PA/350/K-02/001

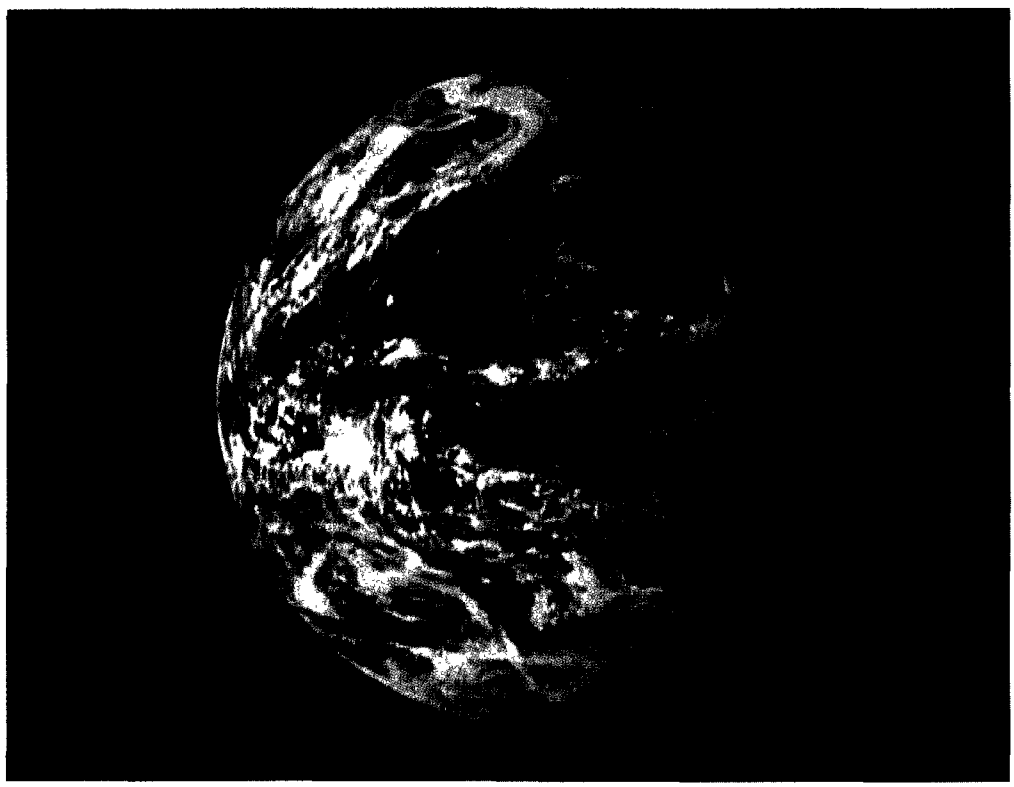
United States
Environmental Protection
Agency

Office of
Inspector General (2441)
Washington DC 20460

EPA-350-K-02-001
May 2002

Office of Inspector General Semiannual Report to the Congress

October 1, 2001 through March 31, 2002



EPA/350/K-02/001

Inspector General Vision Statement

We are agents of positive change striving for continuous improvement in our Agency's management and program operations, and in our own offices.

Mission

The Inspector General Act of 1978, as amended, requires the Inspector General to: (1) conduct and supervise audits and investigations relating to programs and operations of the Agency; (2) provide leadership and coordination, and make recommendations designed to (a) promote economy, efficiency, and effectiveness, and (b) prevent and detect fraud and abuse in Agency programs and operations; and (3) fully and currently inform the Administrator and the Congress about problems and deficiencies identified by the Office of Inspector General relating to the administration of Agency programs and operations.

Goals

1. Contribute to improved environmental quality and human health.
2. Improve EPA's management and program operations.
3. Produce timely, quality, and cost-effective products and services that meet customer needs.
4. Enhance diversity, innovation, teamwork, and competencies.

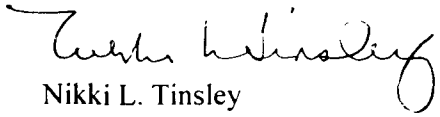
Cover photo courtesy of the National Aeronautics and Space Administration

Foreword

During this semiannual reporting period, EPA'S Office of Inspector General, (OIG) identified Major Management Challenges which could severely impact the attainment of EPA's mission. What makes the OIG's current work and subsequent list of Challenges particularly relevant is its close relationship to the President's Management Agenda, represented by five bold initiatives for an efficient and effective federal Government. Most of the OIG reported Management Challenges and associated recommendations correspond to one of the five Presidential Management Agenda initiatives (PMAI). For example, the EPA Challenges of **Linking Mission and Management (Cost Accounting)** and **Working Relationship With the States**, address the PMAIs for *Improved Financial Performance and Budget and Performance Integration*. The Management Challenge of **Employee Competencies** addresses the PMAI for *Strategic Management of Human Capital*. The EPA Management Challenge of **Use of Assistance Agreements and Grants to Accomplish Its Mission** addresses the PMAI for *Competitive Sourcing*; and the EPA Management Challenges of **Information Resources Management, Results-Based Information Technology Project Management,** and **Information Security Program** address the PMAI for **Expanded Electronic Government**. By focusing attention on resolving these Challenges, EPA can become a leading example for fulfilling the PMAIs.

The OIG also took a major step in implementing our Strategic Plan, and in demonstrating full accountability by issuing our first separate Annual Performance Report for Fiscal 2001. The Report demonstrates how the OIG is measuring and reporting performance against our Strategic Goals, and identifies areas requiring increased attention for improvement. Since our Strategic Plan was designed "starting with the end in mind," the Report provides summary performance information about outcomes and outputs from our business line products and services, customer survey results, and internal operations. The Report includes analyses of financial and staff resource usage, a revision of FY 2002 Annual Goal Targets based on the OIG's progress and lessons learned from FY 2001, and concludes with a list of OIG Management Challenges to be addressed during FY 2002. By comparing key measures, the OIG now produces a "Scorecard" of performance, progress, results, activities, and investments.

The OIG will continue its pursuit of improved performance and meaningful results. By recommending improvements to EPA processes and programs, I am convinced that we can help the Agency deliver environmental programs that are citizen-centered, results-oriented, and market-based.



Nikki L. Tinsley
Inspector General

Profile of Activities and Results

October 1, 2001 to March 31, 2002

OIG-Managed Reviews (Reviews Performed by EPA, Independent Public Accountants, and State Auditors)		Other Reviews (Reviews Performed by Another Federal Agency or Single Audit Act Auditors)	
Questioned Costs *		Questioned Costs *	
- Total	$3.0	- Total	$.6
- Federal	$2.7	- Federal	$.6
Recommended Efficiencies *		Recommended Efficiencies *	
- Federal	$.03	- Federal	$0
Costs Disallowed to be Recovered		Costs Disallowed to be Recovered	
- Federal	$5.6	- Federal	$.9
Costs Disallowed as Cost Efficiency		Costs Disallowed as Cost Efficiency	
- Federal	$0	- Federal	$0
Reports Issued - OIG-Managed Reviews		*Reports Issued - Other Reviews*	
- EPA Reviews Performed by OIG	24	- EPA Reviews Performed by Another Federal Agency	102
- EPA Reviews Performed by Independent Public Accountants	0	- Single Audit Act Reviews	76
- EPA Reviews Performed by State Auditors	0	Total	178
Total	24		
Reports Resolved (Agreement by Agency officials to take satisfactory corrective actions) ***	86	Agency Recoveries - Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments) **	$10.6

Investigative Operations

Fines and Recoveries (including civil) ****	$19 M
Investigations Opened	25
Investigations Closed	22
Indictments/Criminal Complaints of Persons or Firms	10
Convictions of Persons or Firms	13
Administrative Actions Against EPA Employees / Firms	5
Civil Filings/Settlements	2

* Questioned Costs and Recommended Efficiencies subject to change pending further review in audit resolution process

** Information on recoveries from audit resolution is provided from EPA Financial Management Division and is unaudited

*** Reports Resolved are subject to change pending further review.

**** Total includes actions resulting from joint investigations

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Goal 1: Contribute to Improved Environmental Quality and Human Health

The work of the OIG is designed to assist EPA in achieving its environmental goals, thus contributing to environmental improvements. The following represent some examples of the more significant efforts under this OIG goal.

Status of Land Application of Biosolids Program Examined

OIG reviewed the land application of biosolids (treated sewage sludge) applied to agricultural, horticultural, forest, and reclamation land. Although there has been controversy about potentially adverse impacts of biosolids on human health and the environment, EPA believes that land application of biosolids presents a low risk to human health and the environment. Consequently, EPA has taken the position that the biosolids program is a low priority.

In March 2001, the National Whistleblower Center submitted to OIG a series of allegations concerning EPA's conduct in regard to regulating biosolids. Also, a March 2000 OIG audit report had found inadequacies in EPA's management and enforcement of the biosolids program. For these reasons, we prepared a status report on land application of biosolids. The specific issues examined and the status of each are summarized below.

- **EPA and State Biosolids Program Staff.** Some State officials expressed concerns that EPA is not dedicating sufficient staffing and financial resources to the program. EPA staff assigned to the biosolids program have been declining, but EPA's position is that the resources allocated to biosolids are appropriate when balanced against competing priorities.

- **Delegation of the Biosolids Program to the States.** The Clean Water Act gives EPA authority to delegate the biosolids program to States, but little progress has been made thus far. Only five States have received formal delegation from EPA for the biosolids program.

- **Responding to and Tracking Health Complaints.** Of the 21 complaints that the National Whistleblower Center contended EPA failed to investigate, EPA and/or a State agency investigated 14. For the remaining seven, EPA and State officials indicated five complaints were not reported to them, and we determined that the other two did not involve biosolids.

- **Risk Assessment and Pathogen Testing Concerns.** Discussions about whether further research is needed regarding EPA's biosolids risk assessment and pathogens have contributed to the controversy. EPA does not plan to complete a comprehensive evaluation and monitoring study to address risk assessment uncertainties. However, EPA has asked the National Research Council to review the biosolids risk assessment and make recommendations. Also, there are indications more research on pathogens is needed.

- **EPA's Relationship with a Professional Association.** The National Whistleblower Center expressed concern about EPA's support of a professional association and its research group. However, of the $12.9 million EPA provided, 96 percent ($12.4 million) had been Congressionally mandated, and EPA had no discretion in awarding those funds.

- **Public Acceptance Concerns.** There are public concerns regarding the impact of biosolids land application on health, quality of life, and natural resources. These concerns have led to restricting or banning land application of biosolids in some places.

We issued our final report (2002-S-00004) on March 28, 2002. The report does not contain any findings and recommendations, and no response was required.

Corporation Pleads Guilty to Conspiracy to Commit Mail Fraud

On October 5, 2001, Intertek Testing Services Environmental Laboratory (ITS), Richardson, Texas, pleaded guilty to a one-count criminal information charging the corporation with conspiracy to commit mail fraud. As part of the plea, ITS agreed to pay the United States a $9 million fine pursuant to the terms of the court and upon acceptance of the plea by the court.

A vice president and 12 former employees of ITS, formerly known as NDRC Laboratories, Inc., and Inchcape Testing Services Environmental Laboratories, Inc., were previously indicted on September 21, 2000, in U.S. District Court, Dallas, Texas, on charges of conspiracy, mail fraud, wire fraud, and presenting false claims against the government.

The criminal information charged that ITS conspired to perform improper manual integrations, such as peak juicing and peak shaving, on initial calibrations, for the purpose of causing the instrumentation to appear to be within the quality assurance/quality control criteria required by the applicable EPA method.

It was further charged that ITS engaged in the conduct for the purpose of saving time and money that would otherwise be spent to properly maintain the testing equipment and to repeat tests.

On February 8, 2002, ITS was sentenced as a corporation to 3 years and 6 months probation and fined $9 million. On March 25, 2002, ITS entered into a civil settlement agreement with the Department of Justice Civil Litigation Branch, Washington, DC, in which they agreed to pay $8,741,000. The settlement agreement was reached in order to resolve certain civil claims the United States had on behalf of the Army Corps of Engineers, Department of Defense, and the EPA against ITS for tests the United States alleged were not done pursuant to contractual requirements since 1989.

This investigation was conducted jointly by the EPA OIG, the EPA Criminal Investigation Division, the Defense Criminal Investigative Service, the Army Criminal Investigation Command, and the Air Force Office of Special Investigations.

Utility Vice President Pleads Guilty to Polluting Sarasota Bay Watershed

On October 31, 2001, Eli Ray Bontrager, Vice President of South Bay Utilities, Inc. (SBU), Sarasota, Florida, pleaded guilty in U.S. District Court, Tampa, Florida, to count one of a criminal indictment, charging him with discharging pollutants without a permit, in violation of the Clean Water Act.

Shortly after SBU's wastewater treatment plant came on line in 1976, its drain fields became saturated and were not able to process the amount of effluent discharged. To relieve the pressure on the drain fields, SBU illegally installed underground bypass pipes without informing government regulators. After the installation, the pipes allowed effluent to flow through the storm water pipes directly into Dryman Bay, discharging about 1 ½ tons of nitrogen into Sarasota Bay annually.

In the plea agreement, Bontrager admitted that, as Vice President of Utilities for SBU, he was a "responsible corporate officer" over field activities for SBU's utilities, including the wastewater treatment plant, and knew that such a connection would require a National Pollutant Discharge Elimination System permit. Bontrager further admitted that he could have intervened to correct the situation affecting the drain fields, but opted not to act and became willfully blind to the ongoing situation.

This investigation was conducted jointly by the EPA OIG, the EPA Criminal Investigation Division, the Federal Bureau of Investigation, the Internal Revenue Service, the Florida Department of Law Enforcement, the Florida Department of Environmental Protection, and the Sarasota County Office of Pollution Control.

The OIG assesses EPA's management and program operations to identify best practices, areas for improvement, and cooperative solutions to problems. The OIG's work is designed to promote efficiency and effectiveness within EPA. The following represent some examples of the more significant efforts under this OIG goal.

Draft Superfund Environmental Indicators Suitable, But Concerns Remain

We found that the two draft Superfund Environmental Indicators (EIs) reviewed – human exposure under control and contaminated groundwater migration under control – were suitable because they measure a state of the environment, rather than just mark the completion of an administrative step in the Superfund cleanup process. The two EIs are specific measures of program performance used to assess progress toward cleaning up a hazardous waste site. However, we identified some policy and technical issues that should be resolved.

The two draft EIs were modeled after EIs used by the Resource Conservation and Recovery Act (RCRA) Corrective Action Program, but we found several policy and technical differences between the EI documentation for Superfund and RCRA. We understand there are inherent distinctions between the Superfund and RCRA programs. Even so, we believe the policy and technical differences need to be resolved before implementation of the draft Superfund EIs, to ensure similar results.

We recommended that the Assistant Administrator for Solid Waste and Emergency Response make changes to resolve these policy and technical differences, make changes to the Superfund EI documentation, and develop supplemental EI guidance more applicable to Superfund. We also recommended that, in addition to the draft EIs of interim progress Superfund officials have already developed, Office of Solid Waste and Emergency Response officials partner with state officials to develop ecological and final EIs. Finally, since mega-sites (sites that will cost $50 million or more for cleanup) will require extensive effort and resources, we suggested that Office of Solid Waste and Emergency Response officials consider adopting a supplemental measure of interim cleanup progress specifically for mega-sites.

We issued our final report (2002-P-00003) on December 27, 2001. In her response, the Assistant Administrator for Solid Waste and Emergency Response stated that the recommendations will be useful in improving their EIs and indicated they were making progress in resolving the issues highlighted in our report.

Inadvertent Disclosure of Data for Preventing Chemical Accidents Prompts Concern

Unauthorized off-site consequence analysis information was inadvertently made available for download on EPA's website. As a result, a temporary opportunity was created for unauthorized individuals to download sensitive information on the potential effects of accidental chemical releases from industry facilities. This off-site consequence analysis data is a part of Risk Management Plans used to help prevent chemical accidents and provide an estimate of the potential consequences to surrounding communities. Unauthorized disclosure of off-site consequence analysis information in downloadable files occurred due to a lack of management oversight for testing program changes.

Risk Management Plans, which document how a company plans to manage its chemicals and operate in a safe and responsible manner, are routinely maintained in the System for Risk Management Plans. Collection of this information is driven by the Clean Air Act. EPA's Chemical Emergency Preparedness and Prevention Office is responsible for coordinating the information and providing it to the public.

In response to a congressional mandate (The Chemical Safety Information, Site Security and Fuels Regulatory Relief Act of 1999), prior to August 2000, off-site consequence analysis information was made available only to authorized officials for emergency planning and response purposes. Also in response to this mandate, EPA and the Department of Justice issued a rule authorizing limited access to the off-site consequence analysis information and allowing some limited data elements to be made public. As a result, in April 2001, these limited data elements of off-site consequence analysis information were included on EPA's website for the first time. However, from April through June 2001, some unauthorized information was inadvertently made available for download. This occurred because EPA's Chemical Emergency Preparedness and Prevention Office did not adequately oversee testing program changes made by the contractors responsible for maintaining the System for Risk Management Plans. Immediately upon discovery of the error on June 6, 2001, EPA removed the unauthorized information from its website.

We recommended that the Director of EPA's Chemical Emergency Preparedness and Prevention Office establish a policy requiring that downloadable files be reviewed to ensure only authorized elements of off-site consequence data are made available to the public. In addition, we recommended the establishment of data testing requirements to prevent future unauthorized disclosures.

We issued our final report (2002-P-00006) on March 22, 2002. A response to the report is due by June 20, 2002.

Unreliable Pollutant Reductions Data Reported to Congress

EPA under-reported the environmental impact of enforcement actions under the Government Performance and Results Act. Our audit disclosed that 69 percent of the applicable fiscal 2000 pollutant records in the National Enforcement Docket System (DOCKET) contained blank pollutant amount fields. We also noted other errors. Until management takes decisive steps to address data weaknesses, neither Congress, the public, nor EPA management should depend on DOCKET as a reliable source of data.

DOCKET is EPA's official database for tracking and reporting on civil and administrative enforcement actions. DOCKET's pollutant amount field should have contained amounts used to compute and report pollutant reductions, but often did not. Additionally, the DOCKET system as a whole contained significant instances of inaccurate and incomplete data. Of the cases reviewed, 94 percent contained at least one error in a key field. Factors contributing to the poor data quality included a cumbersome system lacking in functionality; inadequate and outdated policies, procedures, and guidance; and the absence of comprehensive reviews.

We recommended that EPA's Assistant Administrator for Enforcement and Compliance Assurance improve overall policies and procedures for computing pollutant-related information, performing quality assurance, disseminating training, and monitoring policy implementation.

In general, EPA agreed with the conditions noted in the report. We issued our final report (2002-P-00004) on January 18, 2002. A response to the report is due May 3, 2002.

EPA Earned an Unqualified Opinion on its Financial Statements

EPA earned an unqualified opinion on its fiscal 2001 financial statements. In evaluating EPA's internal controls, we noted certain matters that we consider to be reportable conditions, but none are believed to be a material weakness that would prevent the presentation of reliable financial statement amounts. In evaluating the Agency's internal control structure, we identified three reportable conditions in the following areas:

- Implementing Accounting for Internal Use Software Timely
- EPA's Interagency Agreement Invoice Approval Process
- Automated Application Processing Controls for the Integrated Financial Management System

We did not identify any instances of noncompliance with laws and regulations that would result in material misstatements to the audited financial statements. In our report under the caption of "substantial noncompliance with Federal Financial Managers Integrity Act (FFMIA)," we again noted, as we did in our fiscal 1999 and 2000 audits, that EPA did not comply with the managerial cost accounting standard.

In addition, EPA continues to experience difficulties in reconciling some of its intra-governmental assets and liabilities due to some Federal entities not performing reconciliations. Without the proper confirmations from other agencies, EPA has limited assurance that intra-governmental balances are accurate.

During the audit of the fiscal 2001 financial statements, we noted substantial progress in completing corrective actions in fiscal 2002 in a number of areas. Two corrective actions expected to be completed in fiscal 2002 include: (1) financial system security remediation plan being revised and submitted to the Office of Management and Budget as part of EPA's fiscal 2003 budget submission, and (2) the agency implementing an automated process for the interagency agreement invoice approval process.

In a February 12, 2002, response to our draft report, the Agency generally concurred with our recommendations and has completed or planned a number of corrective actions. However, the agency did not agree with the issue on substantial non-compliance with the managerial cost accounting standard. In our opinion, EPA's cost accounting system does not completely satisfy the objectives of the standard. The Deputy Chief Financial Officer, while acknowledging the desirability for continuing improvements as envisioned by the standard, continued to disagree with our conclusion that EPA did not comply with the standard. On December 12, 2001, we elevated this issue to the Administrator for resolution, as is required by FFMIA. The agency is currently working with the Administrator on a response to this issue. We issued the final report (2002-1-00082) on February 26, 2002. A final response to our report is due by May 30, 2002.

California State Water Pollution Control Revolving Fund Receives Qualified Opinion

We issued a qualified opinion on the financial statements of the California State Water Pollution Control Revolving Loan Fund as of June 30, 2000, because the state over-committed loans by approximately $45 million. This occurred because the state's projections included receiving $200 million in revenue bond proceeds before the bonds were issued. EPA issued a Notice of Noncompliance to the state on April 17, 2002 for deficiencies in the financial and programmatic management of the Fund. The Notice of Noncompliance requires the state to submit a corrective action plan with milestones to remedy the program deficiencies.

California did not comply with certain provisions of laws, regulations, and grants. Specifically, the state did not properly manage the Fund, and the accounting system did not properly account for all transactions and accounts. High staff turnover also contributed to California's inability to prepare timely and accurate financial statements necessary to present the financial statements in accordance with generally accepted accounting principles.

We also noted several material internal control weaknesses. The control environment established by management was not conducive to having an accurate accounting system.

As a result, accounting and financial reporting for the Fund was not a priority. Further, decentralization of Fund accounting activities resulted in a lack of a coordinated effort in accounting. Most instances of noncompliance with Federal regulations were attributed to the inadequate accounting system.

We recommended that the state: (1) establish a control environment and develop an accounting system that enables recording all transactions and allows full accountability and control over the Fund; (2) establish a Revolving Fund Manager position to have responsibility and authority over all accounting and managerial aspects of the program; and (3) establish the Fund as an enterprise fund and conduct an annual financial statement audit of the program. We issued the final report (2002-1-00095) on March 7, 2002. The State of California concurred with the recommendations and its responses were incorporated into the final report.

More Progress Needed In Issuing Title V Air Permits

As of December 31, 2001, state and local agencies nationwide had issued 70 percent (13,036 of 18,709) of the operating permits required by Title V of the Clean Air Act. If EPA and the state and local agencies had met the schedule in the Clean Air Act, all of the initial permits would have been issued by November 1997. However, translating and consolidating the applicable air pollution requirements for major stationary sources into site-specific, legally enforceable permit limits is a complex, time-consuming, and resource intensive process. Consequently, as of December 31, 2001, of 112 state and local agencies approved to administer the Title V program, only 4 state and 17 local agencies had issued all of their Title V permits. In the six states we reviewed, key factors delaying the issuance of permits included:

- States allotting insufficient resources.
- Complex regulations and limited guidance confusing permit writers.
- Conflicting priorities of state agencies.

EPA did not provide adequate oversight and technical assistance to state and local Title V programs. For example, from 1998 through 2001, EPA evaluated only 28 of 112 state and local agencies on their assessment and management of Title V fees. EPA also did not consistently require state and local agencies to provide EPA the information it needed to adequately oversee the Title V program. Although most state and local programs did not issue their permits within 3 years of EPA approval, EPA did not use the Act's provisions for issuing notices of deficiency, sanctions, and program withdrawal when state and local agencies missed the Clean Air Act's deadline for issuing permits.

In the six states reviewed, three practices contributed to progress in issuing Title V permits:

- State agency management support for the program.
- State agency and industry partnering.
- Permit writer site visits to facilities.

However, EPA had not taken a leadership role in collecting and disseminating information on practices showing promise of facilitating more timely issuance of Title V permits.

We recommended that the Assistant Administrator for Air and Radiation require EPA regions to conduct fee protocol reviews and revive agency efforts to make air toxics standards easier to incorporate into Title V permits. We also recommended that EPA develop and execute a national plan for addressing implementation deficiencies in Title V programs.

We issued our final report (2002-P-00008) on March 29, 2002. In responding to the draft report, the Assistant Administrator stated that many of the sources remaining to be permitted are the more complex facilities, and agreed with our conclusion that more needs to be done to address the permitting backlog. A response to the final report is due June 27, 2002.

Program Evaluation Identifies Opportunities to Improve Research Programs

EPA OIG, in collaboration with EPA's Office of Research and Development (ORD), conducted a pilot evaluation to determine whether program evaluation techniques are appropriate for measuring progress in accomplishing Government Performance and Results Act goals. We looked at EPA's Goal 8, *Sound Science and Innovative Approaches*, and focused on Objective 8.4, *Pollution Prevention and New Technologies* research.

We concluded that the evaluation process was appropriate. The approach afforded a better understanding of the programs, answered key questions, and provided a partnership approach beneficial in developing meaningful observations about Goal 8 and Objective 8.4 designs.

We found that ORD's Goal 8 research priorities are consistent with National Research Council recommendations for core research, but identified opportunities for improvement. ORD can place more focus on outcomes rather than outputs, and can expand its transfer of technology to customers. Further, ORD can make program design documents more consistent, enhance its planning system, more clearly explain the two-tiered Goal 8 strategy, and better address externalities (factors beyond the program's control) affecting Goal 8 research.

We issued our report (2002-P-000002) on November 21, 2001. In an effort to improve the designs and outcome orientation of its research programs, ORD has used our logic model in midyear reviews of its National Laboratories and Centers, and has made presentations that prominently feature the logic model to external audiences. It also developed guidance to increase the outcome orientation of annual performance goals and measures. In addition, it is considering revisions to the annual research planning system to focus discussions and decisions on performance information.

Increased Region 8 Involvement Would Improve Tribal Program Results

We questioned approximately 70 percent, or $1.37 million, of the $1.97 million claimed by four EPA Region 8 Tribes under grants awarded by the Regional Tribal Assistance Program and recommended that Region 8 recover $1.28 million of payments made to the four Tribes for which we questioned costs. Although Region 8 has taken some important, positive steps to help Tribes comply with grant requirements during the last several years, and has shown a willingness to take strong steps when it deems necessary, three of the four Tribes we visited had difficulty managing environmental grants during the period covered by our audit (1996 through 2000).

On March 29, 2002, we issued an overall report, *Increased Region 8 Involvement Would Improve Tribal Program Results* (Report No. 100370-2002-1-000100). Three of four Tribes we reviewed lacked the internal controls necessary to adequately manage environmental grants. Tribal leadership, management, and staff need to emphasize good internal controls. We recommended that Region 8 continue to actively participate in the National EPA Grants and Debarment Workgroup to provide sufficient oversight, assistance, and guidance to help the Tribes effectively manage their grants. We also recommended that Region 8 continue its efforts to provide better guidance and a comprehensive approach to assessing grant management capabilities, as well as various other steps to improve internal controls.

Further, we recommended that Region 8 designate three of the Tribal grantees as high risk until each develops and implements adequate procedures and controls, and suspend all current and new grants to those grantees if, after 6 months, substantial progress has not been made. Region 8 generally agreed with our other findings and recommendations, and is to provide a response to the report by July 2002.

EPA Not Planning or Measuring Grants Results

EPA did not measure whether the assistance agreements awarded under Catalog of Federal Domestic Assistance (CFDA) number 66.606, "Surveys, Studies, Investigations, and Special Purpose Grants," achieved results that contributed to protecting human health and the environment. These agreements totaled $617 million of EPA's $1.3 billion of discretionary assistance agreements. EPA frequently funded the same assistance agreement recipients year after year. Consequently, EPA had no assurance that money used for assistance agreements was awarded for projects that were useful and contributed to achieving EPA's mission of protecting human health and the environment.

The deficiencies occurred because program offices generally focused on outputs (activities or products used to attain an ultimate outcome), not the actual results achieved. Individual assistance agreement outcomes must be planned and measured to determine the usefulness and success of the assistance agreement. However, EPA program offices did not adequately measure the outcomes generated from such awards.

EPA frequently funded the same assistance agreement recipients year after year. Grant objectives were often vague, which allowed EPA to continuously amend the objectives sometimes for up to 6 years. A review of a database for all CFDA 66.606 awards from fiscal years 1996 through 2000 disclosed that 80 percent of the funding went to repeat recipients. By providing funding to the same recipients year after year, EPA is creating the appearance of preferential treatment and limiting other potential entities from providing similar, if not better, services.

We recommended that EPA: (1) require its personnel to award assistance agreements with measurable results that contribute to protecting human health and the environment, and (2) develop clear policy on the use and purpose of assistance agreement amendments. In response, EPA agreed to work with the program offices to improve the performance in the areas discussed and improve guidance as well. We issued our final report (2002-P-00005) on March 21, 2002. A response to the final report is due June 19, 2002.

Procurements Made by Assistance Agreement Recipients Should Be Competitive

EPA had no assurance that as much as $187 million spent by assistance agreement recipients for procurements was used to obtain the best products, at the best price, from the most qualified firms. Recipients did not compete contract awards or perform cost or price analyses as required by regulations. The conditions noted occurred because EPA did not monitor recipients' procurement transactions. Also, recipients said they did not have sufficient knowledge of procurement regulations, and often procured services as a result of familiarity and long-term relationships with contractors.

Obtaining the best price allows EPA to fund the maximum number of projects to support its environmental mission. It is also important to have the most qualified firm perform each task, and even when a firm is qualified, not competing the work can result in a contract price that is not competitive with the market. Also, lack of competition can result in other problems, such as conflicts of interest.

We recommended that the Assistant Administrator for Administration and Resources Management require EPA personnel to: (1) perform the level of monitoring of assistance agreement procurement transactions required by regulations; and (2) ensure that when assistance agreement recipients identify proposed contractors in applications that the sole source justification provided is adequate and a cost or price analysis is performed. We issued the final report (2002-P-00009) on March 28, 2002. In response to the draft report, the Agency agreed with OIG on the need to foster competition in recipient procurements to achieve high quality work under EPA assistance agreements at the lowest cost, and said it is taking various improvement actions. A response to the final report is due June 26, 2002.

Procurement Practices of Assistance Agreement Recipient Inadequate

MBI International, a non-profit company in Lansing, Michigan, did not have adequate justification to support the award of its sole source contracts issued with EPA assistance agreement funds. Of the 23 contracts awarded by MBI, 20 were awarded sole source. Also, MBI's procurement practices did not meet federal requirements. As a result, procurements totaling $1.3 million were not eligible for federal reimbursement.

We also noted apparent conflicts of interest because MBI issued numerous contracts to Grand River Technologies, Inc., a for-profit company created by MBI, as well as to three for-profit companies created by GRT. Officers of MBI and GRT served on the Boards of Directors of the subsidiary companies.

We issued the final report (2002-2-00008) on January 29, 2002. We recommended that the Director, Grants Administration Division, disallow the $1.3 million in ineligible costs incurred. EPA stated in its response to the draft report that it would wait until the final report was issued before preparing its response. The EPA response to the final report is due May 29, 2002.

Watershed Management District Violates Conflict of Interest and Procurement Procedures

The Lake Wallenpaupack Watershed Management District did not follow federal procurement procedures when using EPA funds to hire an engineering firm. The District, based in Paupack, Pennsylvania, received $2.2 million in assistance agreement funds from EPA Region 3 to perform various watershed management tasks. The $2.2 million included funds to hire an engineering firm. However, we found that the District did not follow federal procurement procedures regarding conflicts of interest and competition when it awarded a $547,000 contract to an engineering firm.

The District's application, work plan, budget, and work schedules submitted to EPA for the funding were prepared by the firm that received the contract. The District awarded a second contract to the same firm for $360,000 (for a total of $907,000) also without following federal procurement procedures. Further, the District billed EPA for $71,000 in additional work done by the engineering firm that was not part of the scope of work of either of the two contracts.

We recommended that Region 3 determine whether the prices paid by the District for the engineering services were reasonable, and take appropriate actions. We also recommended that the Region discontinue payments to the District until the concerns were resolved.

We issued a final report (2002-M-00007) on January 18, 2002. In response to the draft report, Region 3 agreed with what we recommended and said it would evaluate information submitted by the District. The Region also stated that the District voluntarily agreed to stop incurring any additional costs under its engineering contracts. A response to the final report is due May 18, 2002.

EPA Strengthens Procedures for Employee Information Protected by EEOC Regulations

In response to a complaint, OIG found that EPA Region 5 employees not assigned to the Region's Office of Civil Rights had inappropriately collected information on employees' race, national origin, and sex. The information was used in preparing certain non-monetary awards and reports on newly hired employees. Region 5 managers had requested these reports so that they could compare Region 5 award and new hire practices to goals in the Region's diversity action plan. These reports were provided to the Director of the Region's Office of Civil Rights.

Regulations issued by the Equal Employment Opportunity Commission (EEOC) provide that each agency will establish a system to collect and maintain accurate employment information on the race, national origin, sex, and disability(s) of its employees. The information collected on its employees cannot be disclosed, except in the form of gross statistics. The Privacy Act also provides additional requirements on when an Agency can disclose this type of employee information in the performance of its duties.

We issued our final report (2002-S-00002) on December 13, 2001. We recommended that Region 5 take certain steps that would ensure that the collection of employee information was in full accordance with the EEOC regulations. We also recommended that the Agency's Office of Civil Rights and Office of Human Resources ensure that all EPA regions are collecting this type of employee information in a proper manner.

In a February 11, 2002, response, officials from EPA's Office of Human Resources and Organizational Services agreed with our recommendations. They advised all Regional Human Resource Offices and EPA staff of applicable laws, and directed Regional human resource offices to work in coordination with regional offices of civil rights to review processes to ensure violations do not occur. Both Region 5 and Headquarters officials also agreed with our recommendations in a March 7, 2002, response. Region 5's Regional Administrator directed, immediately, that employee-specific information collected, developed, or analyzed in connection with Region 5 activities be issued by the Office of Civil Rights, that only appropriate staff work with the information, and that adequate security is provided for the information.

Better Guidance Needed for Reporting Safe Drinking Water Violations

We conducted a review on reporting of maximum contaminant level violations of the Safe Drinking Water Act in Pennsylvania due to a previous incident in which a public health risk occurred and EPA initially was not notified of the incident. We reviewed 27 public water systems to determine whether additional maximum contaminant level violations had occurred and gone unreported to EPA. We did not find any such instances.

However, the Pennsylvania Department of Environmental Protection (PADEP) could take further steps to ensure that all maximum contaminant level violations are reported to EPA. Specifically, the state needs to clarify its guidance to ensure consistency of information. In addition, Federal reporting guidance needs to be clarified. EPA's guidance for the Safe Drinking Water Information System does not clearly define what is meant by an "active" source. Further, we noted that PADEP does not notify EPA of all its drinking water sources, because EPA does not explicitly require this information. In the event of an environmental disaster, drought, or outside threat, EPA should have knowledge of all drinking water sources that are in use or could be put into service quickly, in case the information is needed to protect the public.

We recommended that the EPA Region 3 Administrator require PADEP to align its monitoring guidance with Federal and State regulations and review the compliance reporting procedures for other Region 3 States. We also recommended that the EPA Assistant Administrator for Water revise the Safe Drinking Water Information System guidance.

We issued our final report (2002-P-00007) on March 25, 2001. A response to the final report is due June 24, 2002.

Office of Water Disposed of Official Agency Records

The Office of Water inappropriately disposed of senior management calendar records from 1993 through 1998 that were considered to be permanent Agency records. According to EPA officials, these records were not intentionally destroyed, and steps have been taken to safeguard such records in the future. However, the Agency did not have the information necessary to respond to a request under the Freedom of Information Act, which, in turn, could engender mistrust of EPA by the public or the media.

We concluded that while the Office of Water did not comply with the Federal Records Act, we were unable to determine whether the destruction of the calendars was connected to a Presidential decision regarding arsenic standards, as alleged in a formal complaint received by the Agency. The complainant sought the records to determine whether the Assistant Administrator for the Office of Water had met with certain water industry groups.

We recommended that the Assistant Administrator for Water ensure that Office of Water staff follow EPA's Records Management Schedule to properly dispose or store, retain, and archive official records; and ensure that staff receive records management training through courses, memoranda, performance agreements, or directives as necessary. We issued a letter to the complainant and a memorandum to the current Assistant Administrator on March 29, 2002, and closed the assignment upon issuance.

Corporate President Sentenced for Obstruction of Federal Audit

Pritam Singh Sabharwal, President of Environmental Health Research & Testing, Inc., (EHRT), of Lexington, Kentucky, was sentenced on January 11, 2002, in U.S. District Court, Lexington, Kentucky, for obstructing federal auditors from the EPA OIG. Sabharwal had plead guilty on March 9, 2001, to a one-count criminal information charging him with obstruction of a federal audit. EHRT was a government contractor from 1980 through 1994 engaged in soil remediation and environmental cleanup.

The criminal information and guilty plea by Sabharwal were part of a plea agreement negotiated between Sabharwal and the U.S. Attorney's Office, Eastern District of Kentucky, stemming from a prior criminal indictment on federal racketeering charges against Sabharwal and several family members on May 30, 2000. That indictment alleged that Sabharwal and associates engaged in racketeering activities to include obstruction of a federal audit, bank fraud, bankruptcy fraud, bribery of a public official with regard to obtaining inside information on government contracts, and money laundering.

Sabharwal was sentenced to 3 years probation, 6 months of home detention, a $2 million fine, and the required payment of an outstanding $963,196.83 balance due by EHRT to the U.S. District Court, Middle District of North Carolina. That payment stemmed from an earlier 1993 bribery investigation against Sabharwal and EHRT that resulted in a $1 million fine against the corporation. In that case, EHRT had made only partial payments of the fine before filing for bankruptcy protection on February 6, 1996.

This investigation was conducted by the EPA OIG and the Defense Criminal Investigative Service.

Three Found Guilty of Conspiracy and Theft from a Tribal Organization

On February 5, 2002, three members of the payroll office for the Oglala Sioux Tribe, Pine Ridge Reservation, Pine Ridge, South Dakota, were found guilty by jury of conspiracy and theft from a tribal organization in U.S. District Court, District of South Dakota, Western Division. Estelle Goings, Vonnie Goings, and Carol Vitalis were all employed in handling government grant monies awarded to the tribe, including more than $2 million in EPA grants since 1997. The three individuals were indicted by a federal grand jury on April 25, 2001, charging them with five felony violations, including one count of conspiracy and four counts of theft from an Indian tribal organization. The five-count indictment charged them with devising a conspiratorial scheme that operated from 1996 through 1999 and resulted in the embezzlement of approximately $196,000. The funds were diverted from the tribe and converted to the three employees' own personal use under the guise of payroll and overtime advances.

This investigation was conducted jointly by the EPA OIG, the Federal Bureau of Investigation, the Department of the Interior OIG, and the Department of Veterans Affairs OIG.

Several Plead Guilty to Charges of Conspiracy and Kickbacks

Several business persons in New York and New Jersey have plead guilty to criminal charges in a scheme to pay kickbacks to a division manager of Ebasco Services, Inc., New York, New York. Ebasco is a government contractor that provided printing and graphic design services to various federal agencies, including EPA.

The following, whose firms were subcontractors of Ebasco, each plead guilty to a criminal information of conspiring to violate the Federal Anti-Kickback Act of 1996:

William J. Cruciata, president of Multi-Media Graphics and Design Ltd., Mineola, New York, on October 19, 2001. Multi-Media paid more that $288,700 in kickback payments.

- Robert A. Higgins, owner of Markets-in-Motion, Stoney Brook, New York, on December 20, 2001. Higgins paid more than $139,000 in kickback payments. The information also charged Higgins with subscribing to a false Internal Revenue Service tax return.

- Robert Steinberg, president of Big Apple Color & Design, Ltd., New York, New York, on December 20, 2001. Big Apple paid more than $73,000 in kickback payments.

- Loretta Herrmann, president, Gallagher Verityping Service Inc., Pine Brook, New Jersey, on December 20, 2001. Gallagher Verityping paid more than $148,000 in kickback payments.

Each of the four informations charged that, dating back to 1989, the person paid kickbacks to the manager of Ebasco's printing and graphics department in exchange for favored treatment and subcontracts. The subcontracts provided to all four firms were contrary to Ebasco's purchasing system and did not utilize the competitive bidding process required by federal agencies.

Also, Angelo Rizzotto, president, AMJO Printing Services Corporation, Farmingdale, New York, plead guilty on January 30, 2002, to a criminal indictment charging him with one count of conspiracy and six counts of paying kickbacks. Rizzotto caused AMJO to inflate the amount of invoices billed to Ebasco to account for kickback payments made in exchange for favored treatment and subcontracts. Again, the subcontracts were provided to AMJO contrary to Ebasco's purchasing system and without utilizing the required competitive bidding process. As a result of the conspiracy, AMJO paid more than $456,000 in kickback payments.

This investigation was conducted jointly by the EPA OIG, U.S. Postal Service OIG,, National Aeronautics and Space Administration OIG, and the Defense Criminal Investigation Service.

Woman Convicted of Wire Fraud and Impersonating an EPA Employee

On October 5, 2001, a U.S. District Court jury in Concord, New Hampshire, convicted a Massachusetts woman of wire fraud and impersonating a federal employee.

The charges, filed against Cheryl Burnette of Newburyport, Massachusetts, stemmed from her stealing products and services by pretending to be an EPA employee. She falsely represented to victims that the products and services she received from them would be paid for by EPA. The conduct included the renting of homes in Massachusetts and the procurement of groceries, computer equipment, office supplies, and such luxury items as Rolex watches.

Burnette had used assumed identities and her fictitious affiliation with EPA to steal goods and services totaling more than $75,000 from individuals and businesses throughout the country. The defendant's scheme included the use of fictitious government procurement numbers and purchase orders to establish direct billing accounts with victims who believed they were doing business with EPA.

EPA Major Management Challenges for Fiscal 2002 Identified

OIG has identified the following 10 items as key management challenges confronting EPA in fiscal 2002. These items include an assessment of the Agency's progress in addressing these challenges since our last reporting. All except the final challenge (Protecting Critical Infrastructure from Non-Traditional Attacks) were previously reported to Congress.

1. Linking Mission and Management (Cost Accounting)
When the Agency merged the budget and Government Performance and Results Act process, it adopted a set of goals and measures that reflected each aspect of EPA's budget. The Agency has output data on activities, but few environmental performance goals and measures, and little data that support the Agency's ability to measure environmental outcomes and impacts. EPA also needs to implement a cost accounting system and processes so Agency managers have useful, consistent, timely, and reliable information on the cost of carrying out EPA's programs.

2. Information Resources Management
Deficiencies within the Agency's data information systems have been long standing. While most states have developed environmental programs with their own supporting information systems, EPA and the states often apply different data definitions within these information systems, and input different data. In addition, EPA has not revised its outdated information technology strategy or fully developed an Enterprise Architecture Plan to address the integration and management of its environmental data to support EPA strategic goals.

3. Results-Based Information Technology Project Management
Six years after the Clinger-Cohen Act introduced new requirements for managing Information Technology investments, EPA's strategic Information Technology plan does not reflect the current needs of the Agency, much less the Act's requirements to manage an integrated investment portfolio approach for environmental information. EPA only has an evolving, decentralized, and unmonitored approach to integrating information using existing projects.

4. Employee Competencies
EPA recognizes the importance of Human Capital as a key Agency priority, but has not integrated and translated that need into its strategic plans by more effectively defining and developing needed competencies in leadership, management, science, and technical skills. The Agency needs to further deploy its Human Capital strategy by dedicating resources, developing performance measures, implementing necessary systems for recruiting, and developing needed competencies, and then holding managers accountable.

5. Quality of Laboratory Data

The questionable quality and integrity of laboratory data supplied to the EPA for regulatory compliance, enforcement, policy, and remediation purposes compromises the soundness of EPA decisions on the protection of the environment and public health. This problem includes the trend in the number of environmental laboratories that are providing misleading and fraudulent data to the states for monitoring the nation's public water supplies and other indicators of health hazards, such as air toxins, pesticides in food supplies, and hazardous wastes.

6. EPA's Information Security Program

We have cited numerous critical inadequacies in the Agency's information security program and recommended specific corrective actions. The General Accounting Office also found serious and pervasive problems within the Agency's information security program that "essentially rendered it ineffective." We believe that EPA needs to establish a strong centralized security program with oversight processes to address risks and ensure valuable information resources and environmental data are secure.

7. EPA's Use of Assistance Agreements and Grants to Accomplish Its Mission

OIG reported that some grant recipients did not have adequate financial and internal controls to ensure that federal grant funds were managed properly, used in accordance with workplans, and met negotiated environmental targets. OIG reported that the Agency did not have a policy for awarding discretionary assistance funds, totaling $1.3 billion, competitively. Without competition, EPA cannot ensure it is funding the best products based on merit and cost effectiveness, achieving program objectives, and accomplishing its environmental mission.

8. Backlog of National Pollutant Discharge Elimination System Permits

Backlogged permits are an important issue because the conditions upon which the existing permit is based may have changed since the original permit was issued, and more stringent requirements may subsequently be necessary that would not be contained in the backlogged permit. While EPA realizes it needs new ways of implementing the permit program, the number of sources needing permits has increased five times in the past 10 years.

9. EPA's Working Relationship With the States

EPA depends heavily on states to fund and implement national programs and provide environmental data, yet EPA and states have not yet agreed on how states will have flexibility while being accountable for environmental results. Relations between EPA and states have been strained due to disagreements over: (1) respective roles and the extent of federal oversight; (2) priorities and budgets; and (3) results-oriented performance measures, milestones, and data. EPA can improve its relationship with states by facilitating joint planning and priority setting.

10. Protecting Infrastructure From Non-Traditional Attacks

Under Presidential Decision Directive 63, initiated in May 1998, EPA has been assigned the designated Lead Agency and Sector Liaison for reviewing the vulnerability of the nation's water systems as a critical physical infrastructure, to ensure the performance of mission and safety in the event of non-traditional attacks. We reported that funding problems caused delays in attempts by EPA and the private sector to develop a national framework for protecting this critical infrastructure. Following September 11, 2001, the Agency has accelerated and expanded work in this area to include support for both drinking water and wastewater. This Agency initiative, of national impact, merits continued attention.

While the Agency is making progress in resolving its Major Management Challenges, several have been longstanding problems. The following table shows which challenges have been listed from 1997 through 2001.

EPA's Top Management Challenges as Reported by OIG
(Historical Perspective)

Management Challenge	1997	1998	1999	2000	2001
Environmental Data Quality	■				
Emission Factor Development	■				
Year 2000 Modification on Information Systems	■				
Closeout of Construction Grant Program	■				
Inconsistent/Oversight Enforcement Activities	■	■			
Quality Assurance/Plans	■	■			
Use of Inefficient Contract Types	■	■			
Managerial Cost Accounting *	■			■	*
Automated Information System Security Plans	■	■	■	■	■
Oversight/Use of Assistance Agreements to Accomplish Mission	■	■	■	■	■
Agency Relationship with Contractors		■			
Environmental Data Information Systems		■	■		
Accountability *		■	■	■	■
Backlog of National Pollutant Discharge Elimination System Permits		■	■	■	■
Resources to Enhance Employee Competencies/Human Capital		■	■	■	■
Process for Preparing Financial Statements			■		
Superfund Five-Year Reviews			■		
Great Lakes Program			■		
Quality of Laboratory Data			■	■	■
Information Resources Management				■	■
Working Relationships with States and Other Partners				■	■
Results-Based Information Technology Project Management				■	■
Protecting Critical Infrastructure from Non-Traditional Attacks					■

* *Combined for 2001*

Goal 3: Produce Timely, Quality and Cost-Effective Products and Services That Meets Customer Needs

The OIG is a customer-driven organization in which customer needs serve as the basis for work planning and the design of OIG products and services. All OIG work is based on anticipated value to Congress and EPA. The following represent some examples of the more significant efforts under this OIG goal.

OIG Issues First Annual Performance Report - Scorecard of Measures

EPA OIG issued its first Annual Performance Report, summarizing key statistical performance results and measures, to demonstrate progress toward the attainment of its fiscal 2001 Performance Targets and Strategic Goals through fiscal 2005.

In compliance with the Government Performance and Results Act, the Report describes examples of specific outputs and outcomes, provides financial statements, Management Challenges, progress on previous Management Challenges, and revised annual performance targets for fiscal 2002. It also provides additional operational performance measures and indicators about OIG product timeliness, customer survey results, and completeness and quality of data entry into OIG Management Information Systems.

Because our Strategic Plan was designed "Starting with the End in Mind," this report provides summary performance information on effectiveness, beginning with outcomes and outputs from our business line products and services related to each of our four Goals. The Report also includes measures of economy and efficiency through analyses of financial and staff resource usage and product timeliness. It concludes with a list of the Management Challenges (Federal Managers' Financial Integrity Act weaknesses) within the OIG to be addressed during fiscal 2002, and revised fiscal 2002 Annual Goal Targets, based on the OIG's progress and lessons learned from fiscal 2001 performance.

Example of a Balanced Scorecard Dashboard

Progress on Strategic Goals	Operational Activity	Human Resource Usage
Customer Service Ratings	Timeliness/Cycle Ttime	Product Quality
Financial Resource Usage	Management Challenges	Use of Technology

The net result of this report is to present a "Scoreboard" of performance, progress, results, activities, and investments that tell a complete story of OIG performance and accountability. While this is the OIG's first Annual Performance Report based on our Strategic Plan, we are continuing to research new and better ways to measure, collect, and report data on the results of our operations. This report will be used to direct the future application of resources for even greater accountability and results.

OIG Launches Electronic Work Papers

The OIG has created and launched its own "AutoAudit" database to provide its staff with an automated, uniform method for preparing electronic work papers.

AutoAudit is a Lotus Notes database that contains, organizes, and displays electronic workpapers for audits, program evaluations, and consulting assignments. It enables staff to work in teams, creating, editing, and reviewing work papers in real time. AutoAudit is where much of the core work of our organization will be done. A major advantage of AutoAudit is that it facilitates cooperation and information sharing among geographically separated staff, thus promoting teamwork, more efficient production, and the "One OIG" concept.

AutoAudit uses commercial-off-the-shelf software that was customized to fit our work process by a group of OIG auditors and computer specialists. We trained OIG staff and managers in two phases. First, in a "train-the-trainer" phase, an OIG staff member in each office who understands OIG business processes gained familiarity with the software. Second, the software vendor provided training to the entire staff.

A group of OIG computer specialists wrote an AutoAudit security plan. Information in AutoAudit is protected by server port encryption, user identification, and password protection in Lotus Notes, controlled access to the AutoAudit database, and – within AutoAudit – through the ability to restrict access to an entire assignment or to specific documents.

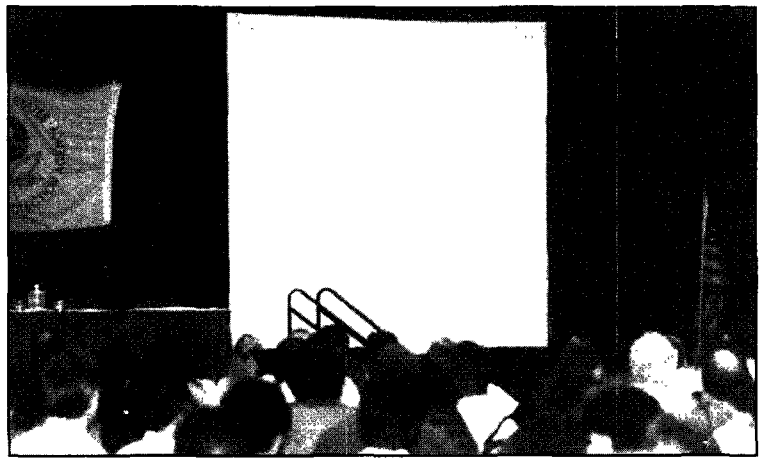
The OIG is committed to becoming a high performance organization by recruiting and maintaining a diverse and highly competent workforce. The OIG promotes continuous learning and is expanding its use of technology and multi-discipline teams. The following represent some examples of the more significant efforts under this OIG goal.

OIG-Wide Conference Stresses Achieving Organization's Goals

The entire staff of the EPA OIG met for an "Achieving Our Strategic Goals" training conference December 4-6, 2001, in Phoenix, Arizona, to strengthen the OIG's ability to become an agent for positive change.

One of the main themes of the conference was the need for the OIG to make its products work for its customers. "What difference are we making?" was a question often asked. Consequently, ways for the OIG to help the Agency improve environmental quality and protect human health were explored throughout the conference.

"Job Number One is to contribute to improving the environment and human health," stressed Nikki Tinsley, the EPA Inspector General, in her opening remarks to the gathering. Tinsley pointed out that great strides have already been made in achieving the OIG's four strategic goals, and more work is still needed.



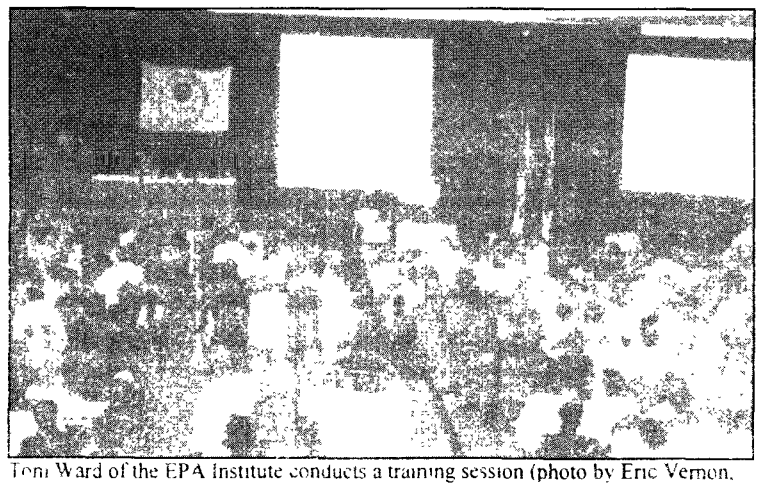
EPA Administrator Christine Todd Whitman videotaped a message (photo by: Erica Vernon, EPA OIG)

During the conference, numerous sessions were held to better enable the OIG achieve its Goal 1, *Contributing to Improved Environmental Quality and Human Health.* The ways to identify potential areas for Agency improvement were discussed, including best practices within EPA that could be applied on a wider scale. The need to stress outcomes was emphasized, and examples of recent projects contributing to improved water and air, as well as reduced exposure to hazardous substances, were discussed.

Emphasis was also placed on Goal 2, *Improving EPA's Management and Program Operations.* Various sessions stressed that OIG's efforts should be geared to help the Agency perform like an efficient business and deliver results. Directions in which the OIG could provide such opportunities to the Agency were noted.

Goal 3, *Producing Timely, Quality, and Cost-Effective Products and Services that Meet Customer Needs*, was also discussed in detail. Does the OIG provide the right products, at the right time, to the right customer, at the right cost? These types of questions were considered, and ways to better build partnerships with the Agency and provide the products and services that the Agency needs were discussed.

Goal 4, *Enhancing Diversity, Innovation, Teamwork, and Competencies*, is the organization's "people" goal. Ultimately, following Goal 4 is the road to the OIG achieving all its goals, since continuous learning, state-of-the-art technology, and multi-discipline teams will have a direct bearing on product quality. One of the measures being used to carry out OIG's strategic plan, the "KEYS" questionnaire which is designed to measure organizational climate and employee attitude, was discussed.



Toni Ward of the EPA Institute conducts a training session (photo by Eric Vernon, EPA OIG)

Scoreboard of Results Compared to FY2002 Goal Targets

Reported as of 3/31/02

Business Line Goals, Objectives and Measures from OIG Strategic Plan 2001-1005

Goal 1. Contribute to Improved Environmental Quality and Human Health

Improvements/Changes/Decisions/Actions Influencing Environmental Impacts or Preventing Loss				
Legislative Changes/Decisions	0			
Regulatory Changes/Decisions	1			
EPA Policy, Directive, Process or Practice Changes	5			
Example of Environmental/Health Improvements or Impacts	0			
Best Practices Implemented	0			
TOTAL and % of Goal	**6**	**12%**	**Goal Target**	**50**
Environmental Risks Reduced or Eliminated from Solutions and Enforcement Actions				
Environmental Risks Reduced/Eliminated	9			
Certifications/Validations/Verifications	0			
TOTAL and % of Goal	**9**	**60%**	**Goal Target**	**15**
Recommendations, Best Practices and Risks Identified				
Recommendations for Environmental Improvement	15			
Environmental Best Practices Identified	4			
Environmental Risks Identified	10			
TOTAL and % of Goal	**29**	**39%**	**Goal Target**	**75**

Goal 2. Improve EPA's Management, Accountability and Program Operations

Return on Investment in IG Budget from Improved Business Practices, Savings, Recoveries and Fines				
Questioned Costs (includes items not in Audit Resolution)	$3,517,000			
Recommended Efficiencies (includes items not in Audit Resolution)	$1,305,000			
Fines, Recoveries, Restitutions	$18,800,000			
TOTAL and % of Goal	**$23,622,000**	**51%**	**Goal Target**	**$45,900,000**
Actions Reducing or Eliminating Risk of Loss or Improving Efficiency and Integrity				
Criminal, Civil, Administrative Actions	30			
Certifications/Validations/Verifications	4			
Examples of Process/Practice Changes	11			
Corrected Management Challenges	9			
Best Practices Implemented	2			
TOTAL and % of Goal	**56**	**75%**	**Goal Target**	**75**
Percent EPA GRPA Rating Increase from OIG Influence	0%			
Recommendations, Best Practices, FMFIA or Management Challenges Identified to Promote Action				
Recommendations for Management Improvement	125			
New FMFIA/Management Challenges Identified	4			
Best Practices Identified	1			
TOTAL and % of Goal	**130**	**87%**	**Goal Target**	**150**

Audit Report Resolution

Status Report on Perpetual Inventory of Reports in Resolution Process for Semiannual Period Ending March 31, 2002

Report Category	No. of Reports	Report Issuance (Dollar Value in Thousands)		Report Resolution Costs Sustained (Dollar Value in Thousands)	
		Questioned Costs	Recommended Efficiencies	To Be Recovered	As Efficiencies
A. For which no management decision was made by October 1, 2001*	122	$51,691	$33,403		
B. Which were issued during the reporting period	202	3,309	25		
C. Which were issued during the reporting period that required no resolution	145	0	0		
Subtotals (A + B - C)	179	55,000	33,428		
D. For which a management decision was made during the reporting period	86	9,371	1,238	$6,587	$0
E. For which no management decision was made by March 31, 2002	93	45,623	32,190		
Reports for which no management decision was made within six months of issuance	53	42,597	3,465		

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

Status of Management Decisions on IG Reports

This section presents statistical information as required by the Inspector General Act Amendments of 1988 on the status of EPA management decisions on reports issued by the OIG involving monetary recommendations.

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 were prepared by other Federal auditors or independent public accountants. EPA OIG staff do not manage or control such assignments. 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 may not be sustained.

Table 1 -- Inspector General Issued Reports With Questioned Costs for Semiannual Period Ending March 31, 2002

Report Category	Number of Reports	Questioned Costs* (Dollar Value in Thousands)	Unsupported Costs (Dollar Value in Thousands)
A. For which no management decision was made by October 1, 2001**	41	$51,691	$15,671
B. New reports issued during period	15	3,309	1,278
Subtotals (A + B)	56	55,000	16,949
C. For which a management decision was made during the reporting period	23	9,371	1,013
(i) Dollar value of disallowed costs	20	6,587	88
(ii) Dollar value of costs not disallowed	3	2,784	925
D. For which no management decision was made by March 31, 2002	33	45,623	15,936
Reports for which no management decision was made within six months of issuance	24	42,596	14,658

* Questioned costs include the unsupported costs.

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

Table 2 -- Inspector General Issued Reports With Recommendations That Funds Be Put To Better Use for Semiannual Period Ending March 31, 2002

Report Category	Number of Reports	Dollar Value (In Thousands)
A. For which no management decision was made by October 1, 2001	5	$33,403
B. Which were issued during the reporting period	1	26
Subtotals (A + B)	6	33,429
C. For which a management decision was made during the reporting period	1	1,238
(i) Dollar value of recommendations from reports that were agreed to by management	0	0
(ii) Dollar value of recommendations from reports that were not agreed to by management	1	1,238
(iii) Dollar value of non-awards or unsuccessful bidders	0	0
D. For which no management decision was made by March 31, 2002	5	32,190
Reports for which no management decision was made within six months of issuance	4	32,165

Audits With No Final Action As Of March 31, 2002 Which Are Over 365 Days Past OIG Report Issuance Date		
Audits	**Total**	**Percentage**
Programs	21	16
Assistance Agreements	81	61.4
Contract Audits	19	14.4
Single Audits	8	6
Financial Statement Audits	3	2.2
TOTAL	**132**	**100**

Summary of Investigative Results

Summary Of Investigative Activities

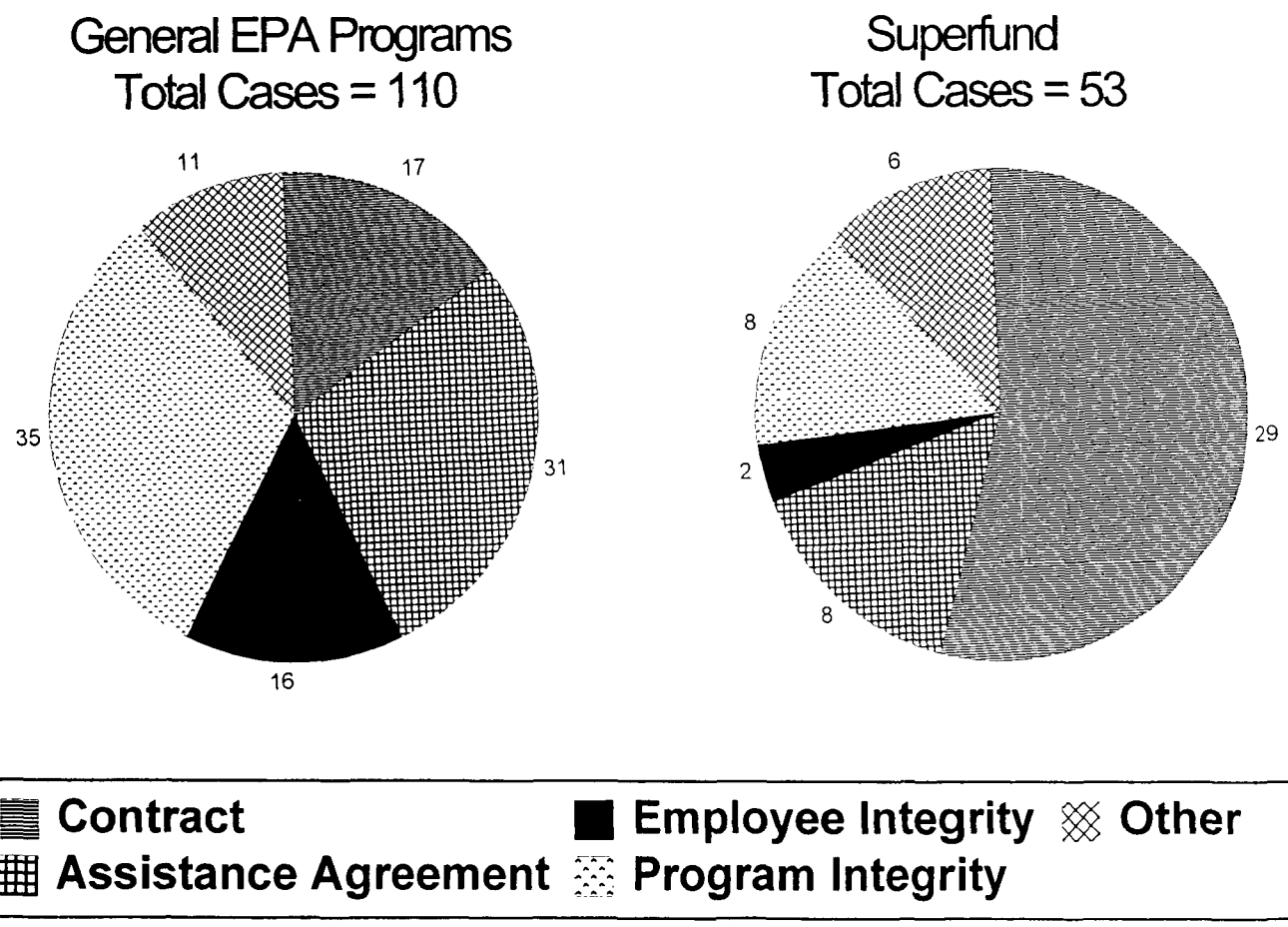
Pending Investigations as of September 30, 2001	160
New Investigations Opened This Period	25
Investigations Closed This Period	22
Pending Investigations as of March 31, 2002	163

Prosecutive and Administrative Actions

In this period, investigative efforts resulted in 13 convictions and 10 indictments (does not include indictments obtained in cases in which we provided investigative assistance). Fines and recoveries, including those associated with civil actions, amounted to $19 million. Five administrative actions were taken as a result of investigations.

Resignations	**1**
Restitutions	**1**
Reprimands	**2**
Other	**1**
TOTAL	**5**

Profiles of Pending Investigations by Type



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.

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
2002-2-00011	MPI - USACE SOL CBAENPL-01-005	28-MAR-02				
2002-2-00012	MPI ACOE Solicitation DACW41-01-R-0015	28-MAR-02				
2002-P-00002	Sound Science - Phase I Evaluation	21-NOV-01				
2002-P-00003	Mega: Environmental Indicators	27-DEC-01				
2002-P-00004	Quality of Data in Enforcement's DOCKET System	18-JAN-02				
2002-P-00005	CFDA Program 66.606	21-MAR-02				
2002-P-00006	Off-Site Consequence Analysis Info. Mgt.	22-MAR-02				
2002-P-00007	Pennsylvania's Reporting of Drinking Water Violations to EPA	25-MAR-02				
2002-P-00008	TITLE V	29-MAR-02				
2002-P-00009	Grantee Procurement Practices	28-MAR-02				
2002-P-00010	Dal Grantee Procurement Practices	29-MAR-02				
	TOTAL PERFORMANCE REPORTS = 9		0	0	0	0
2002-1-00089	Region 8 Tribal Allegation (phase 3)	05-MAR-02	$25,789			$25,789
2002-1-00092	Sault Ste. Marie Chippewa Asisstance Agreements	18-DEC-01	$0	$34,034	$0	
2002-1-00096	Region 8 Tribal Allegation (phase 3)	19-MAR-02	$11,727	$375,831	$62	
2002-1-00098	Region 8 Tribal Allegation (phase 3)	27-MAR-02	$1,019	$236,664		
2002-1-00099	Region 8 Tribal Allegation (phase 3)	29-MAR-02	$781	$631,379	$455	
2002-1-00100	Region 8 Tribal Allegation (phase 3)	29-MAR-02				
2002-2-00001	Superfund Cooperative Agreements-- Utah	06-NOV-01				
2002-2-00008	MBI International Assistance Agreement	29-JAN-02	$1,301,365			
	TOTAL ASSISTANCE AGREEMENT REPORTS = 8		1,340,681	1,277,908	517	25,789
2002-3-00001	Oglala Sioux Tribe	03-OCT-01				
2002-3-00002	knoxville, City of	03-OCT-01				
2002-3-00003	Ascension, Parish of	04-OCT-01				
2002-3-00004	Ascension, Parish of	04-OCT-01				
2002-3-00005	Kaiser Foundation Health Plan, Inc. & Associates	10-OCT-01				
2002-3-00006	San Ildefonso, Pueblo of	10-OCT-01				
2002-3-00007	Lac Courte Orielles Band of Chippewa Indians	10-OCT-01				
2002-3-00009	Iliama Village Council	12-OCT-01				
2002-3-00010	Wayne State University	12-OCT-01				
2002-3-00011	Prince William County	12-OCT-01				
2002-3-00012	lake Michigan Directors Consortium	18-OCT-01				
2002-3-00013	Yankton Sioux Tribe FY 1998	18-OCT-01				
2002-3-00014	Yankton Sioux Tribe FY 1999	18-OCT-01				
2002-3-00015	YANKTON SIOUX TRIBE FY 2000	18-OCT-01				
2002-3-00016	3 Rivers Wet Weather, Inc.	23-OCT-01	$150,201			
2002-3-00017	National Academy of Sciences	23-OCT-01				
2002-3-00018	Stockbridge-Munsee Community	23-OCT-01				
2002-3-00019	Cocopah Indian Tribe	30-OCT-01				
2002-3-00020	Red Lake Band of Chippewa Indians	30-OCT-01				
2002-3-00021	South Dakota, State of	30-OCT-01				
2002-3-00022	Logan, Township of	31-OCT-01				
2002-3-00023	Pennsylvania, University of	31-OCT-01				
2002-3-00024	Southern Ute Indian Tribe	31-OCT-01				
2002-3-00025	North Dakota, State of	01-NOV-01				
2002-3-00026	North Dakota, State of	01-NOV-01				
2002-3-00027	Kickapoo Traditional Tribe of Texas	01-NOV-01				

Report Number	Title	Final Report Issued	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Recommend Efficienc (Funds Be To Better Use
2002-3-00028	Kaw Nation of Oklahoma	01-NOV-01				
2002-3-00029	Kaw Nation of Oklahoma	01-NOV-01				
2002-3-00030	Concurrent Technologies Corporation	01-NOV-01				
2002-3-00031	Northeast States for Coordinated Air Use Mgmn t, Inc & Affili	06-NOV-01				
2002-3-00032	Grand Portage Reservation Tribal Council	06-NOV-01				
2002-3-00033	Grand Portage Reservation Tribal Council	06-NOV-01				
2002-3-00034	WAMPANOAG TRIBE OF GAY HEAD	08-NOV-01				
2002-3-00035	Intertribal Bison, Inc	09-NOV-01	$15,567			
2002-3-00036	American Indian Science and Engineerig Societ y	14-NOV-01	$19,736			
2002-3-00037	DENVER, UNIVERSITY OF	14-NOV-01				
2002-3-00038	American Indian Science and Engineering Socie ty	14-NOV-01				
2002-3-00039	3 Rivers Wet Weather, Inc.	20-NOV-01				
2002-3-00040	Cheyenne and Arapahoe Tribes of Oklahoma	20-NOV-01				
2002-3-00041	Cheyenne and Arapahoe Tribes of Oklahoma	20-NOV-01				
2002-3-00042	Lliamna Village Council	21-NOV-01	$182,868			
2002-3-00043	Kentucky, Commonwealth of	27-NOV-01				
2002-3-00044	Redlands, University of	27-NOV-01				
2002-3-00045	Cheyenne River Sioux Tribe	27-NOV-01				
2002-3-00046	Nevada Rural Water Association FY 2000	29-NOV-01				
2002-3-00047	Nevada Rural Water Association FY 1999	29-NOV-01				
2002-3-00048	Johnston, County of	29-NOV-01				
2002-3-00049	Northeast Rural Water Association	11-DEC-01				
2002-3-00050	Clark County Health District	13-DEC-01				
2002-3-00051	Howard University	13-DEC-01				
2002-3-00052	Harvard University	13-DEC-01				
2002-3-00053	Hamlin Public Service District	17-DEC-01				
2002-3-00054	Follansbee, City of	18-DEC-01				
2002-3-00055	Delware Rural Water Association	19-DEC-01				
2002-3-00056	Delaware Rural Water Association	19-DEC-01				
2002-3-00057	Nevada, University & Community College System of	19-DEC-01				
2002-3-00058	Environmental Council of States, Inc. and Aff iliate	04-JAN-02				
2002-3-00059	Joplin, City of	04-JAN-02				
2002-3-00060	Ashley Valley Sewer Management Board	09-JAN-02				
2002-3-00061	Winterset, City of	09-JAN-02				
2002-3-00062	Iberville Parish Council	09-JAN-02				
2002-3-00063	Big Valley Rancheria Band of Pomo Indians	09-JAN-02				
2002-3-00064	Ellijay Gilmer County Water & Sewerage Author ity	09-JAN-02				
2002-3-00065	Greenwood, City of	10-JAN-02				
2002-3-00066	Penobscot Indian Natiom	10-JAN-02				
2002-3-00067	Savage,City of	10-JAN-02				
2002-3-00068	Central City, City of	26-MAR-02				
2002-3-00069	Hartford, City of	26-MAR-02				
2002-3-00070	Cochrane, Village of	26-MAR-02				
2002-3-00071	Morgantown Utility Board	26-MAR-02				
2002-3-00072	Leech Lake Reservation	27-MAR-02				
2002-3-00073	Stephen's Water and Sewer System	27-MAR-02				
2002-3-00074	Geothermal Heat Pump Consortium	27-MAR-02				
2002-3-00075	Alaska Energy Authority	27-MAR-02	$171,600	$0	$0	
2002-3-00076	Veneta, City of	28-MAR-02				
2002-3-00077	Conrad, City of	28-MAR-02				
	TOTAL SINGLE AUDIT REPORTS = 76		539,972	0	0	0
2002-2-00004	MPI Proposal PR-CI-01-12171	21-DEC-01	0	0	0	0
	TOTAL OIG ISSUED CONTRACT REPORTS = 1		0	0	0	0

Report Number	Title	Final Report Issued	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Recommended Efficiencies (Funds Be Put To Better Use)
2002-1-00001	S Cohen & Associates-FY99 Incurred Cost	11-OCT-01				
2002-1-00002	MANTECH ENVIRONMENTAL TECH-Revised Disclosure Statement 1/97	11-OCT-01				
2002-1-00003	DynCorp Inc-FY99 Incurred cost	12-OCT-01				
2002-1-00004	Foster Wheeler-FY97 RAC Close-out 68-W8-0110	12-OCT-01				
2002-1-00005	Solutions By Design-FY99 Incurred cost	14-OCT-01				
2002-1-00006	Sierra Research Inc-Accounting System	14-OCT-01				
2002-1-00007	DCT, Inc-FY 1998 Incurred cost	14-OCT-01				
2002-1-00008	DCT, Inc-FY 1999 Incurred cost	14-OCT-01				
2002-1-00009	FY 2001 Provisional Billing Rates	15-OCT-01				
2002-1-00010	Tetra Tech, Inc-CAS 420	15-OCT-01				
2002-1-00011	Tetra Tech NUS-CAS 420	15-OCT-01				
2002-1-00012	Mar Inc-FY 1999 Incurred Cost	15-OCT-01				
2002-1-00013	Computer Based Systems-FY99 Incurred cost	15-OCT-01				
2002-1-00014	ECG, Inc-FY97 & 98 Incurred cost	16-OCT-01				
2002-1-00015	Marasco Newton Group LTD-FY 1999 Incurred cost	16-OCT-01				
2002-1-00016	CH2M Hill Inc-FY98 Incurred Cost	17-OCT-01				
2002-1-00017	Black & Veatch Special Projects Corp-FY98 Incurred Cost	17-OCT-01				
2002-1-00018	ABT Associates, Inc-GDM	18-OCT-01				
2002-1-00019	American Management Systems-CACS 68-W9-0039	18-OCT-01	$16,717			
2002-1-00020	Washington Group Intl (Morison Knudsen)-FY99 ARCS 68W90025	22-OCT-01				
2002-1-00021	Lockheed Martin Services, Inc-FY92 Incurred Cost	23-OCT-01				
2002-1-00022	ABT Associates Inc-GDM w/ CAS 401	23-OCT-01				
2002-1-00023	American Management Systems-CACS 68-W9-0038	24-OCT-01				
2002-1-00024	Grace Analytical Labs, Inc-FY 1999 Incurred cost	24-OCT-01				
2002-1-00025	Washington Group Int'l(Morrison Knudsen)FY99 RAC 68-W7-0039	25-OCT-01				
2002-1-00026	CH2M HILL INC-FY 1997 Incurred Cost	25-OCT-01				
2002-1-00027	S. COHEN AND ASSOCIATES-FY 1995 Incurred Cost	26-OCT-01				
2002-1-00028	Southwest Research Inst-FY2000 Incurred cost	26-OCT-01				
2002-1-00029	Perrin Quarles Associates-FY 1999 Incurred cost	26-OCT-01				
2002-1-00030	EG&G Automotive Research-FY 97 Incurred cost	26-OCT-01				
2002-1-00031	Versar, Inc-FY2000 Incurred cost	26-OCT-01				
2002-1-00032	ABT Associates Inc-CAS 408	26-OCT-01				
2002-1-00033	Zedek Corporation-FY98 Incurred Cost	29-OCT-01				
2002-1-00034	B&V Special Project Corp-FY1997 RAC Closeout 68-W5-0004	29-OCT-01				
2002-1-00035	Automotive Testing Laboratories Inc-FY 1999 Incurred cost	29-OCT-01				
2002-1-00036	Automotive Testing Laboratories-FY2000 Incurred cost	29-OCT-01				
2002-1-00037	FEV of America-FY99 Incurred cost	29-OCT-01				
2002-1-00038	EG&G Automotive Research-FY98 Incurred cost	29-OCT-01				
2002-1-00039	IT Group-FY99 Incurred cost	29-OCT-01				
2002-1-00041	Development Planning & Research Assoc-FY 2000 Incurred cost	05-NOV-01				
2002-1-00042	Tapan AM Associates, Inc-FY97 Closeout	08-NOV-01				
2002-1-00043	Systems Integration Group-FY99 Incurred cost	14-NOV-01	$1,048			
2002-1-00044	Battelle Memorial Institute-BMI-39 Rev Disclosure Stmt	14-NOV-01				
2002-1-00045	OAO CORP-FY 1997 Incurred Cost	14-NOV-01				
2002-1-00046	SoBran Inc-FY99 Incurred Cost	19-NOV-01				
2002-1-00047	SoBran Inc-FY98 Incurred cost	19-NOV-01				
2002-1-00048	Parsons Engineering Science-FY98 Incurred cost	19-NOV-01				
2002-1-00049	Parsons Engineering Science-FY96 Incurred cost	19-NOV-01				
2002-1-00050	OAO Corporation-FY98 Incurred cost	20-NOV-01				
2002-1-00051	OAO Corporation-FY99 Incurred cost	20-NOV-01				
2002-1-00052	ABT Associates Inc-CAS 410 Noncompliance	20-NOV-01				
2002-1-00053	Parsons Engineering Science-FY97 Incurred cost	20-NOV-01				

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2002-1-00054	ABB Environmetal Services-FY96 Incurred Cost	26-NOV-01				
2002-1-00055	CH2M Hill I&E Business Group-Home Allocation FY98 I/C	27-NOV-01				
2002-1-00056	UNIVERSAL SYS & TECH INC-FY 1997 Incurred Cos t	15-JAN-02				
2002-1-00057	Universal System & Technology, Inc-FY98 Incur red cost	16-JAN-02				
2002-1-00058	CH2M Hill, Inc. - FY 1999 Incurred Cost	16-JAN-02				
2002-1-00059	Industrial Economics, Inc-FY99 Incurred Cost	16-JAN-02				
2002-1-00060	GeoLogics Corporation-FY99 Incurred cost	16-JAN-02				
2002-1-00061	TN & Associates-FY2000 Incurred cost	18-JAN-02				
2002-1-00062	SoBran Inc-FY2000 Incurred cost	18-JAN-02				
2002-1-00063	Aqua Terra Consultants-FY99 Incurred cost	18-JAN-02				
2002-1-00064	Bionetics Corporation-FY99 Incurred cost	24-JAN-02				
2002-1-00065	Tetra Tech EMI-Revised Disclosure Statement	25-JAN-02				
2002-1-00066	Tetra Tech, Inc-Floorcheck	25-JAN-02				
2002-1-00067	Versar Inc-FY99 Incurred cost	29-JAN-02				
2002-1-00068	CMC Inc-FY99 Incurred cost	29-JAN-02				
2002-1-00069	CMC, Inc-FY2000 Incurred cost	29-JAN-02				
2002-1-00070	IntelliTech Systems, Inc-Preaward Accounting System Review	29-JAN-02				
2002-1-00071	Battelle Memorial Inst-FY2002-2006 Bidding & Billing rates	29-JAN-02				
2002-1-00072	CMC Inc-FY98 Incurred cost	30-JAN-02				
2002-1-00073	CH2M Hill Companies, Ltd-FY1999 Incurred cost	01-FEB-02				
2002-1-00074	CH2M Hill I&E Business Group-FY1999 Home Offi ce Proposal	01-FEB-02				
2002-1-00075	Abt Associates Inc-CAS 403	04-FEB-02				
2002-1-00076	Integrated Laboratory Systems-FY98 Incurred c ost	04-FEB-02				
2002-1-00077	Lockheed Martin Svcs-Indirect & Direct Cost S ystem	05-FEB-02				
2002-1-00078	Earth Tech, Inc-FY1997 Incurred cost	12-FEB-02	$7,400			
2002-1-00079	TAMS Consultants Inc-FY98 Incurred Cost	15-FEB-02				
2002-1-00080	Advanced Technologies Systems-FY99 Incurred c ost	15-FEB-02				
2002-1-00081	Southwest Research Inst FY99 Compliance w/OMB Circular A-133	15-FEB-02				
2002-1-00083	Lockheed Martin Services-FY2002 Disclosure St atement Rev 5	22-FEB-02				
2002-1-00084	I C E S Ltd-FY 1999 Incurred cost	23-FEB-02				
2002-1-00085	FY Accounting System Review	25-FEB-02				
2002-1-00086	Battelle Memorial Inst-FY2001 Estimating Syst em IC	25-FEB-02				
2002-1-00087	Sierra Research Inc-FY2000 Incurred cost	25-FEB-02				
2002-1-00088	FEV Engine Technology-Floorcheck	26-FEB-02				
2002-1-00090	Integrated Laboratory Systems-FY99 Incurred c ost	26-FEB-02				
2002-1-00091	FY 2000 OMB Circular A-133 & Review of Indire ct Rates	26-FEB-02				
2002-1-00093	Westinghouse Remediation Service Inc-FY98 Inc urred cost	06-MAR-02				
2002-1-00097	Indus Corporation-FY99 Incurred cost	14-MAR-02				
2002-2-00003	LIMITED COST REVIEW CET VOUCHER 68-W7-0016 IN V#9974-004-02	05-NOV-01				
2002-2-00005	Cadmus Group-Agreed Upon Procedure-Preaward P roposal	18-JAN-02				
2002-2-00006	IntelliTech Systems, Inc	24-JAN-02				
2002-2-00007	Horsley & Witten-Preaward	25-JAN-02				
2002-2-00009	SOBRAN INC-FY 1996 Incurred Cost	27-FEB-02				
2002-2-00010	SOBRAN INC-FY 1997 Incurred Cost	27-FEB-02				
2002-4-00001	CADMUS GROUP, THE-FY 1998 Incurred Cost	14-OCT-01				
2002-4-00002	AeroVironment Inc-FY98 Incurred Cost	15-OCT-01				
2002-4-00003	ZEDEK CORPORATION-FY 1996 Incurred Cost	26-OCT-01				
2002-4-00004	Midwest Research Institute-Material Purchases	30-OCT-01				

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	Control System					
2002-4-00005	Tetra Tech NUS-Floorcheck	05-NOV-01				
2002-4-00006	Arthur D Little Inc-Financial Capability	20-NOV-01				
	TOTAL DCCA CONTRACT REPORTS = 102		25,165	0	0	0
2002-1-00082	2001 AGCY F/S - PREPARATION AND REPORTING - FAD (M ASTER)	26-FEB-02				
2002-1-00095	Audit of California State FY2000 CWSRF Financial S tatements	07-MAR-02				
	TOTAL FINANCIAL STATEMENT REPORTS = 2		0	0	0	0
2002-S-00001	Review of Parker Landfill Response Claim II	31-OCT-01	$110,486	$0	$14,068	
2002-S-00002	EEO Allegation	13-DEC-01				
2002-S-00003	E&E - 2001 Floorcheck	26-FEB-02				
2002-S-00004	NWC Biosolids Allegations	28-MAR-02				
	TOTAL SPECIAL REVIEW REPORTS = 4		110,486	0	14,068	0
	TOTAL REPORTS ISSUED = 202		$2,016,304	$1,277,908	$ 14,585	$25,789

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