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Office of Inspector General Semiannual Report to the Congress

April 1, 1994 through September 30, 1994

Foreword



During this semiannual reporting period, the EPA Office of Inspector General has been a leader among the Inspector General community in implementing the recommendations of the National Performance Review (NPR). I was one of the Inspectors General who participated through the President's Council on Integrity and Efficiency in the creation of the "Inspectors General Vision Statement," which states how the IG's can best carry out their duties in harmony with the spirit of the NPR. We are continuing to demonstrate that leadership through changes in our work with the Agency and initiatives to streamline our organization.

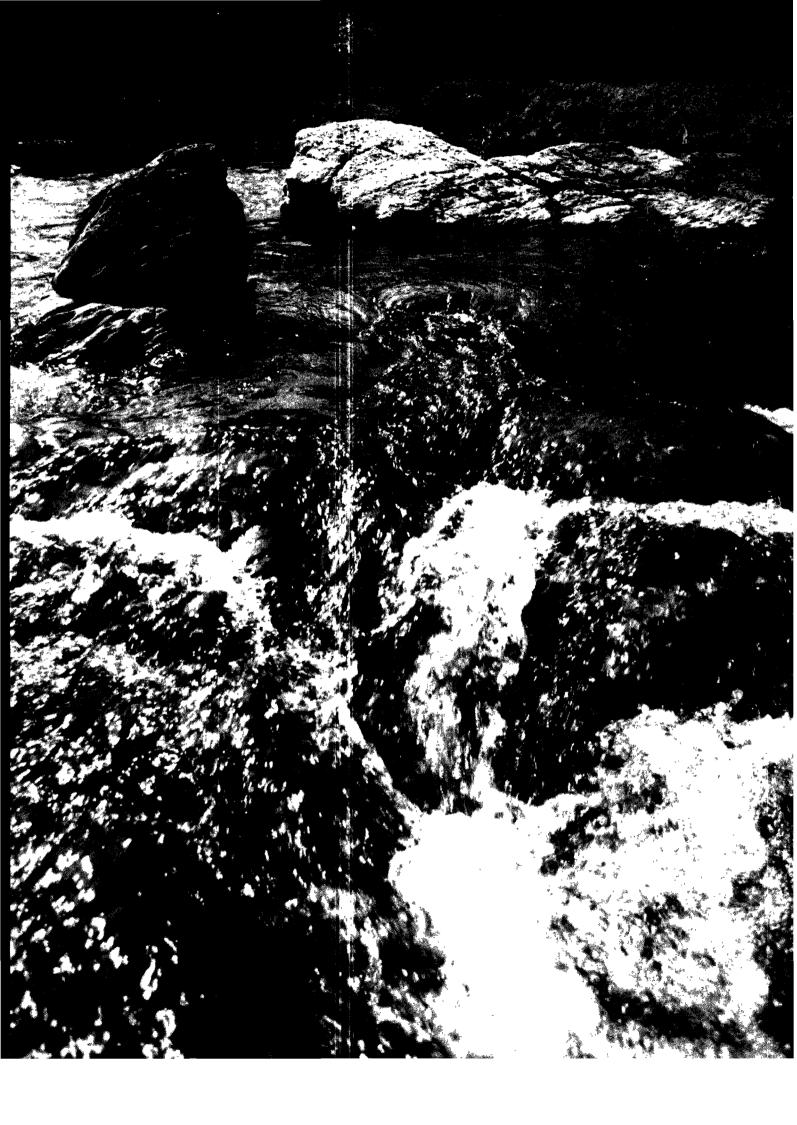
Our relationship with Agency managers and staff has been further strengthened by our work in support of the Agency's strategic themes, and by focusing attention on the underlying causes of some of the most severe problems which have affected the Agency for years. In particular, we have worked on cooperative projects with Agency managers to improve the integrity of scientific and financial

information, and Superfund accounting. We believe that the Agency is generally taking appropriate corrective action in response to our work, especially in the areas of contract management and Superfund administrative initiatives. However, as presented in this report, areas still remain requiring continued Agency attention as will many new areas we are just beginning to explore, such as the use of cooperative agreements, grants and subcontractors.

We have ambitiously applied the concepts of reinvention in the OIG by restructuring our organization and work processes for greater staff empowerment, operational efficiency and diversity. In fiscal 1994, the EPA OIG implemented a policy supporting our Affirmative Action Plan resulting in minorities and women accounting for 75 percent of all new hires and promotions, and 76 percent in grades 13 to 15.

I am encouraged that a new organizational culture, along with cooperative efforts between the Office of Inspector General and Agency management will be the foundation for continuing improvement in EPA.

John C. Martin Inspector General



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EPA's Progress in Improving High Risk Areas

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 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 this semiannual reporting period to address them

Financial Management

OIG Concerns

The Agency team that recently completed a National Performance Review (NPR) of EPA's financial management reported three weaknesses: insufficient time and funds; the complexity of the various 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 EPA

individuals responsible for financial management have the necessary trained staff, policies, procedures and systems to effectively carry out these responsibilities.

Our broad, top-level review of EPA's financial management program found that historically, EPA did not give financial management the attention it needed. While appropriate initial steps were taken. EPA officials did not follow through to ensure successful completion. Many employees did not consider financial management to be as important as program management, and users of EPA's financial systems were concerned with their limited capabilities and the lack of integration between finance and reporting systems. An OIG audit identified over 100 EPA contracts, closed as many as 11 years ago, with \$7 million still obligated on them, and found that the Agency had not requested refunds from contractors which could potentially amount to \$2 million. An audit of EPA's handling of Superfund bankruptcy settlements found that during fiscal 1992 and 1993, the Agency received \$22.4 million worth of marketable securities, but had not restricted access to or assigned custodial responsibility for them; and as the OIG has historically found for other types of accounts receivable, those for bankruptcy settlements were not recorded timely in EPA's accounting system.

In the Superfund Program, problems have been reported in cost documentation, data accuracy, and accounting for all past cleanup and recovery costs. An OIG review showed problems continue to exist in the area of response claims against the Superfund. Our recent follow-up review of these response claims showed that EPA has made

tangible efforts to address our 1992 recommendations, but that some corrective actions have either not been implemented or have not corrected the problems in areas such as reconciliations of commitment and obligation information, and billings for oversight costs.

Agency Actions

In response to these reports, EPA is taking a number of actions. For example, EPA is developing performance measures for financial management activities, setting annual goals for closing contracts, and improving controls over the receipt of and accounting for marketable securities.

The Agency is also using OIG consultative services in ways other than audits in resolving EPA's financial management problems. The Comptroller thanked the OIG for the "excellent analysis . . . performed . . . to identify unrecorded Superfund accounts receivable balances," and stated she is taking prompt action. Officials in another office thanked the OIG for helping reconcile one of their revolving funds allowing them to complete a difficult task in a short period of time.

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 crossmedia pollution problems. These problems materially impact the effectiveness of EPA's programs. While EPA has been taking actions to improve its IRM program, and we believe the Agency is generally proceeding in the right direction, we still have concerns about EPA's ability and commitment to address its long-standing IRM problems.

Our broad, top-level review of EPA's IRM program found that historically the Agency had not treated information as a valuable, strategic resource. Major systemic deficiencies existed in four key areas: IRM management and organizational structure; resource planning and performance measurement: information system development; and data management. Although EPA has taken significant steps to implement the Integrated Financial Management System (IFMS) such as completing a strategy and master work plan, and implementing some functional modules and a single general ledger, further steps are needed to achieve an integrated. comprehensive financial management system. During this period we reported that the costs to fully implement IFMS have escalated from \$7.7 million to \$17.2 million, and that target dates for completing implementation have slipped more than 6.5 years to at least fiscal 1995. In addition, EPA is spending an estimated \$11.2 million to operate its older systems during this delay.

Agency Actions

EPA officials continue to take a number of far-reaching actions in response to our March 1994 report on our broad, top-level review of EPA's IRM program. For example, EPA has established a new decisionmaking Executive Steering Committee for IRM made up primarily of EPA's top executives: is finalizing an IRM Strategic Plan; and plans to pilot test a working capital fund in fiscal 1995 to help provide stable, multi-vear funding for major IRM initiatives. In response to our draft report on IFMS. EPA officials stated they had fully implemented 5 of our 16 recommendations and either had started or were planning to begin action on the remaining ones.

Integrity Act Implementation

OIG Concerns

OIG reports issued between 1992 and 1994 highlighted problems with the Agency's ability to effectively carry out its Integrity Act responsibilities. We found that many managers segregated the Integrity Act process from other management activities, did not relate the process to management control system improvements, and knew neither what control systems were nor how to operate them effectively. While senior management was committed to identifying material weaknesses, in our opinion the Agency did not effectively identify them through the lower management levels and implement corrective actions before they became material and took years and significant resources to correct. While the Agency is implementing a new process, we are concerned that some EPA managers' misperceptions about management integrity concepts may jeopardize its success. Managers must understand and integrate integrity concepts into their daily

management and accept responsibility for implementing sound management practices.

Agency Actions

This year the OIG worked with EPA to reengineer its Integrity Act process, making managers more accountable for evaluating and improving their programs and for the integrity of their programs and resources. The reengineered process builds on Agency-wide Management Integrity Principles, which managers are expected to incorporate into existing management processes and program strategies.

Management of Extramural Resources

OIG Concerns

EPA relies extensively on contractors and other outside entities to assist in cleaning up pollution, developing national policy, and setting the environmental agenda for the future. In response to past criticism of EPA's contract management practices, the Agency has made significant progress in correcting systemic deficiencies. However, in our view, EPA management needs to continue improving their management of extramural resources and to emphasize that Agency officials are accountable for their actions. The pervasive nature of EPA's resource management problems, which detract from the effectiveness of EPA's programs, continues to be shown by the following significant issues identified by our recent work.

Grants and Cooperative Agreements (CAs)

OIG audits of major conferences coordinated by University of Kansas and Temple University found that EPA circumvented assistance regulations and misused CA funds when it organized the conferences to be what senior managers called "first class event[s]." EPA did not properly award or administer the CAs and participated in the unauthorized expenditure of Federal funds for items such as participant travel, alcohol and entertainment. Another OIG special review reported that over the past 20 years EPA has not consistently adhered to statutory prohibitions against paying for non-Federal attendance at meetings and conferences with Agency travel funds. In addition, some EPA offices were improperly paying travel-related expenses for advisory committee members through contracts and interagency agreements. As a result of these reports, the Inspector General formally advised the Administrator of concerns related to planning and funding conferences, and suggested that she communicate her commitment to proper accountability for Federal funds to all EPA executives and managers.

An OIG special review of assistance agreements awarded to the Center for Earth Resource Management Applications, Inc., questioned 99 percent of the costs claimed for reasons including conflict of interest and excessive expenditures. Finally, an OIG audit of CAs awarded to Montana State University (MSU) questioned all project costs that MSU claimed because the CAs funded an EPA employee's advanced education, contrary to the stated purpose of the CAs and the Intergovernmental Personnel Act (IPA) Assignment Agreement.

• Competition in Awarding Contracts

EPA generally awarded its competitive procurements in accordance with Government requirements. However, an OIG audit found that a significant percentage of EPA's contracts were awarded after receipt of only one competitive proposal, giving EPA less assurance that it received the benefits of competition for these contracts. In another audit, we found that there was, at most, limited competition in the award of five of the eight prime contracts valued at over \$10 million awarded to a major EPA contractor.

Superfund Contracting

An OIG audit of EPA's management of Emergency Response Cleanup Services (ERCS) contracts showed that EPA's plan to correct contract management deficiencies identified in prior OIG audits was not always effective. EPA continues to allow ERCS contractor non-compliance with Federal Acquisition Regulation and contract accounting system requirements. Despite a decade of doing business with EPA, the ERCS contractors reviewed still do not have approved accounting systems for cost type contracts. Without adequate independent contractor accounting system support, there are no assurances that contractor billings reflect actual, allowable incurred costs. With one exception, sanctions for contractor non-compliance were not exercised because Headquarters and regional contracting personnel believed this would drive away ERCS contractors and limit future competition.

Agency Actions

The Agency is working to implement the 40 recommendations in its June 1992 report on EPA's contracts management. To date, EPA has implemented 16 of the 40 and is in various stages on the remaining 24, but it will be at least one year before we can determine the effectiveness of these actions. In response to our recent reports, the Agency is taking a number of positive corrective actions. On our audits of conference and travel issues, the Agency is issuing clarifying guidance and providing additional training and oversight in certain areas. The Agency agreed that the cooperative agreements used to pay University of Kansas and Temple University for their conference management activities should have been contracts, but declined to disallow all costs due to their belief this would pose inequitable impacts on the universities. Finally, in response to our audit of ERCS contracts, EPA has begun withholding some award fees for contractors which are not in compliance with Federal accounting system requirements, and will also be trying a different contracting mechanism to help address this problem.

Major Laws Administered by EPA

Statute

Pollution Prevention Act

Toxic Substances Control Act

Federal Insecticide, Fungicide, and Rodenticide Act

Federal Food, Drug and Cosmetic Act

Resource Conservation and Recovery Act and Solid Waste Disposal Act

Comprehensive Environmental Response, Compensation, and Liability Act

Clean Air Act

Clean Water Act

Safe Drinking Water Act

Marine Protection, Research and Sanctuaries Act

Asbestos School Hazard Abatement Act and Asbestos Hazard Emergency Response Act

Emergency Planning and Community Right-to-Know Act

Oil Pollution Act of 1990

Environmental Research, Development, and Demonstration Authorization Act National Environmental Education Act

Provisions

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.

Requires EPA notification of any new chemical prior to its manufacture and authorizes EPA to regulate production, use, or disposal of a chemical.

Authorizes EPA to register all pesticides, specify the terms and conditions of their use, and remove unreasonably hazardous pesticides from the marketplace.

Authorizes EPA in cooperation with FDA to establish tolerance levels for pesticide residues on food.

Authorizes EPA to identify hazardous wastes and regulate their generation, transportation, treatment, storage, and disposal.

Requires EPA to designate hazardous substances that can present substantial danger and authorizes the cleanup of sites contaminated with such substances.

Authorizes EPA to set emission standards to limit the release of criteria pollutants and hazardous air pollutants.

Requires EPA to establish a list of toxic water pollutants and set standards.

Requires EPA to set drinking water standards to protect public health from hazardous substances.

Regulates ocean dumping of toxic contaminants.

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.

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.

Makes EPA responsible for oil spill prevention, preparedness, response, and enforcement activities associated with non-transportation-related onshore oil facilities.

Authorizes all EPA research and development programs.

Provides for a program of education on the environment through activities in schools, institutions of higher education and related

Executive Summary

Section 1-Significant Findings and Recommendations

1. LUST Program on American Indian Lands Needs Improvements

EPA has not effectively implemented a nationwide program to clean up leaking underground storage tanks on American Indian lands, some of which are contaminating drinking water (page 11)

2. Improvements Needed in Idaho's Leaking Underground Storage Tank (LUST) Program

The State of Idaho did not have adequate personnel time or other accounting documentation to support \$711,905 in costs claimed to the LUST program. The State also needed to improve its oversight of high priority LUST sites, cost recoveries, and reporting procedures (page 12)

3. Streamlined Integrity Act Process Stresses Accountability

The Agency previously segregated the Federal Managers' Financial Integrity Act (Integrity Act) process from other management activities. Most managers responded to the paper-intensive requirements without using it to measure progress or to detect and correct weaknesses. In addition, managers had not received adequate training and guidance (page 13)

4. Over \$200 Million in Unliquidated and Excess Contract Obligations

EPA did not close or obtain refunds on almost 2,000 inactive contracts or deobligate \$7 million in excess funds on over 100 closed contracts. This left over \$200 million in unliquidated obligations that could have used for other environmental purposes or returned to the U.S. Treasury (page 14)

5. Further Actions Needed on EPA'S Integrated Financial Management System (IFMS)

After years of problems and cost overruns, continued Agency top management attention is required to make the IFMS reliable, usable, and cost effective (page 15)

6. Centralized Administrative Management Needed to Improve Technology Program

Although EPA is successfully publicizing the concept of the Federal Technology Transfer Act (FTTA) and encouraging the creation of public-private partnerships, the program can be enhanced with centralized oversight of the Cooperative Research and Development Agreement (CRADA) process, including stronger internal control of the funds the Agency receives from outside organizations (page 16)

7. Additional Improvements Needed in Contracting With Small and Disadvantaged Businesses

EPA complied with laws and regulations in awarding and amending contracts to small and disadvantaged business firms during fiscal 1993. However, contrary to the objectives of the program, awards were made just days before the firms' program eligibility expired (page 17).

8. Improperly Procured Services Included Inherently Governmental Functions

EPA inappropriately procured \$150,000 of program

management services, including inherently governmental functions, under a sole source cooperative agreement rather than a competitive process (page 18)

9. Conflict of Interest Increases Questioned Costs

The Center for Earth
Resource Management
Applications, Inc. (CERMA)
violated EPA's conflict of
interest regulations, failed to
maintain an adequate financial
management system, and
their internal control structure
contained significant
deficiencies. In addition,
nearly all costs claimed by
CERMA were questioned
(page 18)

10. Cooperative Agreements Misused for Graduate Courses

Two cooperative agreements (CA) awarded to evaluate and refine techniques to identify and measure environmentally significant chemicals, were used to provide graduate course work at Montana State University (MSU) for an Agency employee. In addition, other costs claimed under the cooperative agreements could not be supported (page 19)

11. EPA Improperly Awarded Cooperative Agreements and Approved Excessive Expenditures for Two Conferences

• 1989 Award to the University of Kansas

EPA circumvented assistance regulations and misused Federal funds by awarding a cooperative agreement to the University of Kansas (KU) which included ineligible and unnecessary costs such as travel, alcohol, and entertainment (page 20)

• 1991 Award to Temple University

EPA erroneously awarded a cooperative agreement to Temple University and mismanaged the agreement by not controlling expenditures and allowing unauthorized travel (page 21)

12. Non-Federal Employee Travel Expenses Improperly Paid

EPA misused Agency travel funds, contracts, and interagency and cooperative agreements to pay travel-related expenses for non-Federal employee attendance at conferences and meetings (page 22)

13. Almost \$9.4 Million of Costs Questioned for Vallejo, California, Project

Vallejo, California, claimed \$5,525,458 of ineligible administration, engineering and construction costs for the Vallejo Sanitation and Flood Control District project An additional \$3,874,497 of unreasonable project costs were questioned (page 24)

14. Over \$8.2 Million of Ineligible Costs Claimed for Houston, Texas, Project

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 and \$1,063,235 of unnecessary or unreasonable costs were questioned (page 24).

15. Fairfax County, Virginia, Claimed Nearly \$4.3 Million of Questioned Costs

The County of Fairfax, Virginia, claimed \$3,533,822 of ineligible architectural engineering and construction costs for wastewater treatment facility improvements An additional \$752,097 of unsupported costs were questioned (page 25).

16. Onondaga County, New York, Claimed Nearly \$5.8 Million of Questioned Costs for Sewers

Onondaga County, New York, claimed \$1,888,500 of ineligible architectural engineering and construction for the design and construction of Ley Creek service area improvements, and \$3,863,733 of costs that exceeded the grant ceiling (page 25)

17. Over \$4.5 Million of Questioned Costs Claimed for Ocean County, New Jersey, Project

The Ocean County Utilities Authority, New Jersey claimed \$3,057,931 of ineligible architectural engineering, construction, force account, administrative, and innovative and alternative technology costs for the construction of wastewater treatment facilities. An additional \$1,455,727 of unsupported costs were questioned (page 26)

18. Contractors Still Lack Adequate Accounting Systems

Emergency Response Cleanup Services (ERCS) contractor accounting system deficiencies noted in past OIG reports still exist because of inadequate enforcement by EPA personnel In addition, EPA rarely exercised sanctions for contractor noncompliance (page 28).

19. Better Controls Needed to Protect Over \$22 Million in Securities in Bankruptcy Cases

EPA had limited controls in place to safeguard marketable securities received as a result of Superfund cost recovery efforts. Also, current

bankruptcy laws hinder EPA's cost recovery efforts (page 29)

20. Over \$227,000 of Ineligible Claims for Minnesota Superfund Site

The Minnesota Pollution
Control Agency (MPCA) had
weak internal controls over
personnel and contractor
costs, and did not comply with
procurement laws and
regulations As a result, we
questioned \$227,584 of the
costs claimed for the Ritari
Post and Pole site under a
Superfund multi-site
cooperative agreement
(page 30).

21. Over \$278,000 of Questioned Costs Claimed for Georgia Superfund Activities

The Georgia Department of Natural Resources, Environmental Protection Division (GDNR), did not properly account for labor costs or fund use in compliance with EPA regulations. We questioned \$278,756 of the costs claimed for three Superfund Cooperative Agreements (page 30).

22. Superfund Administrative Initiatives Reduce Time and Save Money

EPA conducted a variety of successful initiatives which demonstrated the potential for reducing the time and cost of cleanups, and for making the process more equitable. However, improvements were needed in analyzing, measuring, and publicizing the results of pilot projects to replicate successful techniques nationwide (page 32).

Section 2--Report Resolution

At the beginning of the semiannual period; there were 248 reports for which no management decision had been made. During the second half of fiscal 1994, the Office of Inspector General issued 796 new reports and closed 813. At the end of the reporting period, 231 reports remained in the Agency followup system for which no management decision had been made. Of the 231 reports, 73 reports remained in the Agency followup system for which no management decision was made within 6 months of issuance (page 33).

For the 245 reports closed that required Agency action, EPA management disallowed \$35.3 million of questioned costs for recovery and agreed with our recommendations that \$2.5 million be put to better use (page 34). In addition, cost recoveries in current and prior periods included \$2.06 million in cash collections, and at least \$34.78 million in offsets against billings (page 7).

Section 3-Prosecutive Actions

During this semiannual reporting period, our investigative efforts resulted in 7 convictions and 11 indictments. Also, during this semiannual period, our investigative work led to \$0.2 million in fines and recoveries (page 40).

Section 4--Fraud Prevention and Resources Management

During this semiannual period, we reviewed 3 legislative and 70 regulatory items. The most significant were comments on the proposed Inspector

General Reform Act of 1994 (H.R 4679) and OMB's request for views on S. 1782, the Electronic Freedom of Information Improvement Act (page 43).

The Office of Grants and Debarment completed action on 37 OIG generated suspension and debarment cases during this reporting period, resulting in 20 suspensions, 12 debarments, and 5 compliance agreements (page 45).

The EPA Committee on Integrity and Management Improvement (CIMI), chaired by the Inspector General, developed and distributed a bulletin to EPA personnel with a brief synopsis of the activities permitted under the revisions to the Hatch Act, which became effective on February 3, 1994 (page 50).

Twenty-four Hotline cases were opened and 32 were closed during the reporting period. Of the closed cases, 5 resulted in environmental, prosecutive, or administrative corrective action (page 50).

Profile of Activities and Results

Office of Inspector General

April 1, 1994, to September 30, 1994 Fiscal 1994 (dollars in millions)

\$65.8

\$488

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\$0.0

\$3.8

\$156.5

\$114.6

\$2.4

\$00

\$8.6

April 1, 1994, to Fiscal 1994 September 30, 1994 (dollars in millions)

245

517

Audit Operations

Questioned Costs*

- Federal Share

- Total

OIG Managed Reviews:

- Recommended Efficiencies* (Funds be Put to Better Use)

- Reviews Performed by EPA, Independent	- Recover
Public Accountants and State Auditors	Current a

- I (ta)	φU S	92 4
- Federal Share	\$0 3	\$2.4
- Cost Disallowed to be Recovered - Federal Share (costs which EPA management agrees are unallowable and is committed to recover or offset against future payments)	\$34.4	\$77 3
Cost Disallowed as Cost Efficiency Federal Share (funds made available by EPA management's commitment to implement recommendations in OIG		

Other Reviews:

- Questioned Costs*

- Total

- Reviews Performed by another Federal Agency or Single Audit Act Auditors

performance and preaward audits)

- Federal Share	\$3.8	\$8.6
- Recommended Efficiencies*		
- Total	\$9.4	\$15.4
- Federal Share	\$9.4	\$15 4
- Cost Disallowed to be Recovered		
- Federal Share	\$0.9	\$2.8
- Cost Disallowed as Cost Efficiency		
- Federal Share	\$2.5	\$3.8

Agency Recoveries:

- Recoveries from Audit Resolutions of Current and Prior Periods (cash collections	S	
or offsets to future payments.)**	\$36.8	\$67 2
Daniela Inacedo		

Reports Issued:

- OIG Managed Reviews:		
- EPA Reviews Performed by the OIG	98	164
- EPA Reviews Performed by Independent		
Public Accountants	29	69
- EPA Reviews Performed by State Auditors	2	10
- Other Reviews:		

corrective action)***

- EPA Reviews Performed by		
another Federal Agency	292	500
- Single Audit Act Reviews	375	783
Total Reports Issued	796	1,526

Investigative Operations

Reports Resolved (Agreement by Agency officials to take satisfactory

- Fines and Recoveries (including civil) - Investigations Opened - Investigation Closed - Indictments of Persons or Firms	\$0.2 96 128 11	\$1.8 233 272 19
 Convictions of Persons or Firms Administrative Actions Against EPA 	7	14
Employees	8	27

Fraud Detection and Prevention Operations

- Debarments, Suspensions, and		
Compliance Agreements	37	81
- Hotline Cases Opened	24	45
- Hotline Cases Processed and Closed	32	6 1
- Personnel Security Investigations		
Adjudicated	1012	1678

^{*}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.

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 seven 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 1994, the Agency was appropriated \$6,658,927,000 and authorized 18.625 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 \$44.6 million to carry out the provisions of the Inspector General Act of 1978, as amended. Nearly \$16.3 million of the OIG's appropriation was derived from the Hazardous Substance Superfund trust fund and \$669,100 was derived from the Leaking Underground Storage Tank trust fund. The OIG has a funded staffing level of 449 FTE positions. The funding and FTE available to the OIG represent 0.7 percent and 2.4 percent, respectively, of the Agency's totals.

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.

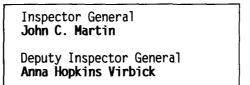
mapector den	erar Act, as amended.		
Section 4(a)(2)	Review of Legislation and Regulations	4	43
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	1	10
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	1	10
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Section 5(a)(4)	Matters Referred to Prosecutive Authorities	3	40
Section 5(a)(5)	Summary of Instances Where Information Was Refused	*	*
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Section 5(a)(7)	Summary of Significant Reports	1	10
Section 5(a)(8)	Statistical Table 1-Reports With Questioned Costs	2	37
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Section 5(a)(10)	Summary of Previous Audit Reports Without Management Decisions Appendix	2	65
Section 5(a)(11)	Description and Explanation of Revised Management Decisions Appendix	2	65
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



Office of Audit

Kenneth A. Konz

Assistant Inspector General

James O. Rauch Deputy

Office of Management

John C. Jones

Assistant Inspector General

Office of Investigations

Daniel S. Sweeney

Assistant Inspector General

Michael J. Fitzsimmons
Deputy

Acquisition & Assistance
Audits

Elissa R. Karpf

Internal and Performance Audits

Michael D. Simmons

Planning and Resources Management

Kenneth D. Hockman

Engineeering & Science Walter G. Gilbert

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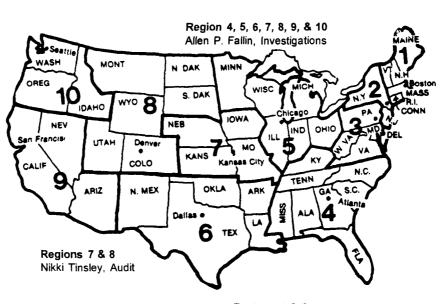
Divisional Inspectors General

10 SALASKA

Regions 9 & 10 Truman R Beeler, Audit



Region 5
Anthony C. Carrollo, Audit



Regions 4 & 6 Mary Boyer, Audit

Region 1, 2
Paul McKechnie, Audit

Region 1, 2, & 3 Thomas Papineau, Investigations

Region 3
Paul R. Gandolfo, Audit

Headquarters Edward Gekosky HQs Audit Division

Melissa M. Heist Financial Audit Div.

Emmett D Dashiell Procurement Fraud Div., Investigations

Section 1 -- Significant Findings and Recommendations

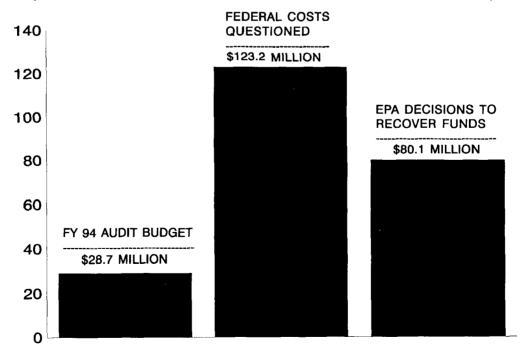
As required by sections 5(a)(1) and (2) of the Inspector General Act of 1978, as amended, this section identifies significant problems, abuses, and deficiencies relating to the Agency's programs and operations along with recommendations for the current period. The findings described in this section resulted 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

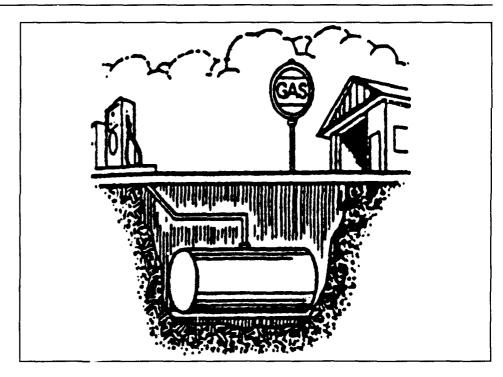
FISCAL 1994 COST BENEFITS OF AUDIT EFFORTS

(IG AUDIT BUDGET, AUDIT RESULTS, AND EPA MANAGEMENT DECISIONS)



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. 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.



LUST Program on American Indian Lands Needs Improvements

Findings In Brief

EPA has not effectively implemented a nationwide program to clean up leaking underground storage tanks on American Indian lands, some of which are contaminating drinking water.

Background

In 1986, Congress established what has become a \$1.1 billion Leaking Underground Storage Tank (LUST) trust fund for cleaning up leaking tanks, about \$475 million of which had been appropriated as of fiscal 1994. Indian tribes are particularly vulnerable to the health risks posed by leaking underground storage tanks due to their heavy reliance on groundwater for drinking water. In general, EPA and the tribes share responsibility for operating the underground storage tank program on Indian

lands, because Indian tribes are not treated as states and cannot legally be regulated by states.

We Found That

EPA had not established many of the management controls needed to operate the LUST program, and had not devoted the resources necessary to fully implement the program on American Indian lands. Due to the lack of resources, implementation on Indian lands by some EPA regions was less than that by some states on non-Indian lands.

EPA has not developed a reliable national inventory of underground tanks or leaking tanks on American Indian lands. Although most of the regions have attempted to develop inventories, we found one of the largest regional inventories may be understated by as much as 61 percent. An accurate inventory is the critical, first step to identifying leaking tanks and controlling the leaking tank problem. The need for a national inventory of underground storage tanks on Indian lands was previously

identified by the EPA OIG in a March 1992 audit report.

Slow progress has been made in cleaning up leaking underground tanks which contaminated drinking water, groundwater, and the soil on American Indian lands. At least 75 percent of the leaking underground tank sites on American Indian lands had not been cleaned up, including those contaminating drinking water.

EPA's enforcement program for LUST sites on American Indian lands was insufficient to foster full compliance with laws, and resulted in only two administrative complaints for leaking tank sites since inception of the LUST program in 1988.

We Recommended That

The Assistant Administrator for Solid Waste and Emergency Response:

- Establish a consistent nationwide LUST program on Indian lands, which includes national goals, priorities, policies, performance measures, and uniform management information reporting requirements.
- Revise EPA's implementation strategy to address a way of overcoming barriers such as the lack of resources.
- Require the development of an accurate, up-to-date inventory of underground tanks and leaking tanks to be a top priority action item.
- Coordinate with the Office of Enforcement and Compliance Assurance to establish a strong enforcement program on Indian lands as a priority action item.

What Action Was Taken

In responding to the draft report. the Assistant Administrator for Solid Waste and Emergency Response (OSWER) concurred with our audit recommendations and agreed to take appropriate actions to resolve the audit issues. Although the Assistant Administrator for Enforcement and Compliance Assurance (OECA) did not formally respond to the draft report, prior discussions with representatives from OECA indicate general agreement with OSWER's response. On September 29, 1994, the final report (4100573) was issued to the Assistant Administrators for Solid Waste and Emergency Response and Enforcement and Compliance Assurance. A response to the final report is due by December 28, 1994.

Improvements Needed in Idaho's Leaking Underground Storage Tank (LUST) Program

Findings In Brief

The State of Idaho did not have adequate personnel time or other accounting documentation to support \$711,905 in costs claimed to the LUST program. The State also needed to improve its oversight of high priority LUST sites, cost recoveries, and reporting procedures.

Background

The LUST Trust Fund was established to finance the cleanup of petroleum releases from leaking underground storage tanks EPA provided funds to the State of Idaho through cooperative agreements to pay for the cleanup of LUST sites, oversight of

responsible party cleanups, recovery of Trust Fund expenditures, and administrative expenditures directly related to these activities.

We Found That

EPA awarded \$835,008 to the State of Idaho through a LUST cooperative agreement. Claimed costs of \$711,905 were questioned as unsupported because claimed payroll costs were based upon budget allocations instead of actual time worked on the program, and non-personnel costs were not supported with sufficient evidence to show that the costs were allocable to the program.

The State did not give sufficient attention to some LUST sites that posed the greatest threat to human health and the environment. A sample of 23 sites designated either as high priority or as contaminating groundwater disclosed that remediation for nine of the sites either was not conducted or needed improvement.

The State's procedures used for the recovery of LUST Trust Fund expenditures needed improvement to ensure that recoveries of all LUST trust funds expended on sites were obtained from responsible parties. Recoveries for four sites did not cover all of the costs related to the sites, the settlements were not adequately documented, and the State did not charge interest on the amounts to be recovered.

Quarterly reports from the State of Idaho did not accurately report LUST program activity during fiscal 1993. The number of confirmed releases were understated by 16 percent, cleanups initiated were overstated by 18 percent, and cleanups completed were understated by 57 percent. In

addition, the quarterly reports, included activity that had occurred prior to the reporting periods.

We Recommended That

The Regional Administrator, Region 10, require the State of Idaho to:

- Either provide support for costs claimed and make a financial adjustment for costs not supported, or seek a deviation from the Federal requirements for such supporting documentation.
- Claim costs based on actual costs and establish procedures which ensure that amounts claimed are allowable and allocable.
- Ensure that oversight activities are based on assigned priorities and that priorities are assigned to all sites.
- Ensure that each cost recovery claim includes all costs associated with the site and that settlements are documented.
- Assess interest charges on cost recovery amounts.
- Ensure that quarterly report information is reconciled to source documentation and that LUST program activity is reported timely.

What Action Was Taken

In responding to the draft report, the State of Idaho agreed to implement most of our recommendations relating to performance issues. The State disagreed with our conclusions pertaining to the questioned costs, because it believed that its accounting system was in compliance with Federal accounting requirements. On September 28, 1994, the final audit report (4100563) was issued to the

Regional Administrator. A response to the final report is due by December 29, 1994.

Streamlined Integrity Act Process Stresses Accountability

Findings in Brief

The Agency previously segregated the Federal Managers' Financial Integrity Act (Integrity Act) process from other management activities. Most managers responded to the paper-intensive requirements without using it to measure progress or to detect and correct weaknesses. In addition, managers had not received adequate training and guidance.

Background

Congress passed the Integrity Act in 1982 to renew the Federal government's focus on strengthening internal controls by requiring agencies to continuously evaluate and report to Congress and the President on the adequacy of control systems. In fiscal 1994, the Agency reengineered the Integrity Act requirements to streamline the process and make managers more accountable for ongoing evaluations and program improvements.

We Found That

The Agency did not achieve substantive results from its Integrity Act efforts because the Agency segregated implementation from other management activities. Managers usually accomplished the steps but did not realize that the process was a means of establishing effective program management. The Agency's Integrity Act guidance and training

were deficient and did not successfully communicate concepts to Agency managers who were unable to link the process to their day-to-day operations.

Managers generally did not identify weaknesses through control reviews because they did not test controls to see if programs and functions were operating as intended. The majority of weaknesses were identified externally, and managers did not use a building block process that enabled weaknesses they identified to flow up through the Agency's management structure to the program and function offices as contemplated by the Integrity Act.

Recently, the Agency reengineered the Integrity Act requirements to streamline the process and integrate responsibilities for prompt detection, correction, and prevention of problems in program planning, budgeting, operations, fiscal management, and evaluation, making managers more accountable for evaluating and improving their programs as part of everyday operations. However, the reengineered program will succeed only if managers accept responsibility for implementing sound management practices, and the Agency rewards managers who identify problems and improve control systems.

We Recommended That

The Administrator:

 Require AAs and RAs to direct their senior managers to develop guidance and procedures for reporting weaknesses and suggested corrective actions through the organizational structure which includes requiring managers to report weaknesses in writing to National Program Managers.

- Require AAs and RAs to assess and document the overall magnitude of weaknesses and corrective actions reported to them by managers throughout the Agency.
- Direct AAs and RAs to hold their senior managers accountable for providing training on the Agency's new integrity process and to hold all managers accountable through the performance appraisal process for identifying and correcting weaknesses in the way they carry out their programs and achieve results.

What Action Was Taken

In responding to the draft report, the Agency Comptroller generally agreed with the finding and recommendations regarding the cumbersome and paper-intensive nature of the Integrity Act process and that guidance and training were not always clear and complete. However, the Comptroller disagreed with the second finding related to control reviews and stated that annual quidance provided sufficient criteria for conducting proper reviews and for reporting weaknesses through the chain-of-command. The final report (4100522) was issued on September 16, 1994. A response to the final report is due by December 16, 1994.

Over \$200 Million in Unliquidated and Excess Contract Obligations

Findings in Brief

EPA did not close or obtain refunds on almost 2,000 inactive contracts or deobligate \$7 million in excess funds on over 100 closed contracts. This left over \$200 million in unliquidated obligations that could have been

used for other environmental purposes or returned to the U.S. Treasury.

Background

During the past 23 years, the Agency's contract obligations have exceeded \$12 billion for work performed under 14,500 contracts. With the enactment of legislation in 1990, timely contract closeout, deobligation of unexpended monies, and receipt of refunds due the Agency became even more important in helping the Agency avoid using current financial resources on old contractual issues.

We Found That

Closing almost 2,000 inactive contracts in a timely manner could have allowed EPA to deobligate over \$200 million, over one-half of which is Superfund money. Some of these funds should have been deobligated almost 12 years ago and then used to either pay for other Government programs or EPA projects or initiatives. For appropriations other than Superfund, the Agency is required to return funds obligated prior to fiscal 1989 to the U.S. Treasury causing payments needed to finalize older contracts to be paid from current year funds subject to a one percent limitation.

In addition, we estimate that the Agency has not requested refunds from contractors which could potentially amount to \$2 million. This occurred because refunds are usually calculated during the closeout process which was a low priority and not consistently accomplished.

We also found over 100 contracts were closed as many as 11 years ago, and \$7 million was not deobligated because Agency personnel did not prepare the necessary documentation. The Agency could have reprogrammed \$4.4 million for use in EPA Superfund programs and returned \$2.6 million to the U.S. Treasury.

We Recommended That

The Assistant Administrator for Administration and Resources Management:

- Emphasize the importance of timely contract closeout to all personnel responsible for this function.
- Close completed contracts in accordance with the time frames specified by the Federal Acquisition Regulation (FAR) and deobligate excess funds in a timely manner
- When closing contracts, direct initial efforts to those contracts with fiscal 1989 appropriations.
- Deobligate excess funds on all closed contracts as required by FAR.

What Action Was Taken

The final report (4100462) was issued to the Assistant Administrator for Administration and Resources Management on July 21, 1994. In responding to our draft report, the Agency agreed with our recommendations and provided an acceptable action plan to correct the identified weaknesses, including setting annual goals for closing contracts and dedicating personnel to this function to the greatest extent possible. As a result, we closed this audit in our tracking system and all corrective actions will now be tracked in the Agency's Management Audit Tracking System.

Further Actions Needed on EPA'S Integrated Financial Management System (IFMS)

Findings in Brief

After years of problems and cost overruns, continued Agency top management attention is required to make the IFMS reliable, usable, and cost effective.

Background

Since the mid-1980's, EPA has been developing a major system, IFMS, to integrate all of its financial systems which track and control over \$6.9 billion annually. In 1987, EPA contracted for the software and related services to implement IFMS.

We Found That

EPA has taken a number of significant steps to implement an integrated financial management system and to overcome previous management problems. These steps include: (1) implementing a single general ledger; (2) appointing a Chief Financial Officer (CFO), Deputy CFO, and a Director, IFMS Project Management Staff; (3) completing the IFMS Strategy and Master Work Plan; (4) implementing the newest off-the-shelf software version which upgraded IFMS capabilities; and (5) completing an updated cost study, requirements analysis, and charter.

Despite these accomplishments, the Agency still needs to take further significant actions to fully implement an integrated, comprehensive financial management system. Target dates for completing IFMS implementation have slipped more

than 6.5 years, to at least fiscal 1995. Until full implementation is attained, the return on the planned IFMS investment over the remaining system life will be limited. Specifically, EPA has not implemented critical modules; eliminated dependency on the existing financial systems which, in part, duplicate IFMS functions and capabilities; and fully interfaced IFMS to financial subsystems and other administrative systems.

As a result, EPA has incurred cost overruns and other unexpected operational costs, such as:

- Development and implementation costs have escalated from \$7.7 million to \$17.2 million. These costs include at least \$148,100 EPA spent on software and maintenance costs for modules that the Agency purchased but did not use;
- EPA will incur additional costs to operate and maintain the existing systems until IFMS is fully implemented. We estimate these costs could be as much as \$11.2 million from 1990 to 1995; and
- EPA may incur additional expenditures ranging from an estimated \$415,000 to several million dollars over the next two years to update the account code structure and convert historical data from older systems.

EPA did not develop, review, and update costs throughout the IFMS system life cycle to effectively control the development and operation of the system. As a result, EPA management is not in a position to make informed system and budget decisions regarding the design, development, operation, and maintenance of the system which will cost approximately \$202 million over an estimated 12-year system life.

The IFMS problems were primarily due to: (1) insufficient top management leadership and direction over IFMS development and implementation; (2) fragmented managerial authority and unclear lines of authority; (3) IFMS decisions made without a comprehensive plan based on a generally accepted system life cycle approach; (4) overcustomizing the off-the-shelf software; (5) the absence of a comprehensive system to accumulate costs; and (6) unclear EPA policies and guidance on life cycle costing.

We Recommended That

The Assistant Administrator for Administration and Resources Management:

- Provide continued top management involvement and leadership in IFMS development and implementation.
- Continue to reassess the plans, goals, alternative solutions, costs and benefits of the remaining IFMS phased implementation.
- Limit customization to the offthe-shelf software modules.
- Revise the IFMS Charter and IFMS Strategy and Master Work Plan to reflect the IFMS system of accountability and establish priorities and realistic target dates.
- Establish an accurate and effective methodology and process to accumulate, track, and monitor all IFMS life cycle costs.

What Action Was Taken

Agency officials generally agreed with our findings and recommendations. In fact, the Agency completed action on 5 of our 16 recommendations and has

initiated or has plans to initiate action on the remaining 11. For example, during the course of the audit top management involvement with and oversight of IFMS development increased substantially. The final report (4100561) was issued to the Assistant Administrator for Administration and Resources Management on September 28, 1994. A response to the final report is due by December 28, 1994.

Centralized Administrative Management Needed to Improve Technology Program

Findings in Brief

Although EPA is successfully publicizing the concept of the Federal Technology Transfer Act (FTTA) and encouraging the creation of public-private partnerships, the program can be enhanced with centralized oversight of the Cooperative Research and Development Agreement (CRADA) process, including stronger internal control of the funds the Agency receives from outside organizations.

Background

The FTTA, designed to speed the transfer of patents and technology to the private sector, authorizes government-operated laboratories and offices to enter into CRADAs and licensing agreements with other parties, under which the government may receive and use funds from outside parties. As an added incentive, the Act permits Federal laboratories and individual inventors to collect royalties from licensing agreements with private companies to market government-owned inventions.

We Found That

EPA is successfully fulfilling the objectives of the FTTA by taking an active role in formulating and implementing procedures to facilitate the development and rapid movement of technology to the private sector, and by publicizing the concepts of FTTA and encouraging the use of CRADAs and licensing agreements as defined by the Act.

Although the number of agreements has nearly doubled every year as interest has grown and the process has become more streamlined, we found that CRADAs do not have the centralized administrative management to track payments and monitor status that exists for other legal documents, such as contracts and grants. CRADAs do not have the equivalent of a contracting officer or grant specialist to oversee the administrative functions once the agreement is in effect, and we believe the current decentralized oversight may lead to problems. the most serious of which would be that lost or misdirected funds could go unnoticed. We noted several instances where the Agency had not received scheduled payments from CRADA companies, and internal controls were insufficient for tracking payments.

We Recommended That

The Assistant Administrator for Administration and Resources Management require the Director, Grants Administration Division, to establish and document a process for administrative management of CRADAs which tracks payments and monitors their status. The process should include a reconciliation of amounts due to amounts received; a uniform numbering system for CRADAs;

maintenance of all original signed CRADAs; and provisions for modifying or canceling existing CRADAs and adequate documentation of such events.

What Action Was Taken

The final report (4100470) was issued to the Assistant Administrator for Administration and Resources Management and the Acting Assistant Administrator for Research and Development on July 29, 1994. In responding to the draft report, the Agency agreed to track CRADA payments, monitor their status, and initiate an Agencywide FTTA task force to consider potential modifications and develop revisions to the EPA guidance to assure a comprehensive management system for the FTTA program. As a result, we closed out this audit in our tracking system and all corrective actions will now be tracked in the Agency's Management Audit Tracking System.

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 a major review to examine EPA's programs for using 8(a) contractors. Independent audits of the records and performance of individual contractors and recipients of assistance agreements were also conducted in accordance with the General Accounting Office standards for audits of governmental organizations. programs, activities, and functions. These audits determine whether costs claimed by contractors are eligible, supported by documentation, necessary, and reasonable. Reviews were also conducted of EPA's use of extramural resources to pay for conference support and travel. Summaries follow of the most significant findings and recommendations reported during this semiannual period.

Additional Improvements Needed in Contracting With Small and Disadvantaged Businesses

Findings in Brief

EPA complied with laws and regulations in awarding and amending contracts to small and disadvantaged business firms during fiscal 1993. However, contrary to the objectives of the program, awards were made just days before the firms' program eligibility expired.

Background

Section 8(a) of the Small Business Act (Act) is designed to assist small, disadvantaged businesses in becoming financially competitive in the open market for Government contracts. The Office of Small and Disadvantaged Business Utilization (OSDBU) is the Agency's advocate for small businesses. Firms in the 8(a) program can participate for a maximum of nine years, known as the "Program Term," and agencies can set aside and award service contracts under \$3 million to these firms without competition.

We Found That

EPA complied with applicable laws and regulations in awarding and amending 8(a) contracts during fiscal 1993, and showed improvement in detecting and correcting historical problems such as contract splitting, undervaluation, or conflicts of interest. We found fiscal 1993 awards in which contracting officials identified similar problems and took corrective actions, and that fiscal 1992 and 1993 awards evidenced a significantly improved distribution among firms.

However, EPA awarded seven sole source, multi-year contracts to four 8(a) firms totalling over \$90 million just days before the expiration of the firms' program eligibility. This practice: (1) permits firms to benefit from sole source awards for several years after the conclusion of their "Program Term;" (2) does not encourage 8(a) firms to compete in the open marketplace; and (3) creates a perception that EPA favors selected contractors.

Additionally, OSDBU has faced resistance as the Agency's advocate for 8(a) contractors. Problems included: (1) insufficient and untimely contract information being available to OSDBU; (2) a lack of Agency-wide accountability for meeting 8(a) contracting goals; and (3) an inefficient organizational structure. As a result, EPA did not meet its fiscal 1992 or 1993 goals for contracting with 8(a) firms.

We Recommended That

The Assistant Administrator for Administration and Resources Management and the Director, OSDBU:

- Establish a policy requiring their offices to concur and provide written justification for awarding 8(a) contracts whose base or option periods extend beyond the established "Program Term" of the recipient 8(a) firm.
- Develop a method of setting 8(a) program goals for Assistant Administrators, Regional Administrators, and Office and Division Directors, and a mechanism for timely tracking of actual achievements.
- Improve the coordination between OSDBU and the Office of Acquisition Management in

directing and supervising the Small and Disadvantaged Business Utilization Specialists.

 The Director, OSDBU, develop a multi-year plan which identifies current 8(a) contract levels and presents a strategy for obtaining sufficient future contracts to meet the Agency's projected goals.

What Action Was Taken

The final report (4100452) was issued to the Assistant Administrator for Administration and Resources Management and the Director, OSDBU, on July 22. 1994. In response to our draft report, Agency officials generally agreed with our findings and recommendations related to improved planning and information gathering within OSDBU, increased accountability in the program offices, and improved coordination. However, they did not agree with our finding or recommendations concerning sole source contracts awarded to 8(a) firms near the completion of their program eligibility. On October 13, 1994, we received a response from the Assistant Administrator for Administration and Resources Management to the final report. However, we have not received OSDBU's response.

Improperly Procured Services Included Inherently Governmental Functions

Findings in Brief

EPA inappropriately procured \$150,000 of program management services, including inherently governmental functions, under a sole source cooperative agreement rather than a competitive process.

Background

The Office of Small and Disadvantaged Business Utilization (OSDBU), in cooperation with EPA's Risk Reduction Engineering Laboratory (RREL), prepared and submitted a proposal to enhance pollution prevention research in the small business environment by competitively awarding grants totaling \$750,000 to various small businesses. EPA awarded a cooperative agreement to the Center for Hazardous Materials Research (CHMR) in 1990 with potential maximum funding of \$900,000, including \$150,000 for program management services.

We Found That

CHMR's services were for the direct benefit of the Government and, by law, should have been awarded under a competitive bid contract, not a sole source cooperative agreement. According to CHMR's application, its role as program manager was to effectively and efficiently manage the project. Although \$750,000 was correctly awarded to small businesses as grants, the \$150,000 provided to CHMR to manage these grants was required by the Federal Grant and Cooperative Agreement Act (FGCAA) to be awarded under a contract. In addition, EPA selected CHMR to manage the project on a non-competitive basis by involving them in the planning phase of the project.

Some of the program management services CHMR performed included making judgmental decisions on behalf of the Government in violation of OMB policy to retain inherently governmental functions in-house. Specifically, these services included awarding subgrants to small businesses, and determining

if each small business had satisfactorily completed a sufficient amount of work to warrant approval of their voucher for payment.

We Recommended That

The Director of OSDBU ensure that all future contracts and assistance agreements involving OSDBU are awarded in compliance with all applicable laws, regulations, and EPA policies and procedures.

What Action Was Taken

The final report (4400102) was issued to the Director of OSDBU on August 29, 1994. In responding to our draft report, the Director of OSDBU generally concurred with the findings and recommendations. A response to the final report is due by November 28, 1994.

Conflict of Interest Increases Questioned Costs

Findings in Brief

The Center for Earth Resource Management Applications, Inc. (CERMA) violated EPA's conflict of interest regulations, failed to maintain an adequate financial management system, and their internal control structure contained significant deficiencies. In addition, nearly all costs claimed by CERMA were questioned.

Background

EPA awarded three assistance agreements totaling \$235,000 to CERMA, a non-profit educational organization located in Springfield, Virginia, to support various recycling initiatives. CERMA had a management services agreement

with another firm, a profit-making company and EPA contractor, in which that firm provided CERMA with administrative support (including financial management services), fund-raising, and program support.

We Found That

A conflict of interest existed since the president of the other firm, who was also the Treasurer and Project Manager of CERMA, authorized CERMA's procurement of unspecified management services, including a ten percent profit, from his own consulting firm. He determined which services would be provided, authorized payment for services, and signed checks, including payments to his own company. He also maintained CERMA's entire financial management system on the other firm's computer, established salary rates and fringe benefits for himself and CERMA employees, and submitted claims to EPA for reimbursement.

CERMA violated EPA's requirement to properly account for Federal funds by not having an adequate financial management system, and did not comply with the annual audit requirements of OMB Circular A-133. In addition. there were significant deficiencies in CERMA's internal control structure, including the lack of: (1) oversight by the Board of Directors, (2) separation of duties, (3) written policies and procedures, and (4) adequate personnel management which adversely affected CERMA's ability to record, process, summarize, and report financial data, including claims for reimbursement to EPA

Of the \$195,785 costs claimed by CERMA, 99 percent were questioned, and we determined that \$91,793 were ineligible,

\$1,212 were unsupported, and \$102,010 were unreasonable. Costs were questioned for various reasons, including conflict of interest, lack of prior approval, noncompliance with cost principles, costs not included in the approved budgets, excessive expenditures, inadequate documentation, inappropriate allocations, and other violations of regulations.

Related to these deficiencies, a separate OIG report disclosed that EPA's Office of Solid Waste (OSW) did not perform site visits or request and review financial information for two assistance agreements awarded to CERMA.

We Recommended That

EPA recover the costs associated with the management services agreement and the resulting conflict of interest, and that project officers administer assistance agreements in accordance with EPA policies and procedures.

What Action Was Taken

The final report (4400106) was issued to the Director, Grants Administration Division, the Director, Office of Solid Waste (in Headquarters), and the Regional Administrator, Region 3, on September 12, 1994. In response to our draft report, the Agency concurred with the findings identified in the report, but did not believe it would be feasible to attempt to recover the questioned costs because CERMA was no longer in business. The Agency terminated the two awards that were active as of our review, and suspended CERMA, the other firm, and its president from all Federal procurement and nonprocurement activities in December 1993. In March 1994, EPA's Debarring Official approved a Compliance Agreement with the other firm and

its president in which he admitted that he had engaged in a conflict of interest and agreed to repay the Government for any associated costs that are disallowed. A response to the final report is due by December 12, 1994.

The final report (4400113) was issued to the Director, Office of Solid Waste, and the Director, Grants Administration Division. In response to the draft report, OSW generally disagreed with the findings but agreed with our recommendations. A response to the final report is due by December 27, 1994.

Cooperative Agreements Misused for Graduate Courses

Findings in Brief

Two cooperative agreements (CA), awarded to evaluate and refine techniques to identify and measure environmentally significant chemicals, were used to provide graduate course work at Montana State University (MSU) for an Agency employee. In addition, other costs claimed under the cooperative agreements could not be supported.

Background

EPA awarded two CAs in 1989 and 1991 to fund a study which required MSU to evaluate and refine mass spectrometric techniques needed to identify and measure environmentally important chemicals. To accomplish this work, an EPA employee was relocated from the EPA laboratory in Athens, Georgia to MSU in Bozeman, Montana under an Intergovernmental Personnel Act (IPA) agreement. A senior MSU Department of Chemistry staff

member was to be the program manager, and EPA was authorized to reimburse MSU for 79 percent of the allowable project costs.

We Found That

The CAs were actually used to fund an employee's graduate level training in violation of the provisions of the agreements involved. Although the preliminary IPA agreement specifically provided for the EPA employee's formal education, this provision was objected to by EPA Headquarters and eliminated from the final agreement. The EPA employee attended MSU as a graduate student for 24 months of the assignment, and the final research report submitted by MSU to EPA was a modified version of the employee's doctoral thesis, indicating that the research performed supported the employee's education rather than the CA purpose. Therefore, we questioned all \$191,558 claimed under the CAs.

We Recommended That

The Director, Office of Grants and Debarment, recover the Federal share (\$150,072) of the \$191,588 questioned, costs.

What Action Was Taken

The final report (4100497) was issued on August 23, 1994, to the Director, Office of Grants and Debarment. A response to the audit report is due by November 23, 1994. In responding to a draft report, MSU concurred with some questioned costs but did not agree that graduate course work was not authorized.

EPA Improperly Awarded Cooperative Agreements and Approved Excessive Expenditures for Two Conferences

1989 Award to the University of Kansas

Findings in Brief

EPA circumvented assistance regulations and misused Federal funds by awarding a cooperative agreement to the University of Kansas (KU) which included ineligible and unnecessary costs such as travel, alcohol, and entertainment.

Background

EPA awarded a cooperative agreement in March 1989 to KU to manage the logistics for EPA's National Environmental Information Conference. Over 700 participants attended the conference, including over 400 EPA employees, and EPA paid conference-related costs for 171 non-Federal participants. Region 7 and Headquarters staff participated in conference management, with the Region 7 Assistant Regional Administrator for Policy and Management and the former Headquarters Deputy Assistant Administrator (DAA) for Administration and Resources Management serving as co-chairs.

We Found That

KU's logistical support functions for the conference should have been obtained through a contract instead of a cooperative agreement since EPA was the beneficiary of the services. The former DAA stated that a cooperative agreement was chosen to fund the conference in order to pay the travel costs of selected non-Federal attendees. In funding this activity, EPA cited improper authorities, circumvented statutory requirements, and potentially augmented Congressionally appropriated funding levels for travel.

The Region 7 Project Officer did not eliminate ineligible or unnecessary costs from the KU proposal before approval or maintain adequate records. Also, he allowed KU to use an incorrect indirect cost rate, increasing indirect costs by 54 percent, and did not resolve outstanding issues prior to authorizing close-out of the grant file. Of the \$533,523 awarded under this cooperative agreement, we questioned more than \$400,000 as unallowable.

All Grants Administration Section specialists involved in the KU assistance agreement were intimidated into doing a less than adequate job because of the active involvement of their senior managers. They did not adequately address unallowable costs contained in the project proposal, and obtained less documentation than normal to support increases to the original award before authorizing the amendments or approving payment of funds.

In four instances, Region 7 and KU conference managers improperly contracted for conference-related services. Region 7 conference managers participated in contract negotiations and awards, without the necessary authority, and disregarded Federal and State procurement policies and procedures.

We Recommended That

The Assistant Administrator for Administration and Resources Management:

- Determine whether it is appropriate to recover the entire amount awarded (\$506,929) and take appropriate action with respect to the travel-related funds spent contrary to Federal law.
- Determine the allowability of costs claimed by KU and recover the ineligible, unnecessary, unreasonable, and unsupported costs which KU incurred, and either ratify or recover the costs associated with the four contracts.
- Hold Agency managers accountable for ensuring management controls are in place and working to prevent unauthorized expenditures.

What Action Was Taken

In responding to our draft report, the Assistant Administrator for Administration and Resources Management indicated that he would not disallow all the costs, nor would he disallow KU's costs for the non-Federal participants' travel because such an action would have an inequitable impact on KU. The Agency has developed guidance and a training course for grants project officers which will assist EPA officials in determining the proper funding instrument. The final report (4100407) was issued on June 17, 1994, to the Assistant Administrator for Administration and Resources Management The Agency response was due by September 15, 1994, but has not been received.

1991 Award to Temple University

Findings In Brief

EPA erroneously awarded a cooperative agreement to Temple University and mismanaged the agreement by not controlling expenditures and allowing unauthorized travel.

Background

A cooperative agreement was awarded to Temple University for helping EPA host the fourth National Environmental Information Conference. Under the cooperative agreement, Temple performed numerous administrative and logistical tasks, paid travel-related expenses for EPA's invited guests, and procured goods and services.

We Found That

EPA should have awarded a contract for the conference because Temple only provided logistical services. Moreover, EPA was the sponsor and direct beneficiary of the services.

Despite the expenditure of thousands of dollars, there were virtually no records to indicate that the Agency had reviewed: (a) Temple's proposal; (b) the assistance award, or (c) contracts or invoices. Numerous unreasonable and unnecessary items and associated costs in the proposal should have been questioned or disallowed before the assistance award was approved.

Many procurements under the cooperative agreement violated either Federal or University regulations resulting in nearly 90 percent being unauthorized. Contrary to Agency policy, EPA

directed Temple University to use registration fees, as well as cooperative agreement funds, to pay for food and entertainment. The amounts paid for meals were at a rate more than double the amount allowed by Federal Travel Regulations.

We Recommended That

The Assistant Administrator for Administration and Resources Management:

- Determine whether it is appropriate to recover the entire unauthorized assistance funds paid to Temple University because the Agency was required to issue a contract to obtain Temple's services for its direct use and benefit, rather than award a cooperative agreement.
- Recover the ineligible, unreasonable and unsupported costs which Temple incurred. The Agency should also recoup payments made to employees for travel costs and managers should be held accountable to ensure management controls are implemented to prevent future unauthorized expenditures.

What Action Was Taken

In responding to the draft report, the Assistant Administrator for Administration and Resources Management decided not to disallow the costs paid to Temple, including the travel costs of non-Federal participants. Even though he agreed the project should have been funded under a contract, he indicated that disallowing all the costs would have an inequitable impact on Temple. The final audit report (4100523) was issued to the Assistant Administrator on September 15, 1994. A response to the final report is due by December 14, 1994.

Non-Federal Employee Travel Expenses Improperly Paid

Findings in Brief

EPA misused Agency travel funds, contracts, and interagency and cooperative agreements to pay travel-related expenses for non-Federal employee attendance at conferences and meetings.

Background

An agency may pay for the travel and related expenses of non-Federal persons to attend meetings and conferences only when a person is requested to meet with Federal officials on official business or provide direct service to an agency.

We Found That

In 1991, the Office of Administration and Resources Management (OARM) used travel funds to pay for 16 people who were not government employees to attend a conference in Miami. Florida. In 1992 and 1993, Office of Cooperative Environmental Management (OCEM) officials authorized use of travel funds to pay travel-related expenses for non-EPA personnel to attend two international conferences and one conference in California. On at least three occasions. OCEM also provided funds for a contractor to make travel arrangements and reimbursements for individuals to attend international conferences and workshops. None of these were EPA-sponsored conferences, or for the benefit of the Federal government.

Contrary to law, offices within EPA have been improperly paying travel-related expenses for

advisory committee members through contracts and interagency agreements (IAGs). In fiscal 1992 and 1993, 15 out of 20 EPA advisory committees had their members' travel funded using three IAGs and five contracts. From October 1, 1991, through March 31, 1993, these 15 advisory committees used approximately \$700,000 in contract funds for this purpose which violated statutory requirements and may have improperly augmented EPA's travel appropriation.

Region 7 improperly awarded a cooperative agreement to the University of Kansas (KU) to manage the 1989 National Environmental Information Conference. Since travel expenses were the primary purpose of the award, EPA may have circumvented Agency authority. This problem was discussed as the subject of a separate audit.

We Recommended That

The Assistant Administrator for Administration and Resources Management provide written guidance and instructions which clearly delineate when travel-related expenses may be paid to non-Federal employees and how these expenses are to be funded, and establish Agency-wide procedures to oversee payment of travel-related expenses for non-Federal employees.

What Action Was Taken

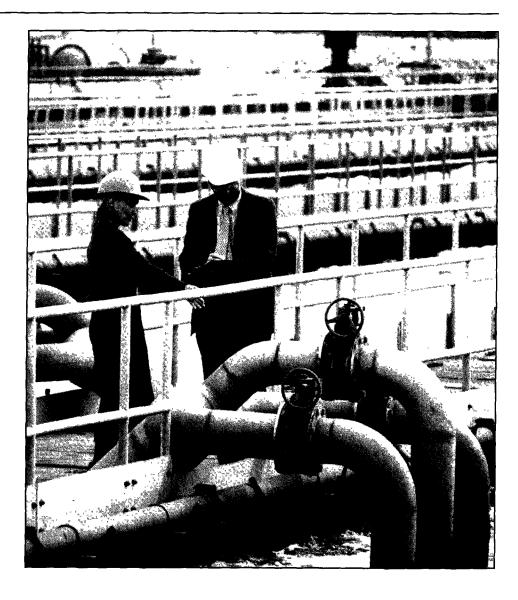
The final report (4400079) was issued on July 6, 1994. The Assistant Administrator for Administration and Resources Management generally concurred with our recommendations, and the Office of the Comptroller (OC) issued Transmittal No. 94-22, "Payment of Travel Expenses for

Non-Federal Personnel." The Financial Management Division (FMD) will perform oversight reviews to ensure that Finance Offices are following Agency travel disbursement guidelines, and incorporate this procedure into FMD's Quality Assurance Manual which will be revised by October 1994. These actions, if properly implemented, should resolve the issues in the report. As a result, we closed this review in our tracking system.

Construction Grants

EPA's wastewater treatment works construction grants and State Revolving Fund (SRF) programs are the largest programs the Agency administers. Under the provisions of Public Law 92-500, as amended, the Agency was authorized to make construction grants covering 55 percent and, in some instances, up to 85 percent of the eligible costs of constructing wastewater treatment facilities. During this semiannual period, \$152.7 million was obligated on 28 new construction grant awards and 194 increases to existing grants. As of September 30, 1994, there was \$12.6 billion in grants that were potentially subject to audit. Of this total, there were 315 active construction grants, representing \$2.8 billion in Federal obligations.

Amendments to the construction grants program are covered in Title II of the Water Quality Act of 1987. Section 212 created a new Title VI in the Clean Water Act, which addresses the process of phasing out the construction grants program by providing incentives for development of alternative funding mechanisms by the States. The new Title VI charges EPA with developing and implementing a program to provide grants to capitalize State revolving funds for financing wastewater projects. During this semiannual period, \$1.2 billion was awarded for 48 continuation SRF grants.



As of September 30, 1994, EPA had obligated \$9.8 billion to 50 States and Puerto Rico under the State Revolving Fund program.

One of the Agency's goals is to substantially close out the construction grant program by September 30, 1997. The OIG is committed to assisting the Agency accomplish this goal as expeditiously as possible within its budget and workload constraints. Summaries of several audits of construction grants with significant issues follow.

Almost \$9.4 Million of Costs Questioned for Vallejo, California, Project

Findings In Brief

Vallejo, California, claimed \$5,525,458 of ineligible administration, engineering and construction costs for the Vallejo Sanitation and Flood Control District project. An additional \$3,874,497 of unreasonable project costs were questioned.

We Found That

EPA awarded a grant totaling \$19,962,958 to the Vallejo Sanitation and Flood Control District for construction of a wastewater treatment plant. The grantee claimed \$5,525,458 of ineligible costs under the grant, including:

- \$3,162,957 of costs related to interest earned by the grantee on an overpayment of Federal funds;
- \$1,589,576 of costs for the depreciated value of abandoned and replaced equipment and structures, rather than for their actual costs;
- \$292,895 of engineering costs incurred prior to the date that the engineering subagreement was approved by State Water Resources Control Board;
- \$254,796 of costs allocable to the ineligible portion of the construction project,
- \$141,116 of inspection costs incurred after the construction project completion date,
- \$84,118 of construction costs which were not applicable to the project, and engineering start-up

costs which were allocable to failed and/or abandoned equipment.

We also questioned \$3,874,497 of unreasonable costs related to facilities and equipment items intended for a biological plant which were being used only as a wet weather reserve capacity.

We Recommended That

The Regional Administrator, Region 9, not participate in the Federal share of ineligible costs (\$4,144,094), determine the eligibility of the Federal share of unreasonable costs (\$2,905,873), and recover the applicable amount from the grantee.

What Action Was Taken

The final report (4300051) was issued to the Regional Administrator, Region 9, on September 29, 1994. A response to the audit report is due by December 29, 1994.

Over \$8.2 Million of Ineligible Costs Claimed for Houston, Texas, Project

Findings In Brief

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 and \$1,063,235 of unnecessary or unreasonable costs were questioned.

We Found That

EPA awarded eight grants totalling \$208,720,680 to Houston for the construction of a wastewater treatment plant including rehabilitation of sewer lines, and

construction of a sludge storage and loading facility. The grantee claimed \$6,159,937 of ineligible costs under the grant, including:

- \$1,617,670 of costs for removal of deteriorated pipe and manhole lining;
- \$1,140,230 of construction costs determined to be ineligible because the Texas Water Development Board made overpayments in the final eligibility determinations for change orders;
- \$1,119,518 of costs for abandoned facility/equipment including an abandoned barge loading facility under the grant;
- \$1,077,620 of construction management costs attributed to questioned construction costs;
- \$622,077 of construction change order costs considered outside of the scope of the approved project;
- \$361,000 of construction costs incurred after the project completion date; and
- \$221,822 of engineering costs considered outside the scope of the approved project or allocable to the ineligible portion of the construction.

We also questioned \$991,174 of unsupported costs, including a sole source procurement not supported by any cost analysis and costs not supported by a contract change order Additionally, we questioned \$1,063,235 of unnecessary or unreasonable costs claimed in excess of the approved grant amount.

We Recommended That

The Regional Administrator, Region 6, not participate in the Federal share of ineligible costs (\$4,747,066), determine the eligibility of the Federal share of unsupported costs (\$743,381) and unnecessary and unreasonable costs (\$796,517), and recover the applicable amount from the grantee.

What Action Was Taken

The final report (4300052) was issued to the Regional Administrator, Region 6, on September 29, 1994. A response to the audit report is due by December 29, 1994

Fairfax County, Virginia, Claimed Nearly \$4.3 Million of Questioned Costs

Findings in Brief

The County of Fairfax, Virginia, claimed \$3,533,822 of ineligible architectural engineering and construction costs for wastewater treatment facility improvements. An additional \$752,097 of unsupported costs were questioned.

We Found That

EPA awarded grants totalling \$44,351,550 to Fairfax County, Virginia, for the design and construction of a lime solids handling facility, activated carbon treatment and regeneration facilities, and related improvements. The grantee claimed \$3,533,822 of ineligible costs under the grant, including:

- \$2,005,166 of overpayment for settlement costs paid to a contractor after being reimbursed by the insurance company and consulting engineer;
- \$479,502 of costs considered outside the scope of the approved project;

- \$449,676 of legal and fiscal costs in defense of a claim not approved;
- \$323,057 of construction costs incurred after the approved completion date;
- \$276,421 of administrative and engineering costs not applicable to portions of the project, and construction costs which exceeded bid items and change orders.

In addition, \$752,097 of unsupported costs were questioned because the claims were not substantiated by documentation.

We Recommended That

The Regional Administrator, Region 3, not participate in the Federal share of ineligible costs (\$2,650,367), determine the eligibility of the Federal share of unsupported costs (\$564,072), and recover the applicable amount from the grantee.

What Action Was Taken

The audit report (4300044) was issued to the Regional Administrator, Region 3, on August 23, 1994. A response to the audit report is due by November 22, 1994.

Onondaga County, New York, Claimed Nearly \$5.8 Million of Questioned Costs for Sewers

Findings in Brief

Onondaga County, New York, claimed \$1,888,500 of ineligible architectural engineering and construction for the design and construction of Ley Creek service area improvements, and \$3,863,733 of costs that exceeded the grant ceiling.

We Found That

EPA awarded a grant of \$10,571,420 to Onondaga County, New York, to design and construct Ley Creek service area improvements. The grantee claimed \$1,888,500 of ineligible costs under the grant, including

- \$1,324,150 of architectural and engineering fees that exceeded the eligible amount (principal engineer and other consultant) allowed under the New York State Department of Environmental Conservation (NYSDEC) criteria;
- \$449,036 of construction costs deemed ineligible based on NYSDEC's determination; and
- \$115,314 of design allowance costs calculated using estimated construction costs rather than actual costs.

We also questioned \$3,863,733 of unsupported costs representing amounts that exceeded the grant ceiling.

We Recommended That

The Regional Administrator, Region 2, not participate in the Federal share of ineligible costs (\$1,038,675), determine the eligibility of the Federal share of costs that exceeded the grant ceiling (\$2,125,053), and recover the applicable amount from the grantee

What Action Was Taken

The audit report (4100412) was issued to the Regional Administrator, Region 2, on June 21, 1994. A response to the audit report was due by September 21, 1994. However, it will be delayed until December 1994 because NYSDEC, which is

responsible for resolving the audit, is concentrating on higher priority OIG audits of New York City

Over \$4.5 Million of Questioned Costs Claimed for Ocean County, New Jersey, Project

Finding In Brief

The Ocean County Utilities
Authority, New Jersey claimed
\$3,057,931 of ineligible
architectural engineering,
construction, force account,
administrative, and innovative
and alternative technology costs
for the construction of
wastewater treatment facilities.
An additional \$1,455,727 of
unsupported costs were
questioned.

We Found That

EPA awarded four grants totaling \$183,432,225 to the Ocean County Utilities Authority, New Jersey for the construction of secondary wastewater treatment facilities, pumping stations, force mains, interceptor and gravity sewers, sewer rehabilitation, ocean outfall, odor control facilities, septage facilities, and innovative/alternative technology bonuses. The grantee claimed \$3,057,931 of ineligible costs under the grant, including:

• \$1,347,567 of construction cost change orders were outside the scope of the approved project, bid item overruns/underruns were not covered by final quantity change orders, change order costs were declared ineligible by the New Jersey Department of Environmental Protection and Energy (NJDEPE), amounts were claimed in excess of approved change order amounts, unpaid portion of costs incurred, and ineligible bid amounts were claimed:

- \$842,136 of architectural engineering costs resulting from unapproved settlement charges, costs claimed in excess of EPA or NJDEPE approved amount, and costs resulting from application of an incorrect eligibility factor;
- \$573,864 of administrative and force account costs incurred after the grant cut-off dates, costs in excess of the grant budget ceiling, costs resulting from application of an incorrect eligibility factor, equipment costs that exceeded the project amount approved by EPA or NJDEPE, and items not part of the approved grant budget;
- \$165,708 of innovative and alternative technology bonus costs claimed for septage facilities which were not incurred or paid; and
- \$128,656 of miscellaneous costs lacking prior approval and costs related to site acquisition.

We also questioned \$1,455,727 of unsupported construction, administrative and architectural engineering costs, including unapproved change orders, undocumented costs, and costs resulting from a process control study not approved by EPA or NJDEPE.

We Recommend That

The Regional Administrator, Region 2, not participate in the Federal share of ineligible costs (\$2,144,016), determine the eligibility of the Federal share of unsupported costs (\$883,511), and recover the applicable amount from the grantee.

What Action Was Taken

The final report (4300034) was issued to the Regional Administrator, Region 2, on May 4, 1994. A response to the audit report was due by August 4, 1994.

However, it will be delayed until December 1994 due to numerous technical and complex issues.

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. Taxing authority for the trust fund expired on September 30, 1985. For more than a year, the Superfund program operated at a reduced level from carryover funds and temporary funds provided by Congress.

On October 17, 1986, the Superfund Amendments and Reauthorization Act of 1986 (SARA) was enacted. It provided \$8.5 billion to continue the program for 5 more years and made many programmatic changes. On November 5, 1990, the Omnibus Budget Reconciliation Act of 1990 was enacted, authorizing appropriations for 3 additional years and extension of the taxing authority for 4 years.

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 Fundfinanced remedial actions, or 50 percent if the source of the hazard was operated by the State or local government.

The enactment of 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;
- · 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 seventh annual report, covering fiscal 1993, was issued September 1994.

Contractors Still Lack Adequate Accounting Systems

Findings in Brief

Emergency Response Cleanup Services (ERCS) contractor accounting system deficiencies noted in past OIG reports still exist because of inadequate enforcement by EPA personnel. In addition, EPA rarely exercised sanctions for contractor noncompliance.

Background

Prior audits of EPA's management of ERCS contracts reported that ERCS contractors generally did not have adequate accounting systems to provide accurate cost and equipment utilization data. ERCS contracts awarded after March 31, 1992, include a specific requirement clause to establish and maintain an acceptable cost accounting system.

We Found That

EPA's Office of Acquisition Management (OAM) and its regional contracting officers (COs) continued to allow contractor noncompliance with the Federal Acquisition Regulation and contract accounting systems requirements clauses because of a belief that complete enforcement would drive away ERCS contractors. Despite a decade of doing business with EPA, the ERCS contractors reviewed still did not have approved accounting and billing systems needed for cost reimbursement contracts. Except for one instance, sanctions for contractor non-compliance were not exercised.

OAM and regional procurement personnel also allowed some ERCS contractors to use EPA's internal Removal Cost Management System (RCMS) as a billing mechanism, despite requirements for ERCS contractors to generate invoices from, and reconcile them to, their internal accounting systems. Moreover, EPA's historic reliance on the RCMS to validate the contractors' claims did not provide the necessary internal controls to reasonably assure that the Agency's contract expenditures were properly accounted for because there was no assurance that billed charges were actually incurred and paid by the contractor.

We Recommended That

The Assistant Administrator for Administration and Resources Management require:

- OAM and regional ERCS contracting officers to enforce FAR and contract clause accounting system requirements for all current and future ERCS contacts.
 Significant remedies should be pursued when contractors are not making sufficient, timely progress toward clause compliance.
- Contractors to correct inadequate accounting systems before EPA awards the contract.
- OAM to provide the needed oversight and assistance to ensure consistent and uniform regional implementation and enforcement of FAR and contract accounting system requirements.
- Contractors to generate invoices from, and be supported by, contractor accounting systems.
 The RCMS and EPA Form 1900-55 should not be utilized as a substitute for required contractor accounting systems.

The Assistant Administrator for Solid Waste and Emergency Response require that:

- OSC-certified EPA Form 1900-55 not be utilized in a manner that could be reasonably interpreted to satisfy contract documentation requirements. To neutralize this possible interpretation, the historical significance of EPA Form 1900-55 as a cost report should be de-emphasized and affirmation of its use as a receiving report should be emphasized.
- The EPA Form 1900-55 be modified by supplementing the OSC certification language with a clear statement of the authenticity and acceptance of the costs recorded thereon.

What Action Was Taken

The final audit report (4400112) was issued to the Assistant Administrator for Administration and Resources Management and the Assistant Administrator for Solid Waste and Emergency Response on September 29, 1994. In responding to the draft report. the Agency generally agreed with our recommendations and provided planned or initiated actions to correct the identified weaknesses. For example, EPA will provide quidance for requiring contractors to invoice EPA from their accounting systems, and EPA is modifying the OSC certification language. A response to the final report is due by December 29, 1994.

Better Controls Needed to Protect Over \$22 Million in Securities in Bankruptcy Cases

Findings In Brief

EPA had limited controls in place to safeguard marketable securities received as a result of Superfund cost recovery efforts. Also, current bankruptcy laws hinder EPA's cost recovery efforts.

Background

When EPA attempts to recover Superfund Trust monies from those responsible for the contamination, some responsible parties file for bankruptcy protection and EPA may receive marketable securities in the reorganized companies as payment of debts. During fiscal 1992 and 1993, EPA received 2.4 million shares of marketable securities worth \$22.4 million from bankruptcy settlements which were transferred to the Treasury Department to be sold and proceeds returned to the Superfund Trust Fund.

We Found That

EPA had not established central receiving points, restricted access, maintained records, or assigned custodial responsibility for securities. The Agency could not be assured securities were adequately safeguarded against theft and forwarded timely to Treasury, and there were no procedures to follow up with bankrupt responsible parties or their trustees to ensure receipt of all securities. In the two regions we visited, accounts receivable for Superfund bankruptcy settlements were recorded an average of seven months after agreements were reached with responsible parties, and securities received as payment were not recorded in the Agency's accounting system until Treasury sold the securities.

Bankruptcy cases handled by Headquarters attorneys were not always entered into the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS), the Agency's main Superfund tracking system. We identified six bankruptcy cases valued at over \$96.6 million that were settled during fiscal 1992 and 1993, but were not recorded in CERCLIS. Further, EPA was not tracking marketable securities transferred to the Agency, the amount of securities received, and the total proceeds from their sale.

Two key issues involving bankruptcy law need to be resolved to improve the Agency's ability to recover Superfund cleanup costs. First, some reorganizing companies have argued that EPA's claim should include all environmental liability. even future cleanup costs EPA might incur, and that the bankruptcy settlement should discharge all of their environmental liability. Second, it is unclear how much information responsible parties should include in their bankruptcy notices to creditors, and where the notices should be filed, which could cause the Agency to miss its opportunity to participate in bankruptcy proceedings.

We Recommended That

The Chief Financial Officer establish central receiving points for marketable securities, designate employees to be responsible for securities, and develop procedures for properly handling and recording marketable securities.

The Assistant Administrator for Enforcement and Compliance Assurance:

- Assign responsibility for following up with reorganized companies to help ensure EPA receives all of the securities it is entitled to receive, and develop procedures to ensure Superfund bankruptcy settlements are recorded in CERCLIS.
- Include provisions in the Agency's bankruptcy guidance to follow up with the Department of Justice when final bankruptcy orders are not forwarded timely to EPA; and forward bankruptcy orders timely to the appropriate financial management office so an account receivable can be established.
- Develop procedures to track collections, including form of payment for bankruptcy settlements; and revise the Superfund enforcement performance measurement reporting to reflect the impact bankruptcies have on the Superfund cost recovery program.

What Action Was Taken

In responding to our draft report, the Agency generally agreed with our findings and recommendations and provided substantive planned or already initiated actions to correct the identified weaknesses. These actions, if properly implemented, should substantially resolve the issues in this report. The final audit report (4100579) was issued to the Chief Financial Officer and the Assistant Administrator for Enforcement and Compliance Assurance on September 30, 1994. A response to the final report is due by December 30, 1994.

Over \$227,000 of Ineligible Claims for Minnesota Superfund Site

Findings in Brief

The Minnesota Pollution Control Agency (MPCA) had weak internal controls over personnel and contractor costs, and did not comply with procurement laws and regulations. As a result, we questioned \$227,584 of the costs claimed for the Ritari Post and Pole site under a Superfund multi-site cooperative agreement.

Background

MPCA is responsible for managing remedial activities at selected Superfund sites under EPA's CERCLA authority. In 1987, the Superfund multi-site cooperative agreement was amended to provide funding of \$234,005 for the Ritari Post and Pole site with two-year budget and project periods. Six additional amendments increased the award to \$942,963 and extended the budget and project periods to September 30, 1995.

We Found That

MPCA had significant weaknesses in internal controls in the areas of leave allocation, contractor rate increase approvals, contractor indirect cost rate reviews, contractor invoice support, and timesheet reviews. We found that leave allocation procedures did not equitably distribute leave because the distribution was based upon a percentage of the quarterly budgeted time allocated for Federal and State projects, and MPCA employees were not consistently following leave allocation procedures.

Contractor rate increases were approved by MPCA in excess of contract limits and without a thorough cost analysis or supporting cost documentation. The process used to review and approve indirect costs and associated rate increases does not assure that these rates are accurate, allowable, and sufficiently justifiable. Although this was a cost reimbursement type contract, MPCA permitted its contractor to submit supporting documentation for its invoices on an inconsistent basis, and never examined contractor timesheets to determine whether labor charges were appropriate.

MPCA did not comply with regulations and cooperative agreement conditions pertinent to contract procurement and site management. Specifically, MPCA awarded a full scope contract to a company that submitted only a limited scope proposal, and improperly changed the scope of the cooperative agreement by adding more tasks to it without obtaining approval from the EPA project officer resulting in \$227,584 of ineligible costs out of \$942,959 total claimed costs.

We Recommended That

The Regional Administrator, Region 5:

- Ensure MPCA implements its planned corrective actions to improve internal controls.
- Clarify with MPCA that all workplans and reports are to be submitted to the EPA project officer.
- Recover the questioned costs of \$227,584.

What Action Was Taken

MPCA agreed to take corrective action for all identified weaknesses in internal controls and disagreed with our conclusions regarding compliance and questioned costs. The final report (4100488) was issued to the Regional Administrator, Region 5, on August 15, 1994. A response to the final report is due November 14, 1994.

Over \$278,000 of Questioned Costs Claimed for Georgia Superfund Activities

Findings in Brief

The Georgia Department of Natural Resources, Environmental Protection Division (GDNR), did not properly account for labor costs or fund use in compliance with EPA regulations. We questioned \$278,756 of the costs claimed for three Superfund Cooperative Agreements.

Background

EPA awarded GDNR three Superfund cooperative agreements totalling \$1.9 million to develop and implement management and administration activities needed for a Superfund core program, to participate in site inspection activities, and to provide technical review of documents associated with Superfund remedial activities. Each of the cooperative agreements had been amended to extend the project period and increase EPA funds.

We Found That

GDNR had major weaknesses in internal controls and did not comply with EPA regulations and cooperative agreement conditions in the areas of labor charging,

timekeeping, and letter-of-credit drawdown procedures. Specifically, GDNR was not tracking costs or making letter-of-credit drawdowns by site as required because they were not maintaining a recordkeeping system that enabled site-specific costs to be tracked. Labor costs were frequently charged to the wrong cooperative agreement, supervisory reviews of timesheets were inconsistent, and supporting cost records were destroyed even though the State had been cautioned in a 1990 audit that Superfund regulations require such records to be retained for 10 years.

In total, GDNR claimed \$251,876 of ineligible costs under the cooperative agreements, including personnel and fringe benefit costs associated with mischarged labor, and training and vehicle costs which were not related to the cooperative agreement.

An additional \$26,880 of costs were questioned as unsupported due to the premature destruction of supporting documentation on personnel, fringe benefit, travel and equipment costs.

We Recommended That

The Acting Assistant Regional Administrator for Policy and Management, Region 4, disallow the questioned costs for grant participation, and:

- require GDNR to develop and implement specific policies, procedures and controls for a system that ensures full documentation and proper allocation of all personnel costs;
- require GDNR to establish formal written timekeeping policies and maintain timesheet documentation in accordance with applicable regulations, and

 obtain written assurance from GDNR that it will comply with applicable regulations related to record retention.

What Action Was Taken

The final report (4100496) was issued to the Acting Assistant Regional Administrator for Policy and Management, Region 4, on August 22, 1994. In response to our draft report, GDNR generally agreed with our findings and recommendations and provided substantive planned or already initiated actions to correct the identified weaknesses. A response to the final report is due November 21, 1994.

Superfund Administrative Initiatives

In July 1993, the Deputy
Administrator announced the
Agency's plan to improve the
Superfund program within the
current statutory authority. This
plan, known as the "Superfund
Administrative Improvements"
(SAI), focused on enhancing the
four areas of most concern to
the Administration, Congress,
and the public:

- Enforcement fairness and reduced transaction costs.
- Cleanup effectiveness and consistency.
- Meaningful public involvement.
- The States' role in the Superfund Program.

The OIG completed five SAI reviews during this reporting period, summarized below.

Superfund Initiatives Reduce Time and Save Money

Findings in Brief

EPA conducted a variety of successful initiatives which demonstrated the potential for reducing the time and cost of cleanups, and for making the process more equitable. However, improvements were needed in analyzing, measuring, and publicizing the results of pilot projects to replicate successful techniques nationwide.

We Found That

Region 3 conducted an "Innovative Data Validation Approach" to reduce the cost and turnaround time associated with validating analytical results of samples taken at Superfund sites. The initiative proved to be a worthwhile concept which could be improved with further training.

Region 5 successfully completed three pilot projects focusing on accelerating the Superfund cleanup process. The pilots streamlined the traditional Superfund process by accelerating cleanup actions and integrating site assessments. However, summary reports providing Headquarters quantitative and qualitative results of the pilots were not completed.

Region 5 also introduced pilot projects under the Allocation Tools and Mixed Funding initiatives to promote fairer settlements. Limited progress was achieved using allocation tools due to contract delays, and the Region had not developed measures of success for the mixed funding initiative.

Region 6 initiated two pilot
"Lightning Rod" projects designed
to reduce the time required to
complete remedy selection and
initiate remedial action.
Streamlining and accelerating the
remedial planning and remedy
selection processes were
accomplished faster than non-pilot
sites, with minimal adverse effects.

Region 7 initiated 12 pilot projects for six different initiatives.

Although the Region completed three projects and started work on nine others, it could not measure the projects' success because measurable performance objectives were not established.

Region 10 demonstrated the use of non-time-critical removal actions to accelerate site cleanups. The removal actions achieved permanent site remedies which saved time and costs by eliminating the need to perform longer term remedial actions.

We Recommended That

- The Directors for Region 3's Environmental Services Division and Hazardous Waste Management Division ensure that all remedial project managers (RPM) are adequately trained in the "Innovative Data Validation Approach."
- The Regional Administrator for Region 5 coordinate with Headquarters to develop performance measures for the mixed funding initiative.
- The Regional Administrator for Region 7 establish measurable performance objectives for each of the pilot projects.

What Action Was Taken

- Region 3 agreed with the recommendation and indicated that a "refresher" training session to address available data validation levels and any RPM concerns would be conducted.
- Region 5 agreed with the recommendations in both reports and indicated that the Region would work with Headquarters personnel to further clarify and strengthen the program.
- Region 7 agreed with the recommendations and will compare regional project results to established objectives as part of the individual project closeout report.

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.

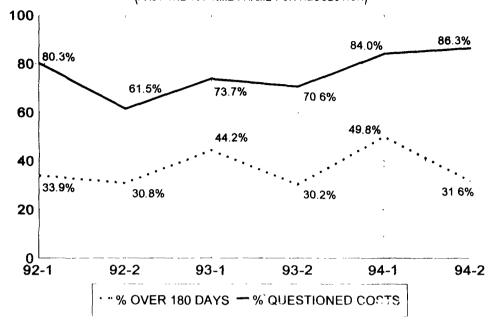
Current Period

As of September 30, 1994, EPA had 231 OIG reports requiring resolution--6.9 percent fewer than the beginning balance of 248 reports six months ago. The total number of reports requiring resolution was also 8.8 percent fewer. The number of reports over 180 days from report issue date decreased 41 percent from 124 to 73 during this reporting period. As of September 30, 1994. the number of past due responses was 31.6 percent of the reports to be resolved compared to 50 percent of the reports in the follow-up system as of March 31, 1994.

The costs questioned on the OIG reports for which management decisions exceeded 180 days as of September 30 represented 86.3 percent of total questioned costs to be resolved. A total of \$101.5 million, or 77.1 percent, were ineligible costs that are likely to be sustained for recovery

These reports need to be resolved and the misspent dollars recovered more expeditiously. It takes more time to reach a management decision on some complex reports. However, monies not collected result in large amounts of funds being borrowed to finance Agency operations.

COMPARISON OF UNRESOLVED REPORTS AND THE RELATED COST QUESTIONED (PAST THE 180 TIME FRAME FOR RESOLUTION)



Agency officials provided individual explanations why follow-up had been delayed as well as projected resolution dates (see Appendix 2). These explanations raise issues of the complexity of report resolution, state delegation for resolution, and the changing mix of types of OIG reviews.

During this reporting period, most EPA Action Officials made better efforts in resolving reports in a timely manner. However, Region 9 and Region 10 were not timely resolving reports with the large dollar issues.

Instead of improvements in audit resolution occurring in this reporting period, the situation has worsened in Region 9 with the percentage of questioned costs addressed in management decisions decreasing from only 10 percent to just over 1 percent this semiannual period Region 9 believes that the six-month timeframe set forth in EPA Directive 2750 is not sufficient to assure quality decisions necessary to protect auditees, avoid legal challenges, and avoid appeals. Therefore, Region 9 has disregarded

this timeframe for audit resolution. However, Region 9 does not have the authority to disregard EPA policy

Both the auditee and EPA have a right to a timely resolution of audit issues within the required timeframe In March, the Inspector General brought up this serious issue of timely resolution of audit reports with the Deputy Administrator urging him to discuss the issue during his visit with Region 9 and have Region 9 to agree on a plan for improvement.

During the first six months of fiscal 1994, Region 10 resolved reports totaling only \$70,000 in ineligible questioned costs and leaving a balance of \$10.08 million of ineligibl costs questioned on reports more than 180 days from issue date.

During the second half of the year, Region 10 resolved \$300,000 of ineligible questioned costs. The unresolved overdue balance of ineligible costs questioned at year end was \$10.04 million. For years Region 10 did not have any unresolved reports over 180 days from report issue date that needed

Status Report On Perpetual Inventory of Reports in Resolution Process For The Semiannual Period Ending September 30, 1994 (Dollar Values in Thousands)

			Report	Issuance	Report Re	
		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*	248	\$410,738	\$29,131		
В.	Which were issued during the reporting period	796	52,095	9,665		
C.	Which were issued during the reporting period that required no resolution	568	305	0		
	Subtotals (A + B - C)	476	462,528	38,796		
D.	For which a management decision was made during the reporting period	245	90,996	12,066	\$35,251	\$2,545
E.	For which no management decision has been made by the end of the reporting period	231	371,532	26,730		
	Reports for which no management decision was made within six months of issuance	73	321,478	17,723		

^{*} 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.

resolution. Now, extra effort needs to be taken to once again resolve the audit reports in a timely manner.

Trends

Our analysis of the Agency's unresolved reports from March 31, 1992 (92-1) through September 30, 1994 (94-2), shows that the Agency's percentage of reports 180 days past the report issue date were not proportionate to the percentage of questioned costs on these reports. The above chart shows this comparison.

The number of reports over six months old requiring resolution

should correlate more closely with the related dollars questioned. At the end of each fiscal year the Agency has made good progress in reducing the total number of reports over six months old. Currently, these reports represent 31.6 percent of reports needing resolution. However, the dollar value of these reports has steadily risen to an all-time high of 86.3 percent as of September 30, 1994.

It is imperative that EPA take steps to resolve those reports with large dollar issues in a timely manner so that monies can be recovered more quickly. This prevents the Government from having to borrow

funds to finance day-to-day operations.

Audit Followup

The Inspector General Act
Amendments of 1988 requires
Agency management to report
semiannually, in a separate report to
Congress, the corrective actions
taken in response to the OIG's
reviews. The Office of Inspector
General reviews the Agency's
followup actions on selected reviews.
Through other means, the OIG also
learns of Agency actions taken in
response to IG work which go

beyond implementing those specific recommendations made in review reports.

Agency Needs to Improve Efforts in Administering Response Claims Against the Superfund

Previous Problems and Findings

Our September 1992 report concluded that there were serious problems in EPA's handling of response claims against the Superfund. We reported that significant internal control weaknesses resulted in about \$35 million of commitments and obligations not being properly recorded, or not being recorded. Also, EPA paid \$2.8 million for the first preauthorized response claim (for the MOTCO site in Texas) without adequate assurance that all reimbursed costs were eligible and that the potentially responsible party (PRP) complied with the settlement agreement. Finally, EPA did not bill PRPs for costs associated with the MOTCO site in accordance with the Consent Decree, so EPA did not collect about \$1.1 million for oversight work performed by EPA and its contractors.

Followup Findings

While EPA had made efforts to implement some of our previous recommendations, some corrective actions agreed to in the Agency's action plan had either not been implemented or had not corrected the deficiencies noted in our 1992 report.

All six EPA regions with preauthorized mixed funding sites were from one month to two years late in their billings for oversight costs. Four of the regions made their billings current before we began

our review, but Regions 3 and 6 were still not current at the time of our review.

The Agency continued to experience difficulties in ensuring that commitment and obligation information for these sites was entered into IFMS. The responsible officials did not notice that two sites were missing from IFMS because periodic reviews of preauthorized mixed funding site information covered only information from the prior month, rather than all prior information.

Finally, two separate guidance documents on the commitment and obligation of funds that the Agency had agreed to finalize by December 31, 1993, continued to be in draft. The Agency advised us that both would be finalized by December 31, 1994, a year later than the original plan

Correcting these areas takes on more significance because this type of Superfund cleanup financing arrangement is expected to grow significantly in the future.

Followup Recommendations

We recommended that the Assistant Administrator for Solid Waste and Emergency Response direct the Office of Emergency and Remedial Response to:

- Continue its efforts to finalize and issue procedures for the timely commitment and obligation of funds.
- Ensure that the missing obligations for the two preauthorized mixed funding sites are recorded in IFMS, and review financial reports for past as well as present status of obligations.
- Modify guidance to require
 Offices of Regional Counsel to
 ensure that PRP compliance with the

Consent Decree includes timely payment of any billed oversight costs.

 Work with the Office of Enforcement and Compliance Assurance to provide for an offset provision (reimbursements to PRPs against monies owed to the Agency) in the consent decrees for preauthorized mixed funding sites.

We also recommended that the Assistant Administrator for Administration and Resources Management direct the Office of the Comptroller to continue its efforts to finalize and issue Resources Management Directive System Chapter 11 on response claims.

We further recommended that the Assistant Administrators for Administration and Resources Management, Enforcement and Compliance Assurance, and Solid Waste and Emergency Response direct all regions to ensure PRPs are sent current and accurate oversight cost billings before any PRP claims are paid at preauthorized mixed funding sites.

What Action Was Taken

In responding to the draft report, the Agency generally agreed with our findings and recommendations and agreed to implement corrective action. The final special review report (4400091) was issued to the Assistant Administrator for Solid Waste and Emergency Response and the Assistant Administrator for Administration and Resources Management on July 29, 1994. A response to the final report is due t October 27, 1994.

Improvements Made in Penalty Assessments

Previous Problems and Findings

Our 1989 report on penalty computation and assessment concluded that the Agency needed to take more assertive actions regarding the (1) calculation, assessment and documentation of penalties; (2) collection of the economic benefit gained by noncompliance; and (3) accumulation of penalty information.

Followup Findings

In Headquarters, the Office of Enforcement and Compliance Assurance (OECA) had taken successful steps to: (1) issue penalty guidance, (2) oversee regional activities, and (3) monitor penalties assessed and collected, which promoted consistency in calculating, documenting, and collecting penalties, and fair and consistent treatment of the regulated community. Region 5 had successfully: (1) documented penalty calculations and reductions, (2) reduced penalties within penalty policy limits, and (3) recovered economic benefits, when applicable.

Followup Recommendations

We made additional recommendations to the Assistant Administrator for Enforcement and Compliance Assurance on minor issues involving the training of attorneys involved in negotiations and documentation for supplemental environmental projects.

What Action Was Taken

The final report (4400107) was issued to the Assistant Administrator for Enforcement and Compliance Assurance on September 15, 1994.

In responding to the draft report, the Agency agreed to take action to address the issues involving training of attorneys and documentation. As a result, we closed out this follow-up review in our tracking system and all corrective actions will now be tracked in the Agency's Management Audit Tracking System.

Actions In Response To Other OIG Reports

The OIG's reports and cooperative efforts with program officials frequently have positive impacts that reach beyond the implementation of specific report recommendations. These impacts are not normally verified by formal OIG followup reviews. For example, during this reporting period the OIG learned that because of our recent audit of Region 7's oversight of State grants, Region 7 officials formed a workgroup to improve and streamline their grant oversight procedures. At their request, OIG staff are participating in the workgroup. The workgroup's goals are to define staff roles and responsibilities and to develop standard operating procedures incorporating EPA's reengineered Federal Managers' Financial Integrity Act process. In addition, project officers in other Regions have requested copies of the audit report for use in developing or improving their grant oversight procedures.

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 or 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 does not manage or contro 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 \$54.6 million being sustained out of \$63.4 million considered ineligible in reports under OIG control. This is an 86 percent sustained rate.

Table 1 -- Inspector General Issued Reports With Questioned Costs

Semiannual Period Ending: September 30, 1994

	Dollar Values(thousands)				
			• •		
	Number	Costs	<u>Costs</u>		
For which no management decision has been made by the commencement of the reporting period**	116	\$410,738	\$120,218		
New Reports issued during period	85	51,790	15,637		
Subtotals (A + B)	201	462,528	135,855		
For which a management decision was made during the reporting period	81	90,996	35,127		
(i) Dollar value of disallowed costs	54	35,251	5,085		
(ii) Dollar value of costs not disallowed	59***	55,745	30,042		
For which no management decision has been made by the end of the reporting period	120	371,532	100,728		
Reports for which no management decision was made within six months of issuance	55	321,478	86,216		
	the commencement of the reporting period** New Reports issued during period Subtotals (A + B) For which a management decision was made during the reporting period (i) Dollar value of disallowed costs (ii) Dollar value of costs not disallowed For which no management decision has been made by the end of the reporting period Reports for which no management decision was	For which no management decision has been made by the commencement of the reporting period** New Reports issued during period 85 Subtotals (A + B) 201 For which a management decision was made during the reporting period 81 (i) Dollar value of disallowed costs 54 (ii) Dollar value of costs not disallowed For which no management decision has been made by the end of the reporting period Reports for which no management decision was	For which no management decision has been made by the commencement of the reporting period** New Reports issued during period Subtotals (A + B) For which a management decision was made during the reporting period (i) Dollar value of disallowed costs (ii) Dollar value of costs not disallowed For which no management decision has been made by the end of the reporting period Reports for which no management decision was Reports for which no management decision was		

^{*} Questioned costs include 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.

^{***} One report had the entire costs questioned sustained. In 27 reports, management did not sustain any of the \$22,442,648 questioned costs. Thirty-one reports are also included in C(ii) because they were only partially sustained. Only the costs questioned that were not sustained in C(i) are included in this category.

Table 2 -- Inspector General Issued Reports With Recommendations That Funds Be Put To Better Use Semiannual Period Ending: September 30, 1994

		Number	Dollar Value (in thousands)	
Α.	For which no management decision has been made by the commencement of the reporting period*	31	\$29,131	
В	Which were issued during the reporting period	28	9,665	
	Subtotals (A + B)	59	38,796	
C.	For which a management decision was made during the reporting period	27	12,066	
	(i) Dollar value of recommendations that were agreed to by management	6	2,545	
	- 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	5**	5,879	
	(iii) Dollar value of non-awards or unsuccessful bidders	18	3,641***	
D.	For which no management decision has been made by the end of the reporting period	32	26,730	
	Reports for which no management decision was made within six months of issuance	9	17,723	

^{*} 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	FS Q	t Issuance uestioned/ mmended ciency	Fe	Resolution deral Share Recovered/ Sustained Efficiency
S2BWL1-01-0234 4100202 REPORT DATE 3/ 4/94	LYNN WATER & SEWER MA	INEL UNSP UNUR RCOM	540,709 0 0 0	INEL UNSP UNUR SUST	540,709 0 0 0
P2CWL0-02-0230 4100203 REPORT DATE 3/ 4/94	EAST HANOVER NJ	INEL UNSP UNUR RCOM	1,758,305 0 0 0	INEL UNSP UNUR SUST	1,630,563 0 0 0
P2CWL3-02-0012 4100191 REPORT DATE 2/24/94	WESTCHESTER- PORT CHESTER SD NJ	INEL UNSP UNUR RCOM	2,959,471 160,652 0	INEL UNSP UNUR SUST	2,954,907 160,652 0
P2CWL3-02-0103 4100209 REPORT DATE 3/11/94	WOODSTOCK NY	INEL UNSP UNUR RCOM	2,408,042 0 0	INEL UNSP UNUR SUST	2,408,042 0 0 0
P2CWL9-02-0135 4100093 REPORT DATE 11/26/93	KEANSBURG NJ	INEL UNSP UNUR RCOM	984,939 0 0 0	INEL UNSP UNUR SUST	984,939 0 0
P2CWL9-02-0176 4100051 REPORT DATE 11/ 1/93	FRANKLIN NJ	INEL UNSP UNUR RCOM	1,862,924 0 0	INEL UNSP UNUR SUST	1,452,762 0 0 0
D9AKL3-03-0292 4100024 REPORT DATE 10/19/93	BOOZ ALLEN & HAMILTON MD	INEL UNSP UNUR RCOM	0 0 0 1,872,085	INEL UNSP UNUR SUST	0 0 0 1,872,085
P2CWM1-03-0155 4200009 REPORT DATE 2/15/94	OAKLAND MD	INEL UNSP UNUR RCOM	393,078 65,373 0 0	INEL UNSP UNUR SUST	393,078 10,454 0 0
P2CWM2-03-0026 4200008 REPORT DATE 2/10/94	ANNE ARUNDEL COUNTY MD	INEL UNSP UNUR RCOM	1,661,558 1,164,480 0	INEL UNSP UNUR SUST	1,655,873 0 0 0
P2CWM2-03-0029 4200005 REPORT DATE 2/ 1/94	CHARLES COUNTY MD	INEL UNSP UNUR RCOM	521,533 77,410 0 0	INEL UNSP UNUR SUST	513,960 77,410 0 0
P2CWN1-03-0123 2300062 REPORT DATE 7/23/92	PHILADELPHIA PA		15,396,996 13,596,473 0	INEL UNSP UNUR SUST	14,764,638 2,285,611 0
P2CWN8-03-0220 3300041 REPORT DATE 5/ 6/93	ELK PINCH	INEL UNSP UNUR RCOM	684,189 1,871,305 0	INEL UNSP UNUR SUST	684,189 1,343,329 0
P2CWP2-23-0323 4400009 REPORT DATE 12/ 3/93	DECATUR SD	INEL UNSP UNUR RCOM	407,990 367,833 0 0	INEL UNSP UNUR SUST	407,546 366,810 0

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, 1994	189
New Investigations Opened This Period	96
Investigations Closed This Period	128
Pending Investigations as of September 30, 1994	157

Prosecutive and Administrative Actions

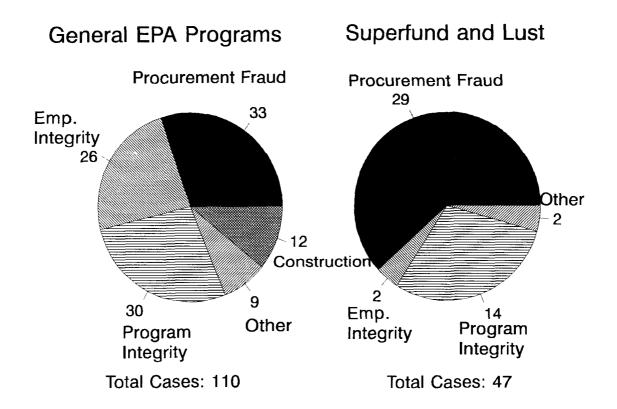
In this period, investigative efforts resulted in 7 convictions and 11* indictments. Fines and recoveries, including those associated with civil actions, amounted to \$0.2 million. Eight administrative actions** were taken as a result of investigations:

Reprimands	2
Resignations/Removals	2
Restitutions	<u>4</u>

TOTAL

8

Profiles of Pending Investigations by Type (Total--157)



^{*} 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

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, 1994.

Firm and President Convicted of Making False Claims

T. Head and Company, Inc., known as THI, and Toney Head, Jr., the firm's owner, president, and chief executive officer, were convicted in August 1994 of filing 41 false claims.

THI of Herndon, Virginia, a subcontractor on a prime contract between the Small Business Administration and EPA, was to establish and monitor national accounts for shipping laboratory samples of hazardous waste and other materials to certain contract laboratories for analysis. Under the cost-plus-fixed-fee subcontract, the value of which exceeded \$2 million, EPA was to pay THI for certain percentages of THI's direct and indirect costs.

The investigation revealed that Head personally directly four former THI employees to falsify records which showed the number of hours that these employees worked on the EPA contract. Head used the false information to inflate numerous THI invoices submitted to EPA.

Former Maryland Chief Fiscal Officer Pleads Guilty to Money Laundering

Rufus O. Ukaegbu, former chief fiscal officer for the State of Maryland Department of the Environment, Water Quality Financing Administration (WQFA), pleaded guilty in July 1994 to money laundering. Also during July, Ukaegbu pleaded guilty to a State of Maryland theft statute.

Utilizing a combination of state and federal grants as well as revenues from bonds, maintained in various bank accounts. WQFA finances the construction of sewage treatment plants and other water quality projects by local governments. Ukaegbu, who had authority to approve disbursements to contractors, used his position to cause the WQFA's bank to generate fraudulent payment authorizations in names the same or similar to legitimate contractors. The addresses, however, were those of bank accounts or mailboxes controlled by Ukaegbu confederates.

Through the use of wire transfers and monetary instruments, the stolen funds were used to purchase: numerous automobiles, all shipped to Nigeria; sizeable security investments; penicillin and other pharmaceutical supplies which were shipped to Nigeria for resale; home remodeling; and to reduce personal debt.

This case was investigated jointly by the EPA OIG, FBI, and the Maryland State Police.

Environmental Engineer Sentenced for Role in NPDES Violation

Harry Kring, an AT&T environmental engineer, was sentenced in June 1994 to serve 6 months home detention, 3 years probation, and fined \$5,000 and a special assessment after pleading guilty of negligently discharging pollutants in violation of a National Pollutant Discharge Elimination System (NPDES) permit limitations and filing false statements.

The investigation was initiated by allegations that Kring conspired with AT&T to falsify laboratory test results on samples that he collected from a wastewater treatment system at an AT&T facility in Pennsylvania. The allegedly falsified laboratory test results were produced by Kring and reported by AT&T to EPA on Discharge Monitoring Reports as part of AT&T's NPDES permit.

In January 1994, AT&T pleaded guilty to the same NPDES violation and was fined \$175,000.

The case was investigated jointly by the EPA OIG and the EPA Criminal Investigations Division.

Region 4 Employee Sentenced in Fraud Case

Angela Fields, a former supervisory accountant in the EPA Region 4 office in Atlanta, was sentenced in June 1994 to 5 months prison, 5 months home confinement, 3 years probation, and ordered to pay restitution of \$28,049 and a \$750 special assessment.

As reported in our previous semiannual report, Fields pleaded guilty in March 1994 to embezzlement, wire fraud, and mail fraud. She admitted that she entered false information into

EPA's Integrated Financial Management System. As a result of her false entries, Fields received 23 U.S. Treasury checks which she later deposited into her credit union account After receiving the funds, Fields then made entries into the system that made various financial reports appear to balance.

Fields' employment was terminated by EPA when the fraudulent payments were discovered in November 1992.

New Jersey Technology Firm Sentenced

Dantec Measurement Technology, Inc., of Mahwah, New Jersey, was sentenced after pleading guilty to submitting falsified invoices to make it appear that General Services Administration schedule items were sold to EPA when, in fact, non-GSA customized items were actually sold.

Dantec, in acknowledging and accepting responsibility for the improper manner in which it administered EPA purchase orders, entered a guilty plea for submitting false statements. Dantec was sentenced to pay a fine of \$400 and a \$200 special assessment on each of the four counts. In addition, Dantec paid \$10,000 for investigative costs as a result of a civil settlement in this matter.

Former Region 4 Attorney Sentenced

Alvin R. Lenoir, a former EPA Office of Regional Counsel attorney, Region 4, was sentenced to two years probation, 200 hours of community service, and ordered to pay restitution of over \$3,800 to EPA after pleading guilty to misdemeanor theft.

Our investigation revealed that during the period October 1991 to March 1993 numerous phone charges for calls made to and from Lenoir's home and office telephone numbers were charged to two AT&T telephone credit cards, one issued to the former EPA Region 4 Administrator and one to another former Region 4 Office of Regional Counsel attorney. Lenoir had left EPA's employ in October 1991.

Former Contractor's Employee Sentenced in Credit Card Scam

Sara Lee Hinton, a former contractor employee, was sentenced in August 1994 to one year probation and payment of a special assessment after pleading guilty to misdemeanor theft of Government property.

The investigation was initiated after EPA Region 3 employees reported that credit card accounts were opened in their names using information that they believed to have been accessed through the Region's personnel office.

The investigation determined that Hinton, who had previously been an on-site contractor employee with access to EPA employees' travel vouchers, copied personal information from the vouchers and provided this information to a hair stylist who, in turn, obtained credit cards. In exchange for the information, Hinton's hair was cut free of charge.

This case was investigated jointly by agents of the EPA OIG and Postal Inspection Service.

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 reporting period, we reviewed 3 legislative and 70 regulatory items. The most significant items reviewed are summarized below.

H.R. 4679, The Inspector General Reform Act of 1994

The proposed Inspector General Reform Act of 1994 is intended to expand the mission of Inspectors General (IGs), provide for their greater independence, and make them more effective and accountable. We reviewed this bill at the request of its sponsors.

We supported various provisions of the bill, including those relating to the development of strategic plans and performance measures; IG term limits: the removal of las only for cause; the removal of IGs from the general supervision of the agency head; the expanded prohibition on interference with IG activities to all Executive Branch personnel; authority for IGs to independently obtain office space, legal counsel, and to submit initial budgets concurrently to the agency. OMB, and the Congress; and authority for IGs to award bonuses to SES employees and deal directly with the Office of Personnel Management on SES matters.

We also expressed serious concerns with other aspects of the bill. Of primary importance, we did not agree with the expanded requirements for reporting information to the Congress, particularly for ongoing investigations and investigations which found no wrongdoing. We also maintained that legislative language concerning conflicts-ofinterest for OIG employees was unwarranted and the associated penalties unnecessarily harsh. In addition, we objected to the establishment of a time frame for coordination of investigative matters with the Department of Justice and to the reporting of administrative actions against agency personnel which the IG regarded as insufficient. Finally, we objected to the elimination of the authority for an IG to disclose a whistleblower's identity if unavoidable during the course of an investigation. In light of the great care and deliberations brought to such decisions, we considered the proposed language to be a severe and impractical limitation.

OMB Request for Views on S. 1782, the Electronic Freedom of Information Improvement Act

We reviewed S. 1782 in response to OMB's request. The bill, which is designed to ensure public access to agency records and information and expedite the processing of requests for such information, redefines agency records to make if clear that the Freedom of Information Act covers all government information in any format; requires the indexing of all major information systems containing agency records regardless of form or format; and requires agencies to provide information in the requested format.

including electronically, whenever possible. While we concurred with the general intent of this legislation, we expressed two major concerns.

First, we maintained that it would not be feasible to require an agency to provide an index of all information retrievable or stored in an electronic form. Any such index would have to be modified on a daily basis as new records are created, an onerous and virtually impossible task to coordinate. Furthermore, we noted that no comparable index of non-electronic documents is now required.

Second, the provision permitting the court to assess the Government for "out of pocket" expenses incurred by the requester did not define what constituted "out of pocket." We recommended a clarification of this issue.

Proposed Rule On Electronic Mail Systems

We expressed our serious concern about proposed standards being developed by the National Archives and Records Administration (NARA) for the management of Federal records created or received on electronic mail (E-Mail) systems. Overall, the proposed rule appeared to impose extremely pervasive document analysis and storage requirements which would severely impact the operation of our local area network and the Agency's E-Mail system.

We were particularly concerned that the regulations would demand a large investment of resources for E-Mail recordkeeping, archiving and security. Specifically, the Agency would need to inform employees of the rule's impact and develop procedures for archiving required records from its own E-mail systems.

Some organizations would have to modify their software to effectively implement the rule's requirements.

In addition, the proposed regulation's requirement that the Agency obtain permission to dispose of "all versions" of E-Mail records is overly burdensome and could even require NARA staff onsite to oversee records disposal. We recommended that individuals, with oversight by the Agency, be allowed to make the final decision on the majority of E-Mail records.

We were also concerned that the requirement for backing up transmissions from the Internet and other information systems would necessitate a greater investment in security to guard against viruses.

Finally, we recommended consideration of the special needs of such offices as the Office of Enforcement and Compliance Assurance and the Office of Inspector General for greater security and system independence.

Reorganization Proposal for the Gulf of Mexico Program Office

We reviewed a proposal by the Office of Water (OW) to transfer the operational management and leadership responsibilities of the Gulf of Mexico Program Office from OW to Regions 4 and 6 on a 2-year rotational basis. While we agreed that the proposed reorganization would give the Gulf of Mexico Program a clearer sense of direction and increase its effectiveness, we believed such a system would necessitate increased Agency oversight to ensure program consistency.

Since the proposal failed to address how consistency would be monitored and who would be responsible for this function, we recommended that the proposal be revised to clarify this issue.

We also recommended an enhancement to the section addressing management integrity responsibilities by suggesting that the proposal specify that the lead region must assist OW in fulfilling this responsibility. During the reporting period, the proposal was revised to our satisfaction.

Revision of EPA's Privacy Act Manual

We commented on a draft revision of EPA's Privacy Act Manual, which the Office of Information Resources Management (OIRM) updated to include references to the Computer Matching and Privacy Protection Act of 1988. We recommended a number of revisions

The draft Manual recommended that all denials for access issued by OIG be coordinated with OIRM and the Office of General Counsel (OGC). We were concerned that this could imply that OIRM and OGC would "approve" all OIG denials, including initial denials. Although we consult with OGC on Privacy Act issues, the ultimate decision is the OIG's. We suggested adding language exempting initial OIG denials from this procedure.

In addition, because security procedures to protect information systems constantly need review and possible revision due to the ever-changing computing and communications environment, we recommended that the security controls mentioned in the referenced documents be continually assessed.

Finally, we commented on a section which prohibited disclosure of EPA records subject to the Privacy Act to a recipient agency or non-federal agency for use in a computer matching program without a matching agreement approved by the EPA Data Integrity Board. Since the draft did not clarify whether other agencies have access to any of EPA's systems from which they could perform a match without going through the stated process, we recommended a clarification of this issue.

EPA Information Resources Management Policy Manual - Chapter 17, System Life Cycle Management Policy

Initially, we did not concur with a draft policy establishing the life cycle requirements of EPA's automated information application systems. While we believed the draft had many positive aspects, we had significant concerns that should be addressed before issuing such an important policy document.

We recommended a more detailed discussion of the system life cycle process, including data management, quality assurance, software maintenance, evaluation and assessment of information, system obsolescence, development of data dictionaries, and federally mandated system life cycle documentation.

Specifically, we were concerned that the system life cycle stages were not consistent with Federal guidance and that the proposed policy did not require use of a specific system life cycle methodology. While we agreed that some flexibility was desirable, we maintained that a standard generic methodology was necessary for consistency and quality assurance purposes and

recommended revising the policy accordingly. We also recommended including an estimate of the range of potential life cycle costs of new system development or enhancement and mandating specific time frames for reviewing and approving/ disapproving system decision papers. Finally, we recommended greater emphasis on user involvement in the system life cycle by identifying the primary and secondary users throughout the process. During the reporting period, the policy was revised to our satisfaction.

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 Nonprocurement 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 20 debarments, 12 suspensions, and 5 compliance agreements, a total of 37 actions.

The following are examples:

 On June 30, 1994, EPA sent a Notice of Proposed Debarment to Warren H. Berkle Jr., President of Berkle Insurance Co., and its affiliated companies, National Sureco Ltd. and Associated Insurance Inc.

Also, on September 16, 1994, EPA debarred Kent E. Conshafter for a period of three years

Mr. Berkle pleaded guilty to one count of conspiracy for devising a scheme to defraud and obtain money and property by means of false and fraudulent pretense. The scheme involved issuing false surety bonds to construction companies working on EPA contracts. Mr. Conshafter, a co-conspirator in this scheme, was the secretary of Preferred Indemnity Insurance Company.

• On June 24, 1994, EPA suspended T. Head and Company, Inc. (THI), and its owner, Toney Head, Jr., based on an indictment. The charges against THI and Mr. Head related to an alleged scheme to defraud the United States by making, and attempting to conceal, false claims for payment on a contract for services under the Comprehensive Environmental Response, Compensation, and Liability Act.

- On April 20, 1994, EPA debarred Rex Wilson Robinson for a period of 3 years. Mr. Robinson pleaded guilty to falsely impersonating an officer and/or employee of EPA. Mr. Robinson, while identifying himself as an agent of EPA, made several telephone calls to and met with officials of Corporate Services Inc, a subsidiary of the Michigan Farm Bureau of Lansing, Michigan
- On June 20, 1994, EPA debarred Robert Olcerst, owner and operator of Brujos Scientific Inc., and Kenneth Charles and Michael Harris, employees of Sandag Engineering Inc., for a period of 3 years. All were involved in a scheme to defraud the School Construction Authority of New York and the public through a variety of schemes in obtaining and performing asbestos testing and monitoring contracts for submitted fictitious claims.
- On June 6, 1994, EPA issued a Notice of Proposed Debarment under the assistance regulations to Martin Lesher, President of Equitable Blueprint and Photoprint Co. Inc., and several other employees of the firm. The proposed debarment was based on a criminal conviction and a procurement debarment under the Federal Acquisition Regulation imposed by the U.S. Army.

OIG Personnel Security Program

This program is one of the first-line defenses against fraud by using background investigations and National Agency Checks and Inquiries to review the integrity of EPA employees and contractors.

During this reporting period, there were 1,012 investigations reviewed.

- An employee's temporary appointment was terminated and the employee received a 3-year debarment from the Office of Personnel Management (OPM) for falsification of the SF-171, for failing to list a criminal conviction.
- An employee was terminated from EPA because of a conviction for forgery of stolen U.S. Treasury checks totaling over \$27,000.
- An employee was terminated from EPA because of a pattern of financial irresponsibility and delinquent debts totaling over \$7,000 and misuse of Government property.
- After referral of post-appointment arrest information to the supervisor, an employee received a 14-day suspension for being a fugitive from justice on a previous felony charge.
- Three contractor employees were denied access to sensitive information and two were terminated because of financial irresponsibility, prior convictions for grand larceny, assault and battery, and possession of controlled substances. All three contractor employees falsified the security questionnaire by failing to list the prior convictions.

OIG Management Initiatives

Reinventing Offices of Inspector General

The EPA OIG has begun the process of reinvention, in accordance with the following vision statement adopted by the Inspectors General: "We are agents of positive change striving for continuous improvement in our agencies' management and program operations and in our own offices." In fulfilling this vision and carrying out the mission responsibilities set forth in the Inspector General Act, the IGs have pledged to:

- work with management and the Congress to improve program management
- use our investigative and program compliance reviews to improve the effectiveness of program operations, increase Government integrity, and recommend improved systems to prevent fraud, waste, and abuse.
- be innovative and question existing procedures and suggest improvements.
- build relationships with program managers based on a shared commitment to improve program operations.
- continue to improve the quality and usefulness of our products.
- work together to identify and address Government-wide issues.

We believe that the OIG has always taken a cooperative approach with EPA management in resolving and implementing results of our audits and investigations. In this regard, the OIG has begun to place even greater emphasis on building partnerships with Agency program managers based on a shared commitment to improving operations. The OIG has taken or planned a number of other initiatives to enhance this cooperation. More OIG resources are being directed to conducting performance audits to analyze how well programs are meeting their goals and recommending changes in program design and management techniques to increase efficiency and improve program results.

We will focus more on causes of problems and provide more balanced reporting by identifying effective corrective actions taken by Agency management and examples of good management practices, when possible.

We have begun a streamlining process within OIG that has three themes:

 Increased Delegation and Decentralization of Authority

The OIG plans to delegate to the lowest practical level the responsibility and authority to make managerial decisions and increase autonomy over its audits, investigations, and administrative support activities.

 Increased Empowerment of Employees with Appropriate Accountability

We will review present requirements for periodic reports from field divisions to Headquarters to streamline or eliminate unproductive or overly burdensome requirements.

We will continue to seek ways to increase the use of electronic data exchange to facilitate reporting between field and Headquarters offices.

We will seek to streamline the number of specific measurements and the narrative justification for employee ratings, while meeting EPA requirements.

We will examine the feasibility of empowering the field divisions with more authority and autonomy in personnel matters.

 Improvement of Work Processes and Systems

The OIG has devoted considerable

time soliciting ideas from our staff at all levels to improve work processes. Several major theme areas have emerged from these discussions. First, as stated above, we will focus more attention on assisting EPA managers to achieve their program objectives. While we will continue to conduct compliance reviews as part of our audits, we will work more cooperatively with our customers to ensure that our products meet their needs. Internally, we will undertake a comprehensive review of our policies and procedures to ensure that each requirement in the audit process adds value to our products.

Relative to the three themes, we have completed or currently have in process several streamlining initiatives.

Examples of these initiatives follow.

 We are increasing the span of control, reducing managerial layers, and delegating report signature authority to meet the EPA Administrator's mandate and conform to the Executive Order.

- We are developing performance measures which include customer surveys and other external feedback.
- Senior OIG officials conducted outreach activities with Senior Agency officials to increase Agency involvement in OIG planning.
- The Office of Investigations restructured its organization by consolidating 7 divisional offices into 3 and reducing the number of supervisory agents from 11 to 7. This increased the span of control and employee empowerment for more investigative direction and case development activities by Team Leaders in the local suboffices.
- We restructured the Semiannual Report to Congress to achieve a more balanced report with more constructive images, specifically highlighting Agency accomplishments.
- We conducted a management study to identify duplicative and inefficient administrative and oversight functions in the OIG.
- We are reviewing the OIG policy manual to identify and eliminate unneeded policies.

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 in Kansas City, KS.

Effectively Selling Audit Findings

This course, previously called Effective Briefing Techniques, has been restructured to emphasize ways of building a cooperative relationship with auditees and agency officials through effective communications and a participatory approach. The course stresses the need for gaining credibility and trust by encouraging and recognizing corrective actions. Most importantly, the course presents methods of selling change through positive, constructive images and by demonstrating problems as opportunities for action. Class participants gave several presentations that were videotaped and evaluated by the entire class. This course was presented to Headquarters staff.

Detecting and Preventing Fraud in EPA

This course was developed to help independent public accountants, OIG auditors, and EPA program and contract managers detect, prevent and report possible fraud to the OIG Office of Investigations. The purpose of the course is to raise the consciousness of the participants to the elements, types, characteristics, and indicators of fraud. During this reporting period, the course was presented to Northern Division staff in Chicago, IL.

OIG New Employee Orientation

The orientation for OIG new employees was held twice during this reporting period in Arlington, Virginia, May 10-13 and in Washington, DC, September 27-29.

The objective of the orientation was to help new employees become familiar with the functions and organization of the OIG and quickly become a part of the OIG team.

OIG Contracted Courses

 The Role of Supervisors and Managers in Equal Employment Opportunity (EEO)

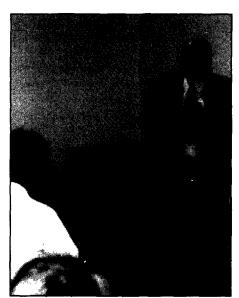
This course was designed to help supervisors and managers to understand the Federal EEO program structure and requirements in order to carry out the mandates of EEO laws and regulations.

Written Communication for Auditors

This course was designed to upgrade an auditor's competence ir written communication.

OIG Superfund Orientation

This course was developed to provide OIG personnel with an understanding of the Superfund program and the overall role of the OIG in Superfund. The course includes a history of Superfund, major concepts of the Superfund program, Superfund program organizations and resources, auditing cooperative agreements, auditing Superfund contracts, and internal (management audits). This course was presented in Chicago, IL and Washington, DC.



Kenneth Konz, Assistant Inspector General for Audit, introducing guest speaker at a Brown Bag gathering (photo by Dana Sharon).



Patrick McNamee, Assistant Director of GAO's Accounting Information and Management Division, speaks at a Brown Bag gathering (photo by Dana Sharon)

Technical Writing

This workshop was designed to help OIG engineers develop technical documents that readers could understand and to analyze the data and select information needed to fit the purpose of the report and to serve the reader's needs.

The Brown Bag Institute of Learning

As part of our effort to do more inhouse training, we initiated 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, there were two presentations.
Kathleen Turco, Office of Management and Budget, Management Integrity Branch, presented training on "Changes, Changes, Changes: OMB Circular A-123 and its Impact on EPA OIG." Patrick McNamee, Assistant Director, GAO's Accounting and Information Management Division, presented a training session on "Changes to the Government Auditing Standards."

External Quality Control Review by Health and Human Services OIG

Members of the IG community conduct external quality control reviews of each other's audit activities every three years to provide an independent confirmation of the quality of audit work. Between January and April 1994, EPA's Office of Audit

was reviewed by representatives of the Department of Health and Human Services (HHS) OIG. HHS OIG auditors evaluated the internal quality control system, performed testing on a sample of completed audits, and followed up on recommendations made in the 1991 review. The auditors concluded that the Office of Audit's internal quality control system was operating effectively, and that established policies and procedures and applicable auditing standards were followed. They also stated that appropriate actions had been taken in response to the 1991 recommendations.

President's Council on Integrity and Efficiency

During this reporting period, the OIG participated in two President's Council on Integrity and Efficiency (PCIE) financial management improvement efforts. The Department of Veterans Affairs led the first initiative based on a request from the Office of Management and Budget for information on the credit management practices of Federal government agencies. Secondly, we participated in a Financial Statement Audit Working Group to discuss lessons learned in conducting financial statement audits.

• PCIE Performance Measures Task Force

We participated 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 Results Act of 1993.

Committee on Integrity and Management Improvement

The Committee on Integrity and Management Improvement (CIMI) recognized its tenth anniversary. 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.

Awareness Bulletin 94-5 "Hatch Act Revisions and What They Mean to You"

For over half a century, the Hatch Act barred most Federal Executive Branch and postal employees from active participation in partisan political activities. On October 6, 1993, the President signed the Federal Employees Political Activities Act, eliminating many of the prohibitions against partisan political activity. CIMI developed an awareness bulletin to provide an EPA personnel with a brief synopsis of the activities permitted under the new law which became effective on February 3, 1994.

The law allows most employees to engage in partisan political activities while off duty

Public Service Recognition Week

To communicate support and appreciation to EPA employees at all levels. CIMI developed and coordinated a series of events during Public Service Recognition Week in May. Inspector General John Martin was master of ceremonies at a special ceremony highlighted by keynote speaker Carol Bellamy, Director of the U.S. Peace Corps. Following the ceremony, Administrator Carol Browner hosted a reception for the 20 winners of the EPA Employee Recognition Award, who, by their actions, have made their communities a better place.

Hotline Activities

The OIG Hotline opened 24 new cases and completed and closed 32 cases during the reporting period. Of the cases closed, 5 resulted in environmental, prosecutive, or administrative corrective action, while 27 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 also referred 2,716 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.

· The Hotline office received a complaint alleging that Region 9 employees had backdated site inspection reports, misrepresented site assessment records, and made false entries in a Superfund database, the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS). A review of the Region's Superfund Comprehensive Accomplishments Plan (SCAP) disclosed 212 invalid preliminary assessments (Pas) and 63 invalid site inspections (Sis) within three Superfund mega-sites between 1988 and 1991 which were entered in CERCLIS and also claimed as SCAP accomplishments in EPA's annual report to Congress. Use of these Pas and Sis significantly inflated EPA's claimed accomplishments for those vears.

As a result of the review, the invalid accomplishments were removed from CERCLIS and a senior-level EPA employee received a written reprimand.

• The Hotline office received a complaint alleging misuse of a government travel card by an EPA employee. An inquiry into the allegation determined that misuse had occurred. The employee was required to pay all outstanding charges on the card before it was canceled and the employee received a letter of reprimand.

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

						Recommended
		Final Report	Ineligible	Questioned Cost Unsupported		Efficiencies (Funds Be Put
Assignment Control Numb	per Title	Issued	Costs	Costs	Costs	To Better Use)
1. INTERNAL AND MANAGE	MENT ASSIGNMENTS					
Office of the Administr	rator					
E1SFE3-07-0101-4100522	EPA'S INTEGRITY ACT IMPLEMENT,	ATION 9/16/94				
Office of Acquisition N	Management (OAM)					
E1BMF4-11-0026-4100559	ADVISORY AND ASSISTANCE CONTRA	ACTS 9/26/94				
OAM Cost Advisory and F Financial Advisory Bran	Financial Analysis Division nch					
D6EML4-03-0409-4100535	TECHLAW V	A 9/22/94				
Assistant Administration	on for Administration Resources	Management				
E1SFF3-03-0162-4100462	CONTRACTS NOT CLOSED	7/21/94				
E1BMF3-05-0018-4100452	8(A) CONTRACTING De	c 7/15/94				
E1JBF3-11-0030-4100470	THE FEDERAL TECHNOLOGY TRANSFER ACT	7/29/94				
E1SFG4-13-0063-4400076	COI POLICIES & PROCEDURES	6/22/94				
E1SFF3-20-8004-4100579	HANDLING OF SUPERFUND BANKRUPTCY SETTLEMENTS	9/30/94				
E1NMF3-15-0073-4100561	INTEGRATED FINANCIAL MANAGEMEN SYSTEMS	NT 9/27/94				148,100
E1SHG3-18-0045-4400112	EPA'S MANAGEMENT OF SUPERFUND ERCS CONTRACTS	9/29/94				
E1FMF4-19-0618-4100407	UNIVERSITY OF KANSAS KS	s 6/17/94				
E6EML4-07-0023-4100581	ASBESTOS REMOVAL AT SCHOOLS IN FAIRBURY, NE	9/30/94	191,974		87,842	
E6EML4-07-0022-4100582	ASBESTOS REMOVAL AT SCHOOLS IN OGALALLA, NE	9/30/94	30,822		2,966	
E6AMG3-13-0058-4400079	NON-FEDERAL TRAVEL EXPENSE	7/ 6/94				
E6AMG4-13-2059-4400093	SES TRAINING	8/10/94				
Assistant Administrator	for Research and Development					
E1SKF4-02-0059-4400100	RELOCATION OF EDISON LAB'S RESPONSIBILITY FOR MANAGEMENT OF EXTRAMURAL INSTRUMENTS TO CINCINNATI	8/25/94				
Assistant Administrator	for Solid Waste and Emergency	Response				
E1LLF3-09-0237-4100573	LUST - NATIVE AMERICAN LANDS	9/29/94				
E1SKG3-09-0021-4400115	SUPERFUND CONTRACT LAB PROGRAM SUPPORT CONTRACTS	4 - 9/29/94				
E1SFG4-11-5015-4400091	RESPONSE CLAIMS FOLLOW-UP	7/29/94				

				,	0		Recommended
		Fir	nal Report	Ineligible	Questioned Costs Unsupported		Efficiencies (Funds Be Put
Assignment Control Numb	er Title		Issued	Costs	Costs	Costs	To Better Use
Assistant Administrator	Office of Enforcement and Co	ompliance	Assurance				
E1GMG4-05-6009-4400107	MITIGATION OF PENALTIES FOLI	LOW-UP 9	7/15/94				
Regional Administrator	- Region 2						
E1PMG4-02-0035-4400105	EDISON LAB UTILIZATION OF GOVERNMENT VEHICLES	ç	9/ 9/94				
Regional Administrator	- Region 3						
E1SKG4-03-0122-4400059	INNOVATIVE DATA VALIDATION	5	5/10/94				
E6FHG4-03-0266-4400110	REGIONAL VEHICLE USAGE	ç	9/22/94				
Region 3 Hazardous Wast	e Management Division						
E1SGG3-14-0013-4400070	PALMERTON ZINC RI/FS REVIEW	w ć	5/16/94				
Regional Administrator	- Region 5						
E1SFG4-05-0129-4400080	SFAI SACM THRU 1/94 - REGION	N 5 7	7/ 7/94				
E1SFG4-05-0175-4400092	SFAI ALLOCATION TOOLS/MIXED FUND - REGION 5		7/29/94				
E1HWC4-23-0009-4100540	DRINKING WATER DATA INTEGRIT		9/30/94				
Regional Administrator	- Region 6						
E1SGG3-14-0015-4400094	SFAI LIGHTNING ROD RI/FS REVIEW - REGION 6	8	3/ 4/94				
Regional Administrator	- Region 7						
E1SFG4-07-0047-4400103	SUPERFUND ADMINISTRATIVE IMPROVEMENTS - REGION 7	ç	9/ 7/94				
E6ESL3-07-0146-4100424	AUDIT OF NEBRASKA'S HAZARDOW WASTE GRANTS		5/24/94	229,425			
E6ESF3-07-0146-4100476	EPA'S OVERSIGHT OF NEBRASKA HAZARDOUS WASTE GRANT		3/ 8/94				
Regional Administrator	- Region 10						
E1SGG4-06-0056-4400073	SACM - REGION 10	ć	5/20/94				
TOTAL INTERNAL A	ND MANAGEMENT ASSIGNMENTS	= 3	32	452,221	0	90,808	148,100
2. CONSTRUCTION GRANT A	SSIGNMENTS						
E2CWL1-01-0136-4100576 E2CWL1-01-0067-4100577 E2CWL2-01-0029-4100578	MWRA MWRA MASS WATER RESOURCES AUTH	MA 9	9/29/94 9/29/94 9/29/94	9,821 50,109 69,994	0 0 0	0 ·0 0	((
TOTAL OF	REGION 01 = 3			129,924	0	0	ί
E2CWL2-02-0115-4100431 E2CWM3-02-0125-4200013 E2CWM3-02-0168-4200015 E2HTP3-02-0166-4400056 P2CWL0-02-0232-4100330	NASSAU COUNTY-PT WASHINGTON DELAWARE BINGHAMTON STATE REVOLVING FUND CARTERET	NY S NY S	6/27/94 4/19/94 5/11/94 5/ 3/94 5/27/94	1,294,966 199,379 116,631 0 562,082	0 0 99,191 0 0	0 0 0 0	(
P2CWL3-02-0177-4100412 P2CWL1-02-0019-4100414 P2CWN1-02-0028-4300034 P2CWN1-02-0129-4300035	ONONDAGA COUNTY-LEY CREEK CAPE MAY COUNTY MUA OCEAN COUNTY UA NIAGARA FALLS	NJ NJ	6/21/94 6/21/94 5/ 4/94 5/17/94	1,038,675 517,747 2,144,016 0	2,125,053 820,808 883,511 369,956	0 0 0	((((
TOTAL OF	REGION 02 = 9			5,873,496	4,298,519	0	(
E2CWM1-03-0169-4200017 P2CWM2-03-0293-4200012 P2CWN2-03-0456-4300043 P2CWN1-03-0098-4300044	CHALFONT NEW BRITAIN TWP ANNE ARUNDEL COUNTY HOWARD COUNTY DPW FAIRFAX COUNTY OF	MD MD	7/11/94 4/ 5/94 8/23/94 8/24/94	838,177 497,541 1,160,894 2,650,367	11,936 321,029 206,000 564,072	0 0 0 0	((((

					Questioned Costs		Recommended Efficiencies
			Final Report	Ineligible	Unsupported		(Funds Be Put
Assignment Control Numb	perTitle		Issued	Costs	Costs	Costs	To Better Use)
P2CWN3-03-0031-4300045	ARLINGTON COUNTY	VA	9/ 1/94	1,055,887	354,861	0	0
TOTAL OF	REGION 03 = 5			6,202,866	1,457,898	0	0
E2CWM4-04-0165-4200016	HELENA	AL	7/ 8/94	15,265	0	0	0
E2CWM3-04-0062-4200019 E2CWP3-04-0225-4400096	KEY WEST Brunswick	FL GA	9/15/94 8/10/94	560,908 417,548	0 0	0	0
E2CWP3-04-0223-4400090	BRUNSWICK	GA.	6/10/94	417,740	U	U	O .
TOTAL OF	REGION 04 = 3			993,721	0	0	0
E2CWL2-23-0299-4100539	ALLOUEZ TWP	WI	9/22/94	430,452	232,066	0	0
	REGION 23 = 1			430,452	232,066	0	0
E2CWN3-06-0089-4300052	HOUSTON	TX	9/29/94	4,747,066	743,381	796,517	0
TOTAL OF	REGION 06 = 1			4,747,066	743,381	796,517	0
E2CWM2-09-0203-4200014	HONOLULU/KAHALUU, CITY/CO.	HI	4/28/94	79,532	0	1,977,221	0
E2CWM3-09-0046-4200018	CLARK CSD	NV	8/24/94	107,355	0	0	0
E2CWM2-09-0202-4200020 S2CWN2-09-0340-4300040	CENTRAL MARIN SAN AGENCY SAN JOAQUIN CO EAST STOCKT	CA CA	9/26/94 8/ 1/94	698,753 158,359	0 0	0	0
S2CWN2-09-0091-4300051			9/29/94	4,718,744	ő	2,905,873	Ö
TOTAL OF	REGION 09 = 5			5,762,743	0	4,883,094	0
P2CWN3-10-0034-4300039		OR	6/27/94	32,002	49,914	0	0
P2CWN3-10-0055-4300049	POST FALLS, CITY OF	ID	9/26/94 9/27/94	0 74,903	39,445 15,302	0	0 0
P2CWN4-10-0009-4300050 P2CWN3-10-0141-4300053	TRI-CITY/CLACKAMAS COUNTY MUNICIPALITY OF ANCHORAGE	OR AK	9/29/94	1,987,438	11,702	0	0
TOTAL OF	REGION 10 = 4			2,094,343	116,363	0	0
TOTAL COM	ISTRUCTION GRANT ASSIGNMENTS	=	31	26,234,611	6,848,227	5,679,611	0
3. OTHER GRANT ASSIGNME	ENTS						
C3HVK4-01-0146-4500718	CHICOPEE, CITY OF	MA	8/ 4/94	0	0	0	0
G3HVK4-01-0070-4500420	MASS WATER RESOURCES AUTH	MA	4/ 1/94	0	0	0	0
G3HVK4-01-0083-4500422	MATTABASSETT DISTRICT	CT	4/ 1/94	0	0	0	0
G3HVK4-01-0082-4500423	RI CLEAN WATER PROTECTION YARMOUTH, TOWN OF	RI MA	4/ 1/94 4/ 1/94	0 0	0	0	0
G3HVK4-01-0088-4500425 G3HVK4-01-0098-4500427	KENNEBUNKPORT, TOWN OF	ME	4/ 4/94	0	0	0	0
G3HVK4-01-0105-4500531	YORK SEWER DISTRICT	ME	5/25/94	Ö	Ŏ	ŏ	Ŏ
G3HVK4-01-0128-4500535	YORK SEWER DISTRICT	ME	5/27/94	0	0	0	0
G3HUK4-01-0131-4500643	HEALTH EFFECTS INST. ASBES.		6/30/94	0	0	0	0
G3HVK4-01-0141-4500695	GUILFORD SANGERVILLE SANIDS		7/25/94	0	0	0	0
G3HVK4-01-0138-4500696 G3HVK4-01-0153-4500721	METRO AREA PLANNING COUNCIL MAINE MUNICIPAL BOND BANK	ME	7/25/94 8/ 8/94	0 0	0 0	0 0	0 0
G3HVK4-01-0154-4500722	MONTAGUE, TOWN OF	MA	8/ 8/94	0	ő	ő	ŏ
G3HVK4-01-0152-4500723	BURLINGTON, CITY OF	VT	8/ 9/94	0	0	0	0
G3HUK4-01-0169-4500772	VERMONT LAW SCHOOL INC.	VT	9/ 8/94	0	0	0	0
G3HVK4-01-0181-4500787 N3HVK4-01-0075-4500421	RUTLAND, CITY OF COMMONWEALTH OF MASS	VT MA	9/12/94 4/ 1/94	0	0	0	0 0
N3HUK3-01-0228-4500533	TUFTS UNIVERSITY	MA	5/27/94	ŏ	ŏ	ő	ő
N3HUK3-01-0233-4500534	UNIVERSITY OF VERMONT	VT	5/27/94	0	0	0	0
N3HVK4-01-0089-4500541	PORTLAND, CITY OF	ME	6/ 1/94	0	0	0	0
N3HVK4-01-0096-4500685 N3HVJ3-01-0196-4500686	PENOBSCOT INDIAN NATION CONNECTICUT, STATE OF	ME CT	7/18/94 7/18/94	0 0	0 0	0 0	0 0
N3HVJ4-01-0013-4500687	MAINE, STATE OF	ME	7/18/94	0	ő	0	0
N3HUK3-01-0231-4500688	DARTMOUTH COLLEGE	NH	7/18/94	0	0	0	0
N3HVK4-01-0080-4500714	NEW HAMPSHIRE, STATE OF	NH	8/ 3/94	0	0	0	0
N3HVK4-01-0157-4500715 N3HVK3-01-0259-4500716	MALISEET INDIANS - HOULTON MASHANTUCKET PEQUOT TRIBE	ME CT	8/ 3/94 8/ 3/94	0	0	0	0
N3HVK4-01-0139-4500754	BARNSTABLE, COUNTY OF	MA	8/23/94	Ö	Ö	Ö	Ö
N3HVK4-01-0184-4500773	SPRINGFIELD, CITY OF	MA	9/ 8/94	0	0	0	0
N3HVK4-01-0155-4500785	PLEASANT POINT PASSAMAQUODD	ME	9/12/94	0	0	0	0
TOTAL OF	REGION 01 = 30			0	0	0	0
C3HVK4-02-0197-4500796	BINGHAMTON	NY	9/21/94	0	0	0	0
G3HVK4-02-0145-4500475	LONG BR SEWER AUTH	NJ	5/ 5/94	0	0	0	0
G3HVK4-02-0161-4500617 G3HVK4-02-0163-4500633	LANDIS SA INTERSTATE SANIT COMM	NJ NY	6/28/94 6/28/94	0 0	0	0	0 0
G3HVK4-02-0172-4500698	OZONE TRANSP COMM	DC	7/26/94	Ö	0	ő	ő

						Recommended
					Questioned Costs	Efficiencies
Assignment Control Numb	per Title		Final Report Issued	Ineligible Costs	Unsupported Costs	Unreasonable (Funds Be Put Costs To Better Use
Assignment control Numb	er ricte		rssueu	COSTS	COSTS	Costs To Better Use
G3HVK4-02-0184-4500753	HIGHLAND FALLS	NY	8/22/94	0	0	0
G3HVK4-02-0189-4500756	INTERSTATE SANIT COMM	NY NY	8/24/94 8/25/94	0 0	0 0	0 0
G3HUK4-02-0192-4500757 G3HVK4-02-0154-4500792	AMERICAN LUNG ASSN CAPE MAY COUNTY MUA	NJ	9/14/94	0	0	0
N3HVK3-02-0111-4500455	THOMPSON	NY	4/15/94	Ö	Õ	0
N3HVK4-02-0132-4500456	BURLINGTON COUNTY	NJ	4/15/94	0	0	0
N3HVK4-02-0066-4500473	ERIE COUNTY	NY	5/ 2/94	0	0	0
N3HUK3-02-0191-4500474 N3HVK4-02-0149-4500532	RUTGERS UNIV SUNY RESEARCH FOUNDATION	NJ	5/ 2/94 5/25/94	0	0 0	0 0
N3HVK3-02-0198-4500542	ROCKLAND COUNTY	NY	6/ 6/94	ő	ő	Ö
N3HUK3-02-0199-4500554	MANHATTAN COLLEGE	NY	6/ 9/94	0	0	0
N3HVK4-02-0058-4500555	WASHINGTON COUNTY	NY	6/ 9/94	0	0	0
N3HVK4-02-0032-4500556	ONONDAGA COUNTY	NY	6/ 9/94	0	0 0	0 0
N3HVK4-02-0042-4500579 N3HVK4-02-0019-4500584	GLOVERSVILLE GLENS FALLS	NY NY	6/20/94 6/20/94	0	0	Ö
N3HUK4-02-0110-4500591	CLARKSON UNIVERSITY	NY	6/21/94	Ō	Ō	0
N3HUK4-02-0025-4500602	NYU MEDICAL CENTER	NY	6/22/94	0	0	0
N3HVJ4-02-0020-4500606	NEW JERSEY STATE	NJ	6/23/94	0	0	0
N3HVK4-02-0146-4500697	NEW YORK STATE	NY	7/26/94	0 0	0 0	0 0
N3HUK4-02-0075-4500755 N3HVK4-02-0137-4500758	CORNELL UNIVERSITY SENECA NATION OF INDIANS	NY NY	8/24/94 8/26/94	0	0	0
N3HVK4-02-0156-4500759	ELIZABETH	NJ	8/26/94	0	Ö	Ō
N3HVK4-02-0157-4500790	ST REGIS MOHAWK TRIBE	NY	9/14/94	0	0	0
TOTAL OF	REGION 02 = 28			0	0	0
C3HVK4-03-0325-4500512	BALTIMORE COUNTY	MD	5/19/94	0	0	0
C3HVK4-03-0324-4500513	CARROLL COUNTY	MD	5/19/94	Ö	Ō	0
D3BML4-03-0473-4100505	CARNEGIE MELLON UNIVERSITY	PA	8/25/94	0	0	0
E3CML3-03-0201-4100523	TEMPLE UNIVERSITY	PA	9/15/94	452,725	68,346	4,763
E3FBG4-03-0132-4400102	OSDBU-GRANT ADMINISTRATION	DC	8/29/94	0 97 043	0 1,148	0 96,473
E3FEP3-03-0057-4400106 E3FEG3-03-0383-4400113	CERMA EPA MONITORING OF CERMA	VA	9/12/94 9/27/94	87,063 0	1,148	96,473
G3HUK4-03-0298-4500493	SOLID WASTE ASSOCIATION NA	MD	5/12/94	31,905	Ō	0
G3HVK4-03-0320-4500506	WESTMINSTER	MD	5/19/94	0	0	0
G3HVK4-03-0321-4500507	INTERSTATE COM POTOMAC RIVE		5/19/94	15,570	0	0
G3HVK4-03-0322-4500508	CECIL COUNTY	MD	5/19/94	0	0	0 0
G3HVK4-03-0334-4500520 G3HUK4-03-0411-4500616	GARRETT COUNTY INT.INSTITUTE ENERGY CONSER	MD Vnc	5/20/94 6/27/94	0	Ö	ő
G3HVK4-03-0418-4500624	DELMONT BOROUGH	PA	6/28/94	Ō	0	0
G3HUK4-03-0417-4500628	NAT GEOGRAPHIC SOCIETY	DC	6/28/94	0	0	0
G3HVK4-03-0421-4500632	SAINT THOMAS TOWNSHIP	PA	6/28/94	0 0	0 0	0 0
G3HUK4-03-0428-4500639	AMERICAN COUNCIL FOR ENERG EARTH CONSERVANCY	DC	6/29/94 6/29/94	0	0	Ö
G3HUK4-03-0429-4500640 G3HUK4-03-0430-4500641	IZAAK WALTON LEAGUE	VA	6/29/94	ő	Õ	ō
G3HUK4-03-0445-4500690	SOLID WASTE ASSOCIATION NA		7/25/94	0	0	0
G3HVK4-03-0446-4500691	ST. MARY'S CTY. METRO. COMM		7/25/94	0	0	0
G3HUK4-03-0447-4500692	MD PUBLIC BROADCASTING FOUN		7/25/94 7/25/94	0 0	0 0	0 0
G3HVK4-03-0448-4500693 G3HVK4-03-0484-4500778	ALTOONA CITY AUTHORITY TALBOT COUNTY	PA MD	7/23/94 9/12/94	0	0	Ö
G3HUK4-03-0488-4500781	AMERICAN ACADEMY ENVIRONMEN		9/12/94	0	0	0
G3HVK4-03-0493-4500788	UPPER MONTGOMERY JOINT AUTH	.PA	9/12/94	0	0	0
G3HVK4-03-0486-4500789	PETERS TOWNSHIP	PA	9/12/94	288,810 0	0	0 0
N3HUK4-03-0270-4500457	NAT GOVERNOR'S ASSOCIATION ASSOCIATION OF SCIENCE TECH	DC	4/15/94 4/15/94	0	0	ŏ
N3HUK4-03-0271-4500459 N3HVH3-03-0400-4500494	PHILADELPHIA CITY	PA	5/12/94	ő	Ö	0
N3HUK4-03-0323-4500511	UNIVERSITY OF DELAWARE	DE	5/19/94	0	0	0
N3HVK4-03-0335-4500521	HOWARD COUNTY	MD	5/20/94	0	0	0
N3HVK4-03-0250-4500614	WEST VIRGINIA STATE	W۷	6/27/94	0 0	0 0	0 0
N3HUK4-03-0410-4500615	GEORGETOWN UNIVERSITY	DC MD	6/27/94 6/28/94	0	0	Ö
N3HUK4-03-0416-4500626 N3HUK4-03-0449-4500694	UNIVERSITY OF MARYLAND TEMPLE UNIVERSITY	PA	7/25/94	Ö	0	0
N3HUK4-03-0483-4500777		PA	9/12/94	0	0	0
N3HVK4-03-0485-4500779	RICHMOND CITY OF	VA	9/12/94	0	0	0 0
N3HUK4-03-0487-4500780		DC	9/12/94	0 0	0	0
N3HUK4-03-0489-4500782	AMERICAN ASSN. ADV. SCIENCE AMERICAN ASSN. ADV. SCIENCE	. מנ	9/12/94 9/12/94	0	0	o o
N3HUK4-03-0490-4500783 N3HUK4-03-0491-4500784	GEORGE WASHINGTON UNIVERSIT		9/12/94	ő	0	0
N3HUK4-03-0492-4500786	NAT. GOVERNOR'S ASSOCIATION	_	9/12/94	0	0	0
N3HUK4-03-0501-4500793	PA STATE UNIVERSITY	PA	9/16/94	0	0	0
TOTAL OF	REGION 03 = 44			876,073	69,494	101,236
C3HVK4-04-0128-4500440 C3HVK4-04-0107-4500461	TAMPA GREENSBORO	FL NC	4/13/94 4/15/94	0 0	0 0	0 0
10400C4-1010-40 4VAIICO	antenopono.		,			

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			Final Bassa		Questioned Costs		Efficienci	
Assignment Control Numb	per Title		Final Report Issued	Ineligible Costs	Unsupported Costs	Unreasonable Costs	(Funds Be To Better	
A33 I granerite Correi ot I Hame	7,11,1				00010		10 Better	0307
C3HVK4-04-0104-4500464		GA	4/19/94	0	0	0		0
C3HVK4-04-0157-4500476 C3HVK4-04-0129-4500689		SC FL	5/ 6/94 7/21/94	0	0 0	0		0
C3HVK4-04-0216-4500743		-L	8/11/94	0	0	0		0
C3HVK4-04-0239-4500751		ΓN	8/18/94	0	Ō	0		Ō
E3CBP4-04-0252-4400116	REVIEW OF CA WITH NELHA- HI		9/29/94	12,690	0	0		0
G3HVK4-04-0144-4500458	JACKSONVILLE WATER WORKS GASA		4/15/94	0	0 0	0		0 0
G3HVK4-04-0154-4500460 G3HVK4-04-0186-4500478		IC I	4/15/94 5/10/94	0	0	0		0
G3HVK4-04-0183-4500479	_	ſΝ	5/10/94	ō	Ŏ	ő		Ö
G3HVK4-04-0173-4500483		ΓN	5/10/94	0	0	0		0
G3HVK4-04-0180-4500491		EL.	5/11/94	0	0	0		0
G3HVK4-04-0206-4500557 G3HVK4-04-0203-4500558	MIAMI-DADE WATER & SEWER DE F NORTH AUGUSTA S	-L	6/ 9/94 6/ 9/94	0	0 0	0		0
G3HVK4-04-0207-4500560		N.	6/ 9/94	0	0	0		0
G3HVK4-04-0205-4500561		ΓN	6/ 9/94	0	0	0		0
G3HVK4-04-0185-4500564	KINGSTON SPRINGS T	ΓN	6/10/94	0	0	0		0
G3HVK4-04-0222-4500665		N	7/ 5/94	0	0	0		0
G3HVK4-04-0223-4500671	ROCKWOOD WATER WASTE WATER T		7/ 7/94 7/ 7/94	0 0	0 0	0		0 0
G3HVK4-04-0224-4500673 G3HVK4-04-0229-4500683	ROCKWOOD WATER SEWER & NATURT KEY WEST F	:L	7/ 1/94 7/14/94	0	0	0		0
G3HVK4-04-0248-4500760	BOYD COUNTY SANITATION DIST K		8/29/94	Ŏ	Ō	0		Ō
G3HVK4-04-0247-4500761	LUTTRELL T	ΓN	8/29/94	0	0	0		0
G3HVK4-04-0246-4500771	CONFERENCE OF RADIATION CONTK		9/ 7/94	0	0	0		0
N3HUK3-04-0337-4500428		1S	4/ 5/94	0	0 0	0		0
N3HVK4-04-0139-4500438 N3HVK4-04-0138-4500439		:L N	4/13/94 4/13/94	0	0	0		Ô
N3HUK3-04-0334-4500471		N .	4/29/94	Ŏ	Ō	0		0
N3HVK4-04-0047-4500472		Α	4/29/94	0	0	0		0
N3HVK4-04-0184-4500477		L	5/ 6/94	0	0	0		0
N3HVK4-04-0178-4500482		\L ·	5/10/94	0	0 0	0		0 0
N3HVK4-04-0179-4500492 N3HVK4-04-0190-4500509	_	i. L	5/11/94 5/19/94	0	0	0		0
N3HUK4-04-0126-4500510		:Ľ	5/19/94	ő	Ö	ő		Õ
N3HVK4-04-0140-4500568		N	6/10/94	0	0	0		0
N3HUK4-04-0142-4500569		(Y	6/13/94	0	0	0		0
N3HUK4-04-0212-4500588		IC	6/21/94	0	0 0	0		0 0
N3HVJ4-04-0213-4500589 N3HVK4-04-0209-4500612	DEPT. OF ENVIRONMENTAL MANAGA FREEPORT F	:L	6/21/94 6/24/94	0	0	0		0
N3HVJ4-04-0055-4500642		ıc	6/29/94	ő	Ö	Ö		Ō
N3HVK4-04-0221-4500644		L	6/30/94	0	0	0		0
N3HVJ3-04-0333-4500645		IS	6/30/94	0	0	0		0
N3HVJ3-04-0335-4500646		N	6/30/94	0	0	0		0 0
N3HVK4-04-0181-4500666 N3HVK4-04-0174-4500670		N L	7/ 5/94 7/ 7/94	0	0 0	0		0
N3HVK4-04-0225-4500672		N	7/ 7/94	0	0	0		0
N3HVK4-04-0230-4500681		L	7/13/94	0	0	0		0
N3HVK4-04-0141-4500699	COUNCIL OF STATE GOVERNMENTSK		7/26/94	0	0	0		0
N3HVK4-04-0259-4500794		L	9/19/94	0	0 0	0 0		0 0
N3HVK4-04-0269-4500797	HILLSBOROUGH COUNTY F	L	9/30/94	U	U	U		U
TOTAL OF	REGION 04 = 52			12,690	0	0		0
C3HVK4-05-0228-4500504		L	5/16/94	0	0	0		0
C3HVK4-05-0266-4500608	LANSING FY 93 M		6/23/94	0	0 0	0		0 0
C3HVK4-05-0276-4500674 G3HVJ4-05-0200-4500468		II N	7/13/94 4/25/94	32,024	37,195	0 0		0
G3HVJ4-05-0237-4500547		N	6/ 6/94	0	0	Õ		Õ
G3HVJ4-05-0254-4500549	·	N	6/ 6/94	0	0	0		0
G3HVJ4-05-0255-4500550	GLENVILLE FY 93 M		6/ 6/94	0	0	0		0
G3HVJ4-05-0253-4500551		N	6/ 7/94	0	0	0		0
G3HVJ4-05-0260-4500553		IN	6/ 8/94 6/17/0/	0	0 0	0		0
G3HVK4-05-0236-4500573 G3HVK4-05-0288-4500711	ILLINOIS DNS FY 92/93 I LYLE FY 93 M	L IN	6/17/94 8/ 2/94	0	0	0		0
G3HVK4-05-0290-4500712	MN RWA FY 93 M		8/ 2/94	ő	Ö	Ö		Ö
G3HVJ4-05-0289-4500713	SMITH-GREEN CSC FY 92/93 I		8/ 2/94	0	0	0		0
G3HVK4-05-0292-4500720	CLEVELAND NEORSD FY 93 O		8/ 8/94	0	0	0		0
G3HVK4-05-0296-4500791 N3HUJ3-05-0206-4500429	CALUMET CTWP FY 93 M OHIO U OF FY 92 O) I DH	9/14/94 4/ 5/94	0	0 0	0		0 0
N3HVK3-05-0191-4500430	MARIETTA FY 91 O		4/ 5/94	0	0	0		0
N3HVK4-05-0110-4500431	WAYNE CO FY 92 M		4/ 5/94	Ö	Ö	Ö		0
N3HVJ4-05-0196-4500447	JONATHAN ALDER LSD FY 92 O		4/14/94	0	0	0		0
N3HVJ4-05-0197-4500448	PERRY LSD FY 92 O		4/14/94	0	0	0		0
N3HVK4-05-0193-4500462 N3HVK4-05-0032-4500463	CHIPPEWA IND MLB FY 92 M CHIPPEWA IND RLB FY 92 M		4/18/94 4/19/94	0	0 0	0		0 0
M3/14K4 03 003E-4300403	OUTLIERU THE KEE IT SE M	.,•	7/ 1///7	J	J	· ·		ĭ

					0		Recommended
			Final Report	Ineligible	Questioned Costs Unsupported		Efficiencies (Funds Be Put
Assignment Control Numb	er Title		Issued	Costs	Costs	Costs	To Better Use)
N3HUK3-05-0271-4500467	MICHIGAN ST U FY 92	MI	4/25/94	0	G	0	ζ
N3HUK4-05-0122-4500469	MICHIGAN ST U FY 93	MI	4/26/94	Ö	Ö	Ö	č
N3HVK3-05-0270-4500470	MICHIGAN ST U FY 91	MI	4/26/94	0	0	0	C
N3HVJ3-05-0337-4500505	OHIO ST OF FY 92 WISCONSIN ST OF FY 92	WI	5/18/94 5/19/94	0	0	0	C C
N3HVJ4-05-0185-4500518 N3HVJ4-05-0245-4500528	UNITED LSD FY 92	OH	5/23/94	0	0	0	Č
N3HVK3-05-0269-4500529	MARIETTA FY 90	ОН	5/24/94	0	0	0	C
N3HVK3-05-0254-4500530	MONROE CO DC FY 92	ΜI	5/24/94	0	0	0	C
N3HUK4-05-0194-4500570 N3HVK4-05-0235-4500571	LOYOLA U FY 93 ILLINOIS DPH FY 92/93	I L I L	6/13/94 6/13/94	0	0	0	C C
N3HVK3-05-0295-4500572	ILLINOIS DOC FY 91/92	IL	6/17/94	0	ő	0	Č
N3HVK3-05-0325-4500574	NORWALK FY 90	ОН	6/17/94	0	0	0	C
N3HVK3-05-0360-4500575	WHITE EARTH RESERV FY 91	MN	6/17/94	0	0	0	0
N3HVK3-05-0356-4500576 N3HVJ3-05-0305-4500577	KEWEENAW BAY IC FY 92 MARIETTA FY 89	OH MI	6/17/94 6/17/94	0	0 0	0	0
N3HVK3-05-0351-4500578	CHICAGO HA FY 91	IL	6/17/94	0	0	0	Ö
N3HUK3-05-0304-4500580	DAYTON U OF FY 91	ОН	6/20/94	0	0	0	0
N3HVJ3-05-0296-4500581	CLARK CO FY 91	OH	6/20/94	0	0	0	0
N3HVK3-05-0352-4500582 N3HVK3-05-0324-4500583	NEWARK FY 92 CHIPPEWA TRIBE FY 92	OH Mn	6/20/94 6/20/94	0	0 0	0	0
N3HVJ3-05-0363-4500585	INDIANA DOH FY 92	IN	6/21/94	0	ő	0	Ö
N3HUK3-05-0388-4500586	DAYTON U FY 92	ОН	6/21/94	0	0	0	0
N3HVK3-05-0260-4500587	WARREN FY 91	ОН	6/21/94	0	0	0	0
N3HUK3-05-0318-4500590	MICHIGAN U OF FY 91/92	MI	6/21/94 6/21/94	0	0	0	0
N3HUK3-05-0372-4500592 N3HVK4-05-0234-4500595	ILLINOIS U OF FY 91/92 COLUMBUS FY 93	I L OH	6/21/94	143,394	0	0	0
N3HUK3-05-0370-4500603	LOYOLA U FY 91/92	ΙL	6/22/94	0	Ô	Ō	0
N3HVJ3-05-0253-4500607	MACOG FY 92	IN	6/23/94	0	0	0	0
N3HVJ4-05-0034-4500618	S BEND FY 92	IN	6/28/94	0	0 0	0	0
N3HVJ4-05-0024-4500619 N3HVJ4-05-0035-4500620	SUMMIT CO FY 91 ELKHART FY 92	OH IN	6/28/94 6/28/94	0	0	0	0
N3HUK4-05-0163-4500621	MICHIGAN TECH U FY 93	MI	6/28/94	ő	ő	Ö	Ö
N3HUK3-05-0387-4500622	OAKLAND U FY 92	MI	6/28/94	0	0	0	0
N3HVK3-05-0248-4500623	DEARBORN HEIGHTS FY 92	ΜI	6/28/94	0	0 0	0	0
N3HUK3-05-0346-4500625 N3HVK3-05-0310-4500627	NOTRE DAME U FY 92 N HOUGHTON CWS FY 92	IN MI	6/28/94 6/28/94	0	0	0	0
N3HVK3-05-0365-4500629	MENOMINEE TRIBE FY 92	WI	6/28/94	ŏ	ŏ	Õ	Ö
N3HVK3-05-0326-4500630	NORWALK FY 91	ОН	6/28/94	0	0	0	0
N3HUK3-05-0246-4500631	WRIGHT ST U FY 91	OH	6/28/94	0	0	0	0
N3HVJ4-05-0083-4500634 N3HUK4-05-0084-4500635	NORTHWESTERN U FY 89	OH IL	6/28/94 6/28/94	0	0 0	0 0	0 0
N3HVJ4-05-0060-4500636	LEECH LAKE RES FY 92	MN	6/28/94	ŏ	ŏ	Ö	Ö
N3HUJ4-05-0045-4500637	NE OHIO U FY 92	ОН	6/28/94	0	0	0	0
N3HUK4-05-0042-4500638	CLEVELAND ST U FY 91/92	OH	6/28/94	0	0	0	0
N3HVJ3-05-0251-4500675 N3HVK4-05-0103-4500700	YOUNGSTOWN FY 90 GARDEN CITY FY 93	MI MI	7/13/94 7/28/94	0	0 0	0	0
N3HVK4-05-0111-4500704	BATTLE CREEK FY 92/93	MI	7/28/94	ő	Ö	Ō	0
N3HUK4-05-0085-4500705	WISCONSIN MED COLL FY 93	WI	7/28/94	0	0	0	0
N3HVK4-05-0041-4500706	CLEVELAND FY 92	ОН	7/28/94	0	0 0	0	0
N3HVK4-05-0104-4500707 N3HVJ4-05-0077-4500708	CHICAGO FY 92 LAKE STATION FY 92	I L I N	7/28/94 7/28/94	0	0	0	0
N3HVK4-05-0062-4500709	AMA FY 92	ΪL	7/28/94	0	0	0	0
N3HVJ4-05-0033-4500710	BLOOMINGTON FY 91	IN	8/ 1/94	0	0	0	0
TOTAL OF	REGION 05 = 75			175,418	37,195	0	0
C3HVK4-06-0120-4500669	SHREVEPORT	LA	7/ 6/94	0	0	0	0
C3HVK4-06-0165-4500774	SAN ANTONIO	τx	9/12/94	0	0	0	0
G3HVK4-06-0107-4500544	OAK MANOR MUD	TX	6/ 6/94	0	0 0	0	0
G3HVK4-06-0105-4500545 G3HVK4-06-0104-4500546	NEW MEXICO ENVIRONMENT DEPA NEW MEXICO ENVIRONMENT DEPT		6/ 6/94 6/ 6/94	0 0	0	0	0
G3HVK4-06-0115-4500598	DERIDDER	LA	6/22/94	ŏ	Ō	0	0
G3HVK4-06-0118-4500667	SEYMOUR	TX	7/ 6/94	0	0	0	0
G3HVK4-06-0119-4500668	BLOOMING GROVE	TX	7/ 6/94	0	0 0	0	0
G3HVK4-06-0148-4500742	SANTA FE	NM TX	8/11/94 8/12/94	0	0	0	0
G3HVK4-06-0155-4500744 G3HVK4-06-0153-4500745	SEYMOUR ROCKSPRINGS	TX	8/12/94	0	ő	ő	0
G3HVK4-06-0154-4500746	ROCKSPRINGS	TX	8/12/94	0	0	0	0
G3HEK4-06-0156-4500748	SOUTHWEST RESEARCH & INFORM		8/12/94	0	0 0	0	0
N3HVK4-06-0095-4500449	CLEBURNE OKLAHOMA STATE UNIVERSITY	TX OK	4/14/94 4/21/94	0	0	0	0
N3HUK4-06-0096-4500465 N3HVK4-06-0108-4500543	DALLAS	TX	6/ 6/94	ő	Ö	0	0
N3HVK4-06-0113-4500596	OSAGE NATION	OK	6/22/94	0	0	0	0
N3HVK4-06-0114-4500597	TERREBONNE PARISH CONS. GOV		6/22/94	0	0 0	0	0 0
N3HVK4-06-0117-4500653	PUEBLO OF ACOMA	NM	7/ 5/94	0	U	U	۷

				Questioned Costs		Recommended Efficiencies
		Final Rep	ort Ineligible	Unsupported		(Funds Be Put
Assignment Control Numb	per Title	Issue	•	Costs	Costs	To Better Use)
NZULUZ/ 04 0474 /50070/	DICE INTVERCITY T	9,0,0	0	0	0	0
N3HUK4-06-0131-4500724 N3HVK4-06-0132-4500725	RICE UNIVERSITY TO DALLAS CITY OF TO		0	0	0	0
N3HVK4-06-0133-4500726	GALVESTON CITY HEALTH DISTRIT		ő	Ŏ	Ö	0
N3HVK4-06-0134-4500727	PUEBLO OF SANDIA NA		0	0	0	0
N3HVK4-06-0135-4500728	EIGHT NORTHERN INDIAN PUEBLON	M 8/9/94	0	0	0	0
N3HVK4-06-0136-4500729	JEFFERSON PARISH LA		0	0	0	0
N3HVK4-06-0137-4500730	OGLALA SIOUX TRIBE NA		0	0 0	0	0
N3HUJ4-06-0138-4500731 N3HUJ4-06-0139-4500732	ARKANSAS UNIVERSITY OF AF		0	0	0	0
N3HVK4-06-0140-4500733	ARK-TEX COG AF		Ö	Ö	Ö	Ō
N3HUK4-06-0141-4500734	OKLAHOMA UNIVERSITY OF OR	8/ 9/94	0	0	0	0
N3HUK4-06-0141-4500735	OKLAHOMA UNIVERSITY OF OR		0	0	0	0
N3HVK4-06-0143-4500736	NEW MEXICO DEPT OF ENERGY NN		0	0	0	0
N3HVJ4-06-0144-4500737 N3HVK4-06-0145-4500738	LOUISIANA STATE OF LA		0	0	0	0
N3HVK4-06-0149-4500739	CENTRAL TEXAS COG T)		Ö	Ŏ	0	Ö
N3HVK4-06-0146-4500740	EL PASO T)		0	0	0	0
N3HVK4-06-0147-4500741	FORT WORTH T)		0	0	0	0
N3HUJ4-06-0152-4500747	NEW MEXICO UNIVERSITY OF N		0	0	0	0
N3HVK4-06-0163-4500764 N3HVJ4-06-0161-4500765	TEXOMA T)		0	0 0	0	0
N3HVK4-06-0160-4500766	ARKANASAS DEPT. OF HEALTH AF PUEBLO OF ISSLETA NN	-	0	0	0	0
N3HVK4-06-0159-4500767	PUEBLO OF POJOAQUE NA		Ö	0	0	ő
N3HVK4-06-0167-4500775	TAOS PUEBLO NA		0	Ō	0	0
N3HVK4-06-0166-4500776	SANTA CLARA INDIAN PUEBLO NA	9/12/94	0	0	0	0
TOTAL OF	REGION 06 = 44		0	0	0	0
-7 07.0070 /500/55		7. 5.01	0	0	0	0
C3HVK4-07-0070-4500655 G3HVK4-07-0062-4500498	KANSAS CITY KS NEVADA IA		0	0 0	0	0
G3HVK4-07-0063-4500552	CHELSEA IA		Õ	ő	Ö	ő
G3HVK3-07-0138-4500719	PUXICO MC		0	0	0	0
N3HVK4-07-0049-4500426	LINCOLN	E 4/ 1/94	0	0	0	0
N3HVK4-07-0054-4500466	ST. LOUIS MO		0	0	0	0
N3HVK4-07-0064-4500497	JOPLIN MO		0	0	0	0
N3HVK4-07-0055-4500609 N3HVK4-07-0069-4500610	POLK COUNTY IA KANSAS CITY MO		0	0 0	0	0
N3HVK4-07-0051-4500651	KANSAS KS		0	0	ő	Ö
N3HVK4-07-0038-4500659	WYANDOTTE COUNTY KS		Ō	0	0	0
N3HVK4-07-0045-4500664	SO CENT OZARK COUNCIL OF GOVMO	7/ 5/94	0	0	0	0
.N3HVK4-07-0071-4500684	UNIV OF MISSOURI - SYSTEM MC	7/15/94	0	0	0	0
TOTAL OF	REGION 07 = 13		0	0	0	0
E3CBL3-08-0088-4100497	MONTANA STATE UNIVERSITY MT	8/23/94	150,072	0	0	0
G3HVJ3-08-0098-4500418	KAYCEE WY		0	0	0	0
G3HVJ3-08-0091-4500419	KAYCEE WY		0	0	0	0
G3HVJ4-08-0021-4500424 G3HVJ4-08-0050-4500611	MILNOR NE WEST FARGO NE		0	0	0	0
G3HVK4-08-0055-4500676	WY OIL & GAS CONS. COMM. WY		ő	0	Ö	Ö
N3HVJ3-08-0116-4500496	COLORADO		0	0	0	0
N3HVK4-08-0043-4500503	DENVER REG COUNCIL OF GOVTS CO		0	0	0	0
N3HVK4-08-0042-4500593	GREAT FALLS MT		0	0	0	0 0
N3HVK4-08-0024-4500594 N3HVK4-08-0059-4500652	TURTLE MTN BAND CHIPPEWA INDNO CITY OF WESTMINSTER CO		0	0	0	0
N3HVK4-08-0058-4500654	LOWER BRULE SIOUX TRIBE SD		ő	0	Ö	Ō
N3HVK4-08-0026-4500656	OGLALA SIOUX TRIBE SD		0	0	0	0
N3HVK4-08-0027-4500657	OGLALA SIOUX TRIBE SD		0	0	0	0
N3HUK4-08-0046-4500658	UNIV OF DENVER (CO SEMINARY)CO		0	0	0	0
N3HVK4-08-0039-4500660 N3HVK4-08-0051-4500661	UTE INDIAN TRIBE AM INDIAN SCIENCE & ENG SOC	7/ 5/94 7/ 5/94	0	0	0	0
N3HVK4-08-0052-4500662	CONFED SALISH & KOOTENIA TRBMT		Ö	Ō	0	0
N3HVJ4-08-0049-4500663	BRIDGER MT		0	0	0	0
TOTAL OF	REGION 08 = 19		150,072	0	0	0
C3HVK4-09-0125-4500647	LAS VEGAS, CITY OF NV	6/30/94	0	0	0	0
G3HVK4-09-0124-4500432	TUCSON, CITY OF AZ		0	0	0	0
G3HVK3-09-0235-4500436	HAWAII, DEPT OF HEALTH HI		0	0	0	0
G3HIJK3 09-9221-4500437	CALIF PUBLIC HLTH FOUND. CA		0	0 0	0 0	0 0
G3HVK3-09-0207-4500444 G3HUK4-09-0131-4500484	CLARK COUNTY NV NATURAL HERITAGE, INST FOR CA		0	0	0	0
G3HUK4-09-0156-4500485	CALIF AGAINST WASTE FOUND CA		ő	Ö	0	Ō
G3HVK4-09-0079-4500487	KAUAI, COUNTY OF HI	5/11/94	0	0	0	0
G3HVK4-09-0205-4500650	SAN JOAQUIN VLYWIDE AIR POL CA	6/30/94	0	0	0	0

				Recommended	
				Questioned Costs	
Assignment Control Numb	er Title	Final Report Issued	Ineligible Costs	Unsupported Costs	Unreasonable (Funds Be Pu CostsTo Better Us
G3HVK4-09-0204-4500702	SOUTH COAST AIR GTY MGMT DISCA	7/28/94	0	0	0
G3HVK4-09-0203-4500703 N3HVK4-09-0139-4500441	SAN JOAQUIN VALLEY UAPC DISTCA SAN LUIS OBISPO, COUNTY OF CA	7/28/94 4/13/94	0	0	0 0
N3HVK4-09-0140-4500442	SAN JOAQUIN, COUNTY OF CA	4/13/94	Ö	ő	Ō
N3HVK4-09-0126-4500443	PHOENIX, CITY OF AZ	4/13/94	0	0	0
N3HVK4-09-0138-4500450	SACRAMENTO, COUNTY OF CA	4/14/94	0	0	0
N3HVK4-09-0137-4500451	ASSN MONTEREY BAY AREA GOV CA	4/14/94 4/14/94	0 0	0	0 0
N3HVK4-09-0136-4500452 N3HVK4-09-0160-4500480	SANTA CRUZ, COUNTY OF CA SAN DIEGO ASSN OF GOVTS CA	5/10/94	0	0	0
N3HVK4-09-0074-4500486	HOOPA VALLEY TRIBE CA	5/11/94	0	0	Ō
N3HVJ3-09-0066-4500495	CALIFORNIA, STATE OF CA	5/12/94	0	0	0
N3HVJ3-09-0264-4500516	MARICOPA COUNTY AZ	5/19/94	0 0	0	0 0
N3HVK4-09-0163-4500517 N3HVJ3-09-0225-4500519	CAMPO BAND OF MISSION IND CAMARICOPA COUNTY AZ	5/19/94 5/19/94	0	0 0	0
N3HVK4-09-0174-4500522	VENTURA, COUNTY OF CA	5/20/94	ő	Õ	Ö
N3HVK4-09-0175-4500523	MARIN, COUNTY OF CA	5/20/94	0	0	0
N3HVK4-09-0176-4500524	KERN, COUNTY OF CA	5/20/94	0	0	0
N3HVK4-09-0177-4500525	MONTEREY, COUNTY OF CA	5/20/94	0 0	0	0 0
N3HUK4-09-0129-4500559 N3HVK4-09-0187-4500563	STANFORD UNIVERSITY CA SAN BUENAVENTURA, CITY OF CA	6/ 9/94 6/ 9/94	0	0	0
N3HVK4-09-0158-4500565	COCOPAH INDIAN TRIBE AZ	6/10/94	ő	Õ	Ō
N3HVK4-09-0159-4500566	COCOPAH INDIAN TRIBE AZ	6/10/94	0	0	0
N3HVK4-09-0073-4500567	_	6/10/94	0	0	0
N3HVK4-09-0072-4500599	COCOPAH INDIAN TRIBE AZ GILA RIVER INDIAN COMMM. AZ	6/22/94	230 0	0 0	0 0
N3HVK4-09-0201-4500613 N3HVK4-09-0206-4500648	GILA RIVER INDIAN COMMM. AZ ORANGE, COUNTY OF CA	6/24/94 6/30/94	0	0	0
N3HVK4-09-0188-4500649	PLUMAS CO COMM DEV COMM CA	6/30/94	Ö	0	Ö
N3HVK4-09-0168-4500677	SHASTA, COUNTY OF CA	7/13/94	0	0	0
N3HVK4-09-0208-4500678	SAN FRANCISCO, CITY & COUNTYCA	7/13/94	0	0	0
N3HVK4-09-0054-4500679	MORONGO BAND OF MISSION IND CA ASSOCIATION NACIONAL PRO PERCA	7/13/94 7/13/94	0 0	0 0	0 0
N3HUK4-09-0178-4500680 N3HVJ4-09-0155-4500749	CALIFORNIA, STATE OF CA	8/18/94	0	Ö	0
N3HVK4-09-0166-4500750	GUAM, GOVERNMENT OF FM	8/18/94	178,256	0	0
N3HVK4-09-0157-4500752	HAWAII, DEPT OF AGRICULTURE HI	8/19/94	3,037	0	0
N3HVK4-09-0210-4500762	CW OF NO MARIANA ISLANDS MP	8/30/94	49,832	0	0
N3HVK4-09-0212-4500763	CW OF NO MARIANA ISLANDS MP PALAU. REPUBLIC OF PW	8/30/94 9/ 1/94	71,701 42,424	0	0 0
N3HVK4-09-0179-4500770 N3HVK4-09-0211-4500795	PALAU, REPUBLIC OF PW PALAU, REPUBLIC OF PW	9/20/94	15,541	0	0
	·	.,,	·		0
TOTAL OF	REGION 09 = 47		361,021	0	0
E3NLB3-10-0151-4100563	LUST-IDAHO ID	9/28/94	0	0	0
G3HVK3-10-0126-4500417		4/ 1/94	0	0 0	0 0
G3HVJ4-10-0004-4500435 G3HVJ3-10-0136-4500445	CLARK COUNTY WA SEATTLE, CITY OF WA	4/12/94 4/13/94	0	0	0
G3HVJ4-10-0059-4500499	TACOMA, CITY OF WA	5/13/94	0	0	Ō
G3HVJ4-10-0064-4500500		5/13/94	0	0	0
G3HVJ4-10-0013-4500502	KING COUNTY WA	5/13/94	0	0	0 0
G3HVJ4-10-0011-4500526	OLYMPIA, CITY OF WA METRO WASTEWATER MGT COMM OR	5/20/94 5/31/94	0	0 0	0
G3HVK4-10-0086-4500537 G3HVK4-10-0085-4500538	METRO WASTEWATER MGT COMM OR	5/31/94	ŏ	ŏ	Ŏ
G3HUK3-10-0160-4500539	NORTHWEST RENEW RES CTR WA	5/31/94	0	0	0
G3HUK3-10-0161-4500540	NORTHWEST RENEW RES CTR WA	5/31/94	0	0	0
G3HVK4-10-0123-4500600	SPRINGFIELD, CITY OF OR NESKOWIN REG SANITARY AUTH OR	6/22/94 6/22/94	0 1,525	0 0	0 0
G3HVK3-10-0167-4500605 G3HVJ4-10-0127-4500701	NESKOWIN REG SANITARY AUTH OR SOUTH CLE ELUM, TOWN OF WA	7/28/94	0	ő	0
N3HVK3-10-0128-4500433	IDAHO OFFC. OF THE GOVERNOR ID	4/12/94	0	0	0
N3HVK3-10-0129-4500446	JAMESTOWN S'KLALLAM IND TRB.WA	4/13/94	0	0	0
N3HVK3-10-0150-4500453	POINT NO POINT TREATY COUN. WA	4/14/94	0	0	0 0
N3HVK3-10-0130-4500454	BOISE CITY ID LUMMI INDIAN BUSINESS COUN. WA	4/14/94 5/10/94	0	0	0
N3HVK4-10-0058-4500481 N3HVK4-10-0033-4500488	STILLAGUAMISH INDIAN TRIBE WA	5/11/94	Ō	0	0
N3HVK3-10-0152-4500489	SPOKANE TRIBE OF INDIANS WA	5/11/94	0	0	0
N3HVK4-10-0035-4500490	SPOKANE TRIBE OF INDIANS WA	5/11/94	0	0	0
N3HVK4-10-0034-4500501	HOH INDIAN TRIBE WA	5/13/94 5/10/0/	0 0	0	0 0
N3HVK3-10-0135-4500515	CONFED TRIBES WARM SPRS. RE OR COLUMBIA RIVER I/T FISH COM OR	5/19/94 5/31/94	0	0	0
N3HVK4-10-0102-4500536 N3HVK3-10-0174-4500562	QUILEUTE TRIBAL COUNCIL WA	6/ 9/94	Ď	0	0
N3HVK4-10-0106-4500604	SKOKOMISH INDIAN TRIBE WA	6/22/94	0	0	0
N3HVK4-10-0110-4500682	MARION COUNTY OR	7/13/94	0	0	0 0
N3HVK4-10-0091-4500768	CON TRIBES YAKIMA IND NATIONWA	9/ 1/94 9/ 1/94	0 0	0 0	0
N3HVJ4-10-0137-4500769	IDAHO DEPT HLTH & WELFARE ID	9/ 1/94	-	-	-
TOTAL OF	REGION 10 = 31		1,525	0	0

				Recomme				
			Final Report	Ineligible	Questioned Costs		Efficiencie	
Assignment Control Numb	oer Title		Issued	Costs	Unsupported Costs	Unreasonable Costs	To Better	
Acordinate collector want	7,3,5					55415	, o bocos.	9007
TOTAL OTI	HER GRANT ASSIGNMENTS	=	383	1,576,799	106,689	101,236		0
5. SUPERFUND GRANT ASS	IGNMENTS							
E5BGL4-04-0097-4100496	GEORGIA DEPT. NATURAL RES.	GA	8/22/94	239,853	24,748	0		0
TOTAL OF	REGION 04 = 1			239,853	24,748	0		0
E5FGF4-05-0138-4100488	CA MN RITARI	R5	8/15/94	0	0	0		0
E5FGT4-05-0138-4400061	CA RITARI PROCUREMENT	MN	5/13/94	0	0	0		0
E5FGS4-05-0261-4400111	CA'S ILLINOIS CORE PROGRAM	R5	9/23/94	0	0	0		0
TOTAL OF	REGION 05 = 3			0	0	0		0
E5DGL4-09-0202-4100530	ARIZONA DEQ I/C 1990 & 1991	ΑZ	9/21/94	0	0	0		0
TOTAL OF	REGION 09 = 1			0	0	0		0
H5BFL4-11-0033-4100509	SF FIN ACT AT NIEHS FY92		8/26/94	0	0	0		0
	SF FIN ACTIVITIES AT ATSDR9	2	8/31/94	0	0 0	0		0 0
M5BFL4-11-0032-4100508	FY92 SF ACTIVITIES USCG AUD		8/26/94	0	U	U		U
TOTAL OF	HDQ - HAD AUDITS = 3			0	0	0		0
TOTAL SUF	PERFUND GRANT ASSIGNMENTS	=	8	239,853	24,748	0		0
8. OTHER CONTRACT ASSIG	GNMENTS							
D8AML4-01-0085-4100247 D8BPL2-01-0294-4100261 D8AML4-01-0118-4100331 D8AML4-01-0122-4100428 D8AML4-01-0149-4100437 D8DML3-01-0166-4100458 D8DML4-01-0166-4100465 D8CML4-01-0164-4100466 E8AZP4-01-0094-4400054	ABT ASSOCIATES, INC. EASTERN RESEARCH GROUP INDUSTRIAL ECONOMICS INC. ARTHUR D. LITTLE	MA MA MA CT MA ME MA	4/13/94 4/25/94 5/27/94 6/27/94 6/27/94 6/30/94 7/18/94 7/27/94 4/26/94	*The dollar value of contract audits have not been shown Public disclosure of the dollar value of financial recom mendations 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 th findings have been included in the aggregate data displaye below. Such data individually excluded in this listing will be provided to the Congress under separate memorandu within 30 days of the transmittal of the semiannual report of the agency head. The transmitted data will contain appropriate cautions regarding disclosure.				
D0DW / 03 0445 /4003/8	FOOTER LUISEUS GORDONATION		/ /17 /0/					
D8DML4-02-0115-4100248 D8DML4-02-0131-4100258	FOSTER WHEELER CORPORATION ACRES INTERNATIONAL CORP	NJ Yn	4/13/94 4/25/94					
D8DML4-02-0003-4100259		NY	4/25/94					
	SYRACUSE RESEARCH CORP	NY	4/25/94					
D8DML4-02-0030-4100332		NY	5/27/94					
D8AML4-02-0139-4100430 D8CML4-02-0051-4100454	ENSERCH ENVIRONMENTAL CORP. SYRACUSE RESEARCH CORP.	NY	6/27/94 7/18/94					
D8EML4-02-0167-4100455	SYRACUSE RESEARCH CORP.	NY	7/18/94					
	SYRACUSE RESEARCH CORP.	NY	7/18/94					
	CAMRODEN ASSOCIATES INC. SYRACUSE RESEARCH CORP.	NY Ny	7/18/94 7/18/94					
D8EML4-02-0166-4100461		NY	7/19/94					
D8DML4-02-0182-4100475	CORNELL UNIVERSITY FY 93	NY	8/ 8/94					
D8CML4-02-0037-4100501 D8DML4-02-0186-4100516		NJ NY	8/24/94 9/ 8/94					
	ECOLOGY & ENVIR	NY	5/ 5/94					
	ECOLOGY & ENVIR	NY	5/20/94					
E8AXP4-02-0103-4400071	ECOLOGY & ENVIR	NY	6/16/94					
TOTAL OF	REGION 02 = 18							
D8AML4-03-0213-4100274	VERSAR	VA	5/10/94					
D8AML4-03-0215-4100275	ENERGETICS INC.	MD	5/10/94					
D8AML4-03-0153-4100276 D8AML4-03-0214-4100277	LABAT ANDERSON SCIENCE AND POLICY ASSOCIATE	VA FDC	5/10/94 5/10/94					
D8AML4-03-0212-4100277	LABAT ANDERSON	VA	5/10/94					
D8AML4-03-0087-4100280	SCIENCES INTERNATIONAL	VA	5/16/94					
D8AML4-03-0086-4100281	TECHNOLOGY APPLICATIONS	VA	5/16/94					
D8AWL3-03-0449-4100282 D8AML4-03-0126-4100284	RCG/HAGLER, BAILEY GANNETT FLEMING	VA MD	5/16/94 5/16/94					
		-						

							Recommended
			Final Papart	Ineligible	Questioned Costs		Efficiencies
Assignment Control Numb	er <u>Title</u>		Final Report Issued	Costs	Unsupported Costs	Unreasonable <u>Costs</u>	To Better Us
D8AML4-03-0151-4100285	DYNAMAC	MD	5/16/94				
D8AML4-03-0185-4100287	VIGYAN	VA	5/16/94				
D8AML4-03-0184-4100289	GEOLOGICS CORPORATION	MD	5/16/94				
D8AML4-03-0211-4100290	AVANTI CORPORATION	VA	5/16/94				
D8AML4-03-0210-4100291	SCIENCES INTERNATIONAL INC.		5/16/94 5/18/0/				
D8EML4-03-0117-4100294 D8BML4-03-0308-4100298	PACIFIC ENVIRONMENTAL SERV. VERSAR	VA VA	5/18/94 5/18/94				
D8BML4-03-0309-4100300	AMERICAN MANAGEMENT SYSTEMS		5/18/94				
D8EML4-03-0310-4100301	AMERICAN MANAGEMENT SYSTEMS	VA	5/18/94				
D8EML4-03-0313-4100303	RESOLVE, INCORPORATED	DC	5/18/94				
D8EML4-03-0312-4100304 D8EML4-03-0314-4100305	RESOLVE, INCORPORATED RESOLVE, INCORPORATED	DC DC	5/18/94 5/18/94				
D8EML4-03-0315-4100306	RESOLVE, INCORPORATED	DC	5/18/94				
D8EML4-03-0316-4100307	KENNEDY KRIEGER RESEARCH	MD	5/18/94				
D8AML4-03-0267-4100312	BIONETICS	VA	5/23/94				
D8BML4-03-0327-4100313	GEOMET TECHNOLOGIES, INC.	MD MD	5/23/94 5/23/94				
D8BML4-03-0329-4100315 D8EML4-03-0330-4100316	NAHB NATIONAL RESEARCH ARTHUR D. LITTLE, INC.	MA	5/23/94				
D8EML4-03-0331-4100317	COMPUTER SCIENCE CORP.	VA	5/23/94				
D8BML4-03-0326-4100318	MAXIMA CORPORATION	MD	5/23/94				
D8EML4-03-0332-4100319	COMPUTER SCIENCE CORP.	VA	5/23/94				
D8DML4-03-0333-4100320	COMPUTER SCIENCE CORP.	VA VA	5/23/94 5/23/94				
D8EML4-03-0318-4100321 D8BML4-03-0319-4100322	VERSAR EG&G WASHINGTON ANALYTICAL	MD	5/23/94				
D8EML4-03-0355-4100335	COMPUTER SCIENCE CORP.	VA	6/ 1/94				
D8EML4-03-0354-4100336	COMPUTER SCIENCE CORP.	٧A	6/ 1/94				
D8EML4-03-0351-4100338	SCIENCES INTERNATIONAL, INC.		6/ 1/94				
D8CML4-03-0075-4100339 D8BML2-03-0276-4100340	PROGRAM RESOURCES, INC. S. COHEN AND ASSOCIATES	VA VA	6/ 1/94 6/ 1/94				
D8BML4-03-0350-4100341	EG&G WASHINGTON ANALYTICAL	MD	6/ 1/94				
D8BML4-03-0346-4100342	COMPUTER SCIENCE CORP.	VA	6/ 1/94				
D8BML4-03-0345-4100343	PRC, INC.	VA	6/ 1/94				
D8EML4-03-0344-4100344	BRUCE COMPANY	DC	6/ 1/94				
D8EML4-03-0343-4100345 D8CAL3-03-0213-4100346	RCG/HAGLER, BAILLY, INC. DYNAMAC	VA MD	6/ 1/94 6/ 1/94				
D8CML4-03-0342-4100347	INTERNATIONAL BUSINESS SERV.		6/ 1/94				
D8CML4-03-0341-4100348	INTERNATIONAL BUSINESS SERV.		6/ 1/94				
D8DML4-03-0340-4100349	COMPUTER SCIENCE CORP.	VA	6/ 1/94				
D8BML4-03-0337-4100350	LABAT-ANDERSON, INC.	VA	6/ 1/94 6/ 1/94				
D8BML2-03-0148-4100351 D8AML4-03-0280-4100355	TECHNOLOGY APPLICATIONS INC	MD	6/ 1/94				
D8AWL4-03-0297-4100359	VIGYAN	VA	6/ 7/94				
D8AML4-03-0278-4100360	GANNETT FLEMING	PA	6/ 7/94				
D8CAL4-03-0016-4100361	TECHNICAL RESOURCES, INC.	MD	6/ 7/94				
D8EML4-03-0348-4100363 D8BML3-03-0442-4100366	SCIENCE AND POLICY ASSOCIATE COMPUTER BASED SYSTEMS, INC.		6/ 7/94 6/ 7/94				
D8BML4-03-0367-4100367	DIVERSIFIED TECHNOLOGY	VA	6/ 7/94				
D8BML4-03-0095-4100368	TECHNOLOGY APPLICATIONS, INC	VA	6/ 7/94				
D8BML2-03-0413-4100369	LABAT-ANDERSON, INC	VA	6/ 7/94				
D8AML4-03-0366-4100370 D8CAL3-03-0284-4100375	PROJECT PERFORMANCE CORP. DYNAMAC	VA MD	6/ 7/94 6/ 7/94				
D8CBL4-03-0089-4100376	DYNAMAC	MD	6/ 7/94				
D8BML4-03-0356-4100380	COMPUTER SCIENCE CORP.	VA	6/ 8/94				
D8EML4-03-0357-4100381	GEOLOGICS CORPORATION	MD	6/ 8/94				
D8EML4-03-0358-4100382	HUGHES STX CORPORATION EG&G WASHINGTON ANALYTICAL	MD MD	6/ 8/94 6/ 8/94				
D8BML4-03-0349-4100383 D8BML4-03-0347-4100384	COMPUTER SCIENCE CORP.	VA	6/ 8/94				
D8EML4-03-0360-4100385	VERSAR		6/ 8/94				
D8CBL3-03-0357-4100386	VIAR	VA	6/ 8/94				
D8CPL3-03-0212-4100388	DYNAMAC	MD	6/ 8/94				
D8BML4-03-0096-4100390 D8BML2-03-0180-4100391	RCG INTERNATIONAL SRA TECHNOLOGIES	VA VA	6/ 8/94 6/ 8/94				
D8AML4-03-0272-4100399	BIOLOGICAL ASSOCIATES	MD	6/13/94				
D8AML4-03-0296-4100405	WASTE POLICY INSTITUTE	VA	6/14/94				
D8BML3-03-0153-4100416	S. COHEN AND ASSOCIATES	VA	6/22/94				
D8BML4-03-0420-4100432	UNISYS	CA CA	6/28/94 6/28/94				
D8BML4-03-0419-4100433 D8AML4-03-0282-4100434	UNISYS RMC ENVIRONMENTAL SERVICE	PA	6/28/94				
D8AML4-03-0282-4100434	GREELEY-POLHEMUS GROUP	PA	6/30/94				
D8BML4-03-0082-4100445	IRVING BURTON	VA	7/14/94				
D8ABL4-03-0301-4100446	UNIVERSAL SYSTEMS	VA	7/14/94 7/16/96				
D8AML2-03-0419-4100448 D8AAL2-03-0427-4100449	PERRIN QUARLES ASSOCIATES PERRIN QUARLES ASSOCIATES	VA	7/14/94 7/14/94				
D8AML4-03-0299-4100450	VERSAR	VA	7/14/94				
D8ABL4-03-0300-4100451	VERSAR	VA	7/14/94				

OFFICE OF INSPECTOR GENERAL

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			Final Report	Ineligible	Questioned Costs Unsupported	Unreasonable	Efficienci	
Assignment Control Numi	per Title		I ssued	Costs	Costs	Costs	To Better	
DOAH! / 07 0770 /100/00	OHANTECH INC	\/A	9 /13 /0/					
D8AML4-03-0378-4100480 D8AML4-03-0370-4100481		VA VA	8/12/94 8/12/94					
D8AML4-03-0377-4100482		MD	8/12/94					
D8AML4-03-0408-4100483	MITCHELL SYSTEMS CORPORATION	VA	8/12/94					
D8AAL4-03-0302-4100484		VA	8/12/94					
D8AML4-03-0371-4100485 D8AML4-03-0372-4100486	•	PA MD	8/12/94 8/12/94					
D8AML4-03-0279-4100487		VA	8/12/94					
D8BML2-03-0237-4100503	DUAL, INCORPORATED	VA	8/25/94					
D8AML4-03-0375-4100507	•		8/25/94					
D8CBL4-03-0290-4100526 D8BML3-03-0437-4100533	DYNCORP/PRI ENERGY & ENVIRONMENTAL ANALY	VA VA	9/16/94 9/22/94					
D8BML4-03-0138-4100534		VA	9/22/94					
D8BML4-03-0509-4100541	_	MD	9/23/94					
D8EML4-03-0505-4100543		VA	9/23/94					
D8BML4-03-0374-4100544 D8EML4-03-0510-4100545	ERM PROGRAM MANAGEMENT CO. HAMPSHIRE RESEARCH ASSOCIATE	PA VA	9/23/94 9/23/94					
D8EML4-03-0507-4100546		VA	9/23/94					
D8EML4-03-0504-4100547		VA	9/23/94					
D8AML4-03-0404-4100549		DC	9/23/94					
D8CML4-03-0503-4100550		PA VA	9/23/94					
D8EML4-03-0499-4100551 D8AML4-03-0470-4100553	•	VA VA	9/23/94 9/23/94					
D8AML4-03-0379-4100555		MD	9/23/94					
D8CML4-03-0193-4100556	DYNAMAC	MD	9/23/94					
D8EML4-03-0498-4100557	•	VA	9/23/94					
D8BML3-03-0443-4100558 D8BML4-03-0079-4100564		VA VA	9/26/94 9/28/94					
D8EMP2-03-0311-4400066		VA	6/ 7/94					
D8EMP2-03-0310-4400068	COMPUTER SCIENCE CORP	VA	6/ 8/94					
TOTAL OF	REGION 03 = 114							
E8AML4-22-0412-4100537 E8BZN4-22-0078-4300041	PRICE PROPOSAL EH PECHAN ICF KAISER-SUBKTRA BILLINGS		9/22/94 8/15/94					
TOTAL OF	REGION 22 = 2							
DOCK! / D/ DD97 /1003/1	MANITECH TECHNOLOGY	NC	/ / F /O/					
D8CML4-04-0087-4100241 D8BML4-04-0066-4100243		NC Fl	4/ 5/94 4/ 7/94					
D8BML4-04-0070-4100245		FL	4/ 7/94					
D8AML4-04-0132-4100249			4/13/94					
D8BML4-04-0075-4100250 D8BML4-04-0076-4100256			4/13/94 4/19/94					
D8BML2-04-0279-4100257			4/22/94					
D8BML4-04-0057-4100263		NC	4/29/94					
D8BML4-04-0175-4100267			5/ 3/94					
D8DML2-04-0280-4100268 D8BML4-04-0201-4100324	TRANSCONTINENTAL ENTERPRISES		5/ 3 /94 5/26/94					
D8AML4-04-0166-4100327		NC	5/26/94					
D8AML4-04-0172-4100401		NC	6/13/94					
D8AML4-04-0169-4100402		NC	6/13/94					
D8BML4-04-0214-4100411 D8AML4-04-0193-4100418		NC NC	6/21/94 6/23/94					
D8BML3-04-0315-4100420		NC	6/23/94					
D8AML4-04-0176-4100421		MS	6/23/94					
D8AML4-04-0199-4100425 D8AML4-04-0198-4100426		NC NC	6/24/94 6/24/94					
D8AML4-04-0210-4100440		FL	7/ 7/94					
D8AML4-04-0219-4100478		NC	8/11/94					
D8BML4-04-0238-4100479	•	GA	8/11/94					
D8AML4-04-0220-4100490 D8DML2-04-0135-4100491		NC Ga	8/17/94 8/17/94					
D8EML4-04-0241-4100493		NC	8/17/94					
D8BML4-04-0068-4100574	KILKELLY ENVIRONMENTAL ASSO	NC	9/29/94					
D8BML3-04-0044-4100575	ADVANCED SYSTEMS TECHNOLOGY		9/29/94					
E8DML3-04-0260-4100357 E8BML4-04-0271-4100580		KY KY	6/ 2/94 9/30/94					
E8AXP4-04-0158-4400069		KY KY	6/14/94					
H8AML4-04-0197-4100494		NC	8/18/94					
TOTAL OF	REGION 04 = 32							
D8CML4-05-0019-4100246	TRIAD ENG FY 92/93	WI	4/12/94					
D8CML3-05-0141-4100254		ЭH	4/19/94					

Questioned Costs
Unsupported
Costs

Ineligible Costs

Assignment Control Numl	oer Title		Final Report Issued
A33 I grimente controc nam	1100		
D8CML4-05-0115-4100255	TARITAS PS	ΜI	4/19/94
D8AML4-05-0214-4100356	HDR ENG	MN	6/ 1/94
D8CML4-05-0218-4100441 D8CML4-05-0219-4100442	AUTO TESTING LAB FY 90-92 AUTO TESTING LAB FY 90-92	OH OH	7/13/94 7/13/94
D8CML4-05-0220-4100442	AUTO TESTING LAB FT 90-92 AUTO TESTING LAB FY 90-92	OH	7/13/94
D8CML4-05-0221-4100444	AUTO TESTING LAB FY 90-92	ОН	7/13/94
D8CML2-05-0258-4100460	AUTO TESTING LAB FY 91	ОН	7/18/94
D8CML3-05-0235-4100464	AUTO TESTING LAB FY 92	ОН	7/26/94
D8AML4-05-0265-4100467	GREAT LAKES ENVIRO CENTER	ΜI	7/27/94
D8AML4-05-0268-4100468	BATTELLE	OH	7/27/94
D8CML3-05-0281-4100477	CAS/COLUMBUS FY 89	OH	8/ 9/94
D8CML4-05-0087-4100495 D8CML4-05-0086-4100511	COLEJON MECH FY 91 COLEJON MECH FY 89	OH OH	8/19/94 8/30/94
D8AML4-05-0294-4100517	AT KEARNEY	IL	9/13/94
D8CML2-05-0311-4100531	LIFE SYSTEMS INC FY 90	ОН	9/21/94
E8AXP4-05-0210-4400052	PRC EMI (USAEC-COE)	ΙL	4/15/94
E8AXP4-05-0216-4400053	PRC EMI (NAVY UST)	ĪL	4/26/94
E8AXP4-05-0217-4400062	PRC EMI (NAVY OCEAN LAB)	ΙL	5/16/94
E8AWP4-05-0238-4400075	PRC EMI (NPDES SUPP)	ΙL	6/21/94
E8AXP4-05-0242-4400077	PRC EMI (ANNISTON)	ΙL	6/22/94
E8AMP4-05-0244-4400078	PRC EMI (R3-SUB-ASSESS)	IL IL	6/22/94 8/ 9/94
E8DXP4-05-0271-4400095 E8EXP4-05-0274-4400108	PRC EMI (92/93 B&P CEILING) PRC EMI (NAVY TIMESHEETS)	IL	9/19/94
E8AXP4-05-0275-4400114	PRC EMI (NAVY CLEANS)	IL	9/28/94
EGAXF4 03 0273 4400114	THE EFFE (MAY) GEENIS)	•-	// LO/ / 4
TOTAL OF	REGION 05 = 26		
E8EXP4-23-0014-4400072	EQMI S/S	ОН	6/17/94
E8CAP3-23-0016-4400085	PEI ASSOC (68-02-3898)	ОН	7/20/94
E8CMP2-23-0184-4400086	PEI ASSOC (68-02-3919)	OH	7/20/94
E8CAP3-23-0018-4400087	PEI ASSOC (68-02-3855)	ОН	7/20/94
E8CMP2-23-0182-4400089	PEI ASSOC (68-02-3596)	ОН	7/29/94
E8AXP4-23-0019-4400098	EQMI (BROOKS AFB DO #1)	OH	8/19/94
E8CAP3-23-0017-4400099	PEI ASSOC (68-02-4335) PEI ASSOC (68-02-4351)	OH OH	8/19/94 8/26/94
E8CAP3-23-0015-4400101	PET ASSUC (00-02-4331)	On	0/20/94
TOTAL OF	REGION $23 = 8$		
DECM / 04 0070 /100345	RADIAN CORPORATION	TX	4/29/94
D8CML4-06-0030-4100265 D8CML4-06-0089-4100325	RADIAN CORPORATION	TX	5/26/94
D8CML4-06-0089-4100326	RADIAN CORPORATION	ŤΧ	5/26/94
D8CML4-06-0084-4100328	RADIAN CORPORATION	TX	5/26/94
D8AML4-06-0098-4100377	RADIAN	TX	6/ 7/94
D8CML4-06-0085-4100427	RADIAN CORPORATION	ΤX	6/24/94
D8BML4-06-0168-4100524	LOCKHEED ENGINEERING	TX	9/13/94
D8BML3-06-0067-4100527	RADIAN	TX	9/19/94 9/19/94
D8BML3-06-0070-4100528	RADIAN CORP	TX	9/ 19/94
TOTAL OF	REGION 06 = 9		
D8AML4-07-0077-4100499	DPRA INCORPORATED	KS	8/24/94
TOTAL OF	REGION 07 = 1		
	1000		(() (0)
D8BML2-09-0130-4100240	ES CI 1990 TRW-SPACE & TECH. GROUP	CA CA	4/ 4/94 4/26/94
D8CML4-09-0161-4100262 D8BML4-09-0061-4100270	EERC CI 1992	CA	5/ 3/94
D8CAL4-09-0152-4100271	RI-ROCKETDYNE FC	CA	5/ 6/94
D8CAL4-09-0171-4100323	RI-ROCKETDYNE FC	CA	5/24/94
D8BWL4-09-0063-4100333	MWA CI	CA	5/31/94
D8CML4-09-0191-4100334	TRW-SPACE&ELECTRONICS GRP	CA	5/31/94
D8AML4-09-0170-4100378	TETRA PA	CA	6/ 7/94
D8BWL4-09-0026-4100379		CA	6/ 7/94
D8CAL4-09-0173-4100394	RI ROCKETDYNE FC	CA CA	6/ 8/94 6/ 8/94
D8CAL4-09-0172-4100395 D8BML3-09-0080-4100409	RI ROCKETDYNE FC TETRA CI 1990 - 1992	CA	6/15/94
D8CML4-09-0144-4100415	ACUREX FC	CA	6/21/94
D8CAL4-09-0024-4100463	ES FC	CA	7/22/94
D8CML4-09-0082-4100472	TETRA FC	CA	8/ 2/94
D8CWL4-09-0083-4100473	TETRA FC	CA	8/ 2/94
D8BBL4-09-0053-4100510		CA	8/26/94 9/13/94
D8BML2-09-0351-4100519		CA CA	9/13/94 9/13/94
D8BML4-09-0234-4100520 D8BML4-09-0235-4100521	THE RAND CORP CI 1991 THE RAND CORP CI 1992	CA	9/13/94
D8AML4-09-0227-4100525		AZ	9/15/94

							Recommended
			Cimal Demant		Questioned Costs		Efficiencies
Assignment Control Numb	oerTitle		Final Report Issued	Ineligible Costs	Unsupported Costs	Costs	(Funds Be Put To Better Use)
D8BML4-09-0240-4100562	THE RAND CORP CI '93	CA	9/27/94				
D8CAN3-09-0259-4300037		CA	6/13/94				
D8AMN4-09-0169-4300038	SAIC P.A.	CA	6/21/94				
D8AWN4-09-0219-4300046		CA	9/ 2/94				
D8AMN4-09-0224-4300047 D8AMN4-09-0230-4300048	SAIC PA SAIC PA	CA CA	9/14/94 9/19/94				
	REGION 09 = 27		.,,				
			((45 (0)				
D8ASL4-10-0093-4100408 D8APL4-10-0118-4100469	ENVIROASSOCIATES BATTELLE PA	WA WA	6/15/94 7/27/94				
TOTAL OF	REGION 10 = 2						
TOTAL OT	HER CONTRACT ASSIGNMENTS	=	249	1,159,880	885,605	118,313	8,739,617
9. SUPERFUND CONTRACT	ASSIGNMENTS						
E9BHP3-01-0123-4400050		MA	4/ 4/94				
P9DGL2-01-0247-4100292		MA	5/16/94				
P9DGL2-01-0247-4100329 P9DGL2-01-0220-4100474		MA CT	5/26/94 8/ 3 /94				
		.,	0, 3,,,4				
	REGION 01 = 4						
D9AFL4-02-0112-4100310	FOSTER - WHEELER FOSTER WHEELER USA CORP	NJ NJ	5/20/94 9/ 8/94				
D9AFL4-02-0173-4100515 E9EFP4-02-0155-4400082		NY	7/20/94				
P9CGL2-02-0283-4100397		NY	6/ 9/94				
P9EFP2-02-0267-4400048	ECOLOGY & ENVIR	NY	4/ 1/94				
P9EFP3-02-0192-4400049 P9EFP4-02-0040-4400055	ECOLOGY & ENVIR ECOLOGY & ENVIR	NY NY	4/ 4/94 4/26/94				
		NI	4/20/94				
	REGION 02 = 7		F 140 (0)				
D9AFL4-03-0190-4100273 D9AFL4-03-0146-4100283	CDM FEDERAL PROGRAMS SYSTEMS RESEARCH & SYSTEMS	VA VA	5/10/94 5/16/94				
D9AFL4-03-0189-4100286	C.C. JOHNSON	MD	5/16/94				
D9AFL4-03-0188-4100288	ROY F. WESTON	PA	5/16/94				
D9BKL2-03-0599-4100295	KEYDATA SYSTEMS INC	VA	5/18/94				
D9CFL3-03-0283-4100297 D9BKL4-03-0148-4100299	ROY F. WESTON NUS CORP.	PA MD	5/18/94 5/18/94				
D9EFL4-03-0311-4100302	VIAR	VA	5/18/94				
D9BFL4-03-0317-4100308	ENVIRONMENTAL MGMT.SUPPORT	MD	5/18/94				
D9BFL2-03-0220-4100311	VERSAR	VA	5/2 3 /94 5/2 3 /94				
D9BFL4-03-0328-4100314 D9EFL4-03-0352-4100337	CDM FEDERAL PROGRAMS ROY F. WESTON	MA Pa	6/ 1/94				
	C.C. JOHNSON & MALHOTRA	MD	6/ 1/94				
D9BFL2-03-0471-4100353	TECHNICAL RESOURCES, INC.	MD	6/ 1/94				
D9BFL4-03-0339-4100354 D9DFL4-03-0368-4100362	TECHNICAL RESOURCES, INC. ROY F. WESTON	MD PA	6/ 1/94 6/ 7/94				
D9AFL4-03-0273-4100364	DYNCORP VIAR	VA	6/ 7/94				
D9BFL2-03-0584-4100365	RESOURCE APPLICATIONS INC	VA	6/ 7/94				
D9BFL4-03-0363-4100371 D9BFL4-03-0364-4100372	KENDRICK AND COMPANY KENDRICK AND COMPANY	DC DC	6/ 7/94 6/ 7/94				
D9BFL4-03-0365-4100373	KENDRICK AND COMPANY	DC	6/ 7/94				
D9EFL4-03-0361-4100374	ROY F. WESTON	PA	6/ 7/94				
D9EFL3-03-0230-4100387		VA	6/ 8/94				
D9EFL4-03-0154-4100389 D9EFL3-03-0093-4100392	BOOZ ALLEN HAMILTON ROY F WESTON	MD PA	6/ 8/94 6/ 8/94				
D9BFL2-03-0295-4100396	CDM FEDERAL PROGRAMS	VA	6/ 9/94				
D9AKL4-03-0277-4100403	DYNCORP	VA	6/14/94				
D9AFL4-03-0276-4100404	DYNCORP	VA	6/14/94				
D9EFL4-03-0353-4100435 D9AJL3-03-0247-4100447	RESOURCE APPLICATIONS CACI INC/FED	VA VA	6/28/94 7/14/94				
	WADE MILLER & ASSOCIATES	VA	8/25/94				
D9AFL4-03-0453-4100506	AE ENVIRONMENTAL SERVICES	WV	8/25/94				
D9BFL4-03-0502-4100532		MD	9/22/94 9/22/94				
D9AKL4-03-0450-4100536 D9DFL4-03-0508-4100542	ROY F. WESTON NUS CORP.	PA MD	9/22/94 9/23/94				
D9BFL2-03-0438-4100548	VIGYAN RESEARCH ASSOCIATES		9/23/94				
D9AKL4-03-0454-4100552	BROWN AND ROOT ENVIRONMENTAL		9/23/94				
UYAFL4-U5-U451-4100554	C.C. JOHNSON & MALHOLTRA	MD	9/23/94				

					Questioned Costs		Recommended Efficiencies
Assignment Control Num	ber Title		Final Report Issued	Ineligible Costs	Unsupported Costs		(Funds Be Put To Better Use
		VA	6/ 7/94				TO BELLET USE
	REGION 03 = 39		•, •, •				
	ICF-CAS 405, SUBCONTRACT BIL.		8/15/94				
	REGION 22 = 1						
D9EKL4-04-0110-4100242	MANTECH RESEARCH	NC	4/ 5/94				
D9DKL2-04-0314-4100244 D9DKL2-04-0375-4100400	SEAWARD SERVICES INC.	FL NC	4/ 7/94 6/13/94				
D9DKL2-04-0376-4100419	MANTECH TECHNOLOGY	NC	6/23/94				
D9AJL4-04-0237-4100500 D9CKL4-04-0215-4100529		SC GA	8/24/94 9/19/94				
E9DHL3-04-0253-4100266	WESTINGHOUSE REMEDIATION	GA	5/ 3/94				
E9BGL3-04-0234-4100538 E9FKG4-04-0159-4400051			9/22/94 4/13/94				
TOTAL OF	REGION 04 = 9						
D9AFL4-05-0211-4100410		ΙL	6/17/94				
E9AKP4-05-0241-4400074 E9DKP4-05-0070-4400097	<u> </u>	IL IL	6/21/94 8/12/94				
E9AKP4-05-0291-4400117		IL	9/30/94				
TOTAL OF	REGION 05 = 4						
E9EHT4-23-0016-4400064 E9HGP2-23-0369-4400065		OH I N	5/20/94 5/24/94				
TOTAL OF	REGION 23 = 2						
D9AKL4-06-0090-4100264		TX	4/29/94				
D9BKL4-06-0102-4100293 D9BKL4-06-0151-4100492		NM NM	5/18/94 8/17/94				
TOTAL OF	REGION 06 = 3						
D9DGL4-07-0058-4100251		MO	4/18/94				
D9DGL4-07-0059-4100252 D9DGL3-07-0065-4100253		МО	4/18/94 4/18/94				
D9BJL4-07-0065-4100272 D9CGL4-07-0035-4100498	DPRA	KS NE	5/10/94 8/24/94				
	REGION 07 = 5						
		WY	5/10/94				
	REGION 08 = 1		• • •				
D9AGL4-09-0153-4100296		CA	5/18/94				
D9AKL4-09-0193-4100422	ACUREX PA	CA	6/23/94				
D9CGL4-09-0077-4100439		CA	7/ 7/94				
	REGION 09 = 3	• •	E / 7 /0/				
D9AGL4-10-0072-4100269 D9BGL4-10-0119-4100413		ID WA	5/ 3/94 6/21/94				
D9BGL3-10-0088-4100471	URS FY 1989 AC	WA	8/ 2/94				
E9EHP4-10-0044-4400060 E9FGP4-10-0074-4400109		or or	5/11/94 9/22/94				
H9AGN4-10-0082-4300036	UNIVERSITY OF IDAHO P.A.	ID	6/ 7/94 5/19/94				
P9BGL4-10-0083-4100309 P9EGL4-10-0077-4100393		or or	6/ 8/94				
P9BGL4-10-0107-4100398 P9BGL4-10-0117-4100417		CA OR	6/10/94 6/22/94				
P9BGL4-10-0124-4100436	CH2M ARCS V C.I. 1988 & 1989	OR	6/29/94				
P9BGL4-10-0129-4100489 P9BGL4-10-0132-4100512		or or	8/16/94 8/30/94				
P9BGL4-10-0149-4100560 P9BGL4-10-0147-4100566	CH2M ARCS VI 1988 & 89 COSTS	OR	9/26/94 9/28/94				
	REGION 10 = 15		·,, · ·				
	PERFUND CONTRACT ASSIGNMENTS	=	93	1,212,167	7,839,971	50,464	777 , 2'
TOTAL RE	PORTS = 796			30,875,531	15,705,240	6,040,432	9,665,01

Appendix 2 -- Reports Issued Without Management Decision

THE INSPECTOR GENERAL ACT REQUIRES A SUMMARY OF EACH 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 why 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 9/30/94:

- 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

Assignment Control		Final Report	Assignment Control		Final Report
Number	T <u>i</u> tle	Issued	Number	Title	Issued
					

Assistant Administrator for Administration and Resources Management = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION

E1SFG3-11-0026-4400042 FINANCIAL MGMT REVIEW - SF Summary: THE REVIEW SHOWED THAT THE AGENCY NEEDS FURTHER IMPROVEMENT IN AREAS THAT INCLUDE: PERCEPTIONS AND AWARENESS OF FINANCIAL MANAGEMENT; FINANCIAL ASPECTS OF SUPERFUND COST RECOVERY; FINANCIAL AND REPORTING SYSTEMS; FINANCIAL AND ACCOUNTING POLICIES AND PROCEDURES; PROGRAM FINANCIAL MANAGEMENT; AND QUALIFICATIONS AND TRAINING.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: COMPUTATIONAL ERROR. THE RESPONSE WAS PROVIDED TO THE OIG ON AUGUST 8, 1994. OIG AND MANAGEMENT ARE MEETING TO DISCUSS REMAINING CONCERNS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [6] A management decision was received and this report was closed on October 6 1994

Grants Administration Division

E1FBF3-10-0069-4100214 AUDIT OF CO-OPS/IAGS ERL-C OR 3/3 Summary: ERL-C DIDN'T ALWAYS COMPLY WITH FGCA ACT AND EPA 3/21/94 GUIDANCE. SEVEN OF 18 GRANTS SHOULD HAVE BEEN CONTRACTS AND TWO GRANTS WERE INAPPROPRIATELY USED. THREE OF SIX 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 RESPONSE WAS PROVIDED TO THE OIG ON JULY 21, 1994. OIG AND MANAGEMENT MET ON JULY 28, 1994 TO BEGIN RESOLVING THE FOUR ITEMS THE OIG DISAGREED WITH IN MANAGEMENT'S RESPONSE. OIG AND MANAGEMENT CONTINUE TO MEET TO DISCUSS THE REMAINING UNRESOLVED ISSUES.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

Office of Acquisition Management (OAM)

P9BGL2-04-0046-3100015 WESTINGHOUSE HAZIECH GA 10/28/92 Summary: COSTS QUESTIONED AS INELIGIBLE REPRESENT THE APPLICATION OF THE INCORRECT GENERAL AND ADMINISTRATIVE RATE. UNSUPPORTED COSTS WERE FOR MATERIALS BILLED AT A FIXED-RATE NOT PROVIDED FOR IN THE CONTRACT AND NO OTHER DOCUMENTATION WAS ALLOWABLE TO SUPPORT UNIT PRICE USED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: D8BML3-04-0272-3100202 INTEGRATED LABORATORY SYSTEMNC THE OIG IS CURRENTLY REVIEWING THE CONTRACTOR'S ADDITIONAL SUPPORTING DOCUMENTATION FOR FIXED RATE MATERIALS. THE PROGRAM RECEIVED THE OIG SUPPLEMENTAL AUDIT REPORT DATED APRIL 13, 1994.

IS EXPECTED BY MARCH 31, 1995.

IG FOLLOWUP STATUS AS OF 9/30/94

OAM Contracts Management Division - Research Triangle Park

D8CPL2-03-0432-2100620 MIRANDA ASSOCIATES INC Summary: DCAA QUESTIONED \$278,979 DUE TO (1) THE LIMITATIONS OF FUNDS CLAUSE, (2) OVERSTATED OVERHEAD COSTS, AND (3) A

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED COSTS AND FIXED FEES EARNED ARE UNDER NEGOTIATION WITH THE CONTRACTOR. LEGAL REVIEW OF FILE HAS BEEN REQUESTED.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACTING OFFICER'S FINAL DECISION IS EXPECTED BY NOVEMBER 1 1994

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

D8CPL2-03-0441-4100108 KENDRICK & COMPANY DC 12/6/93 Summary: QUESTIONED COSTS \$202,352 DUE TO LIMITATIONS OF FUNDS CLAUSE AND OVERSTATED INCURRED COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CERTIFIED LETTER SENT TO CONTRACTOR JUNE 2, 1994. NO RESPONSE RECEIVED.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: FINAL CONTRACTING OFFICER DECISION WILL BE MADE BY OCTOBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

P8BML2-03-0507-4100168 ASCI CORPORATION 1/5/94 *Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THIS REPORT ON INCURRED COSTS FOR ASCI'S FISCAL YEAR ENDING DECEMBER 31, 1990 WAS RECEIVED ON MAY 25, 1994. THE CONTRACTOR'S COMPLETION VOUCHER AND CUMULATIVE CLAIM ON CONTRACT 68-D9-0094 WAS DATED JUNE 27, 1994. THE OIG IS REVIEWING THE REQUEST FOR THE FINAL AUDIT ON THE TOTAL CONTRACT PERIOD.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94

6/ 2/93 *Summary:

Assignment Control

Number

- Title
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: IG FOLLOWUP STATUS AS OF 9/30/94 CONTRACTOR HAS AGREED WITH COST QUESTIONED. CREDIT WILL BE TAKEN ON PAYMENT DUE UNDER AN ACTIVE CONTRACT.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: FINAL ACTION IS EXPECTED IN THE FIRST QUARTER OF FY 1995.
- IG FOLLOWUP STATUS AS OF 9/30/94 [1]
- D8BML3-04-0282-3100207 SYSTEMS RESEARCH & DEV. 6/ 4/93 NC *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 ACTION EXPECTED BY JUNE 1, 1995.
- IG FOLLOWUP STATUS AS OF 9/30/94 T21
- D8AML3-04-0299-3100311 ENVIRONMENTAL QUALITY MGMT. TN 8/13/93 Summary: (PREAWARD AUDIT UNDER NEGOTIATION)
- CONTRACT AWARD HAS BEEN MADE. EPA IS PREPARING THE SUMMARY OF NEGOTIATIONS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED IN THE FIRST QUARTER OF FY 1995.
- IG FOLLOWUP STATUS AS OF 9/30/94 [1]

H8AML3-04-0298-4100018 RTI Summary: (PREAWARD AUDIT UNDER NEGOTIATION) NC 10/15/93

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACT AWARD HAS BEEN MADE. EPA IS PREPARING THE SUMMARY OF NEGOTIATIONS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED IN THE FIRST QUARTER OF FY 1995.
- IG FOLLOWUP STATUS AS OF 9/30/94 Г17
- P8CMP2-23-0180-3400071 PEI ASSOC 8/25/93 OH 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: AND PROVIDE REVISED REPORT. AWAITING OIG RESPONSE. EPA LETTER ON MARCH 1, 1994 ADVISED CONTRACTOR OF COST QUESTIONED AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. CONTRACTOR RESPONDED ON MARCH 29, 1994 AND ADVISED THAT SUPPORT DATA WAS AVAILABLE. LETTER ON APRIL 12, 1994 ASKED OIG TO REVIEW NEW DATA AND PROVIDE REVISED REPORT. AWAITING OIG RESPONSE.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.
- IG FOLLOWUP STATUS AS OF 9/30/94 [3]
- P8CMP2-23-0176-3400072 PEI ASSOC 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: NEGOTIATIONS HAVE RESUMED ON MANY COMPLEX ISSUES. IT HAS BEEN EPA LETTER ON MARCH 1, 1994 ADVISED CONTRACTOR OF COST QUESTIONED AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. CONTRACTOR RESPONDED ON MARCH 29, 1994 AND ADVISED THAT SUPPORT DATA WAS AVAILABLE. LETTER ON APRIL 12, 1994 ASKED OIG TO REVIEW NEW DATA AND PROVIDE REVISED REPORT. AWAITING OIG RESPONSE.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

[3] The OIG expects to have the supporting documentation, which was not available during our audit, reviewed by Ma Other audit priorities have caused the delay in reviewing the data

P8CMP2-23-0181-3400074 PEI ASSOC OH 8/27 Summary: QUESTIONED UNSUPPORTED LABOR AND TRAVEL OF \$40,498 I TO MISSING DOCUMENTATION. WE ALSO QUESTIONED AS INELIGIBLE \$2 DUE TO LACK OF SUPPORT FOR INTERCOMPANY TRANSACTIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA EPA LETTER ON MARCH 1, 1994 ADVISED CONTRACTOR OF COST QUESTION AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. CONTRACTOR RESPONDED ON MARCH 29, 1994 AND ADVISED THAT SUPPORT DATA WAS AVAILABLE. LETTER ON APRIL 12, 1994 ASKED OIG TO REVIEW NEW DA AND PROVIDE REVISED REPORT. AWAITING OIG RESPONSE.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUT DATE CANNOT BE DETERMINED AT THIS TIME.
- IG FOLLOWUP STATUS AS OF 9/30/94 [3] The OIG expects to have the supporting documentation, which was not available during our audit, reviewed by Ma $31,\ 1995$ Other audit priorities have caused the delay in reviewing the data

P8CMP2-23-0177-3400077 PEI ASSOC Summary: INADEQUATE ACCOUNTING SYSTEM RESULTED IN INELIGIBLE CO QUESTIONED OF \$20,359. MISSING DOCUMENTATION RESULTED IN \$1,863,579 OF QUESTIONED UNSUPPORTED COSTS. WE ALSO QUESTIONE - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: \$1,992 AS INELIGIBLE DUE TO LACK OF SUPPORT FOR INTERCOMPANY TRANSACTIONS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MAI EPA LETTER ON MARCH 1, 1994 ADVISED CONTRACTOR OF COST QUESTION AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. CONTRACTOR RESPONDED ON MARCH 29, 1994 AND ADVISED THAT SUPPORT DATA WAS AVAILABLE. LETTER ON APRIL 12, 1994 ASKED OIG TO REVIEW NEW DA AND PROVIDE REVISED REPORT. AWAITING OIG RESPONSE.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTI DATE CANNOT BE DETERMINED AT THIS TIME.
- IG FOLLOWUP STATUS AS OF 9/30/94 [3] The OIG expects to have the supporting documentation, which was not available during our audit, reviewed by Ma 31, 1995. Other audit priorities have caused the delay in reviewing the data

P8CMP2-23-0179-3400082 PEI ASSOC Summary: INADEQUATE ACCOUNTING SYSTEM RESULTED IN COST QUESTION INELIGIBLE OF \$35,443. MISSING DOCUMENTATION RESULTED IN UNSUPPORTED COSTS OF \$512,794.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MAI EPA LETTER ON MARCH 1, 1994 ADVISED CONTRACTOR OF COST QUESTION AND REQUESTED REFUND OR SUPPORTING DOCUMENTATION. CONTRACTOR RESPONDED ON MARCH 29, 1994 AND ADVISED THAT SUPPORT DATA WAS AVAILABLE. LETTER ON APRIL 12, 1994 ASKED OIG TO REVIEW NEW DA
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTI DATE CANNOT BE DETERMINED AT THIS TIME.
- IG FOLLOWUP STATUS AS OF 9/30/94 [3] The DIG expects to have the supporting documentation, which was not available during our audit, reviewed by Ma Other audit priorities have caused the delay in reviewing the data

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

D9BKL3-04-0034-3100010 EHRT *Summary

KY 10/9/

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MAI NEGOTIATIONS WERE TEMPORARILY SUSPENDED WITH THE CONTRACTOR. DIFFICULT TO CONTACT AUTHORIZED REPRESENTATIVES TO RESOLVE THES
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUT IS ANTICIPATED IN THE FIRST QUARTER OF FISCAL YEAR 1995.
- IG FOLLOWUP STATUS AS OF 9/30/94 [1]

S5DGN2-09-0047-4300033 CA DEPT OF HEALTH ICRP CA 3/31/94 *Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: WHICH WAS DUE TO USING CATALOG PRICES. COSTS WERE NOT ADJUSTED FOR THE AUDIT CONTAINS COMPLEX ISSUES WHICH WILL TAKE MUCH DISCUSSION AUDITED INDIRECT RATES.

 TO RESOLVE. HOWEVER, A NEGOTIATED SETTLEMENT IS POSSIBLE.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA EXPECTS RESOLUTION BY DECEMBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [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: Financial Analysis Branch
 QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE
 CONTRACTING OFFICER. HOWEVER, THE QUESTIONED DIRECT COSTS WILL
 NOT BE RESOLVED UNTIL CLOSEOUT AUDITS ARE COMPLETE. PER OIG,
 CLOSE OUT AUDITS ARE IN PROGRESS.

 Financial Analysis Branch
 PBBMN1-03-0146-2300014 OR
 Summary: WE QUESTIONED SHOULD BE AUDITS ARE COMPLETE. PER OIG,
 HUNDRED PERCENT OF THE CON
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [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 OFFICER. HOWEVER, THE QUESTIONED DIRECT COSTS WILL NOT BE RESOLVED UNTIL CLOSEOUT AUDITS ARE COMPLETE. PER OIG, CLOSE OUT AUDITS ARE IN PROGRESS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [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 CONTRACTING OFFICER IS INADEQUATE BILLING SYSTEM. UNSUPPORTED COSTS OF \$530,000 WERE DUE BY DECEMBER 30, 1994. TO INTER-COMPANY TRANSFERS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICER. HOWEVER, THE QUESTIONED DIRECT COSTS WILL NOT BE RESOLVED UNTIL CLOSEOUT AUDITS ARE COMPLETE. PER OIG CLOSE OUT AUDITS ARE IN PROGRESS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

P8BMP0-23-0175-3400053 PEI ASSOC FY 86 OH 5/14/93 Summary: WE HAVE QUESTIONED AS INELIGIBLE \$940,755, 53% WAS DUE TO COST BILLED IN EXCESS OF WHAT WAS INCURRED. THE REMAINING 47% 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 OFFICER. HOWEVER, THE QUESTIONED DIRECT COSTS WILL NOT BE RESOLVED UNTIL CLOSEOUT AUDITS ARE COMPLETE. PER OIG CLOSE OUT AUDITS ARE IN PROGRESS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [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% 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 OFFICER. HOWEVER, THE QUESTIONED DIRECT COSTS WILL NOT BE RESOLVED UNTIL CLOSEOUT AUDITS ARE COMPLETE. PER OIG CLOSE OUT AUDITS ARE IN PROGRESS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

OAM Cost Advisory and Financial Analysis Division Financial Analysis Branch

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 BECAUSE THE COMPANY IS NO LONGER IN BUSINESS. THE CONTRACTING OFFICER IS WRITING A DECISION ON DISALLOWANCE OF COST CLAIMED BY THE CONTRACTOR IN THE AUDIT REPORT. FINAL DECISION IS UNDER LEGAL REVIEW.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY DECEMBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

D9BFL2-03-0272-4100085 ROY F WESTON *Summary:

PA 11/19/93

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACTING OFFICER HAS GIVEN THE CONTRACTOR UNTIL FISCAL YEAR-END 94 TO COMPLETE FY 1992 RECONCILIATION OF ITS BOOKS DUE TO PERSONNEL CHANGES IN THEIR GOVERNMENT COST ACCOUNTING DEPARTMENT. THIS RECONCILIATION HAS NOT BEEN ACCOMPLISHED.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACTING OFFICER IS PREPARING A RESPONSE AND EXPECTS RESOLUTION BY DECEMBER 30, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

E9BHP2-10-0024-3400095 RES-SELF INSURANCE OR 9/29/93 Summary: THE CONTRACTOR BILLED THE GOVERNMENT \$3,709,794 IN EXCESS OF ACTUAL COST FOR POLLUTION LIABILITY INSURANCE UNDER CONTRACT NO. 68-01-7334.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: DEPARTMENT OF JUSTICE IS IN LITIGATION WITH CONTRACTOR ON THIS ISSUE. THE DEPARTMENT OF JUSTICE WILL RESOLVE THE AUDIT. THE TRIAL IS EXPECTED DURING FY 1995.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED DURING 1995.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: P9AHN9-23-0347-0300036 OH MATERIALS (PR EQ RATES) OH 3/27/90 QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE Summary: (PREAWARD AUDIT UNDER NEGOTIATION)
 - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ARE CONTINUING.
 - = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY OCTOBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

Title

Final Report Issued

Assignment Control Number

Title

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P9AHN1-23-0143-2300024 OHM REM ERCS2 Z1 FY 89

OH 12/27/91 Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACTING OFFICER ANTICIPATES DEFINITIZATION OF THE EQUIPMENT UTILIZATION RATES FOR 1987-1990 BY OCTOBER 31, 1994 NEGOTIATIONS ARE CONTINUING.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY OCTOBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94

P9AHP2-23-0021-4400002 OHM REM ERCS2 Z1 FY 90 EQ OH 10/ 7/93 Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: DATE CANNOT BE DETERMINED AT THIS TIME. NEGOTIATIONS ARE CONTINUING ON THIS CONTRACT.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THIS WILL BE RESOLVED AND THE SUMMARY OF NEGOTIATIONS ISSUED BY OCTOBER 31. 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

OAM Cost Advisory and Financial Analysis Division Washington Cost Advisory Branch

D8AMN3-01-0266-4300007 ABT ASSOCIATES Summary: (PREAWARD AUDIT UNDER NEGOTIATION) MA 11/15/93

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE DRAFT FINAL DETERMINATION IS UNDER REVIEW. AWARD OF THIS CONTRACT IS PLANNED FOR OCTOBER 1994. IF SUCCESSFUL, EPA WILL PROVIDE A SUMMARY OF NEGOTIATIONS TO THE OIG.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY OCTOBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94

TX 12/ 2/93 D8AML4-06-0039-4100101 FTN ASSOCIATES LTD Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REDHOOK WASTEWATER TREATMENT PLANT AND APPURTENANCES. THIS AUDIT REPORT IS CURRENTLY UNDER NEGOTIATIONS. AN AWARD OF THIS COMPETITIVE PROCUREMENT WILL NOT OCCUR UNTIL DECEMBER 1994. A COPY OF THE SUMMARY OF NEGOTIATIONS WILL BE SENT TO THE OIG IF FTN IS THE SUCCESSFUL OFFEROR.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY DECEMBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94

P9AGL2-10-0089-4100225 CH2M ARCS IV TERM STLMT 3/28/94 Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CORRESPONDENCE RELATING TO THE STATUS OF THIS RESPONSE WAS FAXED AND MAILED TO OIG ON SEPTEMBER 15, 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 T17

P9CGL2-10-0127-4100226 CH2M REGION IV ARCS 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.

- FXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: IG FOLLOWUP STATUS AS OF 9/30/94 CORRESPONDENCE RELATING TO THE STATUS OF THIS RESPONSE WAS SENT TO THE OIG ON SEPTEMBER 15, 1994 VIA FAX AND A COPY WAS ALSO MAILED. NEGOTIATIONS WILL NOT BE COMPLETE UNTIL FISCAL YEAR 1996.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 **[1]**

Regional Administrator - Region 1

S2CWL1-01-0024-4100179 SPRINGFIELD MA 1/31/ Summary: THE CITY OF SPRINGFIELD, MA CLAIMED UNALLOWABLE PROJE 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 MA THE REGION IS MEETING WITH THE CITY'S CONSULTANT ON A BIWEEKLY BASES TO REVIEW \$4,060,000 IN QUESTIONED COSTS. THE PROPOSED FIL DETERMINATION LETTER WILL BE SENT TO THE OIG BY NOVEMBER 30, 194
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUT:

IG FOLLOWUP STATUS AS OF 9/30/94

Regional Administrator - Region 2

P2CWL1-02-0104-3100118 NYCDEP Summary: THE CITY OF NEW YORK CLAIMED UNALLOWABLE PROJECT COS OF \$13,953,725 FOR DESIGN AND CONSTRUCTION OF 8 DEPARTMENT OF ENVIRONMENTAL PROTECTION WATER POLLUTION CONTROL FACILITIES AN **APPURTENANCES**

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MAI THE FINAL AUDIT COVERED EIGHT GRANTS FOR A TOTAL GRANTEE CLAIM AMOUNT OF \$560 MILLION WITH AUDIT QUESTIONED COSTS OF \$14 MILLION
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTI IS EXPECTED IN NOVEMBER 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 **[31**

P2CWL1-02-0104-3100169 NYCDEP Summary: THE CITY OF NEW YORK, NY CLAIMED QUESTIONED COST OF \$38,829,195 CONSISTING OF \$20,431,575 INELIGIBLE COSTS, \$14,635,447 UNSUPPORTED COSTS AND \$3,762,173 UNREASONABLE/UNNECESSARY COSTS FOR THE DESIGN AND CONSTRUCTION

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MAI THE AUDIT COVERED ELEVEN GRANTS FOR A TOTAL CLAIMED AMOUNT OF \$3 MILLION WITH QUESTIONED COSTS OF \$33 MILLION. THE REGION SENT DRAFT RESOLUTION LETTER TO THE OIG ALONG WITH REQUESTED ADDITION DOCUMENTATION AND CLARIFICATION FOR SEVERAL ITEMS.
- = DESIRFD TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGI ANTICIPATES RESOLUTION BY DECEMBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [3]

P2CWL1-02-0104-3100374 NYCDEP NY 9/14/ Summary: THE CITY OF NEW YORK, NEW YORK CLAIMED UNALLOWABLE PROJECT COSTS OF \$65,169,354 FOR THE CONSTRUCTION OF THE NORTH RIVER SEWAGE TREATMENT PLANT AND A RECREATIONAL PARK.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MAI NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AGENCY RESPONSIBLE FOR DRAFTING THE FINAL DETERMINAT! LETTERS FOR FOUR OIG MEGA-AUDITS OF NEW YORK CITY COVERING 26 GRANTS, \$1.4 BILLION CLAIMED COSTS AND \$96 MILLION QUESTIONED COSTS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REG! ANTICIPATES RESOLUTION IN DECEMBER 1994.

[1]

E2AWT3-02-0016-3400002 EARLY WARNING-RED HOOK WPCP NY 10/28/ Summary: OUR REVIEW OF THE NEW YORK CITY RED HOOK WPCP DISCLOS THAT LABORATORY FACILITIES WERE NOT IN USE AND HAD NOT BEEN UTILIZED SINCE CONSTRUCTION WAS COMPLETED. IN ADDITION, THE COMPUTERIZED CONTROL ROOM WAS UNFINISHED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: IG FOLLOWUP STATUS AS OF 9/30/94 NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IS THE DELEGATED AGENCY RESPONSIBLE FOR DRAFTING THE FINAL DETERMINATION LETTERS FOR FOUR OIG MEGA-AUDITS OF NEW YORK CITY COVERING 26 GRANTS, \$1.4 BILLION CLAIMED COSTS AND \$96 MILLION QUESTIONED COSTS.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGION ANTICIPATES RESOLUTION IN DECEMBER 1994.

Title

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

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 (WHICH INCLUDES SEVERAL GRANTS) WILL REQUIRE SIGNIFICANT TIME TO RESOLVE.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE TARGET DATE FOR ISSUANCE OF A MANAGEMENT DECISION IS SEPTEMBER 30, 1995.

IG FOLLOWUP STATUS AS OF 9/30/94

Regional Administrator - Region 5

P2CWP6-05-0298-2400004 W LAKE SUPERIOR MN 12/12/91 Summary: THE GRANTEE CLAIMED \$8,595,588 OF INELIGIBLE CONSTRUCTION, ENGINEERING AND ADMINISTRATIVE COSTS, AND \$166,834 OF UNSUPPORTED COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: P2CWN1-08-0063-4300005 SOUTH VALLEY THE REGION AND OIG HAVE AGREED ON CONDITIONS OF RESOLUTION. THE REGION IS NOW PREPARING THE FINAL DETERMINATION LETTER.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED IN THE FIRST QUARTER OF FY 1995.

IG FOLLOWUP STATUS AS OF 9/30/94 [3]

E2CWL9-05-0262-3100397 FLINT 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 & CONSTRUCTION. WE QUESTIONED \$415,339 INELIGIBLE ENGINEERING COSTS INCURRED AFTER CONSTRUCTION COMPLETION DATE.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: Regional Administrator Region 9 DUE TO CONGRESSIONAL INTEREST AND SINCE OVER \$13 MILLION OF COSTS WERE QUESTIONED, THE REGION PROVIDED THE CITY WITH ADDITIONAL TIME TO PROVIDE WITH SUPPORTING DOCUMENTATION. ALSO, DUE TO RELATED LEGAL ISSUES, ASSISTANCE WAS NECESSARY FROM THE OFFICE OF REGIONAL COUNSEL -
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [3]

3/31/87 E2BWL5-05-0136-7000980 SAUGET ΤI Summary: WE QUESTIONED OVER \$7 MILLION FOR INELIGIBLE AND UNNECESSARY PROJECT COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION THE REGION ISSUED A PROPOSED FINAL DETERMINATION TO THE OIG ON MARCH 22, 1994. ON APRIL 6, 1994, THE OIG AGREED WITH THE PROPOSED ACTIONS ON ALL MATTERS EXCEPT THE DECISION TO ACCEPT THE COSTS ASSOCIATED WITH THE TRANSFER SEWER. THIS AUDIT WAS REFERRED TO OIG FOR RESOLUTION.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

[1]

Regional Administrator - Region 7

P2CWN1-07-0194-4300029 COLUMBIA 2/17/94 Summary: AUDIT IDENTIFIED \$53,947 OF INELIGIBLE PROJECT INSPECTION COSTS, \$28,733 OF DUPLICATED CHARGES, \$22,972 OF INELIGIBLE CONTRACTOR CLAIM ANALYSIS COSTS, AND \$16,341 OF OTHER MINOR ITEMS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGIONAL OFFICE SUBMITTED A FINAL DETERMINATION LETTER FOR THE OIG TO REVIEW ON SEPTEMBER 28, 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGION EXPECTS RESOLUTION IN THE FIRST QUARTER IN FY 1995.

IG FOLLOWUP STATUS AS OF 9/30/94 [51

Regional Administrator - Region 8

P5BGL2-08-0089-4100167 STATE OF COLORADO 1/ 4/94 Summary: WE QUESTIONED \$276,188 OF INELIGIBLE PERSONNEL COSTS AND \$33.366 OF INELIGIBLE INTERDEPARTMENTAL TRANSFERS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: A MAP REVIEW WAS COMPLETED JUNE 28, 1994 WHICH WAS A BASIS FOR OUR PRELIMINARY FINAL DETERMINATION LETTER SENT TO THE OIG AUGUST 10, 1994 FOR CONCURRENCE. THE OIG REJECTED IT AND THE REGION AGREED TO MAKE CHANGES. THE NEW PRELIMINARY FINAL DETERMINATION LETTER IS DUE IN DECEMBER 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY DECEMBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

UT 10/25/93 Summary: GRANTEE CLAIMED COSTS PREVIOUSLY DETERMINED INELIGIBLE FOR GRANT PARTICIPATION AND MATHEMATICAL ERRORS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE MANAGEMENT DECISION WAS DELAYED BECAUSE OF A LACK OF RESOURCES TO ADDRESS AUDIT RESOLUTION. THE REGION RECEIVED COMMENTS BACK FROM THE GRANTEE ON QUESTIONED COSTS ON SEPTEMBER 12, 1994. THE REGION IS REVIEWING DOCUMENTATION FOR DEVELOPMENT OF A PRELIMINARY FINAL DETERMINATION LETTER FOR NOVEMBER 1, 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY DECEMBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94

S2CW*8-09-0157-1300112 LOS ANGELES, CITY OF Summary: INELIGIBLE COSTS OF \$723,627 INCLUDED: \$650,255 OF UNALLOWABLE FORCE ACCOUNT COSTS AND \$73,372 FOR UNALLOWABLE ENGINEERING COSTS. UNREASONABLE COSTS INCLUDE \$879,630 OF UNDOCUMENTED FIXED ACCOUNT AND \$1,099,261 ARCHITECT/ENGINEERING COSTS INCURRED UNDER PROHIBITED CONTRACT METHOD.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG AND STATE WATER RESOURCES CONTROL BOARD NOW AGREE ON ELIGIBILITY DETERMINATIONS SO THAT A LETTER OF DISAGREEMENT WILL NO LONGER BE NECESSARY. THE BOARD IS MODIFYING THE FINAL DETERMINATION LETTER ACCORDING TO THE AGREEMENTS AND WILL FORWARD IT TO EPA FOR SIGNATURE IN OCTOBER 1994.
- IS EXPECTED BY OCTOBER 31, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

S2CWN9-09-0039-1300117 LOS ANGELES, CITY OF Summary: INELIGIBLE COSTS INCLUDED \$4,004,695 FOR COST INCURRED PRIOR TO APPROVAL \$3,659,407 IN EXCESS OF APPROVAL ADDITIONAL AE QUESTIONED \$3,999,353 RELATED TO REPLACEMENT OF BAS ENGINES WITH ELECTRIC MOTORS AND \$5,275,186 FOR INADEQUATELY DOCUMENTED FORCE ACCOUNT COSTS.

Title

- THE OIG AND STATE WATER RESOURCES CONTROL BOARD NOW AGREE ON ELIGIBILITY DETERMINATIONS SO THAT A LETTER OF DISAGREEMENT WILL NO LONGER BE NECESSARY. THE BOARD IS MODIFYING THE FINAL DETERMINATION LETTER ACCORDING TO THE AGREEMENTS AND WILL FORWARD IT TO EPA FOR SIGNATURE IN OCTOBER 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY OCTOBER 31, 1994.
- IG FOLLOWUP STATUS AS OF 9/30/94 [1]
- S2CWN9-09-0032-1300118 MONTEREY REG WATER POLL CON CA 9/30/91 Summary: THE STATE CLAIMED \$7,491,007 OF INELIGIBLE CONSTRUCTION, ENGINEERING, ADMINISTRATIVE, AND OTHER COSTS. ADDITIONAL \$51,118,958 OF UNREASONABLE PROJECT COSTS WERE QUESTIONED.
- THE OIG AND THE STATE WATER RESOURCES CONTROL BOARD HAVE HELD SEVERAL MEETINGS TO RESOLVE AUDIT ISSUES. THE BOARD IS DEALING WITH A FEW ISSUES AT A TIME IN RESPONSE TO THE OIG. THE BOARD IS EXPECTED TO WRITE A LETTER OF DISAGREEMENT BY THE FIRST QUARTER OF FY 1995.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.
- IG FOLLOWUP STATUS AS OF 9/30/94 [1]
- CA S2CW*8-09-0156-1300119 LOS ANGELES, CITY OF 9/30/91 Summary: INELIGIBLE COSTS OF \$2,483,872 INCLUDED \$2,039,554 OF CONSTRUCTION AND FORCE ACCOUNT COST OUTSIDE SCOPE OF APPROVED PROJECT; \$444,318 OF FORCE ACCOUNT (F/A) ALLOCABLE TO INELIGIBLE CONSTRUCTION; UNREASONABLE COSTS OF \$68,150,598 RELATED TO EXCESSIVE LANDSCAPING, F/A AND UNUSED FACILITIES.
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OLG AND STATE WATER RESOURCES CONTROL BOARD NOW AGREE ON ELIGIBILITY DETERMINATIONS SO THAT A LETTER OF DISAGREEMENT WILL NO LONGER BE NECESSARY. THE BOARD IS MODIFYING THE FINAL DETERMINATION LETTER ACCORDING TO THE AGREEMENTS AND WILL FORWARD IT TO EPA FOR SIGNATURE IN OCTOBER 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY OCTOBER 31, 1994.
- IG FOLLOWUP STATUS AS OF 9/30/94
- S2CWN1-09-0228-2300044 LOS ANGELES, CITY OF Summary: INELIGIBLE COSTS INCLUDED \$1,400,564 FOR UNUSED \$202,058 FOR UNALLOWABLE ARCHITECT/ENGINEERING EQUIPMENT ITEMS; (A/E) FEES; AND \$572,354 FOR UNALLOWABLE FORCE ACCOUNT (F/A); UNREASONABLE COSTS OF \$1,010,586 FOR EXCESSIVE A/E AND F/A; ADDITIONAL \$11,188,321 BECAUSE PLANT WAS NOT OPERATING IN ACCORDANCE WITH PLANT CONCEPTS.
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EXPECTS THIS AUDIT WILL BE REFERRED TO HEADQUARTERS FOR RESOLUTION THE OIG AND STATE WATER RESOURCES CONTROL BOARD NOW AGREE ON ELIGIBILITY DETERMINATIONS SO THAT A LETTER OF DISAGREEMENT WILL NO LONGER BE NECESSARY. THE BOARD IS MODIFYING THE FINAL DETERMINATION LETTER ACCORDING TO THE AGREEMENTS AND WILL FORWARD IT EPA FOR SIGNATURE IN OCTOBER 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION RESOLUTION IS EXPECTED BY OCTOBER 31, 1994.
- IG FOLLOWUP STATUS AS OF 9/30/94 [1]

E2CWN1-09-0092-2300082 RUSSIAN RIVER CSD 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 MA THE REGION AND STATE HAVE SUBMITTED SEVERAL VERSIONS OF A DRA FINAL DETERMINATION LETTER TO THE OIG. THE OIG SUBMITTED ITS - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: LATEST COMMENTS ON AUGUST 11, 1994. THE STATE WATER RESOURCE CONTROL BOARD CONTINUES TO RESOLVE REMAINING ISSUES. THE TAR DATE FOR A REVISED FINAL DETERMINATION LETTER IS JUNE 30, 1991
 - = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUT IS EXPECTED BY JUNE 30, 1995.
 - IG FOLLOWUP STATUS AS OF 9/30/94 Г17
 - S2CWN0-09-0262-2300089 SAN FRANCISCO, CITY & CO CA 9/30 Summary: INELIGIBLE COST INCLUDE \$50,015 OF UNALLOWABLE ARCHITECT/ENGINEERING (A/E) COSTS AND \$271.092 FOR COSTS ALLOCA TO OTHER FEDERAL FACILITIES RELATED TO UNSUPPORTED CONSTRUCTION FORCE ACCOUNT COSTS.
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE OIG HAS AGREED THAT COMPUTER TAPE DATA ARE ACCEPTABLE WITH EPA COST CURVES BUT WILL NOT ACCEPT THE DATA DESPITE PREVIOUS AU - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RESOLUTION USING SAME TYPE DATA. THE STATE WATER RESOURCES CONT BOARD SUBMITTED A LETTER OF DISAGREEMENT WITH SUPPORTING DOCUMENTATION.
 - = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REG EXPECTS THIS AUDIT WILL BE REFERRED TO HEADQUARTERS FOR RESOLUTION
 - IG FOLLOWUP STATUS AS OF 9/30/94 [1]
 - S2CWM9-09-0192-3200056 SAN FRANCISCO, CITY & CO CA 9/30. Summary: THE AUDIT QUESTIONED COSTS OF \$137,651 AS INELIGIBLE \$257,228 AS UNSUPPORTED.
 - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE OLG HAS AGREED THAT COMPUTER TAPE DATA ARE ACCEPTABLE WITH EPA COST CURVES BUT WILL NOT ACCEPT THE DATA DESPITE PREVIOUS AUI RESOLUTION USING SAME TYPE DATA. THE STATE WATER RESOURCES CONTI BOARD SUBMITTED A LETTER OF DISAGREEMENT WITH SUPPORTING DOCUMENTATION.
 - = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REG EXPECTS THIS AUDIT WILL BE REFERRED TO HEADQUARTERS FOR RESOLUTION
 - IG FOLLOWUP STATUS AS OF 9/30/94 ٢1٦
 - S2CWN0-09-0073-3300036 SAN FRANCISCO, CITY & CO CA 4/26 Summary: INELIGIBLE COST OF \$493,315 INCLUDES \$3,112 OUTSIDE SCOPE OF PROJECT AND \$490,203 NORMAL COST OF GOVERNMENT. UNREASONABLE COST OF \$2,872,442 FOR RECONSTRUCTED FORCE ACCOUNT COSTS NOT SUPPORTED BY ACTUAL SOURCE DOCUMENTATION.
 - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE OIG HAS AGREED THAT COMPUTER TAPE DATA ARE ACCEPTABLE WITH EPA COST CURVES BUT WILL NOT ACCEPT THE DATA DESPITE PREVIOUS AU RESOLUTION USING SAME TYPE DATA. THE STATE WATER RESOURCES CONTI BOARD SUBMITTED A LETTER OF DISAGREEMENT WITH SUPPORTING DOCUMENTATION.
 - = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REG
 - IG FOLLOWUP STATUS AS OF 9/30/94 [1]
 - E2CWNO-09-0247-3300063 SEWER AUTH. MIDCOASTSIDE Summary: INELIGIBLE COSTS OF \$581,489 CONSISTED OF \$8,405 FC EXCESSIVE INDIRECT COSTS; \$64,815 OF CONTINGENCY RELATED COSTS \$187,095 FOR REDESIGN \$27,425 PAST COMPLETION DATE; \$286,720 ALLOCABLE TO INELIGIBLE CONSTRUCTION AND \$7,029 IN EXCESS OF APPROVAL.
 - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA AS OF SEPTEMBER 19, 1994, THE OIG DISAGREED WITH TWO NOTES IN DRAFT FINAL DETERMINATION LETTER AND WILL SEND A RESPONSE ON ISS TO THE STATE WATER RESOURCES CONTROL BOARD. A REVISED FINAL DETERMINATION LETTER IS TARGETED FOR JANUARY 31, 1995.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY JANUARY 31, 1995.

IG FOLLOWUP STATUS AS OF 9/30/94

E2BWL3-09-0190-3300072 SAN DIEGO, CITY OF OUTFALL CA 9/29/93 Summary: CITY OF SAN DIEGO CLAIMED \$9.1 MILLION OF INELIGIBLE CONSTRUCTION, ENGINEERING, AND ADMINISTRATIVE COSTS. ANOTHER \$122,810 OF COSTS WERE NOT SUPPORTED AND WERE ALSO QUESTIONED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THIS AUDII THE FINAL DETERMINATION LETTER IS ON HOLD UNTIL THE CITY EXHAUSTS ITS APPEAL RIGHTS IN THE STATE WATER RESOURCES CONTROL BOARD'S SECTION 124 APPEAL PROCESS. THE CITY IS APPEALING TWO BOARD DECISIONS PERTAINING A PAYMENT REQUEST AND THE REPAYMENT OF INSURANCE PROCEEDS. A REVISED TARGET DATE FOR A FINAL DETERMINATION LETTER IS JUNE 30, 1995.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY JUNE 30, 1995.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

S2CWNO-09-0050-3300078 SAN FRANCISCO. CITY AND CO CA Summary: INELIGIBLE COST OF \$281,859 REPRESENT COST IN EXCESS OF THE APPROVED AMOUNT. UNSUPPORTED COSTS OF \$43,598 RELATE TO FORCE ACCOUNT COSTS NOT SUPPORTED BY ORIGINAL SOURCE DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EXPECTS TO RESOLVE THIS AUDIT IN THE FIRST QUARTER OF FY 1995. THE OIG HAS AGREED THAT COMPUTER TAPE DATA ARE ACCEPTABLE WITHIN EPA COST CURVES BUT WILL NOT ACCEPT THE DATA DESPITE PREVIOUS AUDIT RESOLUTION USING SAME TYPE DATA. THE STATE WATER RESOURCES CONTROL BOARD SUBMITTED A LETTER OF DISAGREEMENT WITH SUPPORTING DOCUMENTATION.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGION EXPECTS THIS AUDIT WILL BE REFERRED TO HEADQUARTERS FOR RESOLUTION.

IG FOLLOWUP STATUS AS OF 9/30/94

S2CWN0-09-0076-3300080 LAS VIRGENES MWD 9/30/93 Summary: INELIGIBLE COSTS OF \$5,091,815 INCLUDES: \$42,564 FOR CONSTRUCTION COSTS NOT INCURRED; \$912,643 OF INTEREST EARNED; \$647,791 FOR UNALLOWABLE ARCHITECT/ENGINEERING (A/E) AND ADMINISTRATIVE; \$1,919,244 FOR A/E AND CONSTRUCTION OUTSIDE SCOPE OF PROJECT \$2,289,573 RELATED TO EXCESS CAPACITY AND \$757,976 UNREASONABLE A/E.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE PROGRAM EXCEEDED THE STATE'S DEMAND FOR LOANS BY \$282.9 MILLION AT THE STATE WATER RESOURCES CONTROL BOARD IS PREPARING A CASH FLOW ANALYSIS IN RESPONSE TO AN OIG REQUEST.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: A REVISED EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: TARGET DATE FOR RESOLUTION IS MARCH 30, 1995.

IG FOLLOWUP STATUS AS OF 9/30/94

E2AWT3-09-0082-3400037 SAN DIEGO, CITY OF 3/29/93 CA 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 REGION'S ABILITY TO RESPOND TO AUDIT RECOMMENDATIONS IS RELATED TO COURT ACTION. THE JUDGE REJECTED THE CONSENT DECREE AND THERE IS NO LONGER A REQUIREMENT TO BUILD SECONDARY TREATMENT. THE COURT HAS NOT YET CONCLUDED HOW TO MAKE THE CITY COMPLY. THE REGION IS AWAITING THE COURT OUTCOME TO RESPOND TO THE OIG.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [2]

E2CWM2-09-0068-4200004 HONOLULU, C&C OF ΗT 1/19/94 Summary: COST QUESTIONED OF \$302,145 INCLUDES \$50,007 OF

CONSTRUCTION COSTS RELATED TO LATERALS; \$140,508 OF ARCHITECT/ENGINEERING COSTS OUTSIDE THE SCOPE OF THE APPROVED PROJECT; AND \$111,630 OF ADMINISTRATIVE AND FORCE ACCOUNT COSTS NOT SUBSTANTIATED BY ADEQUATE SOURCE DOCUMENTATION.

Title

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE AS OF SEPTEMBER 19, 1994, THE OLG DID NOT ACCEPT NOTES 2B, 3A, & 3B. THE REGION EXPECTS TO FORMALLY DISAGREE AND WILL ESCALATE THE ISSUES TO THE OIG BY MID-OCTOBER 1994.
- MAY BE REFERRED TO THE HEADQUARTER'S OIG FOR RESOLUTION.

IG FOLLOWUP STATUS AS OF 9/30/94 Γ17

S2CWN2-09-0126-4300023 MODESTO, CITY OF 1/13/94 Summary: INELIGIBLE COSTS OF \$240,784 INCLUDED \$62,002 OF UNALLOWABLE FORCE ACCOUNT AND INDIRECT COSTS; \$51,752 OF CONSTRUCTION COSTS NOT INCURRED; \$127,030 OF UNALLOWABLE ARCHITECT/ENGINEERING FEES. UNSUPPORTED COSTS OF \$1,536,132 REPRESENT COST NOT APPROVED BY THE SWRCB.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE AS OF SEPTEMBER 19, 1994 THE STATE WATER RESOURCES CONTROL BOARD IS PREPARING THE FINAL DETERMINATION LETTER WHICH SHOULD BE IN THE SIGNATURE CHAIN BY SEPTEMBER 30, 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGION

IG FOLLOWUP STATUS AS OF 9/30/94 Γ17

E2CWN1-09-0175-4300027 TRUCKEE SAN DISTRICT CA 2/14/94 Summary: COSTS QUESTIONED OF \$1,416,122 INCLUDE \$13,574 OF CONSTRUCTION COSTS IN EXCESS OF APPROVED AMOUNT AND \$1,402,548 OF UNALLOWABLE BUY-IN COSTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE ON SEPTEMBER 19, 1994, EPA SENT A PROPOSED FINAL DETERMINATION LETTER TO THE OIG FOR REVIEW.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REGION EXPECTS THE OIG WILL DISAGREE AND THIS AUDIT WILL BE REFERRED TO THE HEADQUARTER'S OIG FOR RESOLUTION.

IG FOLLOWUP STATUS AS OF 9/30/94

E2AWT3-09-0138-4400029 CALIFORNIA SRF USAGE 2/14/94 Summary: EPA'S FUNDING OF CALIFORNIA'S STATE REVOLVING FUND SEPTEMBER 30, 1993. FURTHER, THE STATE HAD NOT AWARDED \$23.5 MILLION OF LOANS WITHIN ONE YEAR AS REQUIRED BY THE ACT.

- THE REGION SIGNED A SUPPLEMENTAL RESPONSE ON SEPTEMBER 16, 1994 AND SENT IT TO THE OIG. THE REGION AWAITS OIG REVIEW AND ACCEPTANCE.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 ۲4٦

E2AWP9-09-0065-9400025 HOMELAND EARLY WARNING 3/31/89 Summary: SPECIAL REVIEW OF CONSTRUCTION GRANT OF WASTEWATER TREATMENT PLANT FOUND \$3,737,139 IN FEDERAL 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 WITH OFFICE OF WATER POLICY CLARIFICATION ISSUED IN AUGUST 1994, THE REGION IS NOW PREPARING ITS PROPOSED DETERMINATION TO THIS EARLY WARNING REPORT.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.
- IG FOLLOWUP STATUS AS OF 9/30/94 [5]

E2AWP9-09-0230-9400043 EARLY WARNING-MARINA CWD CA 9/26/89 Summary: SPECIAL REVIEW OF GRANT TO BUY CAPACITY RIGHTS FROM REGIONAL WASTEWATER TREATMENT PLANT RESULTED IN AN EARLY WARNING LETTER TO EPA MANAGEMENT THAT THE AWARD VIOLATED 40 CFR 35 2250 AND THAT TOTAL COSTS QUESTIONED OF \$1,694,000 (FEDERAL SHARE \$931,700) WOULD CAUSE "WINDFALL".

Title

- RESOLUTION OF THIS AUDIT IS LINKED TO THE MONTEREY EARLY WARNING AUDIT. THE REGION AND OIG ARE DISCUSSING ISSUES TO HELP REACH RESOLUTION.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: A FINAL DETERMINATION LETTER IS EXPECTED BY MARCH 31, 1995.

IG FOLLOWUP STATUS AS OF 9/30/94

Regional Administrator - Region 10

P2CWL9-10-0002-2100669 PIERCE COUNTY UTILITIES DEP WA Summary: THE GRANTEE CLAIMED TOTAL QUESTIONABLE COSTS OF \$4,496,181 FOR REIMBURSEMENT UNDER EPA'S CONSTRUCTION GRANTS PROGRAM. COST CLAIMED OF \$2,179,647 WERE FOUND TO BE INELIGIBLE AND CLAIMS FOR \$2,316,534 WERE UNNECESSARY AND UNREASONABLE.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CORPS OF ENGINEERS AND STATE. THE REGION SUBMITTED A DRAFT FIL THE REGION OBTAINED ADDITIONAL DOCUMENTATION FOR REVIEW OF GRANT ELIGIBILITY AND LACK OF DOCUMENTATION ISSUES IN AUDIT REPORT. THIS INVOLVES REVIEWING 16 GRANTS AND 40 LARGE BOXES OF DOCUMENTATION OBTAINED FROM VARIOUS SOURCES. THE REGION EXPECTS TO ISSUE A DRAFT FINAL DETERMINATION LETTER BY NOVEMBER 30, 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

P2CWN9-10-0107-2300091 FED WAY WATER AND SEW 9/30/92 Summary: INELIGIBLE COSTS OF \$1,304,725 CONSISTED OF \$67,287 FOR UNALLOWABLE CONSTRUCTION COST, \$61,048 RELATED TO INELIGIBLE CONST. PERCENTAGE; \$21,243 OF UNAPPROVED ARCHITECT/ENGINEERING FEES; AND \$1,155,147 RELATED TO EXCESS CAPACITY. ALSO QUESTIONED WERE \$2,242,049 AS UNSUPPORTED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGION WILL SUBMIT A DRAFT FINAL DETERMINATION LETTER TO THE OIG THE REGION IS OBTAINING ADDITIONAL INFORMATION FROM THE AUDITEE AND STATE TO REVIEW/RESOLVE ISSUE OF GRANT ELIGIBLE COSTS FOR A 30 YEAR PLAN VS A 20 YEAR PLAN. OBTAINING THE ADDITIONAL DOCUMENTS IS TIME CONSUMING BECAUSE THE PROJECT IS 15 YEARS OLD. THE REGION WILL ISSUE A DRAFT FINAL DETERMINATION LETTER BY NOVEMBER 30, 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION. RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

P2CWN2-10-0016-3300067 PETERSBURG, CITY OF 9/21/93 Summary: INELIGIBLE COSTS OF \$215,893 INCLUDES: \$8,064 OF UNALLOWABLE ADMINISTRATIVE; \$43,473 OF INELIGIBLE ARCHITECT/ENGINEERING COSTS; AND \$164,356 OF INELIGIBLE CONSTRUCTION COSTS. COSTS OF \$21,877 NOT SUPPORTED BY SOURCE DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NOVEMBER 30, 1994. THIS IS THE OLDEST CONSTRUCTION SITE IN THE REGION AND THERE HAS BEEN EXTENSIVE LITIGATION. THE STATE PROJECT FILES AND MUCH OF THE CITY'S SUPPORTING DOCUMENTATION WERE MISPLACED. THE REGION SENT A DRAFT FINAL DETERMINATION LETTER TO THE OIG ON MAY 5, 1994. THE OIG BELIEVES THE RESPONSE IS INCOMPLETE. THE REGION DISAGREES IG FOLLOWUP STATUS AS OF 9/30/94 AND WILL HAVE FURTHER DISCUSSIONS WITH THE OIG.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94

P2CWN0-10-0052-3300069 SEATTLE WA 9/29 Summary: INELIGIBLE COSTS OF \$162,801 INCLUDES: \$6,904 ALLOCA TO INELIGIBLE CONSTRUCTION, \$155,897 COSTS OUTSIDE SCOPE OF APPROVED PROJECT. COSTS OF \$290,076 NOT SUPPORTED BY ADEQUATE SOURCE DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION IS OBTAINING ADDITIONAL INFORMATION FOR INCLUSION IN DRAFT FINAL DETERMINATION LETTER. THE REGION WILL ISSUE THE DR FINAL DETERMINATION LETTER TO THE OIG BY OCTOBER 31, 1994.
 - = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUT DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94

P2CWN1-10-0044-3300075 PORTLAND, CITY OF 9/29, Summary: INELIGIBLE COSTS OF \$93,739 INCLUDES: \$1,305 OF UNALLOWABLE INTEREST COSTS; \$52,434 OF ARCHITECT/ENGINEERING ADMINISTRATIVE AND CONSTRUCTION COSTS ALLOCABLE TO INELIGIBLE CONSTRUCTION; COSTS OF \$709,917 NOT SUPPORTED BY ORIGINAL SOUR DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE REGION HAS BEEN GATHERING INFORMATION AND COMMENTS FROM TH DETERMINATION LETTER TO THE OIG ON MAY 5, 1994. THE OIG BELIE' THAT THE RESPONSE IS INCOMPLETE. THE REGION DISAGREES AND WIL HAVE FURTHER DISCUSSIONS WITH OIG.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE REG EXPECTS RESOLUTION ON NOVEMBER 30, 1994.

IG FOLLOWUP STATUS AS OF 9/30/94

P2CWN1-10-0049-3300076 SEASIDE, CITY OF OR 9/30/ Summary: INELIGIBLE COST OF \$97,155 INCLUDES \$7,889 OF UNALLOWABLE FORCE ACCOUNT AND \$89,266 OF CONSTRUCTION COSTS RELAT TO SERVICE LATERALS, COSTS OF \$188,202 NOT SUPPORTED BY SOURCE DOCUMENTATION.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE REGION HAS BEEN OBTAINING INFORMATION, COMMENTS, AND DOCUMENTATION FROM THE STATE AND WITHIN THE REGIONAL OFFICE. 1 NOVEMBER 30, 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUT DATE CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 9/30/94 [1]

P2CWN1-10-0041-3300077 METROPOLITAN WASTEWTR. MGT. CA Summary: INELIGIBLE COSTS OF \$2,511,772 INCLUDES: \$26,970 OF MI COSTS, \$107,481 OF INSURANCE PREMIUMS, \$181,880 ALLOCABLE TO INELIGIBLE PERCENT; \$2,195,491 OUTSIDE SCOPE OF PROJECT. ADDITIONALLY, WE QUESTIONED \$6,657,189 WHICH WAS NOT SUPPORTED ADEQUATE SOURCE DOCUMENTS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MAI THIS PROJECT HAS VERY COMPLEX ISSUES, E.G. SEGMENTATION OF GRAN THE REGION IS SEEKING ADDITIONAL COMMENTS AND DOCUMENTATION FR THE STATE, THE GRANTEE, AND WITHIN THE REGIONAL OFFICE. THE REGI WILL ISSUE A DRAFT FINAL DETERMINATION LETTER TO THE OIG BY
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTI DATE CANNOT BE DETERMINED AT THIS TIME.

P2CWN2-10-0068-4300013 WASILLA, CITY OF Summary: INELIGIBLE COSTS OF \$306,738 INCLUDED \$182,188 OF COS 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. THE REGION WILL ISSUE A DRAFT FINAL DETERMINATION LETTER TO THE OIG ON NOVEMBER 30, 1994.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.
- IG FOLLOWUP STATUS AS OF 9/30/94 [1]

E3BG*6-10-0066-8100761 MOSES LAKE IRR & REHAB DIST WA 8/31/88 Summary: INTERIM AUDIT OF DEMONSTRATION GRANT TO RESTORE MOSES LAKE AND TO CONTROL NON-POINT POLLUTION SOURCES FOUND TOTAL COSTS QUESTIONED OF \$2,439,103 (FEDERAL SHARE \$1,205,039). GRANTEE USED STANDARD METHODOLOGY INSTEAD OF DEVELOPING NEW INNOVATIVE TECHNIQUES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA'S AUDIT REVIEW GROUP HAS REVIEWED THE CONTESTED AUDIT ISSUES AND IS PREPARING A RECOMMENDATION FOR THE AUDIT RESOLUTION BOARD.
- = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION DATE CANNOT BE DETERMINED AT THIS TIME.
- IG FOLLOWUP STATUS AS OF 9/30/94 [6]

TOTAL AUDITS ISSUED BEFORE REPORTING PERIOD FOR WHICH NO MANAGEMENT DECISION WAS MADE DURING THE REPORTING PERIOD: 73

 \star = 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.

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