations and direct consultations. We have expanded our performance and management audits into new program areas to help the Agency deliver its environmental mission. We have also continued monitoring Agency progress in correcting some of its longstanding problems. The OIG itself has performed a rigorous self examination to further improve our own economy, efficiency and effectiveness by reducing our investment in administrative functions while maximizing our application of resources to the Agency's greatest needs.

This report highlights some our most significant audits, investigations and concerns, along with Agency actions to implement our recommendations. Among the subjects discussed in this report is the threat of contamination to the nation's drinking water, inappropriate use of cooperative agreements, problems in monitoring the transportation of hazardous waste, faulty air quality reporting, and Agency, contractor and grantee accounting problems. We have also recognized significant achievement and innovative approaches by the Agency resulting in operational improvement and cost savings.

We will continue to encourage the successful cooperative efforts between the OIG and Agency management to help bring about meaningful change and make difficult resource decisions. Through this shared commitment of pursuing economy, efficiency and effectiveness, we look forward to working with EPA management to meet its current and future challenges.

John C. Martin
Inspector General

U.S. Environmental Protection Agency
Region 5, Library (PL-12J)
77 West Jackson Boulevard, 12th Floor
Chicago, IL 60604-3590

Contents

EPA's Progress in Improving Areas of Significant OIG Concern 1
Executive Summary 4
Major Laws Administered by EPA 6
Profile of Activities and Results 7
Establishment of the OIG in EPA--Its Role and Authority 8
Purpose and Requirements of the Office of Inspector General Semiannual Report 8
Who's Who in the Office of Inspector General 9

Section 1--Significant Findings and Recommendations
Costs and Benefits 10
Agency Management 11
Extramural Resources Management 20
Construction Grants 24
Superfund 26

Section 2--Report Resolution
Status Report on Perpetual Inventory of Reports in Resolution Process for the Semiannual Period Ending September 30, 1995 30
Status of Management Decisions on IG Reports 31
Resolution of Significant Reports 34

Section 3--Prosecutive Actions
Summary of Investigative Activity 35
Description of Selected Prosecutive and Administrative Actions 36
Civil and Administrative Actions to Recover EPA Funds 37

Section 4--Fraud Prevention and Management Improvements
Review of Legislation and Regulations 38
Suspension and Debarment Activities 39
OIG Management Initiatives 40
President's Council on Integrity and Efficiency 42
Committee on Integrity and Management Improvement 42
Hotline Activities 42

Appendices

Appendix 1--Reports Issued 44
Appendix 2--Reports Issued Without Management Decisions 54

EPA's Progress in Improving Areas of Significant OIG Concern

This section of our report presents the Office of Inspector General's (OIG) perspective on significant problems which the Agency must continue to address to ensure its programs are conducted in an effective, efficient, and economical manner. OIG and EPA personnel have cooperated extensively to address these problems. The Agency has also taken a number of actions either independently or in prompt response to our reports to improve its operations. However, EPA's most significant problems were created over a long period of time, and resolution will require long term commitments and constant attention throughout the Agency. Therefore, it is too soon to determine whether EPA management's corrective actions will fully solve these problems.

The following presents the areas of significant current concern to the OIG, and some of EPA's actions taken during the last year to address them.

DRINKING WATER DATA INTEGRITY

OIG Concerns

The Centers for Disease Control and Prevention estimate that over 940,000 people become ill every year from drinking contaminated water, 900 of whom die. EPA and the states are responsible for ensuring that drinking water is safe. However, we found weaknesses in the way that EPA and the states conduct the data management process for monitoring the nation's drinking water data, especially for small and very small suppliers. Only 4 states out of the 44 reviewed had formal documented procedures for reviewing reported test data. We projected nationwide that 11.6 percent of operators at community, surface public water systems reported erroneous data one or more times from 1991 through 1994, including 20 public water systems which might have deliberately falsified data. If water system operators report invalid or falsified test data, serious health risks could go undetected and negate EPA's and the states' ability to take proactive measures to prevent water supply contamination. In addition, many states required water system operators to report more test data than EPA required, but the states usually did not review the data. Therefore, EPA should work with the states to determine the necessary level of reporting requirements to ensure water quality, given the severe resource constraints at all levels of government.

We also found that states in Region 7 needed automated data management systems for more consistent and efficient data management. EPA relied upon disjointed and manual or partially automated state systems to update its primary water management automated data base, the Federal Reporting Data System. This condition could be representative of states in other regions.

Agency Actions

Agency officials generally agreed with our concerns on drinking water data integrity, but stated that budget constraints may prevent them from taking any actions. At the time of the Region 7 audit, two states were committed to adopting EPA's new automated data management system and a third was seriously considering it; Region 7 was working with the fourth state to encourage it to use the system.

ENVIRONMENTAL, SAFETY AND HEALTH PROGRAM AT EPA LABS

OIG Concerns

In July 1993, an EPA laboratory paid a $2,500 fine to a state as a penalty for Resource Conservation and Recovery Act (RCRA) violations. Since 1991, at least one other EPA laboratory has received Notices of Violation of RCRA regulations, but corrective actions were taken and no sanctions applied. Not adhering to its own environmental regulations could be costly to EPA both financially and, more importantly, in the way the Agency is perceived by the community which it regulates. A recent audit found serious problems in the environmental, safety and health (ESH) program at Agency laboratories and facilities. Problems were found in meeting RCRA, safety and health regulations in every location visited, placing the health and safety of EPA employees and their surrounding environment at risk.

Agency Actions

The Agency is taking a number of actions including establishing a team to assist program managers in correcting ESH problems at their facilities, updating senior managers on the status of corrective actions, and evaluating alternatives for communicating the most significant problems to top EPA management for resolution.

HAZARDOUS WASTE

OIG Concerns

RCRA establishes a framework for managing hazardous waste from "cradle to grave," that is, from generation to disposal. EPA developed a manifest system to assure hazardous waste shipped off site by generators arrives at proper destinations. However, a recent audit of these manifesting requirements found that EPA does not know the level of generator compliance with the system. Because of the high cost of proper hazardous waste management, companies have deliberately bypassed manifesting requirements, posing significant threats to human health and the environment. The manifest system does not always provide generators, EPA, or the states with the means to track hazardous waste to its final destination. Also, EPA's inspections of generators were not always targeted to ensure the most effective use of resources.

Agency Actions

EPA has begun working with the Department of Transportation and the states to better coordinate the regulation of shipments of hazardous waste, and has initiated pilot projects to introduce electronic reporting of compliance data for hazardous waste management programs.

FINANCIAL MANAGEMENT

OIG Concerns

The Agency team that conducted a National Performance Review of EPA's financial management reported three weaknesses: insufficient time and funds; the complex financial management systems and processes; and a wide disparity in expertise and attention paid to financial management among EPA managers. In addition, the OIG has repeatedly reported that EPA's accounting systems do not provide complete, consistent, reliable and timely data. Although the Agency has made a number of significant improvements in financial management, additional actions are needed to ensure that EPA has trained staff, policies, procedures and systems to carry out these responsibilities effectively. For example, during fiscal 1995, the OIG found the following problems.

- An audit showed that EPA has not aggressively pursued collecting user fees; through fiscal 1994 EPA had collected only $22 million of the congressionally directed $148 million in new user fees.

- Another audit identified that EPA was not charging for its indirect costs incurred in performing the work on 178 active interagency agreements (IAGs), a loss to the Agency of an estimated $5 million to $23 million.

- An audit of EPA's fiscal 1994 financial statements identified accounts receivable problems at three of the four regional offices audited, including two receivables valued at $4.7 million which were not recorded timely; the allowance for doubtful accounts was understated by $346,701; and $4.7 million in marketable securities accepted in settlement of accounts receivable were not recorded.

- An audit of one region's budget execution practices showed that it had funded management and support activities with resources meant to operate environmental programs, disregarded reprogramming rules, routinely overobligated program elements, and not provided program managers with sufficient budget and financial information.

- Two separate audits identified continuing problems with some Agency officials not aggressively identifying and deobligating unliquidated obligations that are no longer needed; the audits estimated that $38 million of unused funds may have been utilized to pay for other government programs or EPA initiatives.

- Finally, an audit found that EPA offices were not using the government bankcard when allowable, costing the Agency hundreds of thousands of dollars (as much as $700,000 in fiscal 1994 alone) and significant inefficiencies.

Agency Actions

The Agency recently took action to streamline the processing of grantees' financial status reports in order to deobligate unused funds more timely. The new process will help alleviate any additional growth in the backlog; however action is still required to reduce the existing backlog. In addition, EPA has agreed to take greater advantage of the savings offered by the bankcard program. The Agency, for various reasons such as staffing and budget constraints, has not taken action on all of our concerns and much more work is necessary to address the problem areas we have identified.

INFORMATION RESOURCES MANAGEMENT (IRM)

OIG Concerns

IRM is critical to the success of all program activities. For a number of years, EPA's IRM program has been hampered by serious problems such as data quality deficiencies, significant cost overruns and delays in developing information systems, development of duplicate information systems, and difficulties in addressing cross-media pollution problems. While EPA has been taking actions to improve its IRM program, we still have concerns about EPA's ability and commitment to address its long-standing IRM problems. For example, a proposed reorganization for the Office of Information Resources Management (OIRM) was initiated which, among other changes, provides for appointment of a Chief Information Officer (CIO). Although this action is a step in the right direction, the proposal does not invest the CIO with full-time responsibility for both internal and external IRM issues. Therefore, formal lines of authority for IRM matters will remain fragmented between two Assistant Administrators. In addition, this year an OIG audit found that application software maintenance is still not adequately managed in areas such as recording and analyzing system failures, tracking changes dictated by new legislation or evolving user needs, or monitoring resource utilization.

Agency Actions

EPA continues to take a number of far-reaching actions in response to a series of reports on the IRM program. For example, the top level Executive Steering Committee for IRM held meetings during 1995, and issued the IRM Strategic Plan. In response to the report on software maintenance, EPA has begun developing performance indicators for application software, and is taking steps to distinguish system-level operations costs from maintenance costs. The Agency is continuing to implement the

recommendations from our September 28, 1994, report on the Integrated Financial Management System, but some problems still warrant high-level attention, such as accounting for Agency property.

MANAGEMENT OF EXTRAMURAL RESOURCES

OIG Concerns

EPA relies extensively on contractors and other outside entities to assist in: cleaning up pollution; developing national policy; setting the environmental agenda for the future; and providing goods and services. EPA funds public organizations, such as universities or state and local organizations, and other Federal agencies, to pursue areas of mutual environmental concern through cooperative agreements and interagency agreements. EPA needs to continue improving its extramural resources management and to emphasize that Agency officials are accountable for their actions. While we commend and support the Agency's initiatives, EPA's resource management problems continue to be identified by our recent work.

• Grants and Cooperative Agreements (CAs)

Grant and cooperative agreement audits at four university research centers funded through Congressional earmarks showed instances of mischarging costs, not delivering products, and working outside the scope of the agreement. On one project, neither the project officer nor the grants specialist reviewed or approved training manuals that cost EPA an estimated $90,000. In another instance, four years after EPA awarded an agreement to a university, the research center proposed in the agreement was not properly established.

An audit of Economy Act agreements showed that EPA did not adequately consider cost in determining to use IAGs rather than its own procurement process when purchasing goods and services. Independent Government Cost Estimates, cost comparisons, and better justification in the Decision Memorandum would ensure that the program offices focus on cost reasonableness, not just convenience. Also, project officers were generally not obtaining and reviewing cost information before approving invoices for payment.

Another audit identified that Grants Administration Division (GAD) personnel did not comply with EPA policies and procedures when administering assistance agreements. Most project officers did not visit or correspond with recipients, review financial matters and audit reports, or notify GAD that projects were completed, and some project officers destroyed or lost the Agency's records. While GAD and Region 3 administered the same types of agreements, GAD did not manage as well as Region 3.

• Subcontracting

During fiscal 1995, an audit showed that EPA managers interfered with prime contractors' responsibilities to manage and competitively award subcontracts by directing prime contractors to use specific subcontractors or to subcontract specific tasks. EPA program managers used prime contractors as subcontract brokers, avoided competition requirements for direct Federal procurement, and noncompetitively obtained the services of desired contractors through directed subcontract awards.

• Superfund Contracting

A recent audit found that the contractor at EPA's Edison, New Jersey laboratory did not adequately control government furnished property. The contractor did not routinely perform annual inventories at the laboratory; an unannounced OIG inventory revealed missing items; automobiles were prematurely auctioned without the Regional Project Officer or Contracting Officer's knowledge; and general purpose equipment was routinely provided to contractors at the Edison and Lexington labs without meeting Federal Acquisition Regulation exceptions.

• Air Program Grants

Section 105 of the Clean Air Act requires grantees to spend an amount equal to or greater than the previous year's expenditures to remain eligible for federal assistance. However, a fiscal 1995 audit found that six of eight grantees in two EPA regions underreported their expenditures in one year to reduce the funds they would otherwise have been required to spend in the following year. The regions did not identify and correct this situation.

Agency Actions

The Agency is nearly finished implementing the 40 recommendations in its June 1992 report on EPA's contracts management; to date EPA has implemented 38 of the recommendations and is progressing on the remaining 2. In response to the reports mentioned above, EPA has taken a number of actions. For example, EPA officials acknowledged the OIG's concerns about GAD's compliance with policies and procedures in the administration of assistance agreements, stating that awarding the agreements was given a higher priority than monitoring or closing them. The Agency is correcting some of the problems, but cited resource constraints as preventing them from addressing others. EPA has issued policies and procedures to improve its subcontracting practices, and is drafting policies to reduce the amount of equipment that can be provided to contractors and to clarify the circumstances in which it can be provided.

Executive Summary

Section 1-- Significant Findings and Recommendations

1. Improved Controls Needed To Track Hazardous Waste

The manifest system for controlling the movement of hazardous waste does not always ensure generators, EPA, or the states track waste from generation to disposal. In addition, the hazardous waste activity notification process is inadequate and inspections were not always prioritized or properly documented (page 11).

2. Better Drinking Water Data Can Reduce the Risk of Diseases and Illnesses

Nationwide, about 12 percent of community, surface public water systems (PWS) reported invalid or potentially falsified data at least once from 1991 through 1994. Without state officials or EPA reviewing the validity of the data, serious health risks could go undetected and negate EPA's and the states' ability to prevent water supply contamination page 12).

3. Despite Improvements, the Environmental, Safety, and Health Program at EPA Laboratories Remains Inadequate

EPA's Environmental, Safety, and Health (ESH) program at laboratories, while improving, is inadequate to protect employees, facilities, and the environment. Also, the Agency's ESH audit process needs strengthening to improve its effectiveness in detecting deficiencies and promoting corrective action (page 13).

4. Laboratory Quality Assurance Program Saved Over $1.5 Million

The Risk Reduction Engineering Laboratory's (RREL) quality assurance (QA) program was well-managed, innovative, and resulted in savings to RREL of over $1,500,000 (page 14).

5. Hundreds of Thousands in Savings Possible Through Increased Use of Bankcards

EPA could have saved as much as $700,000 in administrative costs during fiscal 1994 if all procurement officials made maximum use of the bankcard program instead of less efficient, more costly small purchase methods. The Agency's added restrictions further hindered use of the program (page 15).

6. IRS Not Notified of Millions in Contract Payments

Although EPA generally complied with Internal Revenue Code (IRC) requirements for reporting taxpayer identification numbers (TINs), it did not issue information returns (Forms 1099) for contract payments in excess of $4 million. In addition, the Agency has not taken appropriate actions to obtain correct TINs in response to IRS notices (page 16).

7. Drinking Water Cross-Connections Need to Be Assessed

Cross-connections between drinking water systems and contaminated sources that threaten many drinking water supplies are largely undetected, not investigated, or not sufficiently reported. EPA needs to work with the states to measure the public health significance of cross-connections (page 16).

8. Symposium Funded by Unauthorized Means and Cooperative Agreement Used Improperly

EPA arranged for the collection of fees and donations without statutory authority to defray the costs of its 1995 Gulf of Mexico Program (GMP) Symposium. The Agency also improperly modified a cooperative agreement to obtain services and pay costs such as food, entertainment, and travel unallowable under a contract (page 17).

9. Improvements Required in the Minority Business Enterprise (MBE) Program's Process and Data

We determined that the reported MBE data was incomplete, inconsistent, untimely, and inaccurate (page 18).

10. Ohio Leaking Underground Storage Tank (LUST) Program Costs Lack Support

The Ohio Bureau of Underground Storage Tanks Regulation (BUSTR) had an inadequate financial management system and was unable to support costs claimed under the 1995 LUST cooperative agreement (page 19).

11. Air Program Grant Oversight Process Needs Improvement

EPA oversight of Section 105 grants under the Clean Air Act (CAA) did not effectively persuade grantees to correct performance problems and resolve unmet commitments to improve air quality. In addition, grantee eligibility was questionable because financial data submitted by grantees was often inaccurate (page 20).

12. Better Controls Needed Over Assistance Agreements

EPA grants specialists and project officers did not properly administer and monitor assistance agreements to determine if performance requirements were met, nor did they identify an estimated $33 million in unused funds for allocation elsewhere (page 21).

13. University Misuses Millions of Cooperative Agreement Funds

Clark Atlanta University (CAU) mismanaged congressionally earmarked funds provided under an EPA cooperative agreement to establish a hazardous substance research center. As a result, the center was not properly established and serious control weaknesses contributed to $3.6 million of ineligible or unsupported costs (page 22).

14. Los Angeles, California, Claimed Over $28 Million of Ineligible Costs

The City of Los Angeles, California, claimed $28,168,662 of ineligible construction, engineering, and force account costs for the Terminal Island and Hyperion wastewater treatment facilities. An additional $207,100 of unnecessary costs were questioned (page 24).

15. Nearly $1.8 Million of Questioned Costs Claimed for Morristown, New Jersey, Project

The Town of Morristown, New Jersey, claimed $1,589,626 of ineligible architectural engineering, construction and administrative costs for the construction of sewer lines and a sewer crossing. An additional $177,971 of unsupported costs were questioned (page 25).

16. Millions of Dollars in Superfund Site Data Rejected

Region 9 had not significantly strengthened its oversight program over Department of Defense (DOD) laboratories or required DOD to improve its quality assurance project plans. Partly as a result of this, hazardous waste cleanups at five DOD Superfund sites in Region 9 were delayed up to 2 ½ years, and $5.5 million in data were rejected due to the poor quality of laboratory analyses (page 26).

17. Superfund Cost Estimates May Be Unreliable

EPA used outdated cost factors which may have substantially underestimated response costs and budgets for Superfund sites. Further, the incompatibility of management information systems may limit managers' abilities to properly monitor the Superfund program (page 27).

18. Improvements Needed in Management of Contractor Activities

Many aspects of the Environmental Services Assistance Team contract management activities performed at EPA's Lexington, MA, and Edison, NJ, facilities were well managed. However, better financial management and controls were needed over contractor's work products, government furnished property (GFP), costs and resources (page 28).

Section 2--Report Resolution

This section, required by the IG Act, reports on the status and results of Agency management actions to resolve audit reports. At the beginning of the semiannual period, there were 295 reports for which no management decision had been made. During the second half of fiscal 1995, the Office of Inspector General issued 449 new reports and closed 405. At the end of the reporting period, there were 335 reports for which no management decision had been made. Of the 335 reports, there were 130 for which no management decision was made within 6 months of issuance (page 30).

For the 207 reports closed that required agency action, EPA management disallowed $75.4 million of questioned costs and agreed with our recommendations that $17.8 million be put to better use (page 33). In addition, cost recoveries in current and prior periods included **$4.5 million** in cash collections, and at least **$54.3 million** in offsets against billings (page 7).

Section 3--Prosecutive Actions

During this semiannual reporting period, our investigative efforts resulted in 4 convictions and 4 indictments. Also, our investigative work led to $69, 396 in fines and recoveries (page 35).

Section 4--Fraud Prevention and Management Improvements

During this semiannual period, we reviewed 4 legislative and 74 regulatory items. The most significant comments were on the proposed Clean Water Act, the Superfund statute, a proposed revision to the Federal Acquisition Regulation, the role of project officers in grants and cooperative agreements, a proposal to streamline small grants, a proposed Agency delegation involving the responsibilities of Senior Resource Officials, and a draft policy on flexiplace (page 38).

The Office of Grants and Debarment completed action on 18 OIG-generated suspension and debarment cases during this reporting period, resulting in 9 debarments, 7 suspensions, and two compliance agreements (page 39).

The EPA Committee on Integrity and Management Improvement (CIMI), chaired by the Inspector General, published a bulletin on Employee Suitability Determinations and Security Clearances, and sponsored Public Service Recognition Week (page 42).

Twenty-four new Hotline cases were opened and 19 were closed during the reporting period. Of the closed cases, 4 resulted in environmental, prosecutive, or administrative corrective action (page 42).

Major Laws Administered by EPA

Statute	Provisions
Pollution Prevention Act	Provides that pollution should be prevented or reduced at the source, recycled safely when not preventable, treated safely when not preventable or recyclable, and as a last resort, disposed of or otherwise released into the environment in a safe manner.
Toxic Substances Control Act	Requires EPA notification of any new chemical prior to its manufacture and authorizes EPA to regulate production, use, or disposal of a chemical.
Federal Insecticide, Fungicide, and Rodenticide Act	Authorizes EPA to register all pesticides, specify the terms and conditions of their use, and remove unreasonably hazardous pesticides from the marketplace.
Federal Food, Drug and Cosmetic Act	Authorizes EPA in cooperation with FDA to establish tolerance levels for pesticide residues on food.
Resource Conservation and Recovery Act and Solid Waste Disposal Act	Authorizes EPA to identify hazardous wastes and regulate their generation, transportation, treatment, storage, and disposal.
Comprehensive Environmental Response, Compensation, and Liability Act	Requires EPA to designate hazardous substances that can present substantial danger and authorizes the cleanup of sites contaminated with such substances.
Clean Air Act	Authorizes EPA to set emission standards to limit the release of criteria pollutants and hazardous air pollutants.
Clean Water Act	Requires EPA to establish a list of toxic water pollutants and set standards.
Safe Drinking Water Act	Requires EPA to set drinking water standards to protect public health from hazardous substances.
Marine Protection, Research and Sanctuaries Act	Regulates ocean dumping of toxic contaminants.
Asbestos School Hazard Abatement Act and Asbestos Hazard Emergency Response Act	Authorizes EPA to provide loans and grants to schools for abatement of asbestos hazards and to establish a comprehensive regulatory framework for controlling asbestos hazards in schools.
Emergency Planning and Community Right-to-Know Act	Requires States to develop programs for responding to hazardous chemical releases and requires industries to report on the presence and release of certain hazardous substances.
Oil Pollution Act of 1990	Makes EPA responsible for oil spill prevention, preparedness, response, and enforcement activities associated with non-transportation-related onshore oil facilities.
Environmental Research, Development, and Demonstration Authorization Act	Authorizes all EPA research and development programs.
National Environmental Education Act	Provide for a program of education on the environment through activities in schools, institutions of higher education and related educational activities, and to encourage students to pursue careers Yrelated to the environment.

Profile of Activities and Results

Office of Inspector General

Audit Operations

	April 1, 1995 to September 30, 1995	Fiscal 1995
OIG Managed Reviews:		
- **Reviews Performed by EPA, Independent Public Accountants and State Auditors**		
- Questioned Costs*		
- Total	$51.9 Million	$152.3 Million
- Federal Share	$41.1 Million	$105 3 Million
- Recommended Efficiencies* *(Funds be Put to Better Use)*		
- Total****	$3.4 Million	$145.1 Million
- Federal Share****	$3.4 Million	$145.1 Million
- Cost Disallowed to be Recovered		
- Federal Share *(costs which EPA management agrees are unallowable and is committed to recover or offset against future payments)*	$74.8 Million	$118.9 Million
- Cost Disallowed as Cost Efficiency		
- Federal Share *(funds made available by EPA management's commitment to implement recommendations in OIG performance and preaward audits)*	$16.1 Million	$16 2 Million

Other Reviews:

- **Reviews Performed by another Federal Agency or Single Audit Act Auditors**		
- Questioned Costs*		
- Total	$14.0 Million	$14.9 Million
- Federal Share	$14.0 Million	$14.9 Million
- Recommended Efficiencies*		
- Total	$151.7 Million	$185.3 Million
- Federal Share	$151 7 Million	$185.1 Million
- Cost Disallowed to be Recovered		
- Federal Share	$0.6 Million	$1.4 Million
- Cost Disallowed as Cost Efficiency		
- Federal Share	$1.7 Million	$1.8 Million

Agency Recoveries:

- Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments.)*	$58.8 Million	$89.9 Million

Reports Issued:

	April 1,1995 to September 30, 1995	Fiscal 1995
- **OIG Managed Reviews:**		
- EPA Reviews Performed by the OIG	75	157
- EPA Reviews Performed by Independent Public Accountants	4	16
- EPA Reviews Performed by State Auditors	9	10
- **Other Reviews:**		
- EPA Reviews Performed by another Federal Agency	257	487
- Single Audit Act Reviews	104	226
Total Reports Issued	449	896
Reports Resolved (Agreement by Agency officials to take satisfactory corrective action)* **	207	356

Investigative Operations

- Fines and Recoveries (including civil)	$69,396	$4 3 million
- Investigations Opened	88	177
- Investigations Closed	78	153
- Indictments of Persons or Firms	4	16
- Convictions of Persons or Firms	4	13
- Admin. Actions Against EPA Employees	4	17

Fraud Detection and Prevention Operations

- Debarments, Suspensions, and Compliance Agreements	18	44
- Hotline Cases Opened	24	42
- Hotline Cases Processed and Closed	19	50
- Personnel Security Investigations Adjudicated	376	696

*Questioned Costs (Ineligible, Unsupported, and Unnecessary/Unreasonable) and Recommended Efficiencies (Funds be Put to Better Use) are subject to change pending further review in the audit resolution process.
**Information on recoveries from audit resolution is provided from the EPA Financial Management Division and is unaudited.
***Reports resolved are subject to change pending further review.
****$140.4 Million previously unreported for the period ending 3/31/95 was added after subsequent consideration.

Establishment of the OIG in EPA--Its Role And Authority

The Inspector General Act of 1978 (Public Law 95-452), as amended, created Offices of Inspector General to consolidate existing investigative and audit resources in independent organizations headed by Inspectors General.

EPA established its Office of Inspector General (OIG) in January 1980. As an agency with a massive public works budget, EPA is vulnerable to various kinds of financial abuses The OIG's role is to review EPA's financial transactions, program operations, contracts, and administrative activities; investigate allegations or evidence of possible criminal and civil violations; and promote economic, efficient, and effective Agency operations The OIG is also responsible for reviewing EPA regulations and legislation.

The EPA Inspector General reports directly to the Administrator and the Congress and has the authority to:

- Initiate and carry out independent and objective audits and investigations,
- Issue subpoenas for evidence and information,
- Obtain access to any materials in the Agency,
- Report serious or flagrant problems to Congress,
- Select and appoint OIG employees,
- Fill Senior Executive Service positions,
- Administer oaths, and
- Enter into contracts.

The Inspector General is appointed by, and can be removed only by, the President. This independence protects the OIG from interference by Agency management and allows it to function as the Agency's fiscal and operational watchdog.

Organization and Resources

The Office of Inspector General functions through three major offices, each headed by an Assistant Inspector General: Office of Audit, Office of Investigations, and Office of Management. Nationally, there are eight Divisional Inspectors General for Audit and three Divisional Inspectors General for Investigations who direct staffs of auditors and investigators and who report to the appropriate Assistant Inspector General in Headquarters.

For fiscal 1995, the Agency was appropriated $7.2 billion and authorized 19,069 full time equivalent (FTE) positions to conduct the environmental programs authorized by Congress to restore and protect the environment. As a separate appropriation account, the Office of Inspector General (OIG) received $44.5 million to carry out the provisions of the Inspector General Act of 1978, as amended. Nearly $15 4 million of the OIG's appropriation was derived from the Hazardous Substance Superfund trust fund and $669,000 was derived from the Leaking Underground Storage Tank trust fund. The OIG had a funded staffing level of 447 FTE positions.

Purpose and Requirements of the Office of Inspector General Semiannual Report

The Inspector General Act of 1978 (Public Law 95-452), as amended, requires the Inspector General to keep the Administrator and Congress fully and currently informed of problems and deficiencies in the Agency's operations and to recommend corrective action.

The IG Act further specifies that semiannual reports will be provided to the Administrator by each April 30 and October 31, and to Congress 30 days later. The Administrator may transmit comments to Congress along with the report, but may not change any part of it.

The specific reporting requirements prescribed in the Inspector General Act of 1978, as amended, are listed below.

Source		Section/Page	
Inspector General Act, as amended.			
Section 4(a)(2)	Review of Legislation and Regulations	4	43
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	1	10
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	1	10
Section 5(a)(3)	Prior Significant Recommendations on Which Corrective Action Has Not Been Completed	Appendix 2	54
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	3	35
Section 5(a)(5)	Summary of Instances Where Information Was Refused	*	*
Section 5(a)(6)	List of Audit Reports	Appendix 1	44
Section 5(a)(7)	Summary of Significant Reports	1	10
Section 5(a)(8)	Statistical Table 1-Reports With Questioned Costs	2	32
Section 5(a)(9)	Statistical Table 2-Reports With Recommendations That Funds Be Put To Better Use	2	33
Section 5(a)(10)	Summary of Previous Audit Reports Without Management Decisions	Appendix 2	54
Section 5(a)(11)	Description and Explanation of Revised Management Decisions	Appendix 2	54
Section 5(a)(12)	Management Decisions with Which the Inspector General Is in Disagreement	**	

**** There were no instances where information or assistance requested by the Inspector General was refused during this reporting period.***

***** There were no instances of management decisions with which the Inspector General was in disagreement.***

Office of Inspector General-Who's Who

Headquarters

Inspector General
John C. Martin

Deputy Inspector General
Nikki L. Tinsley

Office of Audit

Kenneth A. Konz
Assistant Inspector General

James O. Rauch
Principal Deputy

Elissa R. Karpf
Deputy for Acquisition and Assistance

Michael D. Simmons
Deputy for Internal and Performance Audits

- Policy and Resources Management — Kenneth D. Hockman
- Engineering and Scientific Assistance — Robert F. Eagen
- ADP Audits and Assistance — Patricia H. Hill
- Special Projects and Reviews — Gordon C. Milbourn III

Office of Management

John C. Jones
Assistant Inspector General

- Program Management Division — John T. Walsh
- Resources Management Division — Michael J. Binder

Office of Investigations

Allen P. Fallin
Assistant Inspector General

Emmett D. Dashiell
Deputy

Divisional Inspectors General for Audit

Regions 1 & 2
Paul D McKechnie

Region 3
Paul R Gandolfo

Regions 4 & 6
Mary M Boyer

Region 5
Anthony C Carrollo

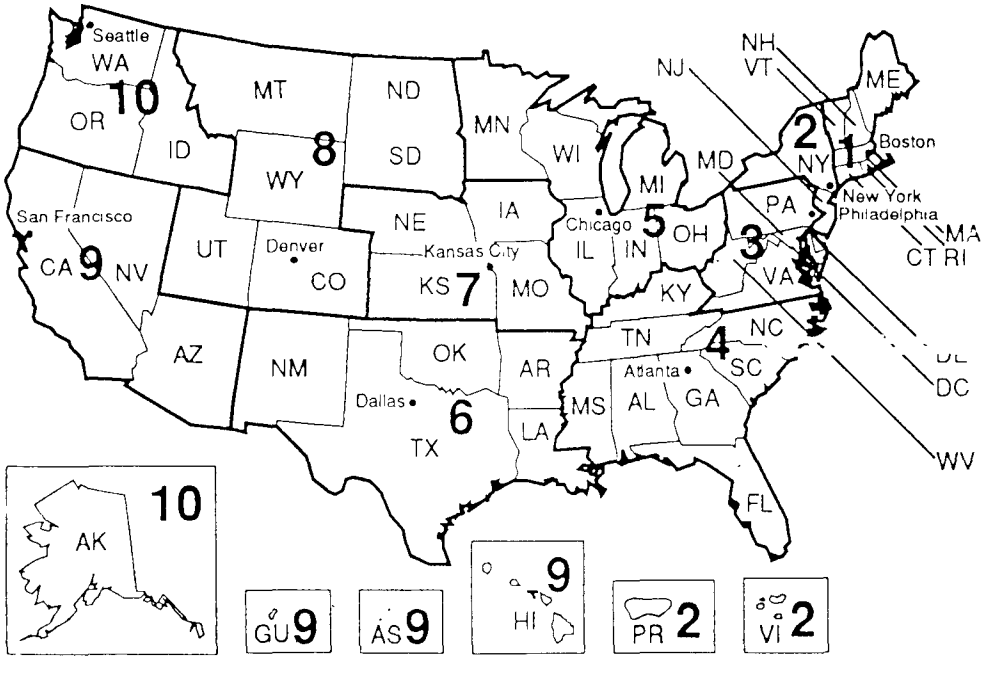
Regions 7 & 8
Bennie S Salem (Acting)

Regions 9 & 10
Truman R Beeler

Headquarters:

HQS Audit Division
Edward Gekosky

Financial Audit Division
Melissa M Heist



Divisional Inspectors General for Investigations

Regions 1, 2, & 3
Thomas L Papineau

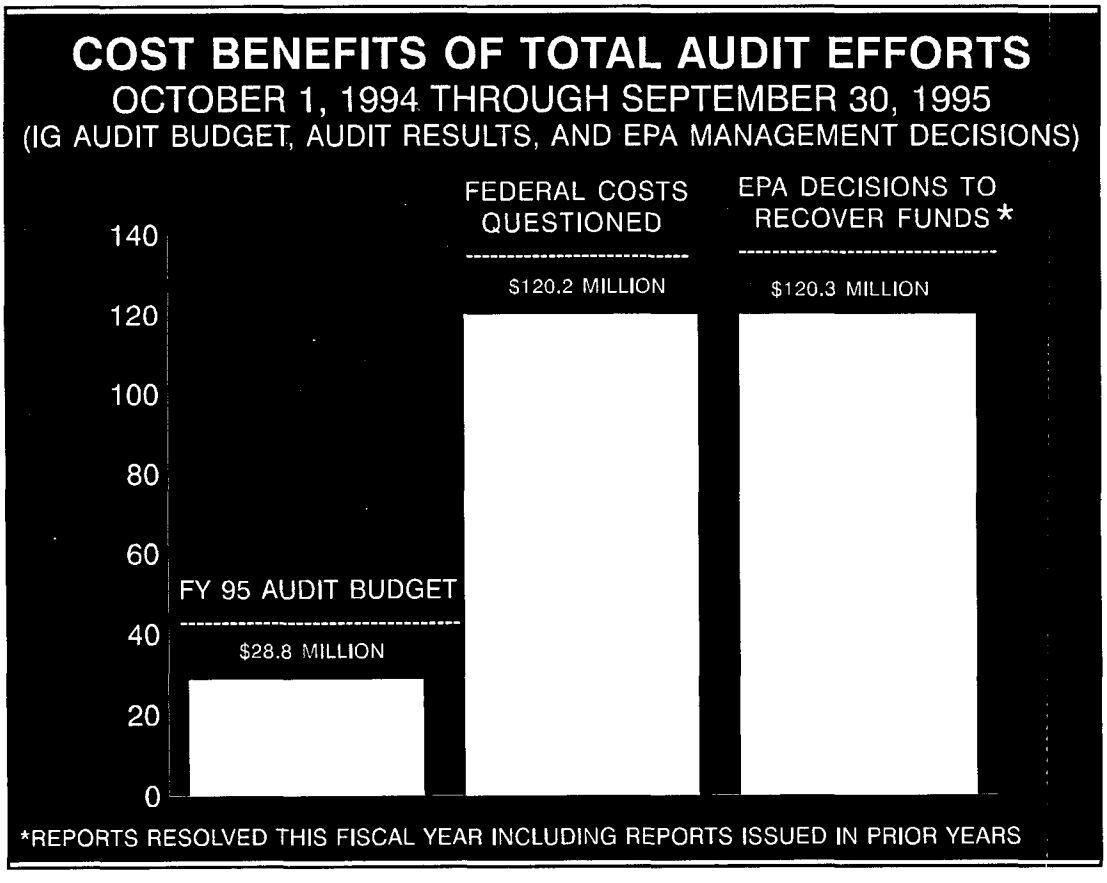
Regions 4, 5, 6, 7, 8, 9, & 10
Ailverdes Cornelious (Acting)

Procurement Fraud Division
Michael J Loughnane (Acting)

Section 1 -- Significant Findings and Recommendations

As required by sections 5(a)(1) and (2) of the Inspector General Act of 1978, as amended, this section identifies significant problems, abuses, and deficiencies relating to the Agency's programs and operations along with recommendations for the current period. The findings described in this section resulted from audits and reviews performed by or for the Office of Audit. Audit findings are open to further review but are the final position of the Office of Inspector General. This section is divided into four areas: Agency Management, Extramural Resources Management, Construction Grants, and Superfund.

(photo by Steve Delaney, EPA).



Agency Management

The Inspector General Act requires the OIG to initiate reviews and other activities to promote economy and efficiency and to detect and prevent fraud, waste, and mismanagement in EPA programs and operations. Internal and performance audits and reviews are conducted to accomplish these objectives largely by evaluating the economy, efficiency, and effectiveness of operations. During this semiannual reporting period, the OIG conducted a number of major reviews of EPA programs, including manifest requirements for hazardous waste shipments; the environmental, safety and health program at EPA laboratories; drinking water data integrity; and EPA's use of the Government bankcard. The following are the most significant internal audit, performance audit, and special review findings and recommendations pertaining to Agency management resulting from our efforts during this semiannual reporting period.

Improved Controls Needed To Track Hazardous Waste

Findings in Brief

The manifest system for controlling the movement of hazardous waste does not always ensure generators, EPA, or the states track waste from generation to disposal. In addition, the hazardous waste activity notification process is inadequate and inspections were not always prioritized or properly documented.

Background

The Resource Conservation and Recovery Act (RCRA) establishes a framework for managing hazardous waste from generation to disposal. EPA developed the manifest system to assure that hazardous waste shipped off site by generators arrived at a permitted treatment, storage, and disposal facility (TSDF). There is no Federal requirement for manifests to be sent to EPA or the states for routine shipments.

We Found That

The hazardous waste manifest system is self-initiated and self- monitored with only limited oversight by Federal and state authorities. Additionally, there are economic incentives for generators to avoid the high costs of compliance with regulations for hazardous waste shipped off site. The system is less effective when (1) wastes are commingled at transfer facilities; (2) shipments are rejected by TSDFs; (3) residues are left in hazardous waste containers; or (4) hazardous residues are shipped out after treatment. Under these conditions, a new manifest is often created. Since there is no requirement to link original and new manifests, the generators do not have the ability to track the disposition of their wastes.

EPA instructions for the "Notification of Hazardous Waste Activity" form do not clearly state when generators must obtain new identification numbers. Consequently, there was inaccurate data on generators in EPA's data base.

The Agency's limited inspection resources were not always used effectively and some inspection reports contained inadequate documentation. In our samples, up to 25 percent of inspections in fiscal 1994 were performed at generator facilities that had been found to be in compliance in fiscal 1993, while a large portion of the other facilities were never inspected. In addition, 33 percent of the inspection reports we reviewed had insufficient or no narrative description of what the inspector found, and 29 percent had inadequate checklists of what was inspected. Proper inspection report documentation is crucial to the enforcement system.

We Recommended That

The Assistant Administrator for Solid Waste and Emergency Response:

- Require that original generators and manifest numbers be referenced on any new manifests, and that generators be informed or consulted when waste is commingled or rejected.

- Change the hazardous waste notification form and instructions to state that new EPA hazardous waste identification numbers must be obtained when generators change location, and EPA must be notified when generators go out of business or cease being generators.

- Develop a standard requiring generators to thoroughly document their facility processes when using "knowledge of process" for waste determination.

The Assistant Administrator for Enforcement and Compliance Assurance issue guidance that regions:

• Assess the rate of repeat inspections at compliant facilities to ensure that inspection resources are being used effectively in accordance with risk-based priorities.

• Sample and evaluate inspection reports annually for quality assurance/quality control, using the RCRA Inspection Manual as a standard, and discuss with the states areas needing improvement.

What Action Was Taken

The final audit report (5100512) was issued to the Assistant Administrator for Solid Waste and Emergency Response and the Assistant Administrator for Enforcement and Compliance Assurance on September 28, 1995. In response to the draft report, the Agency agreed with the findings on transfer facilities, rejected loads, and container residues, and, while working to reduce the paperwork burden, stated that it will consider the recommended corrective actions. The Agency stated that the suggestions for changes in the hazardous waste notification forms were helpful. A response to the final report is due by December 27, 1995.

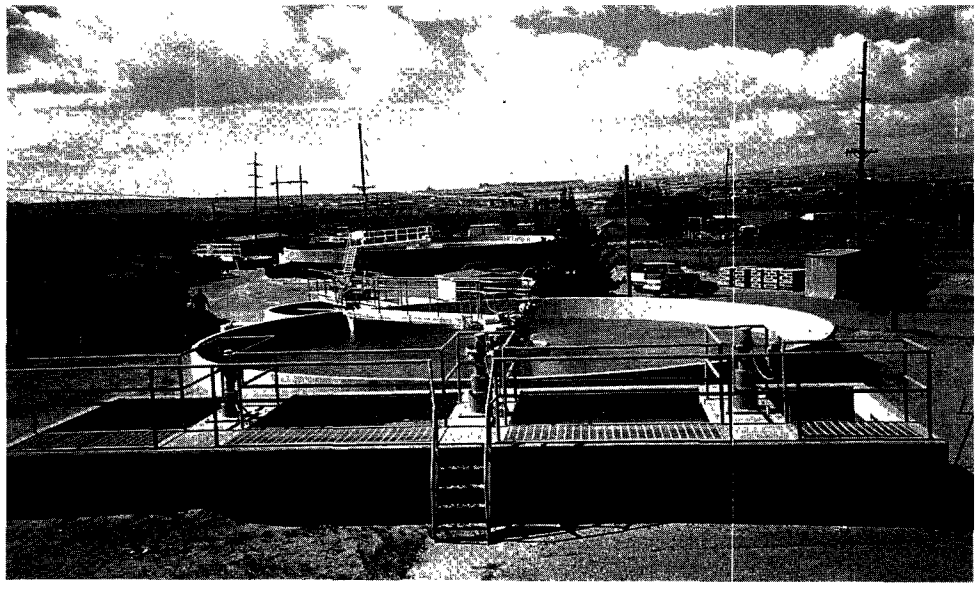
Better Drinking Water Data Can Reduce the Risk of Diseases and Illnesses

Findings in Brief

Nationwide, about 12 percent of community, surface public water systems (PWS) reported invalid or potentially falsified data at least once from 1991 through 1994. Without state officials or EPA reviewing the validity of the data, serious health risks could go undetected and negate EPA's and the states' ability to prevent water supply contamination.

Background

The Centers for Disease Control and Prevention estimate that over 940,000 people become ill every year from drinking contaminated water. Of those, an estimated 900 people die each year. The Safe Drinking Water Act of 1974, as amended, requires that EPA ensure that PWSs test the quality of drinking water and distribute water that is safe for consumption. EPA has delegated this authority to states meeting the Act's requirements and EPA's implementing regulations. The Agency published guidance in 1991 to assist regions and states in detecting falsified data. Community, surface public water systems serve approximately one-tenth of one percent of the American people.



A public water system settling tank in New Mexico.

We Found That

While operators at community, surface PWSs generally reported valid data, we projected from our statistical sample review that operators at 11.6 percent of PWSs nationwide reported erroneous test data one or more times from 1991 to 1994. Of the 48 PWSs we identified as reporting incorrect test data, 28 reported invalid data and 20 reported data that we believe might have been deliberately falsified. Thirty-four of these 48 systems were very small or small PWSs (i.e., serving less than 3,300 people), and operators at these systems often reported invalid test data because they lacked training and knowledge on how to properly test water samples and record and report results, or had malfunctioning equipment. Some operators may have reported falsified data to cover up problems at PWSs or to avoid additional requirements or corrective actions.

Regional oversight of drinking water data falsification issues was minimal, and state officials generally trusted that data reported by PWSs was accurate. Invalid or falsified data can pose serious health threats if undetected. EPA and state officials placed low priority on reviewing records for invalid or falsified data, primarily because they had higher public health-related priorities and did not believe falsification was widespread. State officials were unaware that EPA guidance existed which addressed the importance of reviewing data for falsification and the significance that sanitary surveys can play in detecting erroneous data. Only two states had formalized sanitary survey procedures that included reviews of data quality.

Although the Safe Drinking Water Act and EPA's regulations do not address falsified data or potential penalties,

take enforcement actions through either general false claims statutes or specific drinking water regulations. However, most states did not require PWS operators to certify by signature on monthly operational reports that the data submitted was accurate and true.

In addition, some states required PWS operators to report data that was not required by EPA. Although states have the authority to require additional reporting, state officials generally reviewed operational data only to identify compliance related violations, and did not look for unusual reporting patterns. Currently, the Agency is reviewing its priorities for drinking water regulations based on an analysis of public health risks and discussions with stakeholders.

We Recommended That

The Assistant Administrator for Water require the Director of EPA's Office of Ground Water and Drinking Water to:

- Request that the regions coordinate with the states to follow up on the 48 PWSs or operators which we found reported invalid or potentially falsified data, and consider providing training or taking enforcement actions against them.

- Revise EPA's guidance to include additional steps to identify erroneous data and provide updated examples to illustrate the types of data patterns indicative of erroneous data.

- Update EPA's sanitary survey training materials to include reviews of data quality.

- Discuss with EPA regions and state officials the feasibility of including a certification block on Monthly Operational Reports for PWS operators to sign and certify to the accuracy of the reported data.

- Continue to work with regional and state stakeholders to minimize operational data reporting in streamlining the regulatory paperwork requirements.

What Action Was Taken

In responding to the draft report, the Assistant Administrator for Water generally agreed with our recommendations and provided planned or initiated actions. However, the Assistant Administrator stated that they could not commit to implementing all recommendations due to resource constraints. The final report (5100516) was issued to the Assistant Administrator on September 29, 1995. A response to the final report is due by December 28, 1995.

Despite Improvements, the Environmental, Safety and Health Program at EPA Laboratories Remains Inadequate

Findings in Brief

EPA's Environmental, Safety and Health (ESH) program at laboratories, while improving, is inadequate to protect employees, facilities, and the environment. Also, the Agency's ESH audit process needs strengthening to improve its effectiveness in detecting deficiencies and promoting corrective action.

Background

In 1986, the Agency established an environmental auditing program, which was then combined with the existing safety and health program to ensure EPA complies with its own environmental regulations. Since 1991, one EPA laboratory paid a $2,500 fine to a state as a penalty and another received notices for violations of the Resource Conservation and Recovery Act (RCRA).

We Found That

The Agency's ESH program at laboratories, while improving, is still inadequate overall. All five of the EPA laboratories we visited were rated inadequate in at least two of ten critical ESH program elements, with the laboratory at Gulf Breeze, FL, being rated inadequate in nine of the ten. Four of the laboratories were rated inadequate in industrial hygiene and building fire and safety support, due to inadequately trained or experienced people conducting the ESH program. An inadequate rating in any element leaves a facility, and the Agency, vulnerable to potentially dangerous situations. In addition, we identified a RCRA violation at the Gulf Breeze laboratory during our review.

The Office of Research and Development (ORD) has been identifying the ESH program at ORD laboratories as a vulnerability in its Federal Managers' Financial Integrity Act (FMFIA) reports since 1992. In 1994, the ESH program was proposed as an Agency-level weakness, but top EPA executives believed that ORD should continue to address the weakness internally. However, the ESH inadequacies are not confined to ORD laboratories and should be considered an Agency-wide weakness. We did not observe any major differences in the implementation of the ESH program at EPA laboratories, regardless of whether they belonged to ORD, another program office, or a Region. Headquarters ESH audits also had similar findings.

The ESH audit process had many deficiencies, limiting its effectiveness. Agency ESH audits, performed by a headquarters technical expert and a contractor team of two to five experts, involve a thorough review of facility compliance with ESH regulations, Agency policy, and professional practices, followed by a written report with corrective actions. However, EPA laboratory managers consistently criticized the current ESH audit

process, citing such areas as the timeliness of reports, responsiveness to laboratory comments on the reports, and contractor expertise. We found many of these concerns to be valid. Also, there was no established system to elevate serious ESH concerns to the Administrator, Deputy Administrator, or appropriate Assistant or Regional Administrators for corrective action.

We Recommended That

The Deputy Administrator:

- Identify and prioritize specific laboratory ESH needs in determining ESH position requirements.

- Take immediate action to reduce ESH risks at the Environmental Research Laboratory, Gulf Breeze, FL.

- Declare EPA's ESH program, at a minimum, an Agency-level weakness during the 1995 FMFIA process.

- Develop a model environmental program which also addresses occupational safety and health requirements.

- Improve the ESH headquarters audit process and establish a procedure to elevate reports identifying significant risks to top EPA managers.

What Action Was Taken

The final report (5100484) was issued on September 28, 1995. Agency officials generally agreed with the findings and recommendations in the draft report, and headquarters ESH management has already begun actions to improve the ESH audit process. A response to the final report is due by December 27, 1995.

Laboratory Quality Assurance Program Saved Over $1.5 Million

Findings in Brief

The Risk Reduction Engineering Laboratory's (RREL) quality assurance (QA) program was well-managed, innovative, and resulted in savings to RREL of over $1,500,000.

Background

QA activities are crucial in maintaining superior scientific research, and EPA scientific projects involving environmentally-related data measurements must adhere to EPA QA requirements. RREL's QA office was responsible for QA activities at the laboratory, including oversight of its two support contractors. In May 1995, RREL was consolidated with several other EPA organizations to form the National Risk Management Research Laboratory (NRMRL).

We Found That

RREL met EPA QA requirements in an innovative manner by modifying Agency QA procedures to meet specific needs. Top-level management commitment to achieving RREL's QA goals and objectives was evident in its QA reporting structure, philosophy of continuous improvement, and level of resources dedicated to QA functions. QA policies and procedures (internal controls) were well-documented and implemented, and the QA office performed review functions in a timely and thorough manner, and maintained good oversight of its two QA support contracts. RREL had adequate procedures to ensure that its QA support contractors were not performing inherently governmental functions.

RREL QA officials adopted a proactive approach to problem-solving, resulting in significant dollar savings to the Agency as indicated by the following examples.

- A 1993 QA audit of a Superfund Innovative Technology Evaluation (SITE) demonstration project related to the biogenesis soil washing process saved about $800,000. According to the QA office, if the audit had not been performed when it was, all data from the project would have been biased and the entire project would have had to be repeated.

- A 1992 QA audit saved about $450,000. By identifying sampling concerns related to a SITE demonstration, corrective actions were implemented early enough to allow collection of data of known and adequate quality to meet project needs. Consequently, the demonstration did not have to be re-run.

- Another 1992 SITE project involving low temperature thermal treatment saved about $270,000 by avoiding a complete re-run of the project.

We identified two issues which could potentially impact the program : (1) some RREL work assignment managers (WAMs) had not taken a required contract-related training course, and (2) additional organizational conflict of interest (COI) controls were needed. However, we did not identify any negative effect from these conditions.

We Recommended That

RREL management:

- Review the training records of all RREL staff and ensure they take required contract-related courses.

- Establish control procedures to identify and avoid potential organizational COIs between QA support contractors and other RREL contractors.

What Action Was Taken

In response to our recommendations, the NRMRL Director stated that his staff had developed detailed procedures to address both the training issue and the organizational COI issue that we identified. The corrective actions taken by NRMRL officials, if properly implemented, should resolve the issues in the report. The final report was issued to the NRMRL Director on September 8, 1995, and we closed the report in our tracking system.

Hundreds of Thousands in Savings Possible Through Increased Use of Bankcards

Findings in Brief

EPA could have saved as much as $700,000 in administrative costs during fiscal 1994 if all procurement officials made maximum use of the bankcard program instead of less efficient, more costly small purchase methods. The Agency's added restrictions further hindered use of the program.

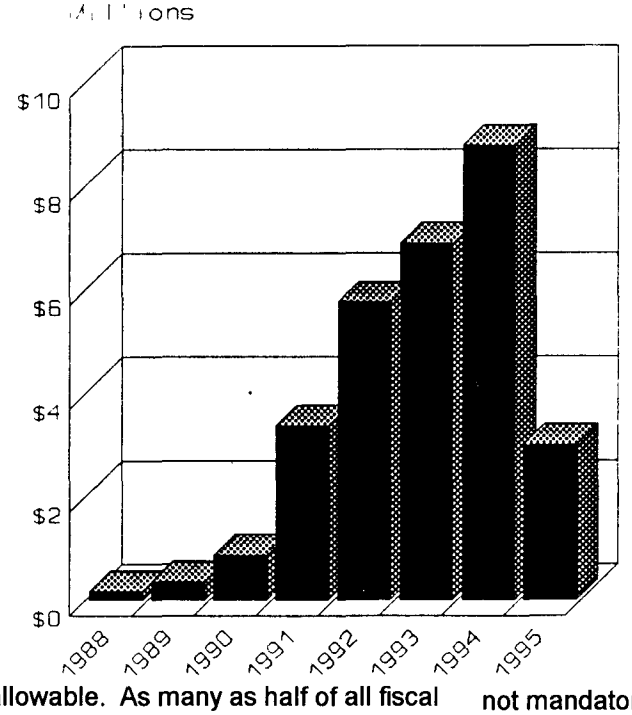
Background

In 1987, EPA piloted the Government Bankcard Program which empowered Agency employees to make small purchases of specified supplies and services for the Federal government using a commercial credit card. Use of the bankcard is the least expensive small purchase method, and a governmentwide study determined that cost savings averaged $53.77 per transaction when the bankcard was used rather than the purchase order method. EPA placed restrictions on use of the bankcard beyond the governmentwide prohibitions.

We Found That

EPA does not have a policy requiring the use of bankcards whenever it is allowable. As many as half of all fiscal 1994 purchases under $2,500 made with purchase orders would have been allowable with bankcards. Had these purchases been made with the bankcard, over $700,000 in administratve costs could have been saved. Some examples include $36 for boxes, a $21 magazine subscription, a $12 book, and $11 for office supplies. Additional efficiencies could have resulted if the bankcard was used rather than the imprest fund method.

Annual Bankcard Transactions



EPA hindered bankcard use by adding restrictions to those already specified in governmentwide guidance, such as prohibiting the purchase of calculators, typewriters, and awards/plaques. Several cardholders said that rather than streamlining the procurement process, they found EPA's excessive bankcard restrictions to be confusing, which discouraged use. Also, the Agency's guidance had not been updated to remove items no longer restricted for purchase.

Inconsistencies in program management and internal control implementation weaknesses could jeopardize the integrity of the program. The Agency had not prepared written guidance for the bankcard program team, the group responsible for monitoring the program. The bankcard team had not updated and disseminated current bankcard information, and it granted special, undocumented approvals to some cardholders allowing them to purchase items on the restricted list. Also, attendance at the bankcard training course was not mandatory for approving officials, and almost one-third of those in our sample had not attended training and were not familiar with specific program requirements.

We Recommended That

The Acting Assistant Administrator for Administration and Resources Management:

- Establish an Agency-wide policy requiring the use of the bankcard whenever allowable.
- Implement a policy of periodically updating the restrictions list and disseminate this information to cardholders and approving officials.
- Develop written procedures for the bankcard program team to provide consistent program management and oversight.
- Require all approving officials to attend bankcard training.

What Action Was Taken

The *final report (5100486) was issued on September 19, 1995. In response*

to the draft report, the Acting Assistant Administrator agreed with our recommendations and has begun revising policies and developing written procedures to address them. A response to the final report is due by December 18, 1995.

IRS Not Notified of Millions in Contract Payments

Findings In Brief

Although EPA generally complied with Internal Revenue Code (IRC) requirements for reporting taxpayer identification numbers (TINs), it did not issue information returns (Forms 1099) for contract payments in excess of $4 million. In addition, the Agency did not know it needed to correct certain TINs because IRS notices were mailed to a non-EPA address.

Background

The IRC requires Federal agencies to provide the Internal Revenue Service (IRS) with Federal tax information (including TINs) on government contractors who are paid over $25,000 during a calendar year, and to issue Form 1099 information returns for contract payments aggregating $600 or more during a calendar year.

We Found That

IRS issued notices to EPA for tax years 1992 and 1993 that listed incorrect and missing TINs for 37 EPA contractors which had received payments totalling over $533,000 during this time. The notices also identified six other contractor TINs that were incorrectly reported twice within a three year period. For these contractors, EPA should have withheld up to 31 percent of contract payments until the contractors provided valid TINs. However, Agency officials stated they were not aware that IRS had issued these notices because they were mailed to a non-EPA address. As a result, EPA did not respond to the notices, take actions to obtain valid TINs, or institute required backup withholdings. Correct TINs are used by IRS to ensure tax compliance and to identify contractors with delinquent tax liabilities.

EPA historically has not issued Form 1099s as required for contract payments. The Agency does not have a tracking system for identifying contractors subject to Form 1099 requirements, and did not issue any of these forms in 1994. Office of Acquisition Management (OAM) officials did not provide Financial Management Center (FMC) officials with the taxpayer information necessary to identify contractors who met the requirements for Form 1099 issuance. In a sample of 161 contracts out of the 1,308 that had aggregate 1994 payments exceeding $600, we identified 37 contractors accounting for payments totalling over $4 million which met IRC requirements for Forms 1099s issuance. However, since no tracking system existed, we could not project the total number of contractors and contract payment amounts subject to Form 1099 requirements. Without these forms, IRS does not have all the information needed to determine whether contractors are reporting all contract payments on their Federal tax returns.

We Recommended That

The Acting Assistant Administrator for Administration and Resources Management:

- Direct OAM to review contract files and provide the FMC with taxpayer identification information for contractors who meet Form 1099 requirements for calendar year 1995.

- Establish formal procedures to ensure the effectiveness of the steps that OAM has already taken to ensure taxpayer identification information on new contracts is submitted to the FMC.

- Modify EPA's contract payment system to identify contractors and contract payments that meet Form 1099 requirements, and establish controls for issuing Form 1099s.

- Establish controls to ensure that EPA reports correct TINs to IRS, or institute backup withholding requirements, in response to IRS notices, and advise IRS of EPA's correct mailing address for these notices.

- Review compliance with Federal tax reporting requirements during the Federal Managers' Financial Integrity Act process.

What Action Was Taken

The final report (5100474) was issued to the Acting Assistant Administrator for Administration and Resources Management on August 24, 1995. In response to the draft report, the Acting Assistant Administrator agreed with our recommendations, and established an action plan for their implementation Since the initiation of our review, OAM has also taken steps to provide taxpayer identification information to FMC. The corrective action plan was responsive to our recommendations and we closed the audit report in our tracking system.

Drinking Water Cross-Connections Need to be Assessed

Findings in Brief

Cross-connections between drinking water systems and contaminated sources that threaten many drinking water supplies are largely undetected, not investigated, or not sufficiently reported. EPA needs to work with the states to measure the public health significance of cross-connections.

Background

Cross-connections are an actual or potential connection between a drinking (potable) water system and an unapproved water supply or other source of contamination which can enter a potable water supply. It is the states' responsibility to ensure that local water suppliers have proper maintenance programs to include monitoring cross-connections to decrease the chances of water supply contamination. Under the principles for reinventing environmental regulation, Federal, state, tribal, and local governments must work as partners to achieve common environmental goals, with non-Federal partners taking the lead when appropriate.

We Found That

Although EPA recognizes the risk of cross-connections, the Agency does not require states to have a cross-connection control program. Presently, there are no Federal reporting requirements for potable water contamination caused by cross-connection deficiencies. Consequently, there are no national statistics available which show whether this is a problem.

Of the 45 states we contacted, 29 have some type of cross-connection program. However, the comprehensiveness of cross-connection programs varies due to Federal mandates taking precedence over state initiatives and requirements. These programs vary significantly among states and there is little enforcement since responsibility is at the local level. We were informed by experts that most water supply personnel are unable to find the source of a cross-connection problem because they have not been adequately trained.

All but one of the states without a program advised that it was needed, and the most common type of assistance requested was for a Federal mandate or a clearer definition or recognition of the necessity for such a program from EPA. Although contamination of the potable water supply by cross-connections is largely undetected, not investigated, or not sufficiently reported, we did not find evidence of a nationwide problem justifying the need for a Federal cross-connection program.

We Recommended That

Although our survey report included no audit recommendations, we encouraged the Director, Office of Ground Water and Drinking Water, to:

- Work with the states to identify the most cost-effective approaches for measuring the public health significance of cross-connections at the state and local levels.

- Cite cross-connection activities as an example of local issues states can prioritize or include in their overall program strategies, when EPA revises the Public Water System Supervision guidance.

- Address cross-connections in EPA's new program intended to help identify and study emerging environmental problems, under the guiding principles for reinventing environmental regulation.

What Action Was Taken

The final survey report (5400070) was issued on May 16, 1995. In a discussion, officials in the Office of Ground Water and Drinking Water stated that they have taken or agreed to take actions that will satisfy some of our suggestions.

Symposium Funded by Unauthorized Means and Cooperative Agreement Used Improperly

Findings In Brief

EPA arranged for the collection of fees and donations without statutory authority to defray the costs of its 1995 Gulf of Mexico Program (GMP) Symposium. The Agency also improperly modified a cooperative agreement to obtain services and pay costs such as food, entertainment, and travel unallowable under a contract.

We Found That

As part of its public education and outreach program, the EPA Gulf of Mexico Program Office (GMPO) conducted symposiums biennially. However, the Agency's control over the planning and implementation of the GMP symposium, and the collection and use of registration and exhibit fees and donations by intermediaries (a contractor, a cooperator, and a private foundation) to pay obligations incurred by an EPA contractor, may have created an unauthorized augmentation of EPA's appropriations. Although GMPO officials (in consultation with the Grants Administration Division) took action to address perceived problems with the collection and use of fees and donations by its on-site contractor, they improperly modified a cooperative agreement with the Texas General Land Office (TGLO) to accumulate and use fees to pay for symposium costs unallowable under a Federal contract. This modification was actually a procurement of services for the direct benefit of EPA, and was inconsistent with Federal guidance and appropriation law and in violation of Texas state law.

The planning process for the GMP symposium conflicted with Office of Management and Budget (OMB) and EPA guidlines concerning Federally

sponsored conferences. EPA did not document the rationale used in selecting the symposium site, nor did the Agency perform a cost comparison of at least three alternate sites to ensure that costs were kept to a minimum. The Agency also improperly directed its contractor to subcontract with specific firms for symposium services, and EPA employees dealt directly with subcontractors, violating privity of contract between the prime contractor and the subcontractor. Further, we identified nearly $100,000 of costs paid by EPA (such as meals, entertainment, travel, and souvenir items) as unnecessary, unreasonable, or unallowable for a Federally sponsored conference.

In addition, the relationship between EPA staff, its advisory committees, and the principal officers of the private foundation used to collect symposium donations, created the appearance of a conflict of interest. This relationship, and EPA's indirect use of the donations to pay symposium costs, created a potential EPA liability for the private foundation's actions in soliciting and using these funds.

We Recommended That

The Assistant Administrator for Water:

- Re-evaluate EPA's planning and funding process for the biennial Gulf of Mexico symposiums to ensure compliance with applicable laws and regulations.

- Allow host states or other appropriate organizations to plan and implement future symposiums to preclude improper use of assistance agreements and unauthorized augmentations.

- Establish an arm's-length relationship with the private foundation and obtain a written agreement for any future use of donations solicited by the foundation.

The Acting Assistant Administrator for Administration and Resources Management clarify Agency guidance on the use of procurement versus assistance as it relates to significant modifications to existing assistance agreements.

What Action Was Taken

The final report (510030) was issued on September 29, 1995. A response to the final report is due by December 29, 1995.

Improvements Required in the Minority Business Enterprise (MBE) Program's Process and Data

Findings in Brief

We determined that the reported MBE data was incomplete, inconsistent, untimely, and inaccurate.

Background

Past legislation directed EPA to establish a minimum 8 percent goal for procuring goods and services from MBEs. The Agency's Office of Small and Disadvantaged Business Utilization (OSDBU) is responsible for establishing policy and providing procedural guidance for the utilization of MBEs. Congress had received allegations of various abuses such as prime contractors using MBEs as passthroughs for money, naming MBEs on bid documents without their knowledge, and awarding MBEs large dollar contracts but only exercising a fraction of it.

We Found That

Alleged abuse by recipients and prime contractors was not evident in the three states we reviewed. In two of the three states, recipients encouraged the use of MBEs through their contracting procedures. Although there were indications that MBEs were used as passthroughs for one of the six projects reviewed, the recipient took proactive steps to identify and correct these instances.

For the 10 year period ended September 30, 1993, EPA reported that its financial assistance recipients awarded 15 percent of their contracting dollars to MBEs. However, the MBE utilization data the Agency reported to Congress were incomplete, inconsistent, and filled with errors. For example, in fiscal 1992, a typographical error resulted in one state inflating its MBE utilization by $19 million.

Numerous errors identified in the reporting and compiling of data at all levels were the result of a defective reporting process, misunderstood requirements, or human error. The absence of data validation procedures allowed the errors to go uncorrected. Consequently, the reports may have understated or overstated the actual MBE utilization rate, distorting EPA's MBE accomplishments.

OSDBU had not established clear definitions for reporting MBE data. States and EPA regions knew about problems with data definitions and reporting practices, but were unable to obtain improved direction from OSDBU.

We Recommended That

The Director, OSDBU:

- Modify the reporting form and related guidance to collect utilization data based on actual, rather than planned, awards.

- Work with EPA regions and state agencies to develop specific and consistent reporting definitions.

- Institute data validation procedures throughout the reporting process.

What Action Was Taken

The final report (5400068) was issued to the Chief of Staff, Office of the Administrator, on May 3, 1995. In an

August 16, 1995, final response, the Chief of Staff stated that a workgroup was revising the reporting form and developing more specific and consistent reporting definitions. Also, the Agency is developing requirements to modify the Grants Information and Control System and the Contract Information System to better meet the needs for MBE data collection and validation. Finally, senior regional personnel have been requested to undertake several actions aimed at ensuring better program oversight and monitoring.

Ohio Leaking Underground Storage Tank (LUST) Program Costs Lack Support

Findings in Brief

The Ohio Bureau of Underground Storage Tanks Regulation (BUSTR) had an inadequate financial management system and was unable to support costs claimed under the 1995 LUST cooperative agreement.

Background

Subtitle II of the Resource Conservation and Recovery Act (RCRA) authorizes EPA to award LUST cooperative agreements to States for the cleanup of LUSTs. BUSTR, which is part of the Ohio Department of Commerce, administers the LUST program in Ohio.

We Found That

BUSTR's inadequate financial management system and the absence of necessary controls made costs claimed under its LUST cooperative agreements with EPA questionable. Specifically, the system did not permit tracing expenditures to supporting documents or prevent costs from being billed to more than one cooperative agreement. Thus, we could not verify the accuracy of BUSTR's financial reports or that funds were used in accordance with laws and regulations.

A review of the $143,343 in costs claimed between January and March 1995 disclosed that all costs were either ineligible or unsupported. BUSTR claimed $66,016 in direct costs that were not allowable. For example, BUSTR claimed costs for unallowable items such as site specific laboratory fees and bottled water, and non-site specific rent and office equipment.

BUSTR was unable to support the remaining $77,327 of labor costs claimed. BUSTR billed EPA for labor charges based on the cooperative agreement budget and not on actual hours employees worked on LUST activities, and did not maintain time records for employees devoting only part of their time to LUST-related activities. Region 5 had determined, during its 1994 mid-year review, that BUSTR did not have an adequate means to track time charges, but BUSTR did not take corrective action. Without time records, we could not determine the allowability of labor charges.

We Recommended That

The Regional Administrator, Region 5:

- Take immediate action to require BUSTR to submit documentation supporting future costs claimed before disbursing Federal monies.

- Require BUSTR to submit documentation supporting the costs claimed on LUST cooperative agreements that have not been closed out.

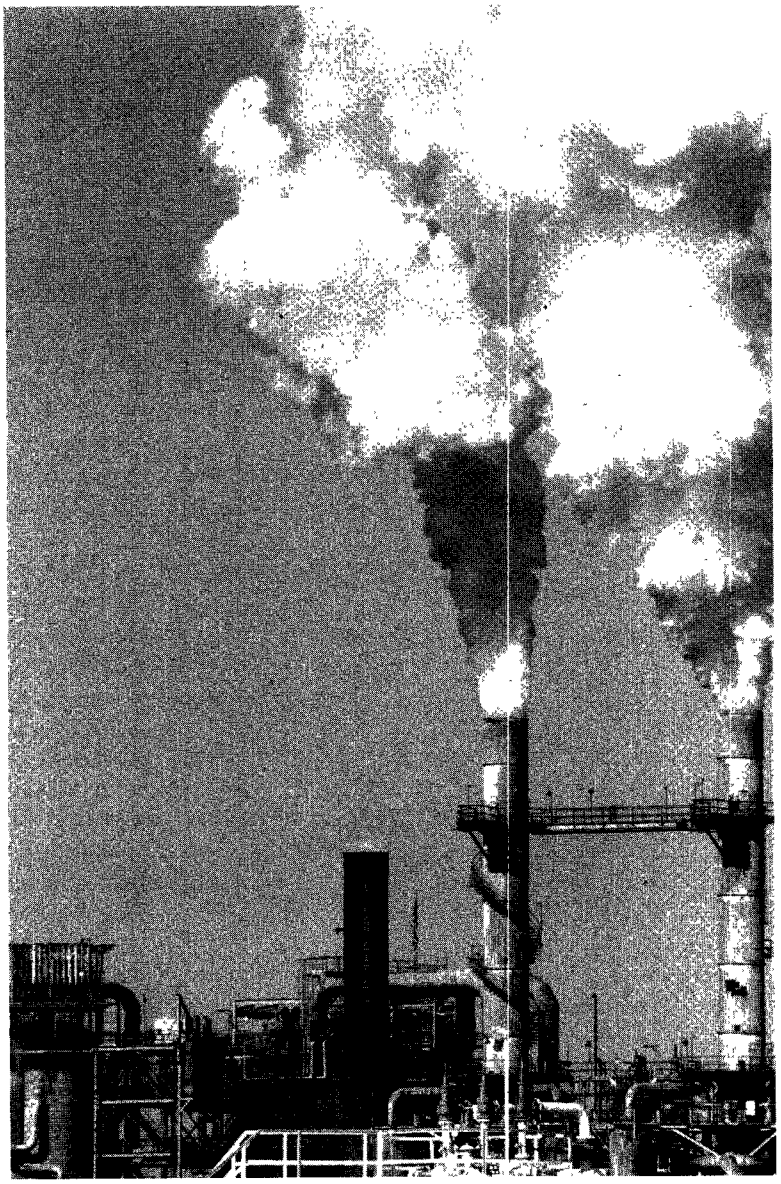
- Determine the allowability of the costs based on the documentation.

What Action Was Taken

We issued a flash report (5400095) to the Regional Administrator, Region 5, on August 29, 1995. A response is due by November 27, 1995.

Extramural Resources Management

Over the past several years, the OIG has repeatedly identified problems in the Agency's award and administration of contracts, interagency agreements, and cooperative agreements at various EPA offices and facilities. During this semiannual reporting period, the OIG conducted major reviews to examine EPA's programs for overseeing research funds provided to a university, controlling assistance agreements in Headquarters and Region 3, and overseeing air program grants. We audited the records and performance of individual contractors and assistance agreement recipients. These audits determine whether costs claimed by contractors and assistance agreement recipients are eligible, supported by documentation, necessary, and reasonable. Summaries follow of the most significant findings and recommendations reported during this semiannual period.



Air Program Grant Oversight Process Needs Improvement

Findings in Brief

EPA oversight of Section 105 grants under the Clean Air Act (CAA) did not effectively persuade grantees to correct performance problems and resolve unmet commitments to improve air quality. In addition, grantee eligibility was questionable because financial data submitted by grantees was often inaccurate.

Background

Under the authority of Section 105 of the CAA, EPA awards grants to state, local, and tribal agencies to assist them in operating their air pollution control and prevention programs. A workplan outlines the specific work commitments that the grantees agree to complete, and Agency regional administrators are required to oversee each grantee's performance. EPA awarded over $170 million in Section 105 grant funds during fiscal 1993. Recent developments are changing the structure of the Section 105 program. Many activities previously funded by Section 105 grants will be solely funded by the Title V CAA operating permit program, and EPA plans to allow states and tribes to combine categorical grants into a single performance partnership grant (PPG).

We Found That

Although the Section 105 grant performance oversight process was generally effective in identifying unmet workplan commitments, it did not effectively persuade grantees to implement EPA policy and guidance or ensure compliance with CAA requirements. For example, four grantees in Region 4 did not sign EPA's enforcement agreement because of disagreements with EPA's penalty assessment policy. Several grantees in Region 3 did not assess penalties for violations of air pollution laws or perform compliance inspections sufficiently to detect violations. Moreover, grantees in Region 3 did not complete over fifty percent of the workplan commitments that we reviewed, many of which were necessary for the achievement of an adequate air program. Although the regions were aware of these problems, none of the grant funds was withheld.

Financial data that grantees submitted to EPA was often inaccurate, and these inaccuracies were not detected by the financial oversight process. Several grantees significantly under-reported their total Section 105 expenditures to remain eligible for their grant, and this situation was not

identified and corrected because the regions we reviewed did not routinely assess the accuracy of Section 105 costs. Regional officials stated that they relied on the Single Audit process for evaluating the accuracy of grantee accounting systems. However, the Single Audits did not review the accuracy of costs reported on Section 105 Financial Status Reports (FSR). Without reliable financial data, EPA cannot accurately determine whether grantees are meeting their cost-sharing and annual expenditure requirements to maintain eligibility for their grants.

The planned use of PPGs presents EPA with an opportunity to correct problems that have occurred in the categorical grant process. The PPGs should provide not only the obvious benefit of reducing paperwork but also the opportunity for EPA to improve the effectiveness of its grant oversight process. However, we also believe there are potential shortfalls that EPA needs to address to ensure that the PPG process operates as effectively as possible. Ultimately, effective implementation of the PPG process would help to ensure the desired benefits of more productive environmental programs.

We Recommended That

The Assistant Administrator for Air and Radiation:

- Take actions that would apply to the Section 105 grants not included in PPGs, such as improving the performance oversight process and considering revisions to the regulations that implement the Section 105 grant maintenance of effort (MOE) requirement to allow for reasonable fluctuations of MOE levels and to encourage accurate reporting of state Section 105 program costs.

- Alert ongoing work groups to consider including minimum guidelines in PPG and oversight reform policy to help assure that the planned implementation of PPGs results in the environmental benefits and improvements desired by EPA.

- Instruct the regional offices to periodically include, as part of their oversight reviews, limited checks of the support for costs claimed by grantees on their Section 105 FSRs.

What Action Was Taken

The final audit report (5100510) was issued to the Assistant Administrator for Air and Radiation on September 29, 1995. In response to the draft audit report, the Agency generally agreed with our findings and recommendations. However, it did not agree with our recommendations concerning implementation of PPGs, stating that it was premature to impose "audit structures" on the PPG program while it is still being defined. Also, the Agency believed our recommendations did not conform to the multi-media approach to grant oversight. We revised our draft report recommendations to reflect the Agency's second concern. However, we continue to believe the Assistant Administrator for Air and Radiation should coordinate with the PPG Task Force and the Oversight Task Force to consider our recommendations during the development of the new PPG and oversight policies. A response to the final report is due by December 29, 1995.

Better Controls Needed Over Assistance Agreements

Findings In Brief

EPA grants specialists and project officers did not properly administer and monitor assistance agreements to determine if performance requirements were met, nor did they identify an estimated $33 million in unused funds for allocation elsewhere.

Background

EPA awards assistance agreements through Grants Management Offices (GMO) to states, non-profit organizations, universities and other entities to help accomplish its mission. GMOs are responsible for managing the review, negotiation, award, and administration of assistance agreements including audit resolution and final closeout. EPA project officers are responsible for managing and monitoring the recipient's performance under the terms of the assistance agreement. In EPA Headquarters, the Grants Administration Division (GAD) performed the GMO functions.

We Found That

GAD personnel did not give sufficient priority to managing assistance agreements or complying with applicable EPA policies and procedures. While GAD and Region 3 administered the same types of assistance agreements, various functions performed by the Region 3 GMO were not performed by GAD including: (a) reviewing the recipients' proposals; (b) monitoring progress on the projects; or (c) requiring recipients to complete projects and submit the required close out documentation. GAD performed annual evaluations to ensure that the regions completed this type of post-award management, but did not follow similar standards itself. Personnel in GAD attributed these problems to a shortage of grants specialists in Headquarters.

Similar to GAD, project officers did not follow EPA's requirements for managing assistance agreements. Most project officers did not visit or correspond with recipients, review financial matters and audit reports, notify GAD that projects were completed, or maintain adequate documentation of actions to monitor recipient progress and ensure that EPA received what it paid for. In some cases, the project officers destroyed or

lost the Agency's records.

In addition, GAD needs to close 4,500 inactive assistance agreements, and Region 3 an additional 500, that provided almost $700 million to recipients. By not closing these agreements timely, EPA could not ensure that all required technical work and administrative requirements were completed. Moreover, we estimated that by closing these assistance agreements, $33 million of unused funds may be used to pay for current Superfund projects, or other Government programs or EPA initiatives.

We Recommended That

The Acting Assistant Administrator for Administration and Resources Management:

- Require grants specialists and project officers to comply with Agency procedures for managing assistance agreements.

- Perform periodic evaluations to ensure assistance agreements are adequately managed.

- Develop a plan to close out the backlog of completed assistance agreements.

What Action Was Taken

The audit report (5100513) was issued to the Acting Assistant Administrator for Administration and Resources Management and the Regional Administrator, Region 3, on September 28, 1995. In response to the draft report, the Agency agreed with one of the nine recommendations and partially agreed with a second. The response indicated a disagreement with two other recommendations, and did not address the remaining five. The Agency did take action to streamline the process for closing agreements more timely to deobligate unused funds and alleviate any growth of the backlog. A response to the final report is due by December 28, 1995.

University Misuses Millions of Cooperative Agreement Funds

Findings In Brief

Clark Atlanta University (CAU) mismanaged congressionally earmarked funds provided under an EPA cooperative agreement to establish a hazardous substance research center. As a result, the center was not properly established and serious control weaknesses contributed to $3.6 million of ineligible or unsupported costs.

Background

EPA awarded CAU a noncompetitive cooperative agreement funded under a congressional earmark of the Agency's 1991 Superfund appropriation to establish a Center for Environmental Policy, Education, and Research (the Center). The Center received additional earmarked funds in fiscal 1992, 1993, and 1995, and was included in EPA's base budget in fiscal 1994. At the end of fiscal 1994, CAU had received over $10.7 million in assistance awards.

We Found That

Almost four years after the award of the cooperative agreement and expenditure of millions of dollars in EPA funds, CAU had not formally or physically established the Center required by the agreement. Specifically, CAU had not properly or adequately: (1) designated a Center Director or Fiscal Officer to direct the operations and expenditures of the Center; (2) established administrative offices for support of the Center; (3) established an advisory board to plan, advise, and monitor Center activities; (4) ensured that Center activities directly related to hazardous waste policy, education, and research; and (5) controlled Center activities and costs. Consequently, Center objectives were not accomplished and many projects were outside the scope of the authorizing statute.

CAU substantially mismanaged the cooperative agreement both financially and administratively. CAU top management circumvented University internal controls and requirements related to Center procurements, contracts and disbursements. Also, CAU management disregarded many special conditions, EPA regulations, and agreement objectives related to Center oversight and monitoring. CAU's noncompliance with requirements for progress reports and financial status information precluded effective EPA oversight of the Center.

CAU did not establish and maintain an adequate system of controls over agreement funds and property, nor did CAU ensure that costs claimed were allowable and adequately supported. Our review of $5,132,757 in costs claimed disclosed ineligible costs of $3,373,619 and unsupported costs of $299,422 for the first two-year budget period of the Center (October 1991-September 1993).

We Recommended That

The Director, National Center for Environmental Research & Quality Assurance, Office of Research and Development:

- Require Clark Atlanta to properly establish the research center as proposed to EPA.

- Assist Clark Atlanta in revising workplans and preparing budgets for funded projects to ensure agreement funds are effectively used within the scope of the authorizing statute under which the agreement was awarded.

- Instruct Clark Atlanta to implement adequate controls and oversight for research center programs, projects, property, and expenditures.

The Director, Grants Administration Division, Office of Grants and Debarment, recover the Federal share of ineligible costs ($3,002,521), determine the eligibility of the Federal share of unsupported costs ($266,486), and recover the applicable amount from CAU.

What Action Was Taken

The final report (5100526) was issued to the Director, Grants Administration Division, Office of Grants and Debarment, on September 30, 1995, for coordination of the Agency's overall response. In response to our draft report, Agency officials generally agreed with our findings and recommendations. A response to the final report is due by December 30, 1995.

Construction Grants

Since EPA was established, the construction grants program has been one of its largest and most successful undertakings. The program was established under the provisions of Public Law 92-500, as amended, and has provided over $52 billion in financial assistance to thousands of communities all over the country. The Agency is now in the process of completing the construction grant program. The goal is to substantially close out the program by September 30, 1997. Fiscal year 1990 was the last year funding was authorized for the program.

The Agency developed, in consultation with the OIG, a Completion/Close-Out Strategy for the program. The goal of the Agency's strategy is to bring the program to a successful completion as expeditiously as possible to assure that the environmental benefits of the program are fully realized and its fiscal and technical integrity are protected.

To assist the Agency in this effort, the OIG, in consultation with the Agency, implemented a revised audit strategy in October 1994 that focuses effort on the most vulnerable grants, based on a risk analysis of each remaining grant subject to audit. As of September 30, 1995, there were 153 grants valued at $6.3 billion which are expected to receive OIG review during the next three years. Summaries of some audits of construction grants with significant issues follow.

Los Angeles, California, Claimed Over $28 Million of Ineligible Costs

Findings in Brief

The City of Los Angeles, California, claimed $28,168,662 of ineligible construction, engineering, and force account costs for the Terminal Island and Hyperion wastewater treatment facilities. An additional $207,100 of unnecessary costs were questioned.

We Found That

EPA awarded two grants totaling $35,623,692 for the planning, design, and construction of the sludge processing and disposal systems at the Terminal Island Treatment Plant and for construction management and engineering services for the Hyperion Energy Recovery System project. The grantee claimed $28,168,662 of ineligible costs under the grant, including:

- $22,313,894 of consultant and force account costs claimed in excess of the amounts approved by the California State Water Resources Control Board;

- $2,866,636 of engineering and force account costs incurred after the authorized construction contract completion date, and considered excessive, unreasonable basic engineering costs;

- $2,838,684 of construction costs resulting from errors in the calculation of approved construction costs, claims in excess of the approved construction amount, and ineligible change orders;

and

- $149,448 of claims defense costs determined to be ineligible by the U.S. Army Corps of Engineers, not substantiated by invoices, and allocable to the ineligible portion of the construction project.

We also questioned, as unnecessary, $207,100 of construction and change order costs related an Interplant Data Acquisition System (IDAS). The IDAS was a separate computer system located at the Hyperion treatment plant that was designed to eliminate the manual accumulation and compilation of data for reports at the three surrounding treatment plants. The IDAS has never been able to automatically retrieve the data and the treatment plant operators and engineers continue to manually input this data.

Similar findings of questioned costs totalling over $30 million were reported in our previous report to Congress for the period ended March 31, 1995.

We Recommended That

The Regional Administrator, Region 9, not participate in the Federal share of ineligible costs ($22,040,839), determine the eligibility of the unnecessary costs ($155,326), and recover the applicable amount from the grantee.

What Action Was Taken

The audit report (5300036) was issued to the Regional Administrator, Region 9, on September 28, 1995. The Agency has agreed not to reimburse the grantee for $22,313,894 of consultant and force account costs claimed in excess of the amounts approved by the California State Water Resources Control Board. A response to the audit report is due by December 28, 1995.

Nearly $1.8 Million of Questioned Costs Claimed for Morristown, New Jersey, Project

Findings In Brief

The Town of Morristown, New Jersey, claimed $1,589,626 of ineligible architectural engineering, construction and administrative costs for the construction of sewer lines and a sewer crossing. An additional $177,971 of unsupported costs were questioned.

We Found That

EPA awarded a grant of $2,093,850 to the Town of Morristown, New Jersey, for the construction of sewer lines along the Whippany River and a sewer crossing. The grantee claimed $1,589,626 of ineligible costs under the grant, including:

- $630,751 of construction costs related to incremental construction increases incurred for the grantee's convenience and which were not necessary for completing the project;

- $558,249 of administration costs considered outside the scope of the project approved by the New Jersey Department of Environmental Protection and Energy (NJDEPE);

- $272,371 of architectural engineering costs for unallowable rebidding services, services outside of scope of the grant, unapproved preliminary services, and services not related and allocable to the grant; and

- $128,255 of inspection costs for duplication of project inspection fees claimed, and unrefunded deposits for construction plans and specifications that were not reported as project income.

We also questioned $177,971 of unsupported costs not approved by NJDEPE.

We Recommended That

The Regional Administrator, Region 2, not participate in the Federal share of ineligible costs ($1,192,220), determine the eligibility of the Federal share of unsupported costs ($133,478), and recover the applicable amount from the grantee.

What Action Was Taken

The final report (5100410) was issued to the Regional Administrator, Region 2, on July 11, 1995. A response to the audit report is due by October 10, 1995.

Superfund

The Superfund program was created by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). The Act provided a $1.6 billion trust fund to pay for the costs associated with the cleanup of sites contaminated with hazardous waste. The Superfund Amendments and Reauthorization Act of 1986 (SARA) provided $8.5 billion to continue the program for 5 more years, and the Omnibus Budget Reconciliation Act of 1990 authorized appropriations for 3 additional years and extended the taxing authority for 4 years. The authorization expired September 30, 1994, and the taxing authority will expire on December 31, 1995, unless extended.

The parties responsible for the hazardous substances are liable for cleaning up the site or reimbursing the Government for doing so. States in which there is a release of hazardous materials are required to pay 10 percent of the costs of Fund-financed remedial actions, or 50 percent if the source of the hazard was operated by the State or local government.

SARA increased the audit requirements for the Inspector General. In addition to providing a much larger and more complex program for which the OIG needs to provide audit coverage, SARA gave the Inspector General a number of specific responsibilities. Mandatory annual audit areas include:

- *Audit of all payments, obligations, reimbursements, or other uses of the Fund (this requirement is met through the financial statements audit required by the Chief Financial Officers Act of 1990);*
- *Audit of Superfund claims;*
- *Examination of a sample of agreements with States carrying out response actions; and*
- *Examination of remedial investigations and feasibility studies.*

The Inspector General is required to submit an annual report to the Congress regarding the required Superfund audit work, containing such recommendations as the Inspector General deems appropriate. The eighth annual report, covering fiscal 1994, was issued in April 1995.

Millions of Dollars in Superfund Site Data Rejected

Findings in Brief

Region 9 had not significantly strengthened its oversight program over Department of Defense (DOD) laboratories or required DOD to improve its quality assurance project plans. Partly as a result of this, hazardous waste cleanups at five DOD Superfund sites in Region 9 were delayed up to 2 ½ years, and $5.5 million in data were rejected due to the poor quality of laboratory analyses.

Background

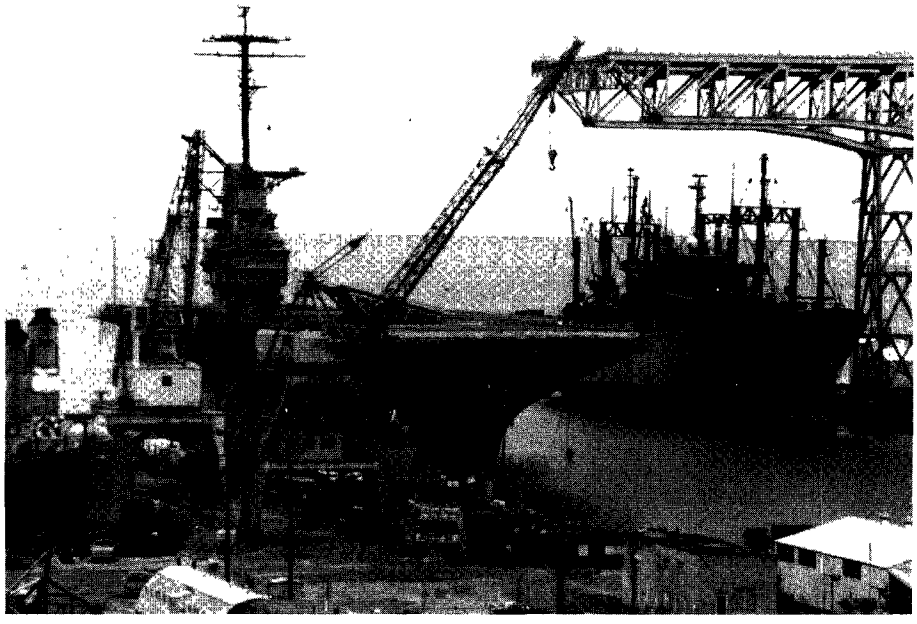
DOD has 100 bases on the Superfund national priorities list, a register of the nation's worst contaminated sites, 24 of which are in Region 9. EPA, DOD, and states

signed Federal facility agreements for the cleanup of DOD Superfund sites. These agreements required DOD to prepare quality assurance project plans (QAPP) to help ensure that laboratory analyses produced data of sufficient quality and quantity for cleanup remedy decision making. EPA was responsible for approving QAPPs and verifying implementation.

We Found That

Lack of adequate EPA oversight of quality asurance activities contributed to serious problems, surfacing in 1992, with the quality of laboratory data on DOD cleanups in Region 9. These problems eventually caused $5.5 million of environmental data to be rejected and cleanup delays of up to 2 ½ years at the five DOD bases we reviewed. At one DOD base, extensive laboratory fraud was found, and DOD later determined that the laboratory involved had performed analyses for 24 military installations in the Region since 1989. At another DOD site, the Region certified a portion of the cleanup effort as complete although the laboratory data is of unknown quality.

Region 9's remedial project managers were unfamiliar with DOD's specific laboratory quality assurance procedures, and they accepted the description of procedures provided by DOD's activities at face value. Site-specific data quality objectives, a prerequisite to QAPPs, were generally not prepared at all. QAPPs were typically not designed to detect poor laboratory work, and not always officially approved or fully implemented. Further, the Region did not effectively monitor compliance with QAPPs, or perform sufficient oversight to verify the quality of laboratory data. In addition, QAPPs were not modified to correct deficiencies after laboratory data problems were found.



Hunters Point Naval Shipyard, California, one of five DOD Superfund sites reviewed.

We Recommended That

The Regional Administrator, Region 9, improve the Region's oversight and assist DOD in avoiding future data quality problems and cleanup delays by:

- Strengthening oversight of quality assurance activities.
- Including key quality assurance activities in the QAPPs.
- Ensuring compliance with the QAPPs.

What Action Was Taken

The final audit report (5100505) was issued to the Regional Administrator on September 26, 1995. In response to the draft report, the Region stated that it recognized the essential role that data quality assurance plays in environmental programs, and the Region identified ten ongoing and planned corrective actions to improve data quality. A response to the final report is due by December 26, 1995.

Superfund Cost Estimates May Be Unreliable

Findings in Brief

EPA used outdated cost factors which may have substantially underestimated response costs and budgets for Superfund sites. Further, the incompatibility of management information systems may limit managers' abilities to properly monitor the Superfund program.

Background

For each event in the Superfund cleanup process, EPA developed cost factors for budgeting funds. A

cost factor is the amount of funds the Agency plans to spend on a cleanup event such as a Remedial Investigation/Feasibility Study (RI/FS), Remedial Design (RD), Remedial Action (RA), or oversight of RD/RA performed by potentially responsible parties. The Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS), the Integrated Financial Management System (IFMS), and its predecessor, the Financial Management System (FMS), are used to track Superfund cost data.

We Found That

In the last three years, the Agency has not updated the RI/FS, RD, and RD/RA oversight cost factors used to estimate funding needs for the Superfund program. As a result, the ongoing program costs may be understated and did not account for the wide range of costs associated with Superfund site cleanups. The Agency uses the same cost factors for relatively inexpensive cleanups (under $1 million) and mega-site cleanups (over $100 million), even though a single cost factor may not be appropriate for every site.

In addition, the Agency could not provide cost information for each event in the Superfund cleanup process because of the incompatibility of CERCLIS, IFMS, and FMS. Consequently, managers may not have the information needed to effectively oversee the Superfund program. Since EPA has initiated efforts to improve the compatibility of the information systems, we did not make any recommendations for corrective actions regarding the systems.

We Recommended That

The Assistant Administrator for Solid Waste and Emergency Response:

- Review and update the current Superfund cost factors for RI/FS, RD, and RD/RA oversight to more accurately reflect ongoing costs.

- Consider using a tiered approach for cost factors to allow for more accurate Superfund budget requests.

What Action Was Taken

We discussed our findings with Agency officials during the review and developed our recommendations in consultation with the Agency before the draft report was written. As a result, Agency officials agreed to implement the proposed corrective actions and our report (5700005) was closed upon issuance on August 31, 1995.

Improvements Needed in Management of Contractor Activities

Findings in Brief

Many aspects of the Environmental Services Assistance Team contract management activities performed at EPA's Lexington, MA, and Edison, NJ, facilities were well managed. However, better financial management and controls were needed over contractor's work products, government furnished property (GFP), costs and resources.

Background

Environmental Services Assistance Teams (ESAT) were contracted to assist EPA Headquarters and regions in many analysis-related activities, including samples and extensive laboratory data for remedial decisions under the Superfund Amendments and Reauthorization Act.

We Found That

Although many aspects of the ESAT contract management activities were effectively administered, improvements were necessary in the financial management of the ESAT contract at the Lexington, MA, and Edison, NJ, laboratories to assure that only reasonable and authorized contractor charges were paid. We found that regional project officers (RPO) and the national project officer (NPO) did not adequately determine whether costs were reasonable and appropriate prior to recommending payment. Instead, they generally relied on the contractor's submission without performing independent verifications for questionable items.

General purpose equipment was routinely provided to contractors at both facilities without meeting Federal Acquisition Regulation (FAR) requirements, and EPA did not take effective action to assure that GFP was properly accounted for, maintained, safeguarded, reported, and used for its intended purpose. Clear roles and responsibilities of the RPO, NPO, contracting officer, and the property administrator were not defined, and EPA did not review, approve, or periodically analyze the contractor's property control system. In addition, RPOs at both facilities had limited knowledge of GFP procedures and regulations. EPA recognized there was a problem with their use of GFP and was addressing the issue.

In addition, the planning, monitoring and evaluation process used for contractor work products at the Lexington, MA, facility was inadequate to assure that all costs incurred were necessary and reasonable. Actual time charged for tasks could not be accurately

measured, procedures were not being followed for labor hour estimate overruns, and completed tasks were not always reviewed and evaluated in a timely manner. These conditions were caused by inadequate priority, oversight and control over technical instruction documents (TID), and by the lack of an effective system to track the status of TIDs and acknowledgement of completion forms.

We Recommended That

The Acting Assistant Administrator for Administration and Resources Management:

- Clearly define roles and responsibilities of EPA contract management officials to provide effective administrative oversight of financial management activities, GFP, and contractor work assignments.

- Develop and implement an Agency strategy for GFP to comply with the FAR, address incentives to encourage contractors to provide their own equipment, include review and approval of the contractor's management system, and require contractors to perform an accurate annual inventory and reconcile it against property records.

The Assistant Administrator for Solid Waste and Emergency Response:

- Enforce controls directing the RPOs and NPO to not recommend or authorize payment of questionable contractor costs until documented.

- Instruct RPOs to track estimated and actual hours assigned and used for contractor work assignments.

What Action Was Taken

The final audit report (5100515) was issued to the Acting Assistant Administrator for Administration and Resources Management and the Assistant Administrator for Solid Waste and Emergency Response on September 29, 1995. In response to the draft report, the Agency generally disagreed with the findings, but concurred with our recommendations. A response to the final report is due by December 29, 1995.

Section 2 -- Report Resolution

As required by the Inspector General Act, as amended, this section contains information on reports in the resolution process for the semiannual period. This section also summarizes OIG reviews of the Agency's follow-up actions on selected reports completed in prior periods. In addition, information is presented on the resolution of significant reports issued by the OIG involving monetary recommendations.

Current Period

As of September 30, 1995, EPA had 343 OIG reports requiring resolution, which was 16 percent more than the beginning balance of 295 reports six months ago. The number of past due responses (over six months from report issue date) rose 9 percent from 119 to 130 during this six-month reporting period. At the end of March 1995, the number of past due responses was 40 percent of the reports to be resolved compared to 38 percent of the reports in the follow-up system as of the end of this reporting period. The costs questioned on the OIG reports for which management decisions were past due as of September 30, 1995, represented 75 percent of the total to be resolved.

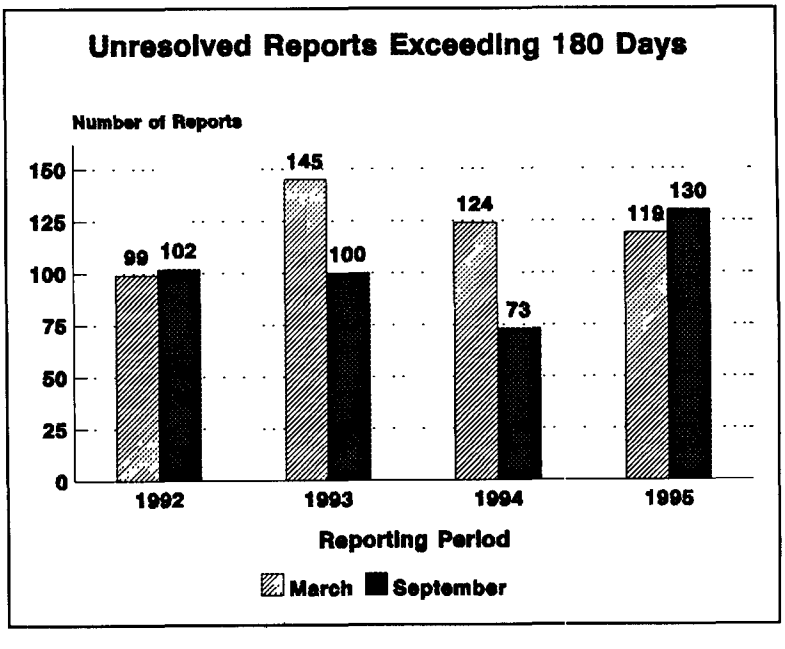
These reports need to be resolved and the funds recovered more expeditiously. While the OIG recognizes that it takes time to reach a management decision on some reports, swift, appropriate resolution makes the government run better and saves taxpayers the added cost of financing Agency operations through borrowing.

During this reporting period four EPA Action Officials--the Office of Acquisition Management's (OAM) Contracts Management Division, Research Triangle Park, North Carolina; and three of OAM's Cost Advisory and Financial Analysis Division branches--had 71 percent (92) of the 130 unresolved OIG reports exceeding 180 days.

About 31 percent (40) of the 130 past due reports were pre-award audits. From September 30, 1992, to September 30, 1995, the number of unresolved pre-award audits has grown from 20 to 31 percent of the total unresolved reports over 180 days.

EPA is one of the few agencies that reports on resolution of audits conducted on pre-award contract proposals. There may be multiple pre-award audits for any particular EPA contract solicitation. Resolution of these audits occurs when the contracting officer makes the contract award. When there are lengthy negotiations required or a series of proposals required from the contractor, it is common for these audits to remain in the "unresolved" pre-award stage for longer than 180 days. It is crucial that EPA take every step possible to resolve pre-award audits quickly.

As of March 31, 1995, we reported that Region 9 and Region 10 had not been timely in resolving reports with large dollar issues, accounting for 21.8 percent (26) of all the unresolved reports exceeding 180 days. This amounted to 48 percent ($117.2 million of $243.3 million) of the total questioned costs needing resolution. These two regions are to be commended for working with the Office of Inspector General to reduce the 26 unresolved reports exceeding 180 days by 50 percent. More importantly, these regions' unresolved reports now account for only 29 percent ($44.4 million) of the $153.8 million of the total questioned costs needing resolution.



Trends

Although EPA has made progress in the past in reducing the number of overdue unresolved reports, the unresolved backlog is now rising.

From September 1994 to September 1995, the number of past due reports rose 78 percent from 73 to 130. From September 1992 to September 1995, the number increased 27 percent while the reports requiring resolution averaged about 300 each year.

Management at all levels needs to (1) make audit follow-up a top priority, (2) ensure that report resolution is timely, and (3) reduce the growing backlog of overdue resolutions.

Status Report On Perpetual Inventory of Reports in Resolution Process For The Semiannual Period Ending September 30, 1995 (Dollar Values in Thousands)

	Report Issuance			Report Resolution Costs Sustained	
	Number	Questioned Costs	Recommended Efficiencies	To Be Recovered	As Efficiencies
A. For which no management decision has been made by the commencement of the reporting period	295	318,532	197,479		
B. Which were issued during the reporting period	449	54,971	155,099		
C. Which were issued during the reporting period that required no resolution	194	173	92		
Subtotals (A + B - C)	550	373,330	352,486		
D. For which a management decision was made during the reporting period	207	166,895	145,726	75,426	17,797
E. For which no management decision decision has been made by the end of the reporting period	343	206,435	206,760		
Reports for which no management decision was made within six months of issuance	130	153,814	148,507		

* Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Status of Management Decisions on IG Reports

This section presents statistical information as required by the Inspector General Act Amendments of 1988 on the status of EPA management decisions on reports issued by the OIG involving monetary recommendations. In order to provide uniformity in reporting between the various agencies, the President's Council on Integrity and Efficiency issued guidance on reporting the costs under required statistical tables of sections 5(a)(8) and (9) of the Act, as amended.

As presented, information contained in Tables 1 and 2 cannot be used to assess results of reviews performed or controlled by this office. Many of the reports counted were performed by other Federal auditors or independent public accountants under the Single Audit Act. EPA OIG staff do not manage or control such assignments. In addition, amounts shown as costs questioned or recommended to be put to better use contain amounts which were at the time of the review unsupported by adequate documentation or records. Since auditees frequently provide additional documentation to support the allowability of such costs subsequent to report issuance, we expect that a high proportion of unsupported costs will not be sustained. EPA OIG controlled reports resolved during this period resulted in $81.7 million being sustained out of $113.9 million considered ineligible in reports under OIG control. This is a 72 percent sustained rate.

Table 1 -- Inspector General Issued Reports With Questioned Costs

Semiannual Period Ending: September 30, 1995

		Dollar Values (thousands)	
	Number	Questioned Costs*	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period**	113	318,301	103,155
B. New Reports issued during period	70	54,798	5,918
Subtotals (A + B)	183	373,099	109,073
C. For which a management decision was made during the reporting period	62	166,664	26,622
(i) Dollar value of disallowed costs	50	75,426	14,517
(ii) Dollar value of costs not disallowed	***42	91,238	12,105
D. For which no management decision has been made by the end of the reporting period	121	206,435	82,451
Reports for which no management decision was made within six months of issuance	64	153,814	76,533

* Questioned costs include the unsupported costs.

** Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

*** 12 audit reports totaling $3,248 were not agreed to by management.

Table 2 -- Inspector General Issued Reports With Recommendations That Funds Be Put To Better Use

Semiannual Period Ending: September 30, 1995

	Number	Dollar Value (in thousands)
A. For which no management decision has been made by the commencement of the reporting period*	57	197,479
B. Which were issued during the reporting period	45	155,008
Subtotals (A + B)	102	352,487
C. For which a management decision was made during the reporting period	40	145,726
(i) Dollar value of recommendations that were agreed to by management	10	17,797
- based on proposed management action	n/a	n/a
- based on proposed legislative action	n/a	n/a
(ii) Dollar value of recommendations that were not agreed to by management	4**	14,168
(iii) Dollar value of non-awards or unsuccessful bidders	28	113,760***
D. For which no management decision has been made by the end of the reporting period	62	206,761
Reports for which no management decision was made within six months of issuance	21	148,507

* Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

** Two reports were included in C(i) and C(ii). Only the related dollars disallowed were included in C(i), whereas the dollars which were not disallowed were included in C(ii).

*** This amount represents the dollar value of recommendations that funds be put to better use.

Resolution of Significant Reports

Report Number / Report Date	Grantee/ Contractor	Report Issuance: FS Questioned/ Recommended Efficiency		Report Resolution: Federal Share to be Recovered/ Sustained Efficiency	
P2CWL2-01-0353	BRISTOL	INEL	1,846,542	INEL	1,846,542
5100230	CT	UNSP	2,155,282	UNSP	2,155,282
REPORT DATE		UNUR	0	UNUR	0
3/27/95		RCOM	0	SUST	0
S2CWL2-01-0205	BARNSTABLE	INEL	628,254	INEL	605,106
5100269	MA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
4/10/95		RCOM	0	SUST	0
P2CWL1-02-0104	NYCDEP	INEL	12,731,984	INEL	7,186,505
3100374	NY	UNSP	15,416,534	UNSP	10,165,561
REPORT DATE		UNUR	11,018,236	UNUR	10,596,360
9/14/93		RCOM	0	SUST	0
P2CWL1-02-0128	ROCKLAND CO	INEL	1,290,906	INEL	1,290,906
5100190	SD1 NY	UNSP	2,959,420	UNSP	1,082,036
REPORT DATE		UNUR	0	UNUR	0
2/21/95		RCOM	0	SUST	0
P2CWL4-02-0060	MIDDLETOWN	INEL	699,268	INEL	654,909
5100217	NY	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
3/21/95		RCOM	0	SUST	0
D8AML5-03-0151	ARMSTRONG	INEL	0	INEL	0
5100279	DATA SERV VA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
4/13/95		RCOM	913,634	SUST	913,634
P2CWN2-03-0456	HOWARD CO	INEL	1,160,894	INEL	726,182
4300043	DPW MD	UNSP	206,000	UNSP	4,401
REPORT DATE		UNUR	0	UNUR	0
8/23/94		RCOM	0	SUST	0
P2CWN3-03-0031	ARLINGTON	INEL	1,055,887	INEL	822,185
4300045	COUNTY VA	UNSP	354,861	UNSP	159,551
REPORT DATE		UNUR	0	UNUR	0
9/ 1/94		RCOM	0	SUST	0
E1BMF2-04-0373	EPA USE OF	INEL	0	INEL	0
5100247	SUBCONTRAC-	UNSP	0	UNSP	0
REPORT DATE	TORS	UNUR	0	UNUR	0
3/31/95		RCOM	15,400,000	SUST	15,400,000
P2CWP6-05-0298	W LAKE	INEL	6,446,691	INEL	447,487
2400004	SUPERIOR MN	UNSP	125,126	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
12/21/91		RCOM	0	SUST	0
P2CWN1-08-0063	SOUTH VALLEY	INEL	2,444,389	INEL	1,952,056
4300005	UT	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
10/25/93		RCOM	0	SUST	0

Report Number / Report Date	Grantee/ Contractor	Report Issuance: FS Questioned/ Recommended Efficiency		Report Resolution: Federal Share to be Recovered/ Sustained Efficiency	
E2CWN2-09-0093	SOUTH TAHOE	INEL	731,772	INEL	731,772
5200008	PUD CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
2/ 9/95		RCOM	0	SUST	0
E2CWM2-09-0244	LOS ANGELES	INEL	25,580,260	INEL	25,562,278
5200012	CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
3/27/95		RCOM	0	SUST	0
E2CWM3-09-0116	SANTA	INEL	457,325	INEL	457,325
5200007	BARBARA CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
1/24/95		RCOM	0	SUST	0
E2CWN2-09-0266	MAUI	INEL	1,094,241	INEL	737,254
5300002	HI	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
11/ 9/94		RCOM	0	SUST	0
S2CW*8-09-0156	LOS	INEL	1,862,904	INEL	1,862,904
1300119	ANGELES CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	51,135,450	UNUR	1,087,116
9/30/91		RCOM	0	SUST	0
P2CWL9-10-0002	PIERCE CO	INEL	2,179,647	INEL	1,473,000
2100669	UTIL DEP WA	UNSP	2,316,534	UNSP	375,759
REPORT DATE		UNUR	0	UNUR	0
9/30/92		RCOM	0	SUST	0
E1BMF5-11-0004	BANKCARD	INEL	0	INEL	0
5100486	AUDIT	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
9/14/95		RCOM	700,000	SUST	700,000

NOTE: INEL = INELIGIBLE COST
UNSP = UNSUPPORTED COST
UNUR = UNNECESSARY/UNREASONABLE COST
RCOM = RECOMMENDED EFFICIENCIES
SUST = RECOMMENDED EFFICIENCIES SUSTAINED

Section 3 -- Prosecutive Actions

The following is a summary of investigative activities during this reporting period. These include investigations of alleged criminal violations which may result in prosecution and conviction, investigations of alleged violations of Agency regulations and policies, and OIG personnel security investigations. The Office of Investigations tracks investigations in the following categories: preliminary inquiries and investigations, joint investigations with other agencies, and OIG background investigations.

Summary Of Investigative Activities

Pending Investigations as of March 31, 1995	171
New Investigations Opened This Period	88
Investigations Closed This Period	78
Pending Investigations as of September 30, 1995	181

Prosecutive and Administrative Actions

In this period, investigative efforts resulted in 4 convictions and 4* indictments. Fines and recoveries, including those associated with civil actions, amounted to $69,396. Four administrative actions** were taken as a result of investigations:

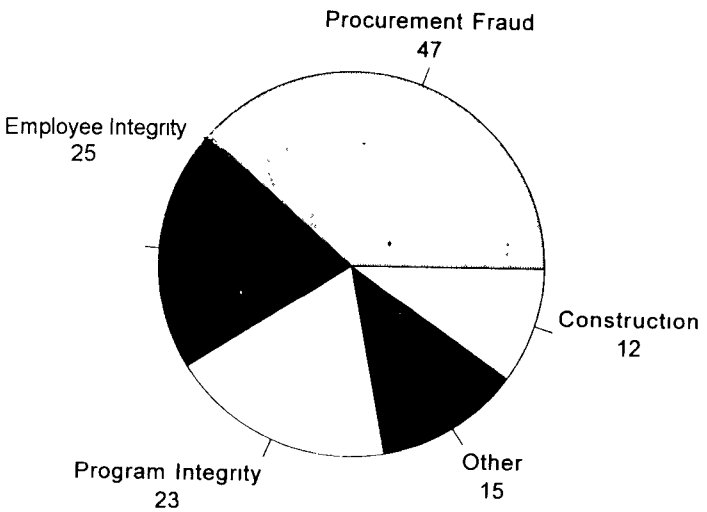
Resignations/Removals	2
Suspensions	1
Restitutions	1
TOTAL	4

* Does not include indictments obtained in cases in which we provided investigative assistance.

** Does not include suspensions and debarments resulting from Office of Investigations activities or actions resulting from reviews of personnel security investigations.

Profiles of Pending Investigations by Type
(Total--181)

General EPA Programs



Total Cases: 122

Superfund and Lust

Total Cases: 59

Description of Selected Prosecutive and Administrative Actions

Below is a brief description of some of the prosecutive actions which occurred during the reporting period. Some of these actions resulted from investigations initiated before April 1, 1995.

Project Manager Sentenced; Convicted of Theft of Funds

James Speer, project manager with Olympic View Environmental Review Council (OVER-C), Kitsap County, Washington, was sentenced to 66 months in jail with credit for time served (almost one year), and ordered to pay $57,221 in restitution as a result of his earlier conviction of felony theft, as reported in our semiannual report for the period ending March 31, 1995. Speer was given a sentence above the standard range of 42 to 57 months, based on each of four distinct criteria. Speer abused a position of trust, there were multiple victims of his offense, there was a substantial monetary loss, and the scheme of his theft involved a high degree of sophistication and planning.

OVER-C, a non-profit organization formed in 1991 to monitor activities at Superfund sites, was awarded an EPA technical assistance grant involving three sites in Kitsap County. Speer gained control of the organization's finances, including records, checkbooks, incoming bills, and outgoing payments, and subsequently, he wrote checks in excess of $86,000 to himself. Speer would write the OVER-C checks and take them to two board members for authorization signatures. He then replaced the names of the legitimate payees on the check with his own name in order to remove cash from the OVER-C bank account. The cash was traced to his girlfriend's account and her mother's account. Speer paid portions of legitimate expenses while holding back funds for himself, allowing him to continue obtaining and using additional Federal, state, and private grant funds to "lap" expenses, staying ahead of the creditors. "Lapping" involves holding checks for months before cashing them, allowing enough time to take the money without notice.

Speer's scheme collapsed when some of the technical advisors on the projects complained that they had not been paid completely for their work.

This investigation was conducted by the EPA OIG and the Kitsap County Prosecuting Attorney's Office.

Former Water Association Official Found Guilty

Brian Burns, a former program manager of the Northeast Rural Water Association, was convicted in July 1995 of felony fraud, including false statements and wire fraud. Northeast, a not-for-profit organization, received the bulk of its funding from EPA and the Farmers Home Administration of the U.S. Department of Agriculture to provide training and technical assistance to rural communities in Vermont, New Hampshire, and Massachusetts in water treatment, safe drinking water, and wastewater matters. The grants included the funding of salary and expenses for the program manager, a position which required the incumbent to work full time for the state affiliate.

Burns was convicted of manipulating and/or concealing material information provided to the Northeast Board of Directors and the National Rural Water Association, the organization which oversaw Northeast's use of Federal funds, by misrepresenting his work on behalf of Northeast on daily time logs. Burns' scheme included the use of: (1) approximately $7,000 in federal funds to pay for an apartment in Cambridge, MA, which he fraudulently called an office; (2) approximately $10,000 in federal funds for per diem and travel expenses for his trips between Vermont and Cambridge to attend Harvard on a full time basis; and (3) approximately $30,000 in salary paid by federal funds while Burns attended school.

This case was investigated by the EPA OIG with the assistance of the Internal Revenue Service Criminal Investigation Division and the U.S. Department of Agriculture OIG.

Superfund Site Subcontractor Sentenced

After pleading guilty to theft of government property in January 1995, Robert Lestuk, president and owner of Unicon, Inc., was sentenced in April 1995 to 2 years probation and 100 hours of community service, and fined $2,000. Unicon agreed to make restitution in the amount of $141,000. The actions stemmed from an allegation that Unicon, a subcontractor responsible for the installation of metal tank covers and a vapor emission system at the Helen Kramer Landfill Superfund Site in Mantua Township, New Jersey, submitted false certifications with respect to hazardous materials training required by the contract.

This case was investigated jointly by the EPA OIG and the Department of Defense Criminal Investigative Service.

Employee Pleads Guilty to Theft

Carlton Nadolney, an EPA toxicologist, pleaded guilty to an information charging theft of Government property. The August 1995 plea was the result of an OIG investigation which disclosed approximately $15,000 in unauthorized long distance telephone calls that were charged to EPA.

Guilty Plea in Scheme to Impersonate

Michael Latas and Associates (MLA), an executive search corporation located in St. Louis, Missouri, pleaded guilty in June 1995, to false personation of a U.S. Government official, and to conspiracy. The firm paid a $6,000 fine.

The case originated in 1991 when an MLA employee, Timothy Austin, pleaded guilty to falsely claiming to be an EPA employee. Austin, representing himself as being from EPA, had contacted the Gaithersburg, Maryland, office of a major engineering and construction company and demanded the company provide him a listing of all employees who had both nuclear engineering and wastewater treatment experience. According to the indictment, Austin intended to sell the listing to personnel recruiting companies, foreign espionage agents, and others. Austin was subsequently sentenced to three years probation and ordered to pay a $1,000 fine.

Former Employee Pleads Guilty in AmEx Scam

Jean Stafford, a former EPA secretary, pleaded guilty to access device fraud in August 1995 after an investigation disclosed a scheme to defraud, traffic in, use, and cause to be used at least eight fraudulently obtained American Express Government Travel Cards. The case was initiated based on information that an unknown EPA employee had obtained an EPA American Express Government credit card by using false identification and charged over $10,000 in goods and services over a three week period. As a result of this matter, the Agency's Financial Management Division instituted a retail block on all Headquarters American Express accounts to prohibit purchases in retail type facilities.

This case was investigated jointly by the EPA OIG, Secret Service, and Postal Inspection Service.

Civil and Administrative Actions to Recover EPA Funds

Investigations and audits conducted by the Office of Inspector General provide the basis for civil and administrative actions to recover funds fraudulently obtained from EPA. Through the Inspector General Division (IGD) of the Office of General Counsel (OGC), the OIG uses a variety of tools to obtain restitution. These include cooperative efforts with the Department of Justice in filing civil suits under the False Claims Act, the Program Fraud Civil Remedies Act, and other authorities; working with grantees using their own civil litigation authorities; invoking the restitution provisions of the Victim and Witness Protection Act during criminal sentencing; using the Agency's authority to administratively offset future payments and to collect debts; and negotiating voluntary settlements providing for restitution in the context of suspension and debarment actions. Civil and administrative actions to recover funds usually extend over several semiannual reporting periods.

Company Agrees to Pay for Making False Labor Claim

The U.S. Attorney for the Eastern District of Virginia, working with OGC's IGD, reached an agreement with Toney Head and T. Head and Company, Inc. (THI) to settle a civil False Claims Act case. Under the settlement, Toney Head and THI agreed to pay $109,750 for falsely billing approximately $70,000 of labor costs to an EPA contract. Previously, Toney Head and THI had been investigated by the OIG and convicted in U.S. District Court for filing criminal false claims under the EPA contract.

Former Employee's False Claim Settled

OGC's IGD negotiated an agreement with a former EPA employee who submitted a false claim for worker's compensation for an alleged injury on the job. The former employee admitted to falsifying a doctor's letter, which allowed the former employee to remain on traumatic injury leave for a month, and to falsifying a witness statement. Under the agreement, the former employee will pay $2,500 to settle the false claim that caused approximately $1,700 in damages to EPA.

Section 4 -- Fraud Prevention And Management Improvements

This section describes several activities of the Office of Inspector General to promote economy and efficiency and to prevent and detect fraud, waste, and abuse in the administration of EPA programs and operations. This section includes information required by statute, recommended by Senate report, or deemed appropriate by the Inspector General.

Review of Legislation and Regulations

Section 4(a)(2) of the Inspector General Act of 1978, as amended, directs the Office of Inspector General to review existing and proposed legislation and regulations relating to Agency programs and operations to determine their effect on economy and efficiency and the prevention and detection of fraud and abuse. During this semiannual period, we reviewed four legislative and 74 regulatory items. The most significant items reviewed are summarized below.

Proposed Clean Water Act

Section 520 of the proposed Clean Water Act, H.R. 961, provides for the creation of a Board of Audit Appeals. This board would review and decide contested audit determinations related to grant and contract awards.

We reviewed the proposed bill and expressed strong opposition to this provision. If implemented, we believe this Board of Audit Appeals would be costly and bureaucratic. We commented that the board is unnecessary and duplicates other time-tested procedures for settling disputes arising out of audits. For example, EPA has a streamlined appeals process for the soon to be closed out construction grants program, and the Federal Acquisition Regulation contains disputes provisions for contracts.

Superfund Reporting and Audit Requirements

As the Congress considers reauthorization, we recommended revision of certain sections of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended by the Superfund Amendment and Reauthorization Act. First, we recommended reconsideration of the annual audit and reporting requirement of section 301 (h), which requires EPA to annually report its progress in implementing CERCLA and for the OIG to audit the report for reasonableness and accuracy. We pointed out that many sections of the current report could be eliminated because the information is available elsewhere, and recommended removing the audit requirement for the report because of the extensive auditing of the financial and performance aspects of Superfund.

We also recommended eliminating the audit requirements of section 111 (k) and allowing the OIG to use discretion in auditing Superfund. We commented that the annual audit of:

- the Trust Fund has been superseded by the annual requirements of the Chief Financial Officers Act;
- response claims is excessive because there have been few claims;
- a sample of cooperative agreements should be made discretionary; and
- remedial investigation/feasibility studies is too narrow because the program has moved more into the construction phase while streamlining the study phase.

Finally, we commented that the OIG's annual reporting requirement duplicates the semiannual reporting requirement of the IG Act.

Federal Acquisition Regulation (FAR) Revision on Continuing Payments to Suspect Contractors

While we generally agreed with the intent of this proposed revision to the FAR, which involved fraud remedies for civilian agencies pursuant to the Federal Acquisition Streamlining Act of 1994, we strongly disagreed that an Agency head should consider factors,

such as the financial condition of the contractor, when determining whether to reduce or suspend payments for suspected fraudulent activities. In our view, if there is substantial evidence that a contractor's request for payment was based on fraud, an Agency head should take immediate action to suspend or reduce further payments.

Our comment was not adopted in the final rule published on September 26, 1995.

Draft Policy on Project Officer Roles and Responsibilities in the Administration of Grants and Cooperative Agreements

We reviewed the Agency's draft policy and expressed concern that the pre-application phase appeared to promote extensive interaction between the Project Officer (PO) and prospective recipient before determination that the award will be subject to competition. Although such interaction may be necessary when sole source awards are justified, we expressed concern that extensive interaction would be inappropriate if the award is competed. Since we believe that competitive awards should be made to the extent possible, we recommended that the document require POs to encourage competition and to document why a sole source award is justified.

We also recommended that POs be required to obtain or submit independent reviews of internal and external proposals over $500,000; ensure that the grantee takes action to correct deficiencies; and document decisions made about equipment disposition at closeout. Regarding recipient performance, we suggested that a statement be added that "egregious situations should be considered for suspension and debarment action."

The Agency revised the policy to our satisfaction.

Draft Implementation Order to Streamline Small Grants

We did not concur because the order did not clearly specify what is expected of grant recipients and how they will be held accountable. We recommended that the policy be revised to clarify payment policy, terms, and conditions; indicate the regulations and other documents applicable to each type of recipient; and require grantees to identify specific work objectives and expected outcomes and to provide a final report addressing the extent to which the objectives were achieved.

EPA Delegation 1-16: Agency Chief Financial Officer/Accounting, Budgeting And Other Financial Activities

We did not concur with the proposed delegation of authority to provide general accounting and fiscal services, and to establish, review and enforce internal control policies, standards and compliance guidelines because it did not redelegate authority to the Agency's Senior Resource Officials (SROs). The SROs have primary responsibility for sound financial management practices.

The Financial Management Division revised the delegation to address our primary concerns. In withdrawing our non-concurrence, we expressed concern that the Agency still has not clearly defined the knowledge, skills and abilities for selecting SROs.

Draft Flexiplace Program Guidance

We agreed that the Flexiplace program can be useful to the Agency and its employees, but only if there is a clear benefit to the Agency and adequate controls are in place to protect the integrity of the Agency's resources. Specifically, we recommended that the program be restricted only to those situations which would not impede a supervisor's ability to assure accomplishment of Agency work, respond to customer needs, and protect Agency resources and records.

We also expressed serious concern over the increased opportunity for abuse in several areas. Accordingly, we recommended that the employee certify that his/her time reporting is accurate and that the supervisor certify that reasonable action has been taken to verify the information. We also recommended that the policy include a periodic Agency review of the Flexiplace program to assure that abuses are not occurring and that the work effort is not adversely impacted.

Suspension and Debarment Activities

EPA's policy is to do business only with contractors and assistance recipients who are honest and responsible. EPA enforces this policy by suspending or debarring contractors, assistance recipients, or individuals within those organizations, from further EPA contracts or assistance if there has been a conviction of, or civil judgment for:

- *commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract;*
- *violation of Federal or State antitrust statutes relating to the submission of offers;*
- *commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making a false statement, or receiving stolen property; or*
- *commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present*

responsibility of a Government contractor or subcontractor.

A contractor may also be debarred for violating the terms of a Government contract or subcontract, such as willful failure to perform in accordance with the terms of one or more contracts, or a history of failure to perform, or of unsatisfactory performance on one or more contracts. A contractor may also be debarred for any other cause of so serious or compelling a nature that it affects the present responsibility of the contractor. Thus, a contractor need not have committed fraud or been convicted of an offense to warrant being debarred. Debarments are to be for a period commensurate with the seriousness of the cause, but generally do not exceed 3 years.

The effectiveness of the suspension and debarment (S&D) program has been enhanced by regulations that provide all Federal agencies a uniform system for debarring contractors from receiving work funded by Federal grants, loans, or cooperative agreements. The system, required by Executive Order 12549, provides that a non-procurement debarment or suspension by one agency is effective in all agencies and requires the General Services Administration to publish monthly "Lists of Parties Excluded from Federal Procurement or Non-procurement Programs." Formerly, a non-procurement debarment was effective only in the programs administered by the debarring agency, and each agency maintained its own list. The EPA Suspension and Debarment Division in the Office of Grants and Debarment operates the S&D program at EPA. The OIG assists the EPA S&D program by providing information from audits, investigations, and engineering studies; and obtaining documents and evidence used in determining whether there is a cause for suspension or debarment. During this period, cases with direct OIG involvement led to 9 debarments, 7 suspensions, and two compliance agreements, a total of 18 actions.

The most significant are summarized below:

- On July 3, 1995, EPA suspended James B. Speer, project manager of Olympic View Environmental Review Council (OVER-C), a non-profit organization and recipient of EPA Technical Assistant Grant funds. Also suspended for apparent involvement was Cassandra Wohlgethan, Speer's live-in girlfriend. Mr. Speer's sentencing is reported on page(36).

- On July 3, 1995, EPA suspended William R. Maxon, Site Manager and Craig V. Wright, Site Foreman of Riedel Environmental Services, Inc. (RES) at the Sharon Steel Superfund Site. EPA's investigation substantiated that Maxon and other RES employees stole approximately $2,000 worth of copper from the site and that Maxon used RES equipment and employees to do personal work at his residence, charging the costs to the EPA contract.

- On May 18, 1995, EPA debarred Brad's Asbestos Removal, Inc. (BAR) for a period of two years. Officers of BAR defrauded EPA by participating in a scheme whereby they and another individual caused to be submitted, under BAR's name, false claims to Fairbury, Nebraska, Public Schools, which received financial assistance from EPA under the Asbestos School Hazard Abatement Program.

- On May 9, 1995, EPA entered into a four-year compliance agreement with previously debarred Steven Miller, Vice President of Ekotek, who ordered an employee to falsify a hazardous waste manifest and admitted to conspiring to violate the Clean Air Act, the Resource Conservation and Recovery Act and the Clean Water Act. As part of the agreement, Miller: Signed a "Declaration of Environmental Commitment" and a "Statement of Ethics" which committed him to a minimum of three ethics training courses; agreed not to engage in retaliatory behavior against any employee who cooperates with the Government; agreed to allow EPA S&D auditors access to any business in which he has waste disposal or handling responsibilities; committed to take at least three environmental training courses; agreed to cooperate with EPA S&D Division's performance of discretionary audits, at his owm expense, to confirm compliance with the Agreement; and committed to pollution prevention policies.

- On April 24, 1995, EPA entered into a compliance agreement with Harry J. Kring, who was convicted of negligently violating the Clean Water Act and making a false statement to EPA. Mr. Kring agreed to several conditions, including voluntarily excluding himself from all Federal procurement or non-procurement programs for 18 months and to report to EPA anytime he changes employers, including changing positions with his employer, AT&T Reading. Mr. Kring's conviction was discussed in our September 30, 1994, semiannual report.

OIG Management Initiatives

Reinventing Offices of Inspector General

The EPA OIG has continued the process of reinvention by carefully examining the administrative functions and processes of our organization. We are particularly identifying administrative activities that are performed at more than one location with an emphasis on eliminating any unnecessary duplication. We have also examined all of our operational costs and expenses, looking for opportunities and alternatives for savings. As a result we are restructuring our Headquarters organization and functional responsibilities to accrue improved efficiency by reducing Headquarters staff and reassigning personnel to our core audit and investigative functions.

Also in response to other actions we previously identified as needed to bring

our streamlining initiatives to fruition, OIG staff have begun conducting Team Effectiveness/Team Leadership seminars. These seminars are designed to help the OIG develop self-guided teams with a strong emphasis on customer service.

OIG Prepares To Expand In-House Training Capabilities

As part of our streamlining efforts, and capitalize on talents of our staff the OIG has established an academy of instructors to conduct in-house developed training. This training will be designed to meet the specific mission related needs of the OIG. Forty candidates from headquarters and field offices of audit, investigation, and management were identified. Fourteen of the candidates received on-site instructor training September 19-21, 1995. Also as part of the reinvention of our training program, we are providing cooperative training to EPA.

TRAINING

OIG Developed Courses

- **Statistical Sampling Training**

This course was designed to provide guidelines for the use of statistical sampling in EPA audits. The emphasis is on instructions for auditors who need to carry out elementary sampling procedures in connection with their auditing activities, with some additional direction for those who encounter more difficult sampling problems and need references to more complete sources. This course was presented during this semiannual period in Washington, DC.

- **Ethics and Conflict of Interest**

This program is designed to provide each participant with a better understanding of conflict-of-interest laws and EPA standards of conduct.

Instructor Mary Fillmore trains OIG employees in facilitation techniques (photo by Dana Sharon).

- **OIG Orientation for New Employees**

An orientation session for new OIG employees was held at Headquarters in Washington D.C. June 13-15, 1995. The Inspector General provided opening remarks and, on the last day, the Deputy Inspector General spoke to the group. Each AIG and his managers presented an overview of their office. The objective of the orientation was to help new employees become familiar with the functions and organization of the OIG and quickly become part of the OIG team.

Investigative Techniques Training

During this semiannual period, 42 OIG special agents began an 80 hour course in investigative techniques at the Federal Law Enforcement Training Center (FLETC), Glynco, Georgia. The course included arrest techniques, firearms instruction, defensive tactics, a legal refresher, and CPR training.

The Brown Bag Institute of Learning

As part of our effort to do more in-house training, we continued a lunchtime training program called the Brown Bag Institute of Learning. This program, hosted by various OIG managers, features videotapes, case studies, discussions, and presentations by experts on subjects pertinent to OIG work.

During this reporting period, we presented "Changes to the Government Auditing Standards" for auditors, investigators, and managers. Patrick McNamee, Assistant Director, GAO's Accounting and Information Management Division, was the instructor/facilitator. Mr. McNamee focused his presentation on general, financial, and performance audit standards.

Basic Lotus Notes Concepts

This course was designed to provide the student with an understanding on how to navigate within the Lotus Notes workspace, compose and view documents in a database, and use Notes mail. The OIG is adopting Lotus Notes for management of correspondence.

President's Council on Integrity and Efficiency

Study of Federal Credit Management and Debt Collection

We participated in this effort which was led by the Department of Veterans Affairs OIG (VA-OIG). The Office of Management and Budget (OMB) requested this review to update and expand on a similar 1989 study of Federal credit management and debt collection issues. We assisted the VA-OIG in its review by providing statistical information on EPA's accounts receivable and summaries of the results of our audit work in the area. We also provided our ideas, as well as those of the staff of the EPA Chief Financial Officer, on ways to re-engineer and better carry out credit management activities. The final report on this review was issued to OMB July 31, 1995.

Information in the report is intended to foster further discussion at the policy-making levels of government on how to best collect amounts owed to the Federal government and on a special PCIE working group to develop draft standard performance measures for Federal Offices of Inspector General. The purpose of this ongoing project is to define output and outcome measures of OIG efficiency and effectiveness in relation to the recently published OIG Vision Statement and Strategies to Apply Reinvention Principles. OIGs also must develop and report on performance in relation to budgetary requests and strategic plans in compliance with the requirements of the Chief Financial Officers Act of 1990 and the Government Performance and Results Act of 1993.

Committee on Integrity and Management Improvement

The Committee on Integrity and Management Improvement (CIMI) was established in 1984 by EPA Order 1130.1 to coordinate the Agency's effort to minimize the opportunities for fraud, waste, and mismanagement in EPA programs and activities. CIMI strives to continually increase employee awareness and understanding of various Agency policies and procedures. The Committee is composed of senior EPA program and regional officials and is chaired by the Inspector General.

Employee Suitability Determinations and Security Clearances

Every position in the Federal Government is subject to suitability considerations. Personnel security investigations conducted by the Office of Personnel Management are the primary means for determining suitability for Federal employment. All employees must be investigated. A National Agency Check and Inquiries, which includes law enforcement checks, verification of claimed college degrees, and employment and reference checks, is the minimum investigation required. A more extensive investigation must be done for sensitive positions, which require access to national security information. Employees in sensitive positions must obtain a security clearance, which is an authorization for access based on a background investigation and a determination of trustworthiness. CIMI developed this bulletin to inform Agency employees of what factors affect suitability for Federal employment and to heighten awareness of the types of investigations required for EPA employment, particularly those for sensitive positions.

Public Service Recognition Week

To show appreciation for and recognize EPA employees, CIMI sponsored a series of events during the ninth annual Public Service Recognition Week. A special ceremony was held to honor the recipients of the EPA Employee Recognition Award for outstanding community service. Inspector General John Martin was master of ceremonies; Roger Johnson, Administrator of the General Services Administration was the keynote speaker; and various EPA employees provided musical entertainment. Following the ceremony, Administrator Carol Browner hosted a reception for the award winners.

Customer Satisfaction Questionnaire

During this period, CIMI issued its first customer opinion survey to determine whether the Committee is meeting its objective of increasing employee awareness and understanding of various Agency policies and procedures. Approximately 300 responses were analyzed. The information obtained helped to identify areas of interest to OIG employees and provided a measure of CIMI's effectiveness. Similar surveys will be issued periodically to obtain customer input.

Hotline Activities

The OIG Hotline opened 24 new cases and completed and closed 19 cases during the reporting period. Of the cases closed, 4 resulted in environmental, prosecutive, or administrative corrective action, while 15 did not require action. Cases that did not have immediate validity due to insufficient information may be used to identify trends or patterns of potentially vulnerable areas for future review. The Hotline office also referred 2,745 telephone callers to the appropriate program office, state agency, or other Federal agency for assistance.

The following are examples of corrective action taken as a result of information provided by the OIG Hotline.

- A complainant alleged that an EPA employee failed to charge leave and used the Government travel card for personal expenses. An inquiry substantiated the allegations. The travel card was cancelled, the employee received a formal letter of

reprimand, and was required to repay 124 hours of annual leave.

- A complainant alleged that regional employees, who had been assigned government vehicles for official business, were using them primarily for commuting. A special review revealed that the allegation had merit. As a result, the Region was to (1) develop criteria for determining which employees need vehicles, and (2) conduct a determination of need on a semiannual basis.

- A complainant alleged various environmental concerns, including spills from oil drums, erosion, and possible degradation of a wetland. The North Carolina Division of Land Resources required the company to clean up the environmental damage found.

Appendix 1 -- Reports Issued

APPENDIX 1 - REPORTS ISSUED

THE INSPECTOR GENERAL ACT REQUIRES A LISTING, SUBDIVIDED ACCORDING TO SUBJECT MATTER, OF EACH REPORT ISSUED BY THE OFFICE DURING THE REPORTING PERIOD AND FOR EACH REPORT, WHERE APPLICABLE, THE DOLLAR VALUE OF QUESTIONED COSTS AND THE DOLLAR VALUE OF RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE.

Assignment Control Number	Title	Final Report Issued	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Recommended Efficiencies (Funds Be Put To Better Use)
1. INTERNAL & MANAGEMENT ASSIGNMENTS						
Office of the Administrator						
E1FMB5-05-0035-5400068	MBE PROGRAM	5/ 3/95				
Deputy Administrator						
E1DMG5-13-0065-5100484	ENVIRONMENTAL SAFETY AND HEALTH AT EPA LABS	9/28/95				
FMD Cincinnati Accounting Operations Office						
E1SFL4-23-8000-5100262	CFO ACT FY 94 FMD-CINCINNATI	4/ 5/95				
Grants Administration Division						
E1FUF5-08-0019-5100528	SOUTHWEST CENTER FOR ENVIRONMENTAL RESEARCH AND POLICY SHOULD FOCUS ON BORDER PROBLEM SOLUTIONS	9/29/95				51,880
Assistant Administrator for Air and Radiation						
E1KAE5-24-0015-5100510	REGIONAL MANAGEMENT OF CLEAN AIR ACT, SECTION 105 GRANT PROGRAM	9/29/95				
Assistant Administrator for Administration and Resources Management						
E1SKF5-02-0010-5100515	MANAGEMENT AND OVERSIGHT OF THE ZONE 1 ENVIRONMENTAL SERVICES ASSISTANCE TEAM CONTRACTOR	9/28/95				
E1FMF4-03-0141-5100513	EPA'S OVERSIGHT OF ASSISTANCE AGREEMENTS	9/28/95				721,000
E1AMF5-11-0016-5100474	EPA'S COMPLIANCE WITH FILING FORM 1099	8/24/95				
E1BMF5-11-0004-5100486	EPA'S BANKCARD PROGRAM	9/19/95				700,000
Assistant Administrator for Solid Waste and Emergency Response						
E1DSF4-11-0036-5100512	RCRA MANIFEST REQUIREMENTS	9/28/95				
E1SFB5-11-0014-5400087	COORDINATION WITH NIEHS ON SUPERFUND BASIC RESEARCH	8/ 1/95				
E1SFB5-11-0008-5400100	SUPERFUND CLEANUP COST FACTORS	9/ 6/95				
Assistant Administrator for Water						
E1HWG4-01-0091-5400070	CROSS CONNECTIONS CONTROL PROGRAM	5/16/95				
E1HWF4-04-0168-5100530	GULF OF MEXICO SYMPOSIUM	9/29/95				

E1HWE5-23-0001-5100516	DRINKING WATER DATA INTEGRITY	9/29/95	

Office of Emergency and Remedial Response

E1SKF4-07-0053-5100483	ACQUISITION OF ANALYTICAL SUPPORT SERVICES CONTRACTS	9/18/95	

Director, National Risk Management Research Lab

E1MMF5-23-0006-5100475	STANDARDS OF CONDUCT	8/25/95	
E1JBB5-23-0002-5400099	RREL QUALITY ASSURANCE ACTIVITIES	9/ 8/95	

Director, National Exposure Research Lab

E1MMF5-23-0006-5100476	STANDARDS OF CONDUCT	8/25/95	

Regional Administrator - Region 1

E1FAG5-01-0071-5400108	EPA REGION 1'S PARTNERSHIP WITH THE NORTHEAST STATES FOR COORDINATED AIR USE MANAGEMENT	9/29/95	

Region 4--Director Gulf of Mexico Program

E1HWF4-04-0168-5100519	GULF OF MEXICO--ADMINISTRATIVE ISSUES	9/29/95	

Regional Administrator - Region 5

E1AMB5-05-0053-5100372	REGION 5'S BUDGET EXECUTION PROCESS	6/26/95	
E6AMG5-13-0070-5400063	REGION 5'S HANDLING OF A POTENTIAL WORKPLACE VIOLENCE CASE	4/ 4/95	

Region 5--Director Water Management Division

E1SGG5-14-0007-5400090	BETTER BRITE RI/FS REVIEW	8/ 3/95	

Regional Administrator - Region 9

E1SKF5-09-0031-5100505	OVERSIGHT OF DATA QUALITY ASSURANCE--DOD	9/26/95	

TOTAL	= 25		0	0	0	1,472,880

2. CONSTRUCTION GRANT ASSIGNMENTS

S2CWL2-01-0190-5100258	BOSTON	MA	4/ 5/95	0	0	0	0
S2CWL2-01-0205-5100269	BARNSTABLE	MA	4/10/95	628,254	0	0	0
S2CWL3-01-0141-5100302	WALPOLE	MA	5/ 1/95	77,683	0	0	0
S2CWL4-01-0110-5100368	NEWBURYPORT	MA	6/15/95	206,531	0	0	0
S2CWL3-01-0201-5100414	BEVERLY	MA	7/17/95	15,824	0	0	0
S2CWL2-01-0169-5100415	WEBSTER	MA	7/17/95	92,799	0	0	0
S2CWL3-01-0027-5100518	SPENCER	MA	9/29/95	20,053	0	0	0
S2CWL5-01-0017-5100529	WESTBOROUGH	MA	9/29/95	1,409,113	0	0	0
TOTAL OF REGION 01 = 8				2,450,257	0	0	0
E2CWM3-02-0134-5200020	JOHNSTOWN/GLOVERSVILLE	NY	6/15/95	68,108	0	0	0
E2CWN4-02-0142-5300032	MONROE TWSP MUA	NJ	9/18/95	595,610	274,002	0	0
P2CWL3-02-0154-5100270	LIVERPOOL PUMP STATION	NY	4/10/95	97,284	0	0	0
P2CWL3-02-0133-5100404	GIBBSBORO	NJ	7/10/95	0	168,790	0	0
P2CWL4-02-0141-5100407	NEPTUNE SA	NJ	7/10/95	642,653	0	0	0
P2CWL2-02-0126-5100410	MORRISTOWN	NJ	7/11/95	1,192,220	133,478	0	0
TOTAL OF REGION 02 = 6				2,595,875	576,270	0	0

E2CWM1-03-0325-5200015	FREDERICK CITY OF	MD	4/14/95	257,158	41,250	0	0
E2CWM2-03-0457-5200016	WEST CONSHOHOCKEN MUNI AUTH	PA	4/20/95	376,587	165,173	0	0
E2CWM4-03-0291-5200024	WSSC	MD	9/27/95	1,733,741	0	0	0
TOTAL OF REGION 03 = 3				2,367,486	206,423	0	0
E2CWN2-04-0423-5300034	ATLANTA	GA	9/27/95	0	539,735	0	0
TOTAL OF REGION 04 = 1				0	539,735	0	0
E2CWM4-08-0040-5200022	EVANSTON	WY	7/19/95	116,163	0	0	0
TOTAL OF REGION 08 = 1				116,163	0	0	0
E2CWM3-09-0126-5200019	WEOTT COMM. SAN. DIST.	CA	6/14/95	245,000	0	0	0
E2CWM4-09-0049-5200021	NEVADA CITY, CITY OF	CA	6/20/95	340,848	0	0	0
E2CWN3-09-0262-5300015	HONOLULU, CITY & COUNTY OF	HI	5/ 1/95	330,298	0	0	0
E2CWN5-09-0126-5300036	LOS ANGELES, CITY OF	CA	9/28/95	22,040,839	0	155,326	0
TOTAL OF REGION 09 = 4				22,956,985	0	155,326	0
E2CWM5-10-0022-5200023	YAKIMA, CITY OF	WA	9/ 7/95	106,774	0	0	0
TOTAL OF REGION 10 = 1				106,774	0	0	0
TOTAL CONSTRUCTION GRANT ASSIGNMENTS = 24				30,593,540	1,322,428	155,326	0

3. OTHER GRANT ASSIGNMENTS

C3HVK5-01-0135-5500176	CHICOPEE	MA	7/12/95	0	0	0	0
G3HVK5-01-0085-5500124	WESTBOROUGH	MA	4/ 5/95	0	0	0	0
G3HVK5-01-0118-5500142	CT HAZARDOUS WASTE MGT SER	CT	5/11/95	0	0	0	0
G3HVK5-01-0128-5500164	MANCHESTER	NH	6/21/95	0	0	0	0
G3HVK5-01-0146-5500177	MA WATER RESOURCE AUTHORITY	MA	7/12/95	0	0	0	0
G3HUK5-01-0144-5500179	ASSOCIATED INDUSTRIES OF VT	VT	7/12/95	0	0	0	0
G3HUK5-01-0158-5500207	VERMONT LAW SCHOOL	VT	8/23/95	0	0	0	0
G3HVK5-01-0176-5500208	BURLINGTON	VT	8/23/95	0	0	0	0
G3HVK5-01-0175-5500209	RUTLAND	VT	8/23/95	0	0	0	0
N3HVJ5-01-0073-5500125	STATE OF NEW HAMPSHIRE	NH	4/ 5/95	0	0	0	0
N3HVK4-01-0206-5500141	INDIAN TOWNSHIP TRIBAL GOVT.	ME	5/11/95	0	0	0	0
N3HVK5-01-0109-5500143	PENOBSCOT INDIAN NATION	ME	5/11/95	0	0	0	0
N3HVK5-01-0111-5500144	LOWELL	MA	5/11/95	0	0	0	0
N3HVK5-01-0110-5500145	PORTLAND	ME	5/11/95	0	0	0	0
N3HVK5-01-0051-5500146	FALL RIVER	MA	5/11/95	0	0	0	0
N3HVK5-01-0074-5500147	HOULTON MALISEET INDIANS	ME	5/11/95	0	0	0	0
N3HUK4-01-0180-5500148	CLARK UNIVERSITY	MA	5/11/95	0	0	0	0
N3HUK5-01-0026-5500153	MAINE UNIVERSITY SYSTEM	ME	6/ 1/95	0	0	0	0
N3HVK5-01-0112-5500154	VERMONT STATE OF	VT	6/ 1/95	0	0	0	0
N3HUK4-01-0196-5500155	HARVARD UNIVERSITY	MA	6/ 1/95	0	0	0	0
N3HVK5-01-0090-5500165	COMMONWEALTH OF MASS.	MA	6/21/95	0	0	0	0
N3HVK4-01-0191-5500178	LOWELL CITY OF	MA	7/12/95	0	0	0	0
N3HVK5-01-0143-5500180	INDIAN TOWNSHIP TRIBAL GOVT	ME	7/12/95	0	0	0	0
N3HVJ5-01-0081-5500206	STATE OF MAINE	ME	8/23/95	0	0	0	0
TOTAL OF REGION 01 = 24				0	0	0	0
G3HVK5-02-0127-5500149	WASHINGTON TOWNSHIP MUA	NJ	5/11/95	0	0	0	0
G3HVK5-02-0132-5500150	CAPE MAY MUA	NJ	5/18/95	0	0	0	0
G3HUK5-02-0133-5500151	NJIT/NJIT FDN	NJ	5/18/95	0	0	0	0
G3HVK5-02-0136-5500157	LANDIS SA	NJ	6/ 2/95	0	0	0	0
G3HUK5-02-0142-5500159	AMERICAN LUNG ASSN	NY	6/ 6/95	0	0	0	0
G3HVK5-02-0141-5500160	MANASQUAN RIVER REG SA	NJ	6/ 6/95	0	0	0	0
G3HVK5-02-0140-5500163	LONG BRANCH SA	NJ	6/12/95	0	0	0	0
G3HUK5-02-0160-5500185	NJIT FOUNDATION	NJ	7/19/95	0	0	0	0
G3HUK5-02-0161-5500186	NJIT FOUNDATION	NJ	7/19/95	0	0	0	0
N3HVK5-02-0017-5500128	OSSINING	NY	4/24/95	0	0	0	0
N3HVK5-02-0016-5500130	NEW JERSEY	NJ	5/ 1/95	0	0	0	0
N3HUK4-02-0144-5500131	COLUMBIA UNIV	NY	5/ 1/95	0	0	0	0
N3HUK5-02-0128-5500139	NAT'L URBAN LEAGUE	NY	5/10/95	0	0	0	0
N3HUK5-02-0131-5500156	SYRACUSE RESEARCH CORP	NY	6/ 2/95	0	0	0	0
N3HUK5-02-0137-5500158	CLARKSON UNIV	NY	6/ 2/95	0	0	0	0
N3HVK5-02-0159-5500181	RENSSELAER COUNTY	NY	7/13/95	0	0	0	0
N3HVK5-02-0096-5500196	SUFFOLK COUNTY	NY	8/10/95	0	0	0	0
N3HUK5-02-0109-5500197	NYC IND TECH ASST CORP	NY	8/10/95	0	0	0	0

N3HUK5-02-0104-5500199	COLUMBIA UNIVERSITY	NY	8/11/95	0	0	0	0
N3HVK5-02-0169-5500205	PUERTO RICO	PR	8/21/95	138,800	0	0	0
N3HVK5-02-0170-5500217	PUERTO RICO D. OF HEALTH	PR	9/ 7/95	0	0	0	0
N3HVK5-02-0171-5500218	PUERTO RICO D. OF HEALTH	PR	9/ 7/95	14,272	0	0	0
N3HVK5-02-0172-5500219	PUERTO RICO D. OF HEALTH	PR	9/ 7/95	124,348	0	0	0
N3HVK5-02-0173-5500220	PUERTO RICO D. OF HEALTH	PR	9/ 7/95	8,694	0	0	0
N3HVK5-02-0174-5500221	PUERTO RICO D. OF HEALTH	PR	9/ 7/95	8,694	0	0	0
N3HVK5-02-0175-5500222	PUERTO RICO D. OF HEALTH	PR	9/ 7/95	0	0	0	0
N3HUK5-02-0178-5500226	SUNY RESEARCH FOUNDATION	NY	9/28/95	0	0	0	0
N3HUK5-02-0167-5500227	RPI	NY	9/28/95	0	0	0	0
TOTAL OF REGION 02 = 28				294,808	0	0	0
C3HVK5-03-0342-5500200	CHESTERFIELD COUNTY	VA	8/17/95	0	0	0	0
C3HVK5-03-0341-5500201	BALTIMORE COUNTY	MD	8/17/95	0	0	0	0
E3BEL4-03-0476-5100485	WEST VIRGINIA UNIV.RES.CORP.	WV	9/18/95	96,043	6,782	0	0
G3HUK5-03-0357-5500214	AMERICAN COUNCIL FOR ENERGY	DC	9/ 5/95	0	0	0	0
G3HUK5-03-0358-5500215	AMERICAN COUNCIL FOR ENERGY	DC	9/ 5/95	0	2,770	0	0
N3HVH5-03-0336-5500187	BALTIMORE, CITY OF	MD	7/26/95	93,013	0	0	0
N3HVH5-03-0337-5500188	BALTIMORE, CITY OF	MD	7/26/95	2,288,577	0	0	0
TOTAL OF REGION 03 = 7				2,477,633	9,552	0	0
C3HVK5-04-0096-5500126	JEFFERSON COUNTY	KY	4/ 5/95	0	0	0	0
C3HVK5-04-0106-5500138	TAMPA	FL	5/ 9/95	0	0	0	0
C3HVK5-04-0107-5500152	COLUMBIA	SC	5/18/95	0	0	0	0
C3HVK5-04-0123-5500169	LEXINGTON-FAYETTE COUNTY	KY	6/29/95	0	0	0	0
C3HVK5-04-0124-5500170	COBB COUNTY	GA	6/29/95	0	0	0	0
C3HVK5-04-0129-5500175	NASHVILLE DAVIDSON COUNTY	TN	7/11/95	0	0	0	0
C3HVK5-04-0136-5500194	COBB COUNTY	GA	8/ 2/95	0	0	0	0
C3HVK5-04-0135-5500195	GREENSBORO	NC	8/ 7/95	0	0	0	0
C3HVK5-04-0145-5500211	PENSACOLA	FL	8/25/95	0	0	0	0
TOTAL OF REGION 04 = 9				0	0	0	0
C3HVK5-05-0116-5500132	RACINE FY 93	WI	5/ 3/95	0	0	0	0
C3HVK5-05-0117-5500133	HAMMOND FY 93	IN	5/ 3/95	0	0	0	0
C3HVK5-05-0115-5500134	SPRINGFIELD FY 94	IL	5/ 3/95	0	0	0	0
C3HVK5-05-0159-5500183	LANSING FY 94	MI	7/19/95	0	0	0	0
C3HVK5-05-0158-5500184	GRAND RAPIDS FY 94	MI	7/19/95	0	0	0	0
C3HVK5-05-0167-5500192	ILLINOIS EPA FY 93/94	IL	7/31/95	2,075	0	0	0
E3CML5-05-0101-5100514	MENOMINEE TRIBE FY 94	WI	9/28/95	0	78,265	0	0
E3PLD5-05-0134-5400095	CA'S OHIO LUST	R5	8/29/95	0	0	0	0
G3HVJ5-05-0119-5500137	INDIANA DEM FY 93	IN	5/ 8/95	281,679	0	0	0
G3HVK5-05-0168-5500191	ILLINOIS OSFM FY 93/94	IL	7/31/95	24,747	0	0	0
G3HVJ5-05-0171-5500204	WHITLEY CO CS FY 93/94	IN	8/21/95	10,000	0	0	0
N3HVJ5-05-0118-5500136	OHIO ST OF FY 93	OH	5/ 5/95	0	0	0	0
N3HVK4-05-0126-5500140	TOLEDO FY 92	OH	5/10/95	0	0	0	0
N3HVJ5-05-0166-5500193	MICHIGAN DNR FY 92/93	MI	7/31/95	86,607	0	0	0
TOTAL OF REGION 05 = 14				405,108	78,265	0	0
C3HVK5-06-0045-5500166	SAN ANTONIO	TX	6/26/95	0	0	0	0
C3HVJ5-06-0042-5500167	ARKANSAS, DEPT OF POLLUTION	AR	6/26/95	0	0	0	0
C3HVK5-06-0044-5500168	SHREVEPORT	LA	6/26/95	0	0	0	0
N3HVK5-06-0053-5500213	TERRREBONNE PARISH	LA	9/ 5/95	0	0	0	0
TOTAL OF REGION 06 = 4				0	0	0	0
C3HVK5-07-0032-5500212	CITY OF KANSAS CITY	KS	8/29/95	0	0	0	0
G3HVK5-07-0033-5500224	CITY OF HUTCHINSON	KS	9/15/95	0	0	0	0
N3HVJ4-07-0079-5500129	STATE OF NEBRASKA	NE	4/27/95	0	0	0	0
N3HVJ5-07-0036-5500225	STATE OF MISSOURI	MO	9/19/95	0	0	0	0
TOTAL OF REGION 07 = 4				0	0	0	0
C3HVK5-08-0042-5500190	CITY OF SIOUX FALLS	SD	7/26/95	0	0	0	0
C3HVK5-08-0044-5500198	CITY OF SIOUX FALLS	SD	8/10/95	0	0	0	0
C3HVJ5-08-0052-5500210	DEPT OF ENVIRONMENTAL QUAL	WY	8/23/95	0	0	0	0
G3HVJ5-08-0041-5500189	STATE OF WY REVOLVING FUND	WY	7/26/95	0	0	0	0
G3HVJ5-08-0043-5500203	STATE OF WY REVOLVING FUND	WY	8/18/95	0	0	0	0
N3HVJ5-08-0033-5500135	STATE OF UTAH	UT	5/ 4/95	0	0	0	0
TOTAL OF REGION 08 = 6				0	0	0	0
G3HVK5-09-0067-5500127	MONTEREY BAY UNIFIED AIR POLCA		4/20/95	0	0	0	0

G3HVK5-09-0086-5500161	FRESNO METROPOLITAN FLOOD	CA	6/ 8/95	0	0	0	0
G3HUK5-09-0098-5500173	UNIVERSITY OF HAWAII	HI	7/ 7/95	1,581	0	0	0
G3HVK5-09-0099-5500174	DEPT. OF AGRICULTURE-HAWAII	HI	7/ 7/95	0	0	0	0
G3HVK5-09-0102-5500182	CW OF NO MARIANA ISLANDS		7/13/95	493	0	0	0
G3HVK5-09-0118-5500223	DEPT OF WATER, CITY OF LA	CA	9/ 8/95	0	0	0	0
N3HVK5-09-0062-5500123	ASSOCIATION OF MONTEREY BAY	CA	4/ 4/95	2,579	0	0	0
N3HVK5-09-0097-5500172	REPUBLIC OF PALAU KORROR	PW	7/ 6/95	23,244	0	0	0
TOTAL OF REGION 09 = 8				27,897	0	0	0
G3HVJ5-10-0051-5500171	STATE OF WASHINGTON	WA	7/ 6/95	115	0	0	0
N3HVK5-10-0045-5500162	PACIFIC STATES MARINE FISH	OR	6/ 8/95	0	0	0	0
N3HVK5-10-0059-5500216	TULALIP TRIBES OF WASHINGTON	WA	9/ 5/95	0	0	0	0
TOTAL OF REGION 10 = 3				115	0	0	0
TOTAL OTHER GRANT ASSIGNMENTS = 107				3,205,561	87,817	0	0

5. SUPERFUND GRANT ASSIGNMENTS

E5FFL5-03-0177-5100489	DE COOPERATIVE AGREEMENT	DE	9/19/95	0	220,897	0	0
TOTAL OF REGION 03 = 1				0	220,897	0	0
E5CGL4-04-0036-5100490	FLORIDA DER SF COOP AGR	FL	9/19/95	30,803	2,149,111	0	0
E5BKL4-04-0243-5100526	CLARK ATLANTA UNIVERSITY	GA	9/30/95	3,002,521	266,486	0	0
TOTAL OF REGION 04 = 2				3,033,324	2,415,597	0	0
E5FGF5-05-0047-5100429	CA'S INDIANA	R5	7/26/95	0	0	0	0
TOTAL OF REGION 05 = 1				0	0	0	0
E5BJL4-06-0164-5100491	LAMAR UNIVERSITY	TX	9/20/95	21,536	425,264	11,414	0
TOTAL OF REGION 06 = 1				21,536	425,264	11,414	0
E5CKN5-24-0013-5300035	NORTH CAROLINA STATE UNIV	NC	9/28/95	35,102	0	0	0
TOTAL OF REGION 24 = 1				35,102	0	0	0
E5BGP4-09-0196-5400084	TAG ALVISO	CA	7/31/95	1,280	0	0	0
S5BGN3-09-0140-5300027	CA DOH-MCCOLL NPL SITE	CA	8/ 1/95	895,268	0	0	0
TOTAL OF REGION 09 = 2				896,548	0	0	0
H5BFL5-11-0027-5100487	SF IAG NIEHS FY93		9/19/95	0	0	0	0
H5BFL5-11-0028-5100488	SF IAG ATSDR FY 93		9/19/95	0	0	0	0
M5BFL5-11-0025-5100431	SF IAG FY 93 FEMA		7/26/95	0	0	0	0
M5BFL5-11-0023-5100432	SF IAG FY 93 USGS		7/26/95	0	0	0	0
M5BFL5-11-0024-5100433	F IAG FY 92&93 BUR OF MINES		7/26/95	0	0	0	0
TOTAL OF HDQ - HAD REPORTS = 5				0	0	0	0
TOTAL SUPERFUND GRANT ASSIGNMENTS = 13				3,986,510	3,061,758	11,414	0

8. OTHER CONTRACT ASSIGNMENTS

D8CML4-01-0053-5100273	NORMANDEAU ASSOCIATES	NH	4/11/95
D8DML3-01-0219-5100274	EASTERN RESEARCH GROUP INC.	MA	4/11/95
D8BML5-01-0103-5100277	ENSR CONSULTING & ENG.		4/13/95
D8BML5-01-0145-5100382	GRADIENT CORPORATION	MA	6/27/95
D8DML3-01-0040-5100384	SIGMA RESEARCH CORP.	MA	6/27/95
D8AML5-01-0083-5100388	ASCENSION TECHNOLOGY, INC.	MA	6/28/95
D8AML5-01-0115-5100398	SASAKI ASSOCIATES, INC.	MA	7/ 5/95
D8AAL5-01-0080-5100406	NATIONAL ECONOMIC RESEARCH	MA	7/10/95
D8AML5-01-0130-5100408	H.L. TURNER GROUP INC.	NH	7/10/95
D8AML5-01-0127-5100411	CADMUS GROUP INC.	MA	7/11/95
D8AML5-01-0122-5100442	METCALF & EDDY	MA	8/ 1/95
D8AML5-01-0123-5100443	STONE & WEBSTER ENVIR TECH	MA	8/ 1/95
D8AML5-01-0114-5100444	H.L. TURNER GROUP, INC.	MA	8/ 2/95
D8AML5-01-0152-5100506	I FIELD TECHNOLOGY		9/27/95

* The dollar value of contract audits has not been shown. Public disclosure of the dollar value of financial recommendations could prematurely reveal the Government's negotiating positions or release of this information is not routinely available under the Freedom of Information Act. The number of these reports and dollar value of the findings have been included in the aggregate data displayed below. Such data individually excluded in this listing will be provided to the Congress under separate memorandum within 30 days of the transmittal of the semi-annual report to the agency head. The transmitted data will contain appropriate cautions regarding disclosure.

D8AML5-01-0170-5100507	DALE W JORGENSON ASSOCIATES	MA	9/27/95
D8AML5-01-0167-5100508	INDUSTRIAL ECONOMICS INC.	MA	9/27/95
D8CML2-01-0037-5100509	E C JORDAN	ME	9/27/95
D8BMN5-01-0062-5300017	COST IMPACT-MARTIN MARIETTA		6/27/95
D8EMN5-01-0134-5300018	LOCKHEED ENVIR SYSTEM & TECHMA		6/27/95
E8AMP5-01-0624-5400105	TRC - RFP#D500047M1		9/22/95

TOTAL OF REGION 01 = 20

D8BML5-02-0122-5100272	FOSTER WHEELER CORP.	MA	4/11/95
D8BML5-02-0119-5100275	FOSTER WHEELER CORP.	NJ	4/11/95
D8BML5-02-0156-5100383	CAMRODEN ASSOCIATES	MA	6/27/95
D8CML5-02-0121-5100385	SYRACUSE RESEARCH CORP	MA	6/27/95
D8BML5-02-0155-5100386	SYRACUSE UNIVERSITY	NY	6/27/95
D8AML5-02-0111-5100405	MECHANICAL TECHNOLOGY INC.	NY	7/10/95
D8DML4-02-0057-5100409	SYRACUSE RESEARCH CORP.	NY	7/10/95
D8AML5-02-0146-5100441	CROXTON COLLABORATIVE	NY	7/31/95
D8EML5-02-0163-5100445	CAMRODEN ASSOCIATES INC.	NY	8/ 2/95
D8AMN5-02-0110-5300022	RMS TECHNOLIGIES	NJ	7/10/95
E8AMP5-02-0524-5400102	ECOLOGY & ENVIR	NY	9/18/95

TOTAL OF REGION 02 = 11

D8AML5-03-0142-5100278	INTEGRATED MANAGEMENT SERV.	VA	4/13/95
D8AML5-03-0151-5100279	ARMSTRONG DATA SERVICES	VA	4/13/95
D8AML5-03-0129-5100280	COMPUTER BASED SYSTEMS	VA	4/14/95
D8AML5-03-0132-5100289	INFORM. SYSTEMS & NETWORK	MD	4/18/95
D8AML5-03-0143-5100291	AVANTI CORPORATION	VA	4/21/95
D8AML5-03-0147-5100292	VIGYAN INC.	VA	4/21/95
D8AML5-03-0144-5100293	NCI INFORMATION SYSTEMS INC.	VA	4/21/95
D8AML5-03-0149-5100294	I-NET INC.	MD	4/21/95
D8AML5-03-0160-5100295	AVANTI CORPORATION	VA	4/24/95
D8AML5-03-0131-5100317	IMS SERVICES INC.	MD	5/22/95
D8AML5-03-0168-5100318	DEFENSE TECHNOLOGY INC.	VA	5/22/95
D8AML5-03-0174-5100323	SCIENCE AND TECHNOLOGY CORP.	VA	5/25/95
D8AML5-03-0140-5100324	OAO CORPORATION	MD	5/25/95
D8AML5-03-0152-5100325	ADVANCED RESOURCE TECHNOL.	VA	5/25/95
D8AML5-03-0159-5100326	COMPUTER DATA SYSTEMS INC.	MD	5/25/95
D8BML4-03-0425-5100329	PACIFIC ENVIRONMENTAL SERV.	VA	5/31/95
D8AML5-03-0175-5100330	PARTICLE TECHNOLOGY INC.	MD	5/31/95
D8AML5-03-0162-5100331	LABAT ANDERSON INC.	VA	5/31/95
D8AML5-03-0170-5100332	SCIENTIFIC CONSULTING GROUP	MD	5/31/95
D8CBL4-03-0182-5100335	DYN NETWORK MANAGEMENT, INC.	VA	6/ 2/95
D8AML5-03-0133-5100336	CONCEPT AUTOMATION INC.	VA	6/ 2/95
D8AML5-03-0158-5100337	MANAGEMENT TECHNOLOGY INC.	MD	6/ 2/95
D8AML5-03-0161-5100338	MITCHELL SYSTEMS	VA	6/ 2/95
D8AML5-03-0141-5100357	OGDEN GOVERNMENT SERVICES	VA	6/13/95
D8AML5-03-0145-5100358	BOEING INFORMATION SERVICES	VA	6/13/95
D8AML5-03-0197-5100359	DYN CORP		6/13/95
D8AML5-03-0189-5100360	SCIENTIFIC CONSULTING GROUP	MD	6/13/95
D8AML5-03-0209-5100361	SANFORD COHEN & ASSOC., INC.	VA	6/13/95
D8AML5-03-0191-5100362	FREEMAN & MATHAL INC.	MD	6/13/95
D8AML5-03-0190-5100363	LISBOA ASSOCIATES INC.	DC	6/13/95
D8AML5-03-0195-5100364	BERNS & KAY LTD.	MD	6/13/95
D8EML5-03-0210-5100365	GANNETT FLEMING, INC.	PA	6/13/95
D8EML5-03-0309-5100376	HUGHES STX CORPORATION	MD	6/26/95
D8EML5-03-0310-5100377	CONCEPT AUTOMATION INC.	VA	6/26/95
D8BML4-03-0143-5100378	UNIVERSITY RESEARCH CORP.	MD	6/26/95
D8BML5-03-0102-5100390	MITCHELL SYSTEMS CORPORATION	WV	6/30/95
D8AML5-03-0231-5100391	ENERGETICS INCORPORATED	DC	6/30/95
D8AML5-03-0107-5100393	MANTECH ENVIRONMENTAL TECH.	VA	6/30/95
D8AML5-03-0229-5100394	ENVIROMANAGEMENT RESEARCH	VA	6/30/95
D8AML5-03-0208-5100396	DYNCORP TECHNOLOGY INC.	VA	6/30/95
D8AML5-03-0204-5100397	SIGAL ENVIRONMENTAL INC.	DC	6/30/95
D8AML5-03-0150-5100421	ANSTEC INC.	VA	7/21/95
D8AML5-03-0246-5100422	CONSAD RESEARCH CORPORATION	PA	7/21/95
D8AML5-03-0230-5100423	PRINCETON ECONOMICS RESEARCH	MD	7/21/95
D8BML4-03-0072-5100424	SCIENTEX CORPORATION	VA	7/21/95
D8BML3-03-0219-5100425	UNISYS	VA	7/21/95
D8AML5-03-0232-5100436	SOZA AND COMPANY	VA	7/27/95
D8AML5-03-0249-5100437	JACA CORPORATION	PA	7/27/95

D8AML5-03-0239-5100438	SANFORD COHEN & ASSOCIATES	VA	7/27/95
D8AML5-03-0245-5100439	SCI COMM INC.	MD	7/27/95
D8BML5-03-0304-5100463	UNISYS	VA	8/17/95
D8BML5-03-0305-5100464	UNISYS	VA	8/18/95
D8AML5-03-0301-5100494	PORTER/NOVELLI	DC	9/22/95
D8AML5-03-0308-5100495	EASTERN LABORATORY SERVICE	PA	9/22/95
D8AML5-03-0247-5100496	SOCIO RESEARCH APPLICATIONS	VA	9/22/95
D8AML5-03-0347-5100497	GEOLOGICS CORPORATION	VA	9/22/95
D8AML5-03-0238-5100501	TRAINING RESOURCES INC.	VA	9/22/95
D8AML5-03-0302-5100520	R. A. D. C.	DC	9/29/95
D8AML5-03-0303-5100521	WASH. OCCUP. HEALTH INC.	DC	9/29/95
D8AML5-03-0339-5100522	APOGEE RESEARCH INC.	MD	9/29/95
D8AML5-03-0351-5100523	BOOZ ALLEN		9/29/95
D8AML5-03-0338-5100524	INTERNATIONAL RESOURCES GRP.	DC	9/29/95
D8AML5-03-0345-5100525	UNIVERSAL SYSTEMS & TECH.	VA	9/29/95

TOTAL OF REGION 03 = 63

E8EMP5-22-0075-5400065	ICF FIN CAPABILITY		4/24/95
E8EMP5-22-0088-5400076	CONTRACT NOVATION AUDIT ICF		6/19/95
E8AAP5-22-0251-5400079	ICF-EPA PROPOSAL		6/29/95

TOTAL OF REGION 22 = 3

D8AML5-04-0076-5100263	EXPLORATION RESOURCES	GA	4/ 7/95
D8AML5-04-0079-5100264	TECHNOLOGY PLANNING & MGMT.	NC	4/ 7/95
D8BML5-04-0099-5100304	ZEDEK CORPORATION	NC	5/ 9/95
D8DML2-04-0288-5100305	RESEARCH INFO ORGANIZERS	NC	5/ 9/95
D8BML3-04-0188-5100306	ZEDEK	NC	5/ 9/95
D8BML3-04-0023-5100307	ZEDEK	NC	5/ 9/95
D8BML4-04-0170-5100341	SEAWARD SERVICES	FL	6/ 5/95
D8BML3-04-0096-5100344	ENTROPY ENVIRONMENTALISTS	NC	6/ 5/95
D8BML5-04-0116-5100350	SEAWARD SERVICES	FL	6/ 5/95
D8BML5-04-0117-5100351	ENTROPY, INC	NC	6/ 5/95
D8CML5-04-0075-5100367	MANTECH TECHNOLOGY	NC	6/14/95
D8AML5-04-0098-5100371	PYRAMID RESOURCE GROUP INC	NC	6/16/95
D8DML5-04-0113-5100373	GEOPHEX LTD	NC	6/20/95
D8AML5-04-0109-5100401	AIR QUALITY SCIENCES	GA	7/ 7/95
D8EML5-04-0128-5100403	AIR QUALITY SCIENCES	GA	7/ 7/95
D8AML5-04-0120-5100416	APOGEE INTERACTIVE	GA	7/18/95
D8AML5-04-0121-5100417	A&C ENERCOM CONSULTANTS	GA	7/18/95
D8EML5-04-0133-5100418	APOGEE INTERACTIVE	GA	7/18/95
D8AML5-04-0108-5100450	GOBBEL HAYS PARTNERS	TN	8/ 9/95
D8AML5-04-0125-5100451	EC/R	NC	8/ 9/95
D8EML5-04-0138-5100456	A & C ENERCOM CONSULTANTS	GA	8/14/95
D8AML5-04-0132-5100457	APPLIED TECHNICAL SERVICES	GA	8/14/95
D8BML5-04-0143-5100467	RESEARCH & EVALUATION ASSOC.	NC	8/22/95
D8BML5-04-0144-5100468	RESEARCH & EVALUATION ASSOC.	NC	8/22/95
D8BML5-04-0140-5100469	RESEARCH & EVALUATION ASSOC.	NC	8/22/95
D8AML5-04-0131-5100470	AMBAC INTERNATIONAL	SC	8/22/95
D8EML5-04-0146-5100471	GOBBELL HAYES PARTNERS	TN	8/22/95
D8BML5-04-0141-5100472	RESEARCH & EVALUATION ASSOC.	NC	8/22/95
D8AML5-04-0090-5100477	ELB & ASSOCIATES	NC	8/25/95
D8EML5-04-0147-5100479	APPLIED TECHNICAL SERVICES	GA	8/25/95
D8AML5-04-0142-5100511	ANALYTICAL SCIENCES	NC	9/27/95
H8AML5-04-0070-5100312	RESEARCH TRIANGLE INSTITUTE	NC	5/16/95
H8CML5-04-0040-5100339	RESEARCH TRIANGLE INSTITUTE	NC	6/ 5/95
H8AML5-04-0071-5100342	NORTH CAROLINA UNITERSITY OF	NC	6/ 5/95

TOTAL OF REGION 04 = 34

D8AML5-05-0054-5100254	BATTELLE	OH	4/ 5/95
D8CML3-05-0231-5100257	BABCOCK & WILCOCK	OH	4/ 5/95
D8CML4-05-0088-5100298	CTC TECH INC FY 92/93	OH	4/26/95
D8CML5-05-0048-5100299	CTC TECH (FY 93 INCURRED)	OH	4/26/95
D8AML5-05-0088-5100300	SUN POWER INC	OH	4/26/95
D8AML5-05-0098-5100315	BATTELLE	OH	5/19/95
D8CML3-05-0244-5100316	BATTELLE	OH	5/19/95
D8AML5-05-0112-5100366	ESE	IL	6/14/95
D8AML5-05-0127-5100389	AUTO TESTING LAB	OH	6/28/95
D8AML5-05-0142-5100434	ARTHUR ANDERSEN	IL	7/27/95
D8AML5-05-0139-5100435	AT KEARNEY	IL	7/27/95
D8AWP5-05-0126-5400071	GRACE ANALYTICAL LAB	IL	5/22/95
D8EMP5-05-0164-5400082	AT KEARNEY	IL	7/27/95
D8EMP5-05-0136-5400083	NORTHERN A-1 SERVICES	MI	7/27/95
D8EMP5-05-0138-5400085	SCS ENGINEERS	OH	8/ 1/95

D8EMP5-05-0137-5400086	PSARA TECHNOLOGIES	OH	8/ 1/95
D8EMP5-05-0174-5400096	AT KEARNEY	IL	8/25/95
D8EMP5-05-0174-5400097	AT KEARNEY	IL	8/30/95
E8AXP5-05-0133-5400072	PRC EMI	IL	6/ 6/95
E8AXP5-05-0153-5400088	PRC EMI (INDIAN HEAD)	IL	8/ 2/95
E8AXP5-05-0163-5400098	PRC EMI	IL	9/ 1/95

TOTAL OF REGION 05 = 21

E8ABP5-23-0008-5400069	EQMI	OH	5/ 9/95

TOTAL OF REGION 23 = 1

D8BML4-06-0094-5100261	LEE WILSON & ASSOCIATES INC	NM	4/ 5/95
D8AML5-06-0030-5100265	FISERVE INC	TX	4/ 7/95
D8BML4-06-0122-5100266	LEE WILSON & ASSOCIATES, INC	NM	4/ 7/95
D8BML3-06-0116-5100267	LEE WILSON & ASSOC	NM	4/ 7/95
D8CML4-06-0157-5100343	EG&G AUTOMOTIVE RESEARCH	TX	6/ 5/95
D8CML3-06-0119-5100345	RADIAN CORP.	TX	6/ 5/95
D8CML2-06-0101-5100346	EG&G AUTOMOTIVE RESEARCH	TX	6/ 5/95
D8BML3-06-0077-5100347	SOUTHWEST RESEARCH INSTITUTE	TX	6/ 5/95
D8DML2-06-0015-5100349	SOUTHWEST RESEARCH INSTITUTE		6/ 5/95
D8AML5-06-0048-5100478	SOUTHWEST RESEARCH INSTITUTE	TX	8/25/95

TOTAL OF REGION 06 = 10

D8DML5-07-0015-5100253	MRI	MO	4/ 3/95
D8AML4-07-0077-5100308	DPRA INCORPORATED	KS	5/10/95
D8BPL5-07-0034-5100321	MRI	MO	5/22/95
D8BML5-07-0030-5100381	MIDWEST RESEARCH INSTITUTE	MO	6/26/95
D8CML3-07-0020-5100502	MIDWEST RESEARCH INSTITUTE	MO	9/22/95

TOTAL OF REGION 07 = 5

D8AML5-08-0038-5100426	INTERA INFO TECH INC	CO	7/21/95
D8AML5-08-0036-5100428	ROGERS & ASSOC ENGINEERING	CO	7/21/95
D8AML5-08-0037-5100448	E SOURCE INC	CO	8/ 9/95
D8AML5-08-0038-5100449	INTERA INFO TECH INC	CO	8/ 9/95
D8AML5-08-0037-5100453	E SOURCE INC	CO	8/ 9/95

TOTAL OF REGION 08 = 5

D8AML5-09-0056-5100271	IT PA	CA	4/11/95
D8AAL5-09-0055-5100285	RESOURCE DECISION PA	CA	4/17/95
D8AML5-09-0059-5100296	PHOTOCOMM INC - PA	AZ	4/25/95
D8AAL5-09-0061-5100311	AEROVIRONMENT PA	CA	5/15/95
D8AML5-09-0063-5100314	SCS ENGINEERS PA	CA	5/18/95
D8AAL5-09-0069-5100327	ACUREX PA	CA	5/26/95
D8AAL5-09-0066-5100356	INDOOR ENVT'L PA	CA	6/12/95
D8ABL5-09-0089-5100370	ARIAS RESEARCH PA	CA	6/15/95
D8EML5-09-0095-5100399	CH2M CAS	CO	7/ 5/95
D8BML4-09-0151-5100400	ACUREX CI 1993	CA	7/ 7/95
D8AML5-09-0085-5100413	RESEARCH MGMT CONSULTANTS PA	CA	7/13/95
D8AAL5-09-0088-5100430	INDOOR ENVT'L PA	CA	7/26/95
D8BML5-09-0079-5100458	AQUA CI 1992-1994	CA	8/15/95
D8BML4-09-0150-5100482	URIBE & ASSOC CI 1992&1993	CA	9/13/95
D8AMN5-09-0083-5300019	PIPELINE SYSTEMS PA	CA	6/30/95
D8AMN5-09-0084-5300024	IT PA	CA	7/11/95
D8AMN5-09-0082-5300025	CLEAN AIR VEHICLE TECH PA	CA	7/12/95
D8EMN5-09-0080-5300029	ACUREX FL	CA	8/29/95
D8AWN5-09-0112-5300031	PES PA	CA	8/30/95
D8EMN5-09-0125-5300033	IT FU	CA	9/26/95
D8AWN5-09-0111-5300037	TETRA PA	CA	9/28/95
D8CMN4-09-0141-5300038	SAIC FC	CA	9/29/95

TOTAL OF REGION 09 = 22

D8AAL5-10-0035-5100284	PTI ENVT'L PA	WA	4/17/95
D8EML5-10-0041-5100303	CH2M CAS	OR	5/ 3/95
D8EML5-10-0043-5100328	CH2M CAS	WA	5/30/95
D8EML5-10-0047-5100375	CH2M CAS	OR	6/22/95
D8AAN5-10-0034-5300013	STIRLING TECH (PA)	WA	4/ 5/95
D8AAN5-10-0040-5300014	PTI ENVT'L PA	WA	4/17/95
D8AMN5-10-0042-5300021	DDB NEEDHAM-ELGIN PA	WA	7/ 6/95
D8AMN5-10-0044-5300023	TRIANGLE ASSOC PA	WA	7/10/95

TOTAL OF REGION 10 = 8

TOTAL OTHER CONTRACT ASSIGNMENTS = 203 670,885 47,300 876 136,384,403

9. SUPERFUND CONTRACT ASSIGNMENTS

D9AFL5-01-0124-5100412	REMEDIATION TECHNOLOGIES	MA	7/11/95
E9EGP5-01-0610-5400074	TRC DISCLOSURE STATEMENT	CT	6/14/95

TOTAL OF REGION 01 = 2

E9EFP4-02-0158-5400064	ECOLOGY & ENVIR	NY	4/10/95
E9AHP5-02-0414-5400067	MALCOLM PIRNIE INC.	NY	4/28/95
E9EGP5-02-0505-5400075	ECOLOGY & ENVIR	NY	6/19/95
E9AFP5-02-0415-5400077	MALCOLM PIRNIE INC.	NY	6/26/95
E9AFP5-02-0416-5400081	MALCOLM PIRNIE INC.	NY	7/24/95

TOTAL OF REGION 02 = 5

D9AFL5-03-0120-5100281	RHOADS ENGINEERING INC.	PA	4/14/95
D9AFL5-03-0089-5100290	DELON HAMPTON & ASSOCIATES	DC	4/19/95
D9CFL5-03-0050-5100319	ROY F. WESTON	PA	5/22/95
D9BFL2-03-0579-5100379	BOOZ ALLEN HAMILTON	MD	6/26/95
D9BFL4-03-0172-5100380	TECHLAW, INC.	VA	6/26/95
D9AFL5-03-0206-5100392	LABAT-ANDERSON, INC.	VA	6/30/95
D9CFL3-03-0373-5100395	ROY F. WESTON	PA	6/30/95
D9CFL5-03-0331-5100420	EVALUATION TECHNOLOGIES, INC	VA	7/21/95
D9BFL2-03-0415-5100440	CDM FEDERAL PROGRAMS	VA	7/28/95
D9BFL5-03-0312-5100462	UNISYS	VA	8/17/95
D9BFL5-03-0306-5100465	UNISYS	VA	8/18/95
D9BFL5-03-0307-5100466	UNISYS	VA	8/18/95
D9AFL5-03-0330-5100498	MANTECH ENVIRONMENTAL TECH.	VA	9/22/95
D9AFL5-03-0332-5100499	RESOURCE APPLICATIONS, INC.	VA	9/22/95
D9AFL5-03-0328-5100500	ROY F. WESTON	PA	9/22/95

TOTAL OF REGION 03 = 15

E9EFP3-22-0413-5400066	ICF EDP GEN APPL CNTL SURVEY		4/19/95
E9EFP4-22-0176-5400091	ICF KAISER ENG INC D/S 12/93		8/ 9/95
E9EFP4-22-0160-5400093	ICF KAISER INTL-CAS 403 RES		8/16/95
E9EFP4-22-0160-5400094	ICF KAISER INTL-CAS 403 RES		8/16/95
E9AFP5-22-0254-5400103	ICF	VA	9/19/95

TOTAL OF REGION 22 = 5

D9AGL5-04-0065-5100259	VIROGROUP INC.	FL	4/ 5/95
D9EGL5-04-0097-5100260	VIROGROUP INC.	FL	4/ 5/95
D9AGL5-04-0068-5100286	HAZCLEAN CORPORATION	MS	4/17/95
D9DKL2-04-0318-5100340	FOUR SEASONS INDUSTRIAL SER	NC	6/ 5/95
D9EKL5-04-0115-5100402	CMC INC.	KY	7/ 7/95
D9AKL5-04-0130-5100461	INTEGRATED LABORATORIES	NC	8/16/95
D9BHL3-04-0317-5100480	FOUR SEASONS INDUSTRIAL	NC	9/11/95
E9CHN4-04-0227-5300020	EHRT	KY	7/ 5/95

TOTAL OF REGION 04 = 8

D9AKL5-05-0057-5100255	TN ASSOC	WI	4/ 5/95
D9AKL5-05-0058-5100256	ENVIROSCIENCE	MN	4/ 5/95
D9CFL4-05-0021-5100301	BURLINGTON ENV FY 88/92	IL	4/26/95
E9DKL4-05-0130-5100313	PRC EMI FY 87	IL	5/17/95
E9AKP5-05-0132-5400078	PRC EMI (START)	IL	6/28/95
E9AKP5-05-0157-5400092	PRC EMI (AMMSS)	IL	8/10/95
E9EKP5-05-0152-5400104	PRC EMI D/S A4	IL	9/22/95

TOTAL OF REGION 05 = 7

D9BGL5-06-0020-5100287	VERTAC-VSC	TX	4/17/95
D9AKL5-06-0032-5100288	LOCKHEED ENVIRONMENTAL	TX	4/17/95
D9BKL5-06-0040-5100333	H & GCL, INC.	NM	5/31/95
D9BGL4-06-0110-5100334	FLUOR DANIEL, INC.	TX	5/31/95
D9BKL4-06-0074-5100348	SOUTHWEST RESEARCH INSTITUTE	TX	6/ 5/95
D9AKL5-06-0047-5100452	LOCKHEED ENVIRONMENTAL	TX	8/ 9/95
D9AKL5-06-0046-5100460	LOCKHEED ENVIRONMENTAL	TX	8/15/95

TOTAL OF REGION 06 = 7							
D9AKL5-07-0027-5100352	BLACK AND VEATCH	MO	6/ 6/95				
D9CGL4-07-0076-5100354	SVERDRUP CORPORATION	MO	6/ 7/95				
D9AGL5-07-0031-5100454	MIDWEST RESEARCH INSTITUTE	MO	8/10/95				
D9DGL3-07-0063-5100492	SVERDRUP CORP-CENTRAL GROUP		9/21/95				
D9CGL4-07-0040-5100493	SVERDRUP CORPORATION	MO	9/21/95				
D9CGL4-07-0076-5100503	SVERDRUP CORPORATION	MO	9/22/95				
D9CGL4-07-0076-5100504	SVERDRUP CORPORATION	MO	9/25/95				
D9BJL3-07-0100-5100531	DPRA INC		9/29/95				
D9CJL3-07-0162-5100532	DPRA,INC.	KS	9/29/95				
TOTAL OF REGION 07 = 9							
D9AGL5-08-0030-5100282	WESTERN TECHNOLOGY & ENGINEEMT		4/17/95				
D9AGL5-08-0029-5100283	MSE, INC	MT	4/17/95				
D9AKL5-08-0015-5100322	HARRIS GROUP, INC.		5/22/95				
D9AGL5-08-0028-5100355	MORRISON KNUDSEN CORP. ENVIRCO		6/ 9/95				
D9AGL5-08-0028-5100387	MORRISON KNUDSEN CORP. ENVIRCO		6/27/95				
D9AGL5-08-0028-5100427	MORRISON KNUDSEN CORP. ENVIRCO		7/21/95				
D9AGL5-08-0040-5100473	QUANTERRA ENVIRO. SERVICES	CO	8/23/95				
D9DGL5-08-0039-5100481	MORRISON KNUDSEN CORP	CO	9/12/95				
TOTAL OF REGION 08 = 8							
D9BGL4-09-0094-5100369	S-CUBED CI 1992-1993	CA	6/15/95				
D9AKL5-09-0070-5100374	SAIC PA	CA	6/20/95				
D9BGL5-09-0113-5100459	URS CI 1991	CA	8/15/95				
D9EGN5-09-0116-5300030	IT MS	CA	8/29/95				
TOTAL OF REGION 09 = 4							
D9AKL5-10-0031-5100268	OLYMPUS ENVIRO INC PA	WA	4/ 7/95				
D9BGL5-10-0013-5100353	SHANNON & WILSON FY 91-93	WA	6/ 6/95				
D9EKN5-10-0033-5300016	MK FIN CAP	ID	5/24/95				
D9EKN5-10-0056-5300028	MK MS	ID	8/22/95				
E9BGL5-10-0024-5100527	CH2M REM IV COSTS INC 85-86	OR	9/29/95				
E9BGL5-10-0025-5100533	CH2M TECH I COSTS INC 85-86	OR	9/29/95				
E9FHP5-10-0005-5400106	RES-CAS D/S COMPLIANCE	OR	9/29/95				
TOTAL OF REGION 10 = 7							
TOTAL SUPERFUND CONTRACT ASSIGNMENTS = 77				10,410,799	1,416,590	0	17,242,119
TOTAL REPORTS = 449				48,867,295	5,935,893	167,616	155,099,402

Appendix 2 -- Reports Issued Without Management Decision

THE INSPECTOR GENERAL ACT REQUIRES A SUMMARY OF EACH AUDIT REPORT ISSUED BEFORE THE COMMENCEMENT OF THE REPORTING PERIOD FOR WHICH NO MANAGEMENT DECISION HAS BEEN MADE BY THE END OF THE REPORTING PERIOD (INCLUDING THE DATE AND TITLE OF EACH SUCH REPORT), AN EXPLANATION OF THE REASONS SUCH MANAGEMENT DECISION HAS NOT BEEN MADE, AND A STATEMENT CONCERNING THE DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION ON EACH SUCH REPORT. (The IG provides the summary, the date and title of each such report The Agency provides the explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report)

IG Followup Status Codes of Agency's Response at 9/30/95

1 No Response
2. Incomplete Response Received
3 Proposed Response Received Awaiting Final Determination
4 Proposed Response Received in Review Process
5. Final Response Received in Review Process
6. Resolution Under Negotiation in Headquarters
7. Resolution Under Negotiation with Program Office

ASSIGNMENT CONTROL NUMBER	TITLE		FINAL REPORT ISSUED

Assistant Administrator for Administration & Resources Management

E3CML3-03-0201-4100523 TEMPLE UNIVERSITY PA 9/15/94

Summary: EPA ERRONEOUSLY AWARDED A COOPERATIVE AGREEMENT TO TEMPLE UNIVERSITY AND MISMANAGED THE AGREEMENT BY NOT CONTROLLING EXPENDITURES AND ALLOWING UNAUTHORIZED TRAVEL.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG REQUESTED THE COMPTROLLER GENERAL'S OPINION REGARDING THE USE OF NON-FEDERAL TRAVEL UNDER COOPERATIVE AGREEMENTS. THE OFFICE OF GRANTS AND DEBARMENT, OIG, AND OFFICE OF GENERAL COUNSEL HAVE COORDINATED A REQUEST FOR THE GENERAL ACCOUNTING OFFICE (GAO) TO PROVIDE ITS OPINION ON THIS AND OTHER OUTSTANDING ISSUES. THE PROGRAM OFFICE IS WORKING ON RESOLVING THE REMAINING AUDIT ISSUES WHILE WAITING FOR THE GAO OPINION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E1FMG4-13-0061-5400051 IAGS: OFF-LOADING AT EPA HQ 3/31/95

*Summary: EPA OFTEN EXECUTED ECONOMY ACT INTERAGENCY AGREEMENTS WITHOUT CONSIDERING THE REASONABLENESS OF THEIR COSTS. IN ADDITION, EPA DID NOT RECOVER ITS FULL COSTS OF PERFORMING WORK FOR OTHER AGENCIES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE CONTINUES TO REVIEW THE AUDIT ISSUES IDENTIFIED BY THE OIG.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BEFORE 3/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E1NMF3-15-0072-5100240 EPA'S MGT OF APPL SOFTWARE MAINT 3/31/95

*Summary: ALTHOUGH EPA HAS TAKEN SIGNIFICANT STEPS TO STRENGTHEN ITS MANAGEMENT OF APPLICATION SOFTWARE MAINTENANCE, MORE NEEDS TO BE DONE TO IMPROVE SYSTEM AND SOFTWARE RELIABILITY, COST EFFECTIVENESS, AND DECISIONS ABOUT OPERATIONAL CHANGES.

ASSIGNMENT CONTROL NUMBER	TITLE		FINAL REPORT ISSUED

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE RESPONDED FORMALLY TO THE AUDIT ON 7/20/95 AGREEING OR PARTIALLY AGREEING WITH ALL RECOMMENDATIONS THAT WERE NOT WITHDRAWN. OIG REQUESTED ADDITIONAL INFORMATION VIA A MEMO DATED 9/6/95 IN ORDER TO CLOSE THE AUDIT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

E1FMF4-19-0618-4100407 UNIVERSITY OF KANSAS KS 6/17/94

*Summary: EPA CIRCUMVENTED ASSISTANCE REGULATIONS AND MISUSED FEDERAL FUNDS BY AWARDING A COOPERATIVE AGREEMENT TO THE UNIVERSITY OF KANSAS WHICH INCLUDED INELIGIBLE AND UNNECESSARY COSTS SUCH AS TRAVEL, ALCOHOL, AND ENTERTAINMENT.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG REQUESTED THE COMPTROLLER GENERAL'S OPINION REGARDING THE USE OF NON-FEDERAL TRAVEL UNDER COOPERATIVE AGREEMENTS. THE OFFICE OF GRANTS AND DEBARMENT, OIG, AND OFFICE OF GENERAL COUNSEL HAVE COORDINATED A REQUEST FOR THE GENERAL ACCOUNTING OFFICE (GAO) TO PROVIDE ITS OPINION ON THIS AND OTHER OUTSTANDING ISSUES. THE PROGRAM OFFICE IS WORKING ON RESOLVING THE REMAINING AUDIT ISSUES WHILE WAITING FOR THE GAO OPINION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [4]

E1AMF4-20-7002-5100209 EPA'S COLLECTION OF USER FEES 3/27/95

*Summary: EPA HAS NOT AGGRESSIVELY PURSUED USER FEE OPPORTUNITIES AND HAS COLLECTED ONLY $22 MILLION OF THE CONGRESSIONALLY DIRECTED $148 MILLION IN NEW USER FEES THROUGH FISCAL 1994.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: SEVERAL PROGRAM OFFICES RECENTLY CONDUCTED AN INVENTORY OF EXISTING USER FEES, AND AREAS FOR POTENTIAL NEW FEES. THE OFFICE OF COMPLIANCE, IN CONJUNCTION WITH THE PROGRAM OFFICES, IS WORKING TO ANALYZE AND EVALUATE THIS INFORMATION. A PLAN FOR CORRECTIVE ACTION TO ADDRESS ALL THE USER FEE ISSUES IDENTIFIED IN THE OIG AUDIT WAS CIRCULATED TO THE PROGRAM OFFICES FOR THEIR REVIEW BY

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

9/30/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Contracts Management Division - RTP

D8AML4-01-0129-4100429 ARTHUR D. LITTLE MA 6/27/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: A.D. LITTLE IS A SUBCONTRACTOR TO VERSAR. VERSAR SUBMITTED A BID WHICH WAS UNSUCCESSFUL. AN AWARD WAS MADE ON THIS REQUEST FOR PROPOSAL ON 9/30/94 TO RADIAN CORP, CONTRACT 68D40092. THE CONTRACT SPECIALIST DID NOT PROVIDE A COPY OF THE RECORD OF PROCUREMENT ACTION TRANSMITTAL LETTER TO THE COST ADVISORY STAFF. THE CONTRACT FILE HAS BEEN TRANSFERRED TO HEADQUARTERS OFFICE OF ACQUISITION MANAGEMENT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8DML5-01-0023-5100246 ABB POWER LABORATORIES CT 3/30/95

*Summary: BASED ON THE CONTRACTOR'S DECEMBER 1993 ESTIMATE TO COMPLETE AND ACTUAL COST INCURRED THROUGH OCTOBER 1994 THERE IS A BALANCE OF $67,444.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACT SPECIALIST HAS THE DEFENSE CONTRACT AUDIT AGENCY'S AUDIT REPORT AND THE EPA CONTRACT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ANTICIPATES RESOLUTION OF THE AUDIT REPORT BY 12/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8CML5-02-0018-5100237 MATHTECH INC. NJ 3/30/95

*Summary: ALL COSTS CLAIMED ARE ALLOWABLE HOWEVER THERE IS AN ADJUSTMENT TO THE FEE BECAUSE THE LEVEL OF EFFORT WAS NOT OBTAINED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CLOSEOUT AUDIT REQUESTED 10/3/94; AUDIT RECEIVED 1/10/95. BECAUSE OF STAFFING REDUCTIONS, THE AUDIT IS AWAITING TRANSMISSION FROM CONTRACTOR SUPPORT AND POLICY BRANCH TO CONTRACT CLOSEOUT STAFF.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT CLOSEOUT OF CONTRACT BY 9/30/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8CPL2-03-0432-2100620 MIRANDA ASSOCIATES INC DC 9/16/92

Summary: DCAA QUESTIONED $278,979 DUE TO (1) THE LIMITATIONS OF FUNDS CLAUSE, (2) OVERSTATED OVERHEAD COSTS, AND (3) A COMPUTATIONAL ERROR.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER'S DECISION HAS BEEN COMPLETED. SETTLEMENT AGREEMENT WAS REACHED AND SIGNED BY BOTH PARTIES: MIRANDA ASSOCIATES, INC. 8/23/95 AND U.S. EPA ON 8/25/95. ON 10/5/95 THE CONTRACTING OFFICER RECONCILED THE FINAL SETTLEMENT IN A MEMORANDUM.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ANTICIPATE RESOLUTION BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8EML4-03-0498-4100557 QUANTECH, INC. VA 9/23/94

*Summary: SOME OF THE CONTRACTOR'S ESTIMATING PRACTICES REQUIRE CORRECTIVE ACTION TO IMPROVE THE RELIABILITY OF THEIR FUTURE COST ESTIMATES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE MANAGEMENT DECISION WAS MADE ON THIS AUDIT ON 2/3/95. CONTRACT 68D50008 WAS AWARDED TO BATTELLE. QUANTECH, INC. IS A SUBCONTRACTOR ON THIS CONTRACT. THIS IS AN OFFICE OF PREVENTION, PESTICIDES, AND TOXIC SUBSTANCES CONTRACT WHICH WAS AWARDED AT THE PROGRAM OFFICE THEN TRANSFERRED TO EPA HEADQUARTERS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AML5-03-0041-5100178 TASCON INC. MD 2/10/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACT ON THIS REQUEST FOR PROPOSAL WAS AWARDED 9/95. THE NOTIFICATION LETTERS HAVE NOT YET BEEN SENT TO DEFENSE CONTRACT AUDIT AGENCY OR THE OIG. THIS OFFEROR WAS SUCCESSFUL.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8BML3-04-0282-3100207 SYSTEMS RESEARCH & DEV. NC 6/ 4/93

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REPORT COVERS DIRECT AND INDIRECT COSTS FOR CALENDAR YEAR 1988. COST QUESTIONED ON TWO CONTRACTS. CONTRACTOR HAS AN APPROVED BANKRUPTCY PLAN. ANY RECOVERY MUST BE ESTABLISHED THROUGH THE COURT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: FINAL RESOLUTION EXPECTED BY 7/1/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AML5-04-0025-5100074 INTEGRATED LABORATORY SYSTEM NC 11/14/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACT WAS AWARDED ON THIS REQUEST FOR PROPOSAL ON 9/95. THE NOTIFICATION HAS NOT BEEN SENT TO DEFENSE CONTRACT AUDIT AGENCY OR THE OIG YET. THIS OFFEROR WAS UNSUCCESSFUL.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [5]

D8AMN4-09-0230-4300048 SAIC PA CA 9/19/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN AWARD HAS BEEN MADE ON THIS REQUEST FOR PROPOSAL TO ANOTHER OFFEROR-SYRACUSE RESEARCH ON 1/30/95. CONTRACT SPECIALIST ERRONEOUSLY DID NOT PROVIDE DEFENSE CONTRACT AUDIT AGENCY, OIG, AND COST ADVISORY STAFF WITH A COPY OF THE TRANSMITTAL LETTER. THE

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

CONTRACT IS AN OFFICE OF PREVENTION, PESTICIDES, AND TOXIC SUBSTANCES AWARD AND HAS BEEN TRANSFERRED TO EPA HEADQUARTERS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P8CMP2-23-0180-3400071 PEI ASSOC OH 8/25/93

Summary: UNSUPPORTED LABOR AND TRAVEL COSTS OF $332,746 WERE QUESTIONED DUE TO INADEQUATE DOCUMENTATION. WE ALSO QUESTIONED AS INELIGIBLE $513 BECAUSE OF LACK OF SUPPORT FOR INTER-COMPANY TRANSACTIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA LETTER DATED 3/1/94 ADVISED CONTRACTOR OF COST QUESTIONED AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR LETTER DATED 3/29/94 ADVISED THAT SUPPORTING DATA WAS AVAILABLE. EPA LETTER DATED 4/12/94 REQUESTED OIG TO REVIEW NEW DATA AND PROVIDE REVISED AUDIT REPORT. CURRENTLY AWAITING OIG RESPONSE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

P8CMP2-23-0176-3400072 PEI ASSOC OH 8/26/93

Summary: QUESTIONED $839,416 OF UNSUPPORTED LABOR AND TRAVEL COSTS THAT COULD NOT BE SUPPORTED BY ADEQUATE DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA LETTER DATED 3/1/94 ADVISED CONTRACTOR OF COST QUESTIONED AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR LETTER DATED 3/29/94 ADVISED THAT SUPPORTING DATA WAS AVAILABLE. EPA LETTER 4/12/94 REQUESTED OIG TO REVIEW NEW DATA AND PROVIDE REVISED AUDIT REPORT. CURRENTLY AWAITING OIG RESPONSE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

P8CMP2-23-0181-3400074 PEI ASSOC OH 8/27/93

*Summary: QUESTIONED UNSUPPORTED LABOR AND TRAVEL OF $40,498 DUE TO MISSING DOCUMENTATION. WE ALSO QUESTIONED AS INELIGIBLE $254 DUE TO LACK OF SUPPORT FOR INTERCOMPANY TRANSACTIONS.

-EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA LETTER DATED 3/1/94 ADVISED CONTRACTOR OF COST QUESTIONED AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR LETTER DATED 3/29/94 ADVISED THAT SUPPORTING DATA WAS AVAILABLE. EPA LETTER DATED 4/12/94 REQUESTED OIG TO REVIEW NEW DATA AND PROVIDE REVISED AUDIT REPORT. CURRENTLY AWAITING OIG RESPONSE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

P8CMP2-23-0177-3400077 PEI ASSOC OH 9/ 1/93

Summary: INADEQUATE ACCOUNTING SYSTEM RESULTED IN COST QUESTIONED INELIGIBLE OF $20,359. MISSING DOCUMENTATION RESULTED IN $1,863,579 OF QUESTIONED UNSUPPORTED COSTS. WE ALSO QUESTIONED $1,992 AS INELIGIBLE DUE TO LACK OF SUPPORT FOR INTERCOMPANY TRANSACTIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA LETTER DATED 3/1/94 ADVISED CONTRACTOR OF COST QUESTIONED AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR LETTER DATED 3/29/94 ADVISED THAT SUPPORTING DATA WAS AVAILABLE. EPA LETTER DATED 4/12/94 REQUESTED OIG TO REVIEW NEW DATA AND PROVIDE REVISED AUDIT REPORT. CURRENTLY AWAITING OIG RESPONSE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

P8CMP2-23-0179-3400082 PEI ASSOC OH 9/ 3/93

Summary: INADEQUATE ACCOUNTING SYSTEM RESULTED IN COST QUESTIONED INELIGIBLE OF $35,443. MISSING DOCUMENTATION RESULTED IN UNSUPPORTED COSTS OF $512,794.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA LETTER DATED 3/1/94 ADVISED CONTRACTOR OF COST QUESTIONED AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR LETTER DATED 3/29/94 ADVISED THAT SUPPORTING DATA WAS AVAILABLE. EPA LETTER DATED 4/12/94 REQUESTED OIG TO REVIEW NEW DATA AND PROVIDE REVISED AUDIT REPORT. CURRENTLY AWAITING OIG RESPONSE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

E8CMP2-23-0178-5400001 PEI ASSOC OH 10/ 3/94

Summary: WE QUESTIONED $175,940 OF UNSUPPORTED LABOR AND ASSOCIATED OVERHEAD COSTS. WE ALSO QUESTIONED $52,181 OF INELIGIBLE OVERHEAD COSTS BILLED IN EXCESS OF NEGOTIATED INDIRECT RATES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CLOSEOUT AUDIT REQUESTED JUNE 3, 1994; AUDIT RECEIVED 10/11/94. BECAUSE OF STAFFING REDUCTIONS, THE AUDIT IS AWAITING TRANSMISSION FROM CONTRACTOR SUPPORT AND POLICY BRANCH TO CONTRACT CLOSEOUT STAFF.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: CLOSEOUT OF AUDIT EXPECTED BY 9/30/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E8CMP3-23-0014-5400009 PEI ASSOC OH 10/18/94

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CLOSEOUT AUDIT REQUESTED 7/20/93; AUDIT RECEIVED 10/24/94. BECAUSE OF STAFFING REDUCTIONS, THE AUDIT IS AWAITING TRANSMISSION FROM CONTRACTOR SUPPORT AND POLICY BRANCH TO THE CONTRACT CLOSEOUT STAFF.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Grants Administration Division

E3CBP4-04-0252-4400116 REVIEW OF CA WITH NELHA- HI 9/29/94

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE IS REVIEWING AUDIT FINDINGS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ANTICIPATE FINAL RESOLUTION BY 1/31/96.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E6EML4-07-0023-4100581 FAIRBURY NE 9/30/94

Summary: THE GRANT/LOAN WAS AWARDED FOR ASBESTOS ABATEMENT IN TWO FAIRBURY SCHOOLS. WE DETERMINED THAT THE GRANTEE CLAIMED AN UNREASONABLE AMOUNT FOR ADMINISTRATIVE COSTS. THE GRANTEE CLAIMED INELIGIBLE ENGINEERING AND CONSTRUCTION COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES SEVERAL COMPLEX ISSUES AS A RESULT OF CRIMINAL PROCEEDINGS TAKEN AGAINST A CONTRACTOR UNDER THE PROJECT. THE PROGRAM OFFICE IS CURRENTLY AWAITING SOME INFORMATION FROM THE OFFICE OF GENERAL COUNSEL BEFORE ISSUING FINAL DETERMINATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY 1/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E6EML4-07-0022-4100582 OGALALLA NE 9/30/94

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES SEVERAL COMPLEX ISSUES AS A RESULT OF CRIMINAL PROCEEDINGS TAKEN AGAINST A CONTRACTOR UNDER THE PROJECT. THE PROGRAM OFFICE IS CURRENTLY AWAITING INFORMATION FROM THE OFFICE OF GENERAL COUNSEL BEFORE ISSUING FINAL DETERMINATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY 1/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E3CBL3-08-0088-4100497 MONTANA STATE UNIVERSITY MT 8/23/94

Summary: THE COOPERATIVE AGREEMENTS WERE USED TO FUND AN EPA EMPLOYEE'S ADVANCED EDUCATION CONTRARY TO THE PURPOSE OF THE COOPERATIVE AGREEMENTS AND INTERGOVERNMENTAL PERSONNEL ACT AGREEMENT.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE CANNOT RESOLVE AUDIT FINDINGS UNTIL THE OIG FINISHES ITS ONGOING INVESTIGATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E1FBF3-10-0069-4100214 AUDIT OF CO-OPS/IAGS ERL-C OR 3/21/94

*Summary: ERL-C DIDN'T ALWAYS COMPLY WITH FGCA ACT & EPA GUIDANCE. SEVEN OF 18 GRANTS SHOULD HAVE BEEN CONTRACTS AND 2 GRANTS WERE INAPPROPRIATELY USED. THREE OF 6 IAGS WERE FOR MULTIPLE INSTEAD OF DISTINCT PROJECTS. SOME IAG COSTS WERE OVERPAID OR UNRECOVERED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE IS CURRENTLY REVIEWING THE COMMENTS RECEIVED FROM THE OIG IN RESPONSE TO THE PROPOSED FINAL DECISION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY 1/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

Grants Financial Management - Region 5

E2CWL9-05-0262-3100397 FLINT MI 9/30/93

Summary: FLINT CLAIMED $2.8 MILLION UNNECESSARY/UNREASONABLE COSTS INCURRED TO RENEGOTIATE A CONTRACT. FLINT CLAIMED $10,416,828 UNSUPPORTED COSTS FOR ADMINISTRATION, ENGINEERING AND CONSTRUCTION. WE QUESTIONED $415,339 INELIGIBLE ENGINEERING COSTS INCURRED AFTER CONSTRUCTION COMPLETION DATE.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: SINCE OVER $13 MILLION OF COSTS WERE QUESTIONED, THE PROGRAM OFFICE PROVIDED THE CITY WITH ADDITIONAL TIME TO SUBMIT SUPPORTING DOCUMENTATION. ALSO, DUE TO RELATED LEGAL ISSUES, ASSISTANCE WAS NECESSARY FROM OFFICE OF REGIONAL COUNSEL.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: DECISION DATE IS EXPECTED PRIOR TO THE END OF THIS CALENDAR YEAR.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

E2BWL5-05-0136-7000980 SAUGET IL 3/31/87

Summary: WE QUESTIONED OVER $7 MILLION FOR INELIGIBLE AND UNNECESSARY PROJECT COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION ISSUED A PROPOSED FINAL DETERMINATION TO THE OIG ON 3/22/94. ON 4/6/94, OIG AGREED WITH THE PROPOSED ACTIONS ON ALL MATTERS EXCEPT DECISION TO ACCEPT THE COSTS ASSOCIATED WITH THE TRANSFER SEWERAGE. THE LOCAL OIG HAS ELEVATED DISAGREEMENT TO HEADQUARTERS OIG.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [6]

E2CWL2-23-0299-4100539 ALLOUEZ TWP WI 9/22/94

Summary: THE GRANTEE CLAIMED $413,271 OF INELIGIBLE CONSTRUCTION AND LAND ACQUISITION COSTS, $127,798 INELIGIBLE ARCHITECT/ENGINEERING (A/E) COSTS. THE GRANTEE DID NOT ADJUST ITS CLAIMS FOR $34,655 PRIOR AUDITED INELIGIBLE COST, AND UNSUPPORTED A/E COSTS OF $272,489.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE MANAGEMENT DECISION IS DELAYED PENDING PROGRAM RESPONSE BASED ON PROJECT FILE INFORMATION. PRELIMINARY DETERMINATION WAS ISSUED ON 9/20/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: MANAGEMENT DECISION DATE IS EXPECTED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

OAM Cost Advisory and Financial Analysis Division
Cost Review and Rate Negotiation Branch

D8DML3-01-0038-5100055 ABB ENVIRONMENT SERVICES ME 11/ 3/94

*Summary: DCAA QUESTIONED $24,496 OF THE PROPOSED ENGINEERING OVERHEAD EXPENSES AND $232,141 OF THE PROPOSED GENERAL AND ADMINISTRATIVE EXPENSES. DCAA ALSO QUESTIONED $32,299 OF DIRECT TRAVEL EXPENSES CLAIMED UNDER GOVERNMENT CONTRACTS RELATING TO EXCESS PER DIEM.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE DEFENSE CONTRACT AUDIT AGENCY AUDIT OF THE CORPORATE GENERAL AND ADMINISTRATIVE COSTS NEEDS TO BE COMPLETED PRIOR TO COMPLETING NEGOTIATIONS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [7]

E8EMN3-01-0282-5300008 TRC FY 94 FLOORCHECK CT 2/24/95

*Summary: CONTRACTOR'S TIMEKEEPING POLICIES AND PROCEDURES GENERALLY ASSURE RELIABILITY AND INTEGRITY OF DAILY LABOR TRANSACTIONS AND PROCEDURES.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: ISSUES HAVE BEEN RESOLVED. OIG CLOSED IN TRACKING SYSTEM 10/5/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THIS AUDIT IS CLOSED.

IG FOLLOWUP STATUS AS OF 9/30/95 [5]

P9BGL1-02-0155-5100122 ECOLOGY & ENVIR NY 12/23/94

*Summary: WITH THE EXCEPTION OF SELLING, GENERAL AND ADMINISTRATIVE RATES, NO EXCEPTION TO THE CONTRACTOR'S PROPOSED INDIRECT COST RATES WERE NOTED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES A NUMBER OF COMPLEX ISSUES WHICH WILL REQUIRE ADDITIONAL TIME TO RESOLVE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ANTICIPATE NEGOTIATIONS TO BE CONCLUDED BY 1/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9DGL1-02-0154-5100125 ECOLOGY & ENVIR NY 12/28/94

*Summary: WITH THE EXCEPTION OF SELLING, GENERAL AND ADMINISTRATIVE RATES, NO EXCEPTION TO THE CONTRACTOR'S PROPOSED INDIRECT COST RATES WERE NOTED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES A NUMBER OF COMPLEX ISSUES WHICH WILL REQUIRE ADDITIONAL TIME TO RESOLVE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS ANTICIPATED TO BE COMPLETED BY 1/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9BKL3-04-0034-3100010 EHRT KY 10/ 9/92

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS WERE SUSPENDED DUE TO OTHER MATTERS CONCERNING THE CONTRACTOR. NEGOTIATIONS HAVE RESUMED. THERE ARE MANY COMPLEX ISSUES TO BE RESOLVED BUT A NEGOTIATED SETTLEMENT CAN BE REACHED. DIFFICULT TO CONTACT AUTHORIZED REPRESENTATIVES.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION ANTICIPATED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E8DML3-04-0260-4100357 EHRT KY 6/ 2/94

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS WERE SUSPENDED DUE TO OTHER MATTERS CONCERNING THE CONTRACTOR. NEGOTIATIONS HAVE RESUMED. THERE ARE MANY COMPLEX ISSUES TO BE RESOLVED BUT A NEGOTIATED SETTLEMENT CAN BE REACHED. DIFFICULT TO CONTACT AUTHORIZED REPRESENTATIVES.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION ANTICIPATED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9BKL5-04-0077-5100193 MANTECH TECHNOLOGY NC 2/24/95
*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT RESULTS CONTAIN COMPLEX ISSUES WHICH REQUIRE EXTENSIVE DISCUSSIONS. HOWEVER, A NEGOTIATED SETTLEMENT IS POSSIBLE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY 1/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9BKL5-04-0078-5100194 MANTECH TECHNOLOGY NC 2/24/95

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT RESULTS CONTAIN COMPLEX ISSUES WHICH REQUIRE EXTENSIVE DISCUSSION. HOWEVER, A NEGOTIATED SETTLEMENT IS POSSIBLE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY 1/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9DKL4-05-0064-5100079 PRC EMI FY 92 IL 11/17/94

Summary: WE RECOMMENDED A FRINGE RATE OF 40.07 PERCENT AND AN OVERHEAD RATE OF 33.59 PERCENT. WE DID NOT RECOMMEND A M&A RATE BECAUSE OF UNAUDITED COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE DEFENSE CONTRACT AUDIT AGENCY AUDIT OF THE CORPORATE GENERAL AND ADMINISTRATIVE COSTS AND THE OIG AUDIT OF INCURRED DIRECT COSTS NEED TO BE COMPLETED BEFORE NEGOTIATIONS CAN BE COMPLETED.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

S5DGN2-09-0047-4300033 CA DEPT OF HLTH ICRP CA 3/31/94

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THERE ARE COMPLEX ISSUES WHICH WILL TAKE MUCH DISCUSSION; HOWEVER, A NEGOTIATED SETTLEMENT IS POSSIBLE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY 1/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8FMN5-09-0028-5300007 EERC FL CA 1/18/95

*Summary: DCAA FOUND EERC'S TIMEKEEPING PRACTICES, INTERNAL CONTROLS AND WRITTEN POLICIES AND PROCEDURES INADEQUATE IN SOME RESPECTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CORRECT ACTION OFFICIAL NOT IDENTIFIED UNTIL 9/25/95. OIG CURRENTLY REVIEWING TO DETERMINE IF REMOVAL FROM THE TRACKING SYSTEM IS APPROPRIATE SINCE THE RESULTS OF THE AUDIT ARE TO BE APPLIED TO A FUTURE AUDIT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9FGP5-09-0019-5400003 CET MS CA 10/ 4/94

*Summary: CET'S POLICIES, PROCEDURES, AND PRACTICES WERE NOT IN COMPLIANCE WITH GAAP: NO INVENTORY CONTROL SYSTEM OVER PURCHASES, NO SEPARATION OF DUTIES FOR PURCHASING AND RECEIVING FUNCTIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CORRECT ACTION OFFICIAL NOT IDENTIFIED UNTIL 9/25/95. APPROPRIATE ACTION TO BE TAKEN IMMEDIATELY.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY 12/31/95.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9FGP5-09-0020-5400004 CET FL CA 10/ 4/94

*Summary: CET'S LABOR CHARGING AND TIMEKEEPING PRACTICES ARE DEFICIENT. SOME EMPLOYEES WERE NOT IN COMPLIANCE WITH GAAP AND CET ESTABLISHED POLICIES AND PROCEDURES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CORRECT ACTION OFFICIAL NOT IDENTIFIED UNTIL 9/25/95. APPROPRIATE ACTION TO BE TAKEN IMMEDIATELY.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY 12/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P8BMP0-23-0422-2400046 PEI ASSOC FY 90 OH 6/ 2/92

*Summary: WE QUESTIONED AS INELIGIBLE $91,483 OF COSTS BILLED IN EXCESS OF COSTS INCURRED UNDER VARIOUS EPA CONTRACTS. ADDITIONALLY, THE 1990 INDIRECT RATES HAVE NOT BEEN NEGOTIATED AND FINALIZED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACT CLOSE-OUTS ARE IN PROGRESS.

IG FOLLOW UP STATUS AS OF 9/30/95 [1]

P8BMP1-23-0335-2400073 PEI ASSOC FY 85 OH 9/ 9/92

Summary: THE REVIEW FOUND $224,781 OF INELIGIBLE AND $195,886 OF UNSUPPORTED COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACT CLOSE-OUTS ARE IN PROGRESS.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P8BMP1-23-0339-3400050 PEI ASSOC FY 89 OH 5/13/93
Summary: THE QUESTIONED COSTS DO NOT REFLECT AN ADJUSTMENT FOR INDIRECT COSTS. INELIGIBLE COSTS OF $284,000 ARE DUE TO AN INADEQUATE BILLING SYSTEM. UNSUPPORTED COSTS OF $530,000 WERE DUE TO INTER-COMPANY TRANSFERS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACT CLOSE-OUTS ARE IN PROGRESS.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P8BMP0-23-0175-3400053 PEI ASSOC FY 86 OH 5/14/93

Summary: WE QUESTIONED AS INELIGIBLE $940,755: 53 PERCENT WAS DUE TO COST BILLED IN EXCESS OF WHAT WAS INCURRED. THE REMAINING 47 PERCENT WAS THE ADJUSTMENT OF INDIRECT RATES TO ACTUAL.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACT CLOSE-OUTS ARE IN PROGRESS.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P8BMP0-23-0177-3400062 PEI ASSOC FY 87/88 OH 6/14/93

Summary: WE QUESTIONED AS INELIGIBLE $759,941 OF COST BILLED BUT NOT INCURRED. WE ALSO QUESTIONED AS UNSUPPORTED $1,224,486, 48 PERCENT OF WHICH WAS DUE TO USING CATALOG PRICES. COSTS WERE NOT ADJUSTED FOR AUDITED INDIRECT RATES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT. THE CONTRACT CLOSE-OUTS ARE IN PROGRESS. UNSUPPORTED COSTS IN THE AMOUNT OF $626,555 HAVE BEEN RESOLVED UNDER CONTRACT NO. 68-01-7084.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

OAM Cost Advisory and Financial Analysis Division
Financial Analysis Branch

P9DGL2-01-0237-5100135 TRC ENVIRONMENTAL CONSULT. CT 1/ 9/95

*Summary: WE QUESTIONED COSTS OF $635,019 (FEDERAL SHARE = $72,048).

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RATE AGREEMENT HAS BEEN ISSUED FOR INDIRECT COSTS. DIRECT COST ISSUES ARE BEING PROCESSED.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY 12/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P8BMN1-03-0146-2300014 O&R MANAGEMENT CORPORATION MD 11/ 5/91

Summary: WE QUESTIONED $557,442 OF OTHER DIRECT COSTS. ONE HUNDRED PERCENT OF THE CONTRACT WAS QUESTIONED BECAUSE O&R DID NOT MAINTAIN RECORDS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RESOLUTION HAS BEEN DELAYED DUE TO THE COMPANY NO LONGER BEING IN BUSINESS. THE CONTRACTING OFFICER WROTE A DECISION ON DISALLOWANCE OF COST CLAIMED BY CONTRACTOR IN AUDIT REPORT. CONTRACTING OFFICER IS RESEARCHING WITH ATTORNEYS TO DETERMINE IF RECOVERY OF ANY AMOUNT IS POSSIBLE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9BKL2-03-0599-4100295 KEYDATA SYSTEMS INC VA 5/18/94

Summary: DCAA QUESTIONED $233,278 OF COSTS INCURRED. DCAA ALSO CONSIDERS $431,395 TO BE EXCESS COSTS BILLED TO EPA.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACTING OFFICER IS IN DISCUSSIONS WITH THE CONTRACTOR REGARDING RESOLUTION OF THE ISSUES.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 12/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

D9EFL5-03-0108-5100162 NUS MD 2/ 9/95

*Summary: IN DCAA'S OPINION, THE CONTRACTOR IS NOT ALTOGETHER COMPLIANT WITH THE SPECIAL PROVISIONS OF THE CONTRACT.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: DUE TO THE COMPLEX CONTRACT COMPLIANCE ISSUES, THE CONTRACTING OFFICER IS CONSULTING WITH REGIONAL LEGAL COUNSEL AND THE AUDITOR IN ORDER TO DEVELOP A POSITION PAPER FOR NEGOTIATIONS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED RESOLUTION DATE IS 12/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9BGL4-10-0083-4100309 CH2M REM IV 87-89 C.I. OR 5/19/94

Summary: INELIGIBLE/UNSUPPORTED COSTS CONSIST OF: $408,618 IN DIRECT LABOR; $3,254,566 IN TRAVEL; $3,458,995 IN OTHER DIRECT COSTS; $2,292,817 IN OVERHEAD; AND $3,333 IN LABORATORY SERVICES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A POSITION PAPER FOR NEGOTIATIONS BEGINNING 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9BGL4-10-0107-4100398 CH2M REM/FIT 87-89 C.I. OR 6/10/94

Summary: NET COSTS QUESTIONED OF $173,335 CONSIST OF INELIGIBLE OVERTIME COSTS OF $20,178, INELIGIBLE MOVING COSTS OF $8,323, INELIGIBLE PUBLICATIONS COST OF $128 AND INELIGIBLE OVERHEAD CREDIT OF $3,045. UNSUPPORTED COSTS INCLUDED TRAVEL COSTS OF $16,027 AND COMPUTER COSTS OF $131,724.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A POSITION PAPER FOR NEGOTIATIONS BEGINNING 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9BGL4-10-0117-4100417 CH2M TECH 1 C.I. 1987-88 OR 6/22/94

Summary: NET COSTS QUESTIONED OF $212,587 CONSIST OF INELIGIBLE OVERTIME LABOR OF $7,754 AND INELIGIBLE OVERHEAD CREDIT OF $19,177. UNSUPPORTED COSTS CONSIST OF TRAVEL COSTS OF $108,035 AND COMPUTER COST OF $115,975.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A POSITION PAPER FOR NEGOTIATIONS BEGINNING 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9BGL4-10-0124-4100436 CH2M ARCS V C.I. 1988 & 1989 OR 6/29/94

Summary: NET COSTS QUESTIONED OF $322,262 CONSIST OF INELIGIBLE OVERTIME LABOR OF $5,417 AND INELIGIBLE OVERHEAD CREDIT OF $32,857. UNSUPPORTED COSTS INCLUDED TRAVEL COSTS OF $144,373 AND COMPUTER COSTS OF $205,329.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A POSITION PAPER FOR NEGOTIATIONS BEGINNING 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 11/30/95.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9BGL3-10-0088-4100471 URS FY 1989 AC WA 8/ 2/94

*Summary: DCAA QUESTIONED $15,725 OF DIRECT COSTS ON EPA CONTRACT NOS. 68-W9-0053 AND 68-W9-0054. THE QUESTIONED COSTS ARE DUE TO AUDIT EXCEPTIONS TO THE ALLOCATION OF INTERNAL SERVICES COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: SETTLEMENT OF INDIRECT COST ISSUES WILL BE HANDLED BY THE DEPARTMENT OF DEFENSE ADMINISTRATIVE CONTRACTING OFFICER. THE EPA CONTRACTING OFFICERS WILL RESOLVE THE DIRECT COST ISSUES BY OBTAINING CREDITS ON THE CONTRACTS. THE CREDIT ON ONE OF THE TWO CONTRACTS HAS BEEN NEGOTIATED.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

P9BGL4-10-0129-4100489 CH2M TECH II C.I. 1988-89 OR 8/16/94

Summary: NET COSTS QUESTIONED OF $92,160 CONSIST OF INELIGIBLE OVERTIME LABOR OF $2,507 AND INELIGIBLE OVERHEAD CREDIT OF $20,817. UNSUPPORTED COSTS INCLUDED TRAVEL COSTS OF $40,650 AND COMPUTER COSTS OF $69,820.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A POSITION PAPER FOR NEGOTIATIONS BEGINNING IN 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9BGL4-10-0132-4100512 CH2M ARCS WEST 1989 COSTS OR 8/30/94

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A POSITION PAPER WITH NEGOTIATIONS BEGINNING DURING 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9BGL4-10-0149-4100560 CH2M ARCS VI 88 & 89 COSTS OR 9/26/94

Summary: UNSUPPORTED COSTS OF $157,000 CONSIST OF TRAVEL COSTS OF $76,000 AND COMPUTER COSTS OF $81,000.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A POSITION PAPER WITH NEGOTIATIONS BEGINNING 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9BGL4-10-0147-4100566 CH2M ARCS III 1988-89 COSTS OR 9/28/94

Summary: UNSUPPORTED COSTS OF $115,000 CONSIST OF TRAVEL COSTS OF $42,000 AND COMPUTER COSTS OF $73,000. INELIGIBLE COSTS OF $4,000 CONSIST OF OVERHEAD COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN THE PROCESS OF DEVELOPING A POSITION PAPER WITH NEGOTIATIONS BEGINNING 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE IS 11/30/95.
IG FOLLOWUP STATUS AS OF 9/30/95 [1]

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

E9BGL3-10-0110-5100232 CH2M CI 1985-86 OR 3/28/95

Summary: COSTS CLAIMED OF $1,730,559 UNDER CONTRACT NO. 68-01-6692 WERE NOT PRESENTED IN CONFORMITY WITH FEDERAL REGULATIONS AND CONTRACT TERMS. THERE WERE ALSO $41,963,623 OF UNAUDITED COSTS, CONSISTING OF SUBCONTRACT COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG HAS REQUESTED ASSIST AUDITS OF CLAIMED SUBCONTRACT COSTS IN THE AMOUNT OF $41,963,623. CONTRACTING OFFICER IS IN THE PROCESS OF DEVELOPING A POSITION PAPER FOR NEGOTIATION OF THE PRIME CONTRACTOR'S COSTS. NEGOTIATIONS TO BEGIN 10/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED COMPLETION DATE OF 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9AHN9-23-0347-0300036 OH MATERIALS (PR EQ RATES) OH 3/27/90

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATING TO DEFINE THE CONTRACT PROVISIONAL EQUIPMENT RATES TO FIXED RATES ARE EXPECTED TO BE CONCLUDED BY 11/30/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: 11/30/95

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9AHN1-23-0143-2300024 OHM REM ERCS2 Z1 FY 89 OH 12/27/91

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS AND DEFINING THE CONTRACT PROVISIONAL EQUIPMENT RATES TO FIXED RATES ARE EXPECTED TO BE CONCLUDED BY 11/30/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9AHP2-23-0021-4400002 OHM REM ERCS2 Z1 FY 90 EQ OH 10/ 7/93

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ARE CONTINUING ON CONTRACT NO. 68-01-7445 AND ARE EXPECTED TO BE CONCLUDED BY 12/31/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: 12/31/95

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9BHP4-23-0002-5400015 OHM REM FY 87 OH 11/18/94

*Summary: WE QUESTIONED $61,773 RELATED TO: (1) EXCESSIVE PROFIT OF AFFILIATES' COSTS; (2) INELIGIBLE AND UNSUPPORTED TRAVEL; AND (3) UN- SUPPORTED SUBCONTRACTOR CHARGES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCE PROBLEMS, AND WAS CITED FOR A CAS 401 VIOLATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS IN PROCESS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

E9BHP4-23-0003-5400020 OHM REM FY 88 OH 12/ 6/94

Summary: WE QUESTIONED $2,209,975 RELATED TO: (1)EXCESSIVE PROFIT OF AFFILIATES COSTS, (2) UNSUPPORTED SUBCONTRACTOR CHARGES, (3) INELIGIBLE OVERHEAD RATES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCE PROBLEMS AND CAS 401 VIOLATIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS IN PROCESS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY 11/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9BHP4-23-0004-5400025 OHM REM FY 89 OH 12/14/94

Summary: WE QUESTIONED $646,574 RELATED TO: (1)EXCESSIVE PROFIT OF AFFILIATES COSTS, (2) UNSUPPORTED SUBCONTRACTOR CHANGES, AND (3) INELIGIBLE OVERHEAD RATES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCE PROBLEMS AND CAS 401 VIOLATIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS IN PROCESS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: PROJECTED RESOLUTION DATE IS 11/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9BHP4-23-0005-5400027 OHM REM FY 90 OH 12/22/94

Summary: WE QUESTIONED $259,289 RELATED TO (1) EXCESSIVE PROFIT OF AFFILIATES' COSTS, (2) UNALLOWABLE GENERAL AND ADMINISTRATIVE COSTS, AND (3) UNSUPPORTED SUBCONTRACTOR CHARGES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCES AND CAS 401 VIOLATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS IN PROCESS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: PROJECTED RESOLUTION DATE IS 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9BHP4-23-0006-5400031 OHM REM FY 91 OH 1/13/95

Summary: WE QUESTIONED $482,217 RELATED TO: (1) EXCESSIVE PROFIT OF AFFILIATES' COSTS, (2) UNALLOWABLE GENERAL AND ADMINISTRATIVE COSTS, AND (3) UNSUPPORTED SUBCONTRACTOR CHARGES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCES AND CAS 401 VIOLATIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS IN PROCESS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: PROJECTED RESOLUTION DATE IS 11/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

OAM Cost Advisory & Financial Analysis Division
Washington Cost Advisory Board

D8AML5-01-0048-5100235 NEW ENGLAND ELECTRIC RESOUR MA 3/30/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

ASSIGNMENT CONTROL NUMBER	TITLE		FINAL REPORT ISSUED

D9AGL5-01-0058-5100245 ARTHUR D. LITTLE MA 3/30/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AFL5-01-0063-5100248 LEGGETTE, BRASHEARS & GRAHAMCT 3/30/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-02-0092-5100236 LOUIS BERGER & ASSOCIATES NJ 3/30/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AFL5-02-0093-5100238 EDER ASSOCIATES NY 3/30/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-02-0091-5100242 URS CONSULTANT CORP. NJ 3/30/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9AFP5-02-0511-5400039 ECOLOGY & ENVIR NY 2/ 6/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9AFP5-02-0512-5400043 ECOLOGY & ENVIR NY 2/22/95

*Summary: PREAWARD UNDER NEGOTIATION

ASSIGNMENT CONTROL NUMBER	TITLE		FINAL REPORT ISSUED

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG REOPENED ON 9/26/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9AFP5-02-0518-5400056 ECOLOGY & ENVIR NY 3/27/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E9AFP5-02-0517-5400061 ECOLOGY & ENVIR NY 3/30/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8BML4-03-0345-4100343 PRC, INC. VA 6/ 1/94

*Summary: DCAA QUESTIONED ($45.71) FOR 1991 AND ($3,322.96) FOR 1992.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE SUBJECT AUDIT IS STILL BEING NEGOTIATED WITH RESOLUTION EXPECTED TO BE COMPLETED BY 11/95. A SUMMARY OF NEGOTIATIONS WILL BE FORWARDED TO THE OIG WHEN COMPLETED.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AML4-03-0527-5100114 DYNCORP INC. VA 12/19/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AML5-03-0025-5100116 I-NET INCORPORATED MD 12/19/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AML5-03-0024-5100121 OGDEN GOVERNMENT SERVICES VA 12/23/94

*Summary: PREAWARD UNDER NEGOTIATION

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AAL5-03-0079-5100164 ALTERNATIVE ENERGY DEVELOP MD 2/10/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-03-0085-5100185 C.C. JOHNSON & MALHOTRA CO 2/17/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-03-0082-5100186 CDM FEDERAL PROGRAMS VA 2/17/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AFL5-03-0093-5100205 S. COHEN & ASSOCIATES VA 3/10/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9EGL5-04-0094-5100218 COMMUNITY RELATIONS PLUS GA 3/21/95

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: UNDER NEGOTIATIONS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL4-05-0295-5100049 OHM REM 68-W9-0053 OH 11/ 2/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E8ABP4-05-0314-5400010 PRC EMI (EPA-AIRMS) IL 10/31/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AWP5-05-0081-5400058 GRACE ANALYTICAL LAB IL 3/29/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-07-0019-5100188 SVERDRUP ENVIRONMENTAL MO 2/17/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AKL5-07-0025-5100227 BRAL ENVIRONMENTAL SERVICES MO 3/24/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AKL5-08-0016-5100081 WATKINS JOHNSON ENVIRONMENT CO 11/17/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AAL5-08-0023-5100153 RESOURCE ENTERPRISES, INC. UT 2/ 3/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AAL5-08-0023-5100154 RESOURCE ENTERPRISES, INC. UT 2/ 3/95

*Summary: PREAWARD UNDER NEGOTIATION

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-08-0027-5100181 PACIFIC WESTERN TECHNOLOGIESCO 2/13/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D8AAL5-08-0022-5100199 RAVEN RIDGE RESOURCES CO 3/ 7/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-08-0025-5100201 AQUIRRE ENGINEERING INC. CO 3/ 7/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-08-0029-5100252 MSE, INC MT 3/31/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AGL5-09-0041-5100195 RESEARCH MGMT PA CA 2/28/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9AGL2-10-0089-4100225 CH2M ARCS IV TERM STLMT OR 3/28/94

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RESPONSE FAXED AND MAILED TO OIG ON 9/15/94.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE AUDIT WILL NOT BE NEGOTIATED UNTIL AFTER 9/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P9CGL2-10-0127-4100226 CH2M REGION IV ARCS OR 3/29/94

Summary: CH2M CLAIMED $73,895 OF UNSUPPORTED COMPUTER COSTS. $69,559 OF UNSUPPORTED COSTS RELATED TO THE RED-PENN WORK ASSIGNMENT, AND $6,199 OF INELIGIBLE INDIRECT COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE RESPONDED TO THE OIG ON 9/15/94 VIA FAX AND A COPY WAS SENT TO THE OIG.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS WILL NOT BE COMPLETE UNTIL AFTER 9/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AKL5-10-0030-5100234 CHUGACH DEVELOPMENT PA AK 3/29/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

D9AKN5-10-0032-5300010 HERRERA ENVIRO CONSULT-PA WA 3/29/95

*Summary: PREAWARD UNDER NEGOTIATION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Regional Administrator - Region 1

S2CWL1-01-0024-4100179 SPRINGFIELD MA 1/31/94

Summary: THE CITY OF SPRINGFIELD, MA CLAIMED UNALLOWABLE PROJECT COSTS OF $4,059,671 FOR THE CONSTRUCTION OF A SECONDARY SEWAGE TREATMENT PLANT, INCLUDING NEW INTERCEPTER SEWERS, PUMPING STATIONS, FORCE MAIN SIPHON, AND OUTFALL SEWER.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION IS MEETING WITH THE CITY'S CONSULTANT ON A BIWEEKLY BASES TO REVIEW $4,060,000 IN QUESTIONED COSTS. THE PROPOSED FINAL DETERMINATION LETTER WAS SENT TO THE OIG 3/15/95. THE OIG RESPONDED ON 5/17/95 WITH COMMENTS TO THE PROPOSED FINAL DETERMINATION LATER. THE REGION EXPECTS TO SEND ADDITIONAL COMMENTS TO THE OIG BY 11/30/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

E2CWL2-01-0170-5100233 MWRA MA 3/29/95

Summary: MWRA CLAIMED A TOTAL OF $982,705 IN INELIGIBLE COSTS FOR A FENDERING SYSTEM NOT IN ACCORDANCE WITH SPECS, ABANDONED EQUIPMENT, POLICE, VIDEO, AND COMPUTER SERVICES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PROBLEMS WITH THE CONSTRUCTION OF A PIER AT THE SEWAGE TREATMENT PLANT REQUIRED THE GRANTEE TO SUPPLY MORE INFORMATION. THE REGION EXPECTS NEW INFORMATION BY 10/15/95 FROM THE GRANTEE.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Regional Administrator - Region 2

P2CWN1-02-0028-4300034 OCEAN COUNTY UA NJ 5/ 4/94

Summary: THE GRANTEE CLAIMED UNALLOWABLE COSTS OF $4,513,658 CONSISTING OF INELIGIBLE COSTS OF $3,057,931 (FEDERAL SHARE $2,144,016) AND UNSUPPORTED COSTS OF $1,455,727 (FEDERAL SHARE $883,541) FOR CONSTRUCTION OF SECONDARY WASTEWATER TREATMENT FACILITIES AND APPEARANCES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THIS AUDIT ENCOMPASSED 5 EPA GRANTS WITH GRANTEE CLAIMED COSTS OF $247 MILLION AND AUDITOR QUESTIONED COSTS OF $4.5 MILLION. THE ONGOING REGION II REVIEW IS ENSURING THAT ALL ISSUES ARE FULLY EVALUATED AND ANALYZED, AND THAT THE GRANTEE'S ADDITIONAL SUBMITTED DOCUMENTATION WILL BE THOROUGHLY EVALUATED.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: TARGETED FINAL RESOLUTION BY 11/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

P2CWL3-02-0128-5100231 HUDSON COUNTY UA NJ 3/28/95

Summary: THE HUDSON COUNTY UTILITIES AUTHORITY CLAIMED ON UPWARD ADJUSTMENT TO INELIGIBLE COSTS OF $1,580,440 AND UNSUPPORTED COSTS OF $23,578,045 TO CONSTRUCT AN UPGRADE TO A WASTEWATER TREATMENT PLANT AND RELATED FACILITIES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE AUDIT ENCOMPASSED 4 EPA GRANTS WITH GRANTEE CLAIMED COSTS OF $82 MILLION, INCLUDING A HIGHLY CONTROVERSIAL $17 MILLION FINDING INVOLVING ACUTE TOXICITY RELEASE LIMIT. DRAFT RESOLUTION WAS SUBMITTED TO OIG FOR REVIEW AND CONCURRENCE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED FINAL RESOLUTION IN 11/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

Regional Administrator - Region 3

P2BWN3-03-0077-4300032 PHILADELPHIA CITY OF PA 3/30/94

Summary: THE CITY OF PHILADELPHIA CLAIMED $10,959,010 OF INELIGIBLE FORCE ACCOUNT, ENGINEERING, CONSTRUCTION AND INDIRECT COSTS. AN ADDITIONAL $32,663,495 OF UNSUPPORTED AND $794,684 OF UNNECESSARY COSTS WERE ALSO QUESTIONED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE SIZE AND COMPLEXITY OF THIS MEGA-AUDIT (COVERING SEVERAL GRANTS UNDER THE CITY OF PHILADELPHIA SOUTHWEST TREATMENT PLANT PROJECT) REQUIRES SIGNIFICANT TIME FOR RESOLUTION.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE ESTIMATED DATE FOR ISSUANCE OF A MANAGEMENT DECISION IS 9/30/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Regional Administrator - Region 4

E2CWM3-04-0062-4200019 KEY WEST FL 9/15/94

Summary: WE QUESTIONED THE $1,017,608 DESIGN ALLOWANCE CLAIMED BY THE GRANTEE BECAUSE IT DUPLICATED THE STEP 2 DESIGN GRANT WHICH WAS AWARDED FOR THE SAME PURPOSE.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: 3/8/95 - LETTER FROM THE OIG STATING NON-AGREEMENT WITH THE REGION'S PROPOSED FINAL DETERMINATION LETTER. 6/15/95 - LETTER TO HEADQUARTERS REFERRING THIS AUDIT TO THE HEADQUARTER OIG FOR REVIEW.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [6]

E2CWP3-04-0225-4400096 BRUNSWICK GA 8/10/94

Summary: CONSTRUCTION COST WITH FEDERAL SHARE OF $311,250 WAS QUESTIONED BECAUSE SOME SEWERS WERE NOT BUILT AS PLANNED. ENGINEERING COST CLAIMED WITH FEDERAL SHARE OF $65,000 WAS QUESTIONED BECAUSE THE GRANTEE DID NOT PROCURE THESE SERVICES IN CONFORMITY WITH EPA REGULATIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: 9/5/95 - LETTER FROM THE OIG STATING NON-AGREEMENT WITH THE REGION'S PROPOSED FINAL DETERMINATION LETTER. THE LOCAL OIG PLANS TO FORWARD TO THE HEADQUARTERS OIG 9/95 FOR ITS REVIEW.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [6]

E2CWM5-04-0042-5200006 STARKE FL 1/20/95

Summary: WE QUESTIONED AS INELIGIBLE THE GRANTEE'S CLAIM OF $1,372,564 FOR ACQUISITION OF A SPRAY IRRIGATION SITE. THE COSTS WERE QUESTIONED BECAUSE THE SITE WAS NEVER UTILIZED FOR THE INTENDED PURPOSE.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: A PROPOSED FINAL DETERMINATION LETTER HAS NOT BEEN PREPARED PENDING CONSTRUCTION COMPLETION ON THIS PROJECT. THE GRANT WAS PREMATURELY SENT FOR FINAL AUDIT. THE PLANT SHOULD BE OPERATIONAL BY END OF SEPTEMBER OR EARLY OCTOBER, 1995.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT FINAL DETERMINATION LETTER TO BE PREPARED IN EARLY FY 1996.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Regional Administrator - Region 6

E2CWN3-06-0089-4300052 HOUSTON TX 9/29/94

Summary: HOUSTON, TEXAS CLAIMED $6,159,937 OF INELIGIBLE ENGINEERING AND CONSTRUCTION COSTS FOR THE CONSTRUCTION OF A WASTEWATER TREATMENT FACILITY. AN ADDITIONAL $991,174 OF UNSUPPORTED COSTS OF $1,063,235 OF UNNECESSARY AND UNREASONABLE COSTS WERE QUESTIONED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN AUDIT TRANSMITTAL LETTER WAS SENT BY THE TEXAS WATER DEVELOPMENT BOARD TO THE CITY ON 02/03/95, ALONG WITH ANALYSIS OF THE FINAL AUDIT. A 90-DAY AND 120-DAY EXTENSION WAS REQUESTED BY CITY AND GRANTED. AUDIT HAS OVER 90 COMPLEX FINDINGS WITH CLAIMED COSTS OF $208,720,680, QUESTIONED COSTS OF $13,417,479. EXPECT 5 TO 10 BOXES OF DOCUMENTS IN CITY'S RESPONSE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ESTIMATE AUDIT RESOLUTION BY 4/1/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E5BGN4-06-0075-5300012 LA. SF CO-OP AGREEMENTS LA 3/30/95

Summary: LDEQ'S PROCUREMENT PRACTICES RESULTED IN QUESTIONED COSTS OF OVER $2 MILLION. WE ALSO FOUND THAT WORK WAS PERFORMED THAT WAS OUTSIDE THE SCOPE OF THE CONTRACTS, EQUIPMENT PURCHASED WITHOUT EPA'S PRIOR APPROVAL, AND CLAIMED AMOUNTS THAT WERE NOT SUPPORTED BY ACCOUNTING RECORDS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (LDEQ) REQUESTED A FINAL DISPUTE DETERMINATION FROM THE REGION. DOCUMENTATION HAS BEEN REVIEWED. SUMMARY REVIEW OF LDEQ'S RESPONSE SENT TO PROGRAM FOR REVIEW AND COMMENT. ADDITIONAL INFORMATION IS ALSO BEING REQUESTED FROM LDEQ. DEVIATION ON $710,192 BEING REQUESTED FROM EPA HEADQUARTERS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ESTIMATE AUDIT RESOLUTION BY 01/01/96, ONCE THE DEVIATION IS GRANTED/DENIED.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Regional Administrator - Region 7

N3HVJ4-07-0075-5500094 STATE OF IOWA IA 2/23/95

*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION HAS PREPARED A LETTER TO THE RECIPIENT ASKING IT TO RESPOND TO THE FINDINGS AND RECOMMENDATIONS IN THE AUDIT WITHIN 15 DAYS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGION ANTICIPATES RESOLUTION OF THIS AUDIT BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Regional Administrator - Region 8

P2CWL3-08-0039-5100107 ASHLEY VALLEY UT 12/ 1/94

Summary: THE GRANTEE HAD ABANDONED THE ALTERNATIVE EFFLUENT LAND APPLICATION FACILITIES THAT RESULTED IN ABOUT $1.2 OF FEDERAL COSTS SHARE QUESTIONED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGIONAL MUNICIPAL FACILITIES BRANCH IS WORKING WITH THE STATE TO EVALUATE RECOVERY OF COSTS. DECISION WILL BE BASED ON THESE FINDINGS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGION EXPECTS TO ISSUE A DECISION ON THIS AUDIT BY 1/1/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

Regional Administrator - Region 9

E2CWN1-09-0092-2300082 RUSSIAN RIVER CSD CA 9/25/92

Summary: COSTS OF $8,344,066 HAVE BEEN QUESTIONED AS INELIGIBLE, INCLUDING INELIGIBLE CONSTRUCTION ENGINEERING AND FORCE ACCOUNT COSTS. AN ADDITIONAL $18,297,400 HAVE BEEN QUESTIONED AS UNNECESSARY BECAUSE THE PLANT WAS NOT FULLY UTILIZED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: STATE WATER RESOURCES CONTROL BOARD (SWRCB) AND THE OIG REACHED AGREEMENT ON ALL BUT TWO ISSUES. SWRCB SENT EPA A LETTER OF DISAGREEMENT FOR THESE TWO ISSUES ON 3/1/95. ON 8/7/95, EPA SENT A MEMO TO THE OIG SUPPORTING THE SWRCB'S PROPOSED FINAL DETERMINATION LETTER.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA TO ISSUE FINAL DETERMINATION LETTER BY 12/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

S2CWN0-09-0076-3300080 LAS VIRGENES MWD CA 9/30/93

Summary: INELIGIBLE COSTS OF $5,091,815 INCLUDES: $42,564 FOR CONSTRUCTION COSTS NOT INCURRED; $192,643 OF INTEREST EARNED; $647,791 FOR UNALLOWABLE ARCHITECT\ENGINEERING (A/E) AND ADMINISTRATIVE COSTS; $1,919,244 FOR A/E AND CONSTRUCTION OUTSIDE THE PROJECT'S SCOPE. $2,289,573 RELATED TO EXCESS CAPACITY AND $757,976 UNREASONABLE A/E COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD (SWRCB) IS WORKING WITH THE OIG TO RESOLVE AREAS OF DISAGREEMENT. THE SWRCB STAFF MAY REFER ONE ISSUE TO ITS EXECUTIVE BOARD.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE SWRCB INTENDS TO SEND THE PROPOSED FINAL DETERMINATION LETTER TO EPA BY 12/31/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E2AWT3-09-0082-3400037 SAN DIEGO, CITY OF CA 3/29/93

Summary: THE CITY OF SAN DIEGO HAS CONSTRUCTED AN $11.8 MILLION LAND OUTFALL WHICH WILL NOT BE USED BY THE CITY FOR THE INTENDED PURPOSE OF THE GRANT NOR WILL IT BE USED IN THE FORESEEABLE FUTURE.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OUTFALL PROJECT IS A JOINT EFFORT WITH THE INTERNATIONAL BOUNDARY AND WATER COMMISSION. THE AUDIT CANNOT BE RESOLVED UNTIL A REQUIREMENT FOR SECONDARY TREATMENT IS DETERMINED.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: DUE TO CONGRESSIONAL INVOLVEMENT, RESOLUTION IS NOT EXPECTED BEFORE 9/30/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

S2CWN2-09-0091-4300051 VALLEJO SAN & FLOOD CONTROL CA 9/29/94

Summary: INELIGIBLE COSTS OF $5,525,458 INCLUDE $712,246 OF UNALLOWABLE ARCHITECT\ENGINEERING FEES; $3,162,957 OF EARNED INTEREST NOT CREDITED TO THE GRANT; AND $1,650,255 OF UNALLOWABLE CONSTRUCTION. UNREASONABLE COSTS OF $3,874,497 REPRESENTED UNUSED FACILITIES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD IS RESEARCHING THE ISSUES AND PLANS TO SEND THE PROPOSED FINAL DETERMINATION LETTER TO EPA BY 12/31/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: 12/31/95

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

E2AWP9-09-0065-9400025 HOMELAND EARLY WARNING CA 3/31/89

Summary: SPECIAL REVIEW OF CONSTRUCTION GRANT OF WASTEWATER TREATMENT PLANT FOUND $3,737,139 IN FED. SHARE COSTS QUESTIONED. AN EARLY WARNING LETTER ADVISED THAT COSTS FOR THE COLLECTION SYSTEM PORTION OF THE PROJECT DID NOT QUALIFY FOR FUNDING BECAUSE OF THE "2/3 RULE".

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: ON 10/5/95, THE LOCAL OIG INFORMED THE REGION THAT THE PROPOSED FINAL DECISION WAS ACCEPTABLE. THE REGION WILL SUBMIT THE FINAL DETERMINATION LETTER TO THE OIG SO THAT THE AUDIT CAN BE CLOSED.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY 12/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [3]

Regional Administrator - Region 10

P2CWN9-10-0107-2300091 FED WAY WATER AND SEW WA 9/30/92

Summary: INELIGIBLE COSTS OF $1,304,725 CONSISTED OF $67,287 FOR UNALLOWABLE CONSTRUCTION COST; $61,048 RELATED TO INELIGIBLE CONSTRUCTION PERCENTAGE; $21,243 OF UNAPPROVED ARCHITECT/ENGINEERING COSTS; AND $1,155,147 RELATED TO EXCESS CAPACITY. WE ALSO QUESTIONED WERE $2,242,049 AS UNSUPPORTED.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION RECEIVED ADDITIONAL INFORMATION FROM AUDITEE AND STATE TO RESOLVE ISSUE OF GRANT ELIGIBLE COSTS FOR A 30 YEAR PLAN VERSUS A 20 YEAR PLAN. ISSUED REVISED FINAL DETERMINATION LETTER TO THE OIG ON 8/25/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT FINAL DETERMINATION LETTER TO THE OIG 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [4]

P2CWN1-10-0049-3300076 SEASIDE, CITY OF OR 9/30/93

Summary: INELIGIBLE COSTS OF $97,155 INCLUDE: $7,889 OF UNALLOWABLE FORCE ACCOUNT AND $89,266 OF CONSTRUCTION COSTS RELATED TO SERVICE LATERALS. COSTS OF $188,202 NOT SUPPORTED BY SOURCE DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION HAS BEEN OBTAINING INFORMATION, COMMENTS, AND DOCUMENTATION FROM THE STATE AND PROGRAM OFFICE. THE REGION SUBMITTED A DRAFT FINAL DETERMINATION LETTER TO THE OIG 12/16/94. RECEIVED THE OIG'S COMMENTS 01/23/95.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT REVISED DRAFT FINAL DETERMINATION LETTER TO THE OIG BY 11/30/95.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

P2CWN1-10-0041-3300077 METROPOLITAN WASTEWTR. MGT. CA 9/30/93

Summary: INELIGIBLE COSTS OF $2,511,772 INCLUDES: $26,970 OF MISC COSTS, $107,481 OF INSURANCE PREMIUMS, $181,830 ALLOCABLE TO INELIGIBLE PERCENT; $2,195,491 OUTSIDE SCOPE OF PROJECT. WE QUESTIONED $6,657,189 WHICH WAS NOT SUPPORTED BY ADEQUATE SOURCE DOCUMENTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE RECEIVED DEVIATION FROM HEADQUARTERS PENDING EVALUATION AND REVISION OF DRAFT FINAL DETERMINATION LETTER.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT DRAFT FINAL DETERMINATION LETTER TO THE OIG BY 7/1/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P2CWN2-10-0068-4300013 WASILLA, CITY OF AK 12/15/93

Summary: INELIGIBLE COSTS OF $306,738 INCLUDED $182,188 OF COSTS ALLOCABLE TO INELIGIBLE PORTION OF CONSTRUCTION; $122,647 OF UNALLOWABLE ARCHITECT/ENGINEERING COSTS; AND $1,730 OF COSTS CLAIMED TWICE. COSTS OF $97,346 WERE NOT SUPPORTED BY SOURCE DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION, STATE, AND CITY ARE GATHERING ADDITIONAL INFORMATION AND DOCUMENTATION TO BE USED. DRAFT FINAL DETERMINATION LETTER SENT TO THE OIG 2/3/95. THE OIG RESPONDED 2/22/95. REGION TO RESPOND TO THE OIG COMMENTS BY 6/01/96.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

P2CWN3-10-0034-4300039 NORTH BEND, CITY OF OR 6/27/94

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED

Summary: INELIGIBLE COSTS OF $56,470 INCLUDES: $3,197 OF UNREFUNDED P&S DEPOSITS $9,000 OF UNALLOWABLE CONSTRUCTION; $15,440 OF OPERATION AND MAINTENANCE RELATED COSTS; $28,833 COST ALLOCABLE TO INELIGIBLE PERCENTAGE. $88,853 OF UNSUPPORTED ENGINEERING AND ADMINISTRATIVE COSTS WERE ALSO QUESTIONED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: ADDITIONAL PARTIAL DOCUMENTATION RECEIVED FROM CITY. DOCUMENTS MUST BE ANALYZED AND EVALUATED BEFORE THE REGION REVISESTHE DRAFT FINAL DETERMINATION LETTER.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT DRAFT FINAL DETERMINATION LETTER TO THE OIG BY 11/15/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

P2CWN3-10-0141-4300053 MUNICIPALITY OF ANCHORAGE AK 9/29/94

Summary: INELIGIBLE COSTS OF $2,649,916 INCLUDES $41,555 ALLOCABLE TO THE INELIGIBLE PERCENTAGE; $126,115 OF UNALLOWABLE CONSTRUCTION COSTS; AND $2,482,246 OF COSTS ALLOCABLE TO FEDERAL FACILITIES. COSTS OF $15,602 WERE NOT SUPPORTED BY ADEQUATE SOURCE DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: DRAFT FINAL DETERMINATION LETTER SENT 2/24/95 TO THE OIG. THE OIG RESPONDED 3/9/95. WAITING FOR ADDITIONAL DOCUMENTS FROM ANCHORAGE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT REVISED DRAFT FINAL DETERMINATION LETTER TO THE OIG BY 3/15/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

P3LLL3-10-0097-5100120 OREGON DEQ-LUST OR 12/22/94

*Summary: INELIGIBLE COSTS QUESTIONED OF $12,747 INCLUDE $11,994 OF UNALLOCABLE MOTORPOOL COSTS AND $753 OF UNALLOCABLE TRAVEL COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG CONCURS WITH ALL ISSUES IN PROPOSED DRAFT FINAL DETERMINATION LETTER EXCEPT ONE. THE ISSUE IN QUESTION WILL REQUIRE AN ON-SITE VISIT TO RESOLVE.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGION EXPECTS THE WATER DIVISION TO ACCOMPLISH THIS RESOLUTION BY 3/31/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [2]

P2CWN4-10-0015-5300006 JUNEAU, CITY & BOROUGH OF AK 1/10/95

Summary: INELIGIBLE COSTS $164,988 INCLUDE $2,461 OF LEGAL COSTS ALLOCABLE TO INELIGIBLE CONSTRUCTION AND $162,527 OF ADMINISTRATIVE COSTS CONSIDERED OUTSIDE THE SCOPE OF THE APPROVED PROJECT.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EXPECT ADDITIONAL ENGINEERING INFORMATION FROM CITY BY 3/96.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT DRAFT FINAL DETERMINATION LETTER TO THE OIG BY 4/30/96.

IG FOLLOWUP STATUS AS OF 9/30/95 [1]

TOTAL AUDITS ISSUED BEFORE REPORTING PERIOD FOR WHICH NO MANAGEMENT DECISION WAS MADE DURING THE REPORTING PERIOD: 130

* = Agency procedures do not require the IG's approval on Agency's Management Decision on an audit (other than a preaward or an internal and management (audit) with the Federal share of questioned costs of less than $100,000. Therefore, we have not provided a summary of the audit.

OIG MAILING ADDRESSES and TELEPHONE NUMBERS
OIG HOTLINE (202) 260-4977

Headquarters
Environmental Protection Agency
Office of Inspector General
401 M Street, S.W. (2441)
Washington, DC 20460
(202) 260-3137

Atlanta
Environmental Protection Agency
Office of Inspector General
1475 Peachtree Street, NE
Suite 1100
Atlanta, GA 30309-3003
Audit (404) 347-3623
Investigations: (404) 347-2398

Boston
Environmental Protection Agency
Office of Inspector General
JFK Federal Building (OIG)
(office at 1 Congress St)
Boston, MA 02203
Audit. (617) 565-3160
Investigations:(617) 565-3928

Chicago
Environmental Protection Agency
Office of Inspector General
77 West Jackson Boulevard
13th Floor (IA-13J)
Chicago, IL 60604
Audit: (312) 353-2486
Investigations: (312) 353-2507

Cincinnati
Environmental Protection Agency
Office of Inspector General
4411 Montgomery (MS Norwood)
Cincinnati, OH 45268-7001
Audit: (513) 366-4360
Investigations (312) 353-2507 (Chicago)

Dallas
Environmental Protection Agency
Office of Inspector General (6OIG)
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733
Audit: (214) 655-6621
Investigations: (404) 347-2398 (Atlanta)

Denver
Environmental Protection Agency
Office of Inspector General
999 18th Street, Suite 500
Denver, CO 80202-2405
Audit: (303) 294-7520
Investigations: (312) 353-2507 (Chicago)

Kansas City
Environmental Protection Agency
Office of Inspector General
726 Minnesota Avenue
(office at 630 Minnesota Ave)
Kansas City, KS 66101
Audit. (913) 551-7878
Investigations. (312) 353-2507 (Chicago)

New York
Environmental Protection Agency
Office of Inspector General
290 Broadway, Room 1520
New York, NY 10007-1866
Audit. (212) 637-3071
Investigations: (212) 637-3041

Philadelphia
Environmental Protection Agency
Office of Inspector General
841 Chestnut Street, 13th Floor
Philadelphia, PA 19107
Audit: (215) 597-0497
Investigations (215) 597-9421

Research Triangle Park, NC
Environmental Protection Agency
Office of Inspector General
Catawba Building
Highway 54, Mail Drop 53
Research Triangle Park, NC 27711
Audit: (919) 541-2204
Investigations: (919) 541-1027

Sacramento
Environmental Protection Agency
Office of Inspector General
650 Capitol Mall, Suite 6309
Sacramento, CA 95814
Audit: (916) 551-1076
Investigations. (415) 744-2465 (SF)

San Francisco
Environmental Protection Agency
Office of Inspector General
75 Hawthorne St (I-1)
19th Floor
San Francisco, CA 94105
Audit. (415) 744-2445
Investigations: (415) 744-2465

Seattle
Environmental Protection Agency
Office of Inspector General
1111 3rd Avenue, Suite 1460
Seattle, WA 98101
Audit: (206) 553-4403
Investigations: (206) 553-1273

U.S. Environmental Protection Agency
Region 5, Library (PL-12J)
77 West Jackson Boulevard, 12th Floor
Chicago, IL 60604-3590

MAKE A WORLD OF DIFFERENCE!

REPORT FRAUD, WASTE, OR ABUSE TO THE

INSPECTOR GENERAL HOTLINE

- INFORMATION IS CONFIDENTIAL

202-260-4977

U.S. ENVIRONMENTAL PROTECTION AGENCY • OFFICE OF THE INSPECTOR GENERAL • 401 M STREET S.W. WASHINGTON, D.C. 20460

EPA

INTERNET: walsh.johnt@epamail.epa.gov

EPA

United States
Environmental Protection Agency
(2441)
Washington, DC 20460

Official Business
Penalty for Private Use
$300

SPECIAL FOURTH CLASS MAIL
Postage and Fees Paid
EPA
G-35

U.S. Environmental Protection Agency
Region 5, Library (PL-12J)
77 West Jackson Boulevard, 12th Floor
Chicago, IL 60604-3590