



Office of Inspector General Semiannual Report to the Congress

October 1, 1994 through
March 31, 1995



Foreword



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During this semiannual reporting period, the Office of Inspector General continued to perform analyses of EPA programs and operations and make constructive recommendations necessary to help the Agency with its reinvention process. As part of its strategic plan, EPA has committed itself to streamlining and a "Common Sense Initiative" for finding cleaner, cheaper and smarter strategies for tackling environmental problems. The real challenge of reinvention and change is a rigorous examination of ways to reduce costs, assess risks, identify customer needs and measure performance. Thus, never have the needs and focus of EPA management been more closely aligned with the objectives and mission of the Office of Inspector General. EPA managers are seeking our assistance, more than ever, as evaluators and management consultants in a partnership for change to help implement EPA's strategic plan.

As exemplified in this report, we are identifying areas where there are vulnerabilities, changes needed, and opportunities for savings. We have also reported on areas where EPA has taken corrective actions, where additional corrective action is needed, and where the Agency is successfully initiating changes to further environmental goals. We in the Office of Inspector General have also embraced the concept of streamlining and reinvention with decisive action for greater staff empowerment, operational efficiency, and improved work processes.

This is a unique time of change throughout government. I believe that the role of the Inspector General in identifying opportunities for change, along with the Agency's own initiatives for promoting needed changes is a potent formula for meaningful reinvention. This cooperative approach and shared commitment is necessary to protect the environment as efficiently and effectively as possible.

John C. Martin
John C. Martin
Inspector General

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Executive Summary

Section 1-- Significant Findings and Recommendations

1. EPA \$126 Million Short of Congressional User Fee Targets

EPA has not aggressively pursued user fee opportunities, and has collected only \$22 million of the congressionally directed \$148 million in new user fees through fiscal 1994 (page 8).

2. Millions in Savings Possible Through Improved Subcontract Competition and Oversight

Prime contractor actions in selecting, negotiating, and awarding subcontracts, and the Agency's review of these actions, were not sufficient to ensure technically competent subcontracts, reasonable prices, and effective subcontract competition. Through improved subcontract competition and oversight, contract costs could be potentially reduced by \$55 million (page 9).

3. Interagency Agreements Used Without Adequate Cost Consideration

EPA often executed Economy Act Interagency Agreements (IAGs) without considering the reasonableness of their costs. In addition, EPA did not recover its full costs of performing work for other agencies (page 10).

4. Region 7 Disregarded Approved Allocations in Implementing Their Budget

Region 7 funded management and support activities with resources meant to operate environmental programs, disregarded reprogramming rules, routinely overobligated program elements, and did not provide program managers with sufficient budget and financial information (page 11).

5. Improved Controls Needed Over IPA Assignments

While EPA's Intergovernmental Personnel Act (IPA) program has generally met the intent of the Act, more than half of the IPA assignments we reviewed had inadequate management controls resulting in excessive costs and insufficient benefit to EPA (page 12).

6. Further Actions Needed to Improve Region 7 Public Water Systems

Two Region 7 States, Kansas and Missouri, brought some small public water systems into compliance with drinking water regulations by using innovative preventive measures. However, ineffective data management systems impeded the States' abilities to effectively monitor compliance and enforcement actions (page 13).

7. Tribal Program in Region 8 Inadequately Planned

Region 8 had not clearly identified Tribal environmental needs,

established a Regional workplan and performance measures, or efficiently organized its Tribal staff (page 14).

8. Application Software Maintenance Needs Further Improvements

Although EPA has taken significant steps to strengthen its management of application software maintenance, more needs to be done to improve system and software reliability, cost effectiveness, and decisions about operational changes (page 15).

9. Cultural Diversity Goals Exceeded in Laboratory Contractor Conversion

The Health Effects Research Laboratory's (HERL) contractor conversion hires exceeded established cultural diversity goals for women and minorities, while complying with applicable Federal and Agency guidelines for open and competitive recruitment (page 16).

10. Further Improvements in Financial Reporting Needed

During fiscal 1994, EPA continued to make improvements in its financial systems and processes. As a result of these improvements and certain OIG assistance projects, we issued unqualified or qualified opinions on several financial statements for which we disclaimed an opinion last year. However, additional improvements are needed to resolve several material internal control weaknesses before unqualified opinions can be

rendered on some of the Agency's financial statements (page 16).

11. Los Angeles, California, Claimed Over \$30 Million of Ineligible Costs

The City of Los Angeles, California, claimed \$30,487,741 of ineligible construction, claim settlement, and indirect costs for the Hyperion wastewater treatment facility (page 20).

12. Over \$19 Million of Questioned Costs Claimed for Orangeburg, New York, Project

The Rockland County Sewer District, New York, claimed \$1,721,208 of ineligible construction, administrative, and architectural engineering costs for the construction of a wastewater treatment facility. An additional \$17,629,638 of unsupported project costs were questioned (page 20).

13. Over \$5 Million of Questioned Costs Claimed for Bristol, Connecticut, Project

The City of Bristol, Connecticut, claimed \$2,462,057 of ineligible architectural engineering, construction, inspection, and administrative costs for the design and construction of a wastewater treatment facility. An additional \$2,873,709 of unsupported costs were questioned (page 21).

14. Nearly \$2 Million of Ineligible Costs Claimed for Vernal, Utah, Project

The Ashley Valley Sewer Management Board, Vernal, Utah, claimed \$1,940,493 of

ineligible engineering and construction costs for a wastewater treatment facility (page 21).

15. Higher Priority Needed for Reviews of Superfund Site Remedies

The Agency gave low priority to five-year reviews of Superfund site remedial actions needed to assure the continued environmental protection of the remedy or additional timely corrective action. As a result, there was an increasing backlog of unreviewed sites (page 23).

16. Better Controls Needed Over Region 8's Superfund Field Sampling Activities

Region 8 needed better sampling controls and quality assurance training of remedial project managers (RPMs), and more consistent RPM oversight at Superfund sites (page 23).

17. Region 9 Pilot Projects Speed Up Site Assessments

Region 9 pilots integrating Superfund site assessment activities significantly improved the timeliness and cost effectiveness of the site assessment process (page 24).

Section 2--Report Resolution

This section, required by the IG Act, reports on the status and results of Agency management actions to resolve audit reports. At the beginning of the semiannual period, there were 230 reports for which no management decision had been made. During the first half of fiscal 1995, the Office of Inspector General issued 448 new reports and closed

378. At the end of the reporting period, 300 reports remained in the Agency followup system for which no management decision had been made. Of the 300 reports, 119 reports remained in the Agency followup system for which no management decision was made within 6 months of issuance (page 26).

For the 146 reports closed that required Agency action, EPA management disallowed \$45.5 million of questioned costs for recovery and agreed with our recommendations that \$0.2 million be put to better use (page 27). In addition, cost recoveries in current and prior periods included \$4 million in cash collections, and at least \$27.2 million in offsets against billings (page 4).

Section 3--Prosecutive Actions

During this semiannual reporting period, our investigative efforts resulted in 9 convictions and 12 indictments. Also, during this semiannual period, our investigative work led to \$4.2 million in fines and recoveries (page 34).

Section 4--Fraud Prevention and Management Improvements

During this semiannual period, we reviewed 2 legislative and 69 regulatory items. The most significant comments were on draft documents impacting the responsibilities of the Inspector General, Federal Acquisition Regulation cases, and Agency information resources management policy (page 37).

The Office of Grants and Debarment completed action on 26 OIG-generated suspension and debarment cases during this reporting period, resulting in 23 debarments, one suspension, and two compliance agreements (page 38).

The EPA Committee on Integrity and Management Improvement (CIMI), chaired by the Inspector General, developed and distributed bulletins to EPA personnel discussing the use of the American Express program, Conferences and Meetings, and Management and Disposition of Federal records (page 42).

Eighteen Hotline cases were opened and 31 were closed during the reporting period. Of the closed cases, 7 resulted in environmental, prosecutive, or administrative corrective action (page 43).

Major Laws Administered by EPA

Statute

Provisions

Pollution Prevention Act

Provides that pollution should be prevented or reduced at the source, recycled safely when not preventable, treated safely when not preventable or recyclable, and as a last resort, disposed of or otherwise released into the environment in a safe manner.

Toxic Substances Control Act

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

Federal Insecticide, Fungicide, and Rodenticide Act

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

Federal Food, Drug and Cosmetic Act

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

Resource Conservation and Recovery Act and Solid Waste Disposal Act

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

Comprehensive Environmental Response, Compensation, and Liability Act

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

Clean Air Act

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

Clean Water Act

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

Safe Drinking Water Act

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

Marine Protection, Research and Sanctuaries Act

Regulates ocean dumping of toxic contaminants.

Asbestos School Hazard Abatement Act and Asbestos Hazard Emergency Response Act

Authorizes EPA to provide loans and grants to schools for abatement of asbestos hazards and to establish a comprehensive regulatory framework for controlling asbestos hazards in schools.

Emergency Planning and Community Right-to-Know Act

Requires States to develop programs for responding to hazardous chemical releases and requires industries to report on the presence and release of certain hazardous substances.

Oil Pollution Act of 1990

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

Environmental Research, Development, and Demonstration Authorization Act

Authorizes all EPA research and development programs.

National Environmental Education Act

Provide for a program of education on the environment through activities in schools, institutions of higher education and related educational activities, and to encourage students to pursue careers related to the environment.

Profile of Activities and Results

Office of Inspector General

October 1, 1994, to
March 31, 1995

October 1, 1994, to
March 31, 1995

Audit Operations

OIG Managed Reviews:

Reviews Performed by EPA, Independent Public Accountants and State Auditors

Questioned Costs	
Total	\$97.5 Million
Federal Share *	\$61.5 Million

Recommended Efficiencies (Funds be Put to Better Use)	
Total Efficiencies*	\$0.7 Million
Federal Share Efficiencies*	\$0.7 Million

Costs Disallowed to be Recovered Federal Share (costs which EPA management agrees are unallowable and is committed to recover or offset against future payments)	\$44.7 Million
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Costs Disallowed as Cost Efficiency Federal Share (funds made available by EPA management's commitment to implement recommendations in OIG performance and preaward audits)	\$0.1 Million
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Other Reviews:

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

Questioned Costs	
Total	\$1.1 Million
Federal Share *	\$1.1 Million

Recommended Efficiencies	
Total Efficiencies*	\$35.7 Million
Federal Share Efficiencies*	\$35.5 Million

Costs Disallowed to be Recovered Federal Share	\$0.7 Million
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Costs Disallowed as Cost Efficiency Federal Share	\$0.1 Million
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Agency Recoveries:

Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments)**	\$ 31.3 Million
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Reports Issued:

OIG Managed Reviews:

EPA Reviews Performed by the OIG	82
EPA Reviews Performed by Independent Public Accountants	12
EPA Reviews Performed by State Auditors	1

- Other Reviews:

EPA Reviews Performed by another Federal Agency	231
Single Audit Act Reviews	122

Total Reports Issued	448
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Reports Resolved (agreement by Agency officials to take satisfactory corrective action)***	146
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Investigative Operations

Fines and Recoveries (including civil)	\$4.2 Million
Investigations Opened	89
Investigations Closed	75
Indictments of Persons or Firms	12
Convictions of Persons or Firms	9
Administrative Actions Against EPA Employees	13

Fraud Detection and Prevention Operations

Debarments, Suspensions, and Compliance Agreements	26
Hotline Cases Opened	18
Hotline Cases Processed and Closed	31
Personnel Security Investigations Adjudicated	320

*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 three Divisional Inspectors General for Investigations who direct staffs of auditors and investigators and who report to the appropriate Assistant Inspector General in Headquarters.

For fiscal 1995, the Agency was appropriated \$7,240,887 and authorized 19,069 full time equivalent (FTE) positions to conduct the environmental programs authorized by Congress to restore and protect the environment. As a separate appropriation account, the Office of Inspector General (OIG) received \$44.5 million to carry out the provisions of the Inspector General Act of 1978, as amended. Nearly \$15.4 million of the OIG's appropriation was derived from the Hazardous Substance Superfund trust fund and \$669,000 was derived from the Leaking Underground Storage Tank trust fund. The OIG has a funded staffing level of 447 FTE positions.

Purpose and Requirements of the Office of Inspector General Semiannual Report

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

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

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

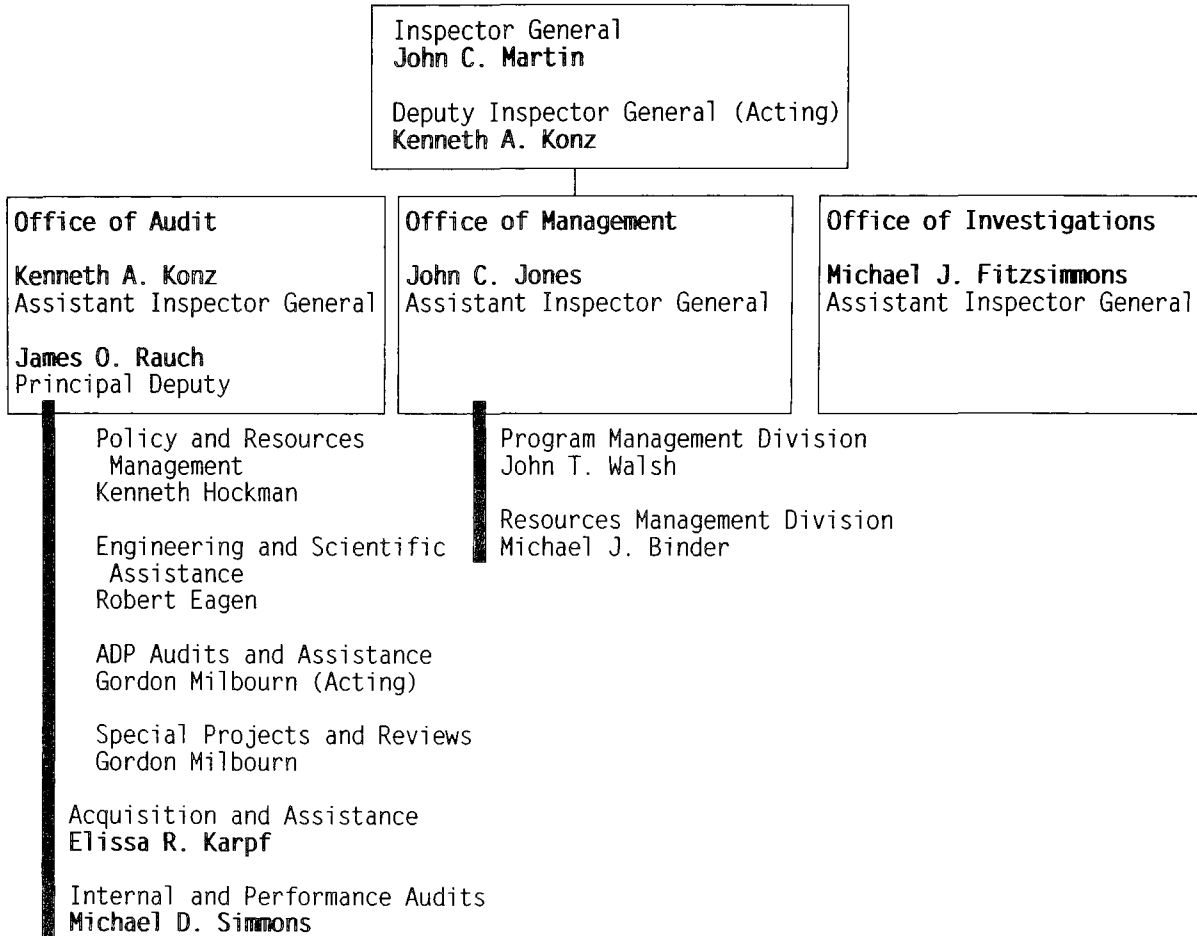
Source		Section/Page	
Inspector General Act, as amended.			
Section 4(a)(2)	Review of Legislation and Regulations	4	37
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	1	7
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	1	7
Section 5(a)(3)	Prior Significant Recommendations on Which Corrective Action Has Not Been Completed	Appendix 2	54
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	3	34
Section 5(a)(5)	Summary of Instances Where Information Was Refused	*	*
Section 5(a)(6)	List of Audit Reports	Appendix 1	44
Section 5(a)(7)	Summary of Significant Reports	1	1
Section 5(a)(8)	Statistical Table 1-Reports With Questioned Costs	2	31
Section 5(a)(9)	Statistical Table 2-Reports With Recommendations That Funds Be Put To Better Use	2	32
Section 5(a)(10)	Summary of Previous Audit Reports Without Management Decisions	Appendix 2	54
Section 5(a)(11)	Description and Explanation of Revised Management Decisions	Appendix 2	54
Section 5(a)(12)	Management Decisions with Which the Inspector General Is in Disagreement	**	

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

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

Office of Inspector General-Who's Who

Headquarters



Divisional Inspectors General for Audit

- Regions 1 & 2**
Paul McKechnie
- Region 3**
Paul R. Gandolfo
- Regions 4 & 6**
Mary Boyer
- Region 5**
Anthony C. Carrollo
- Regions 7 & 8**
Nikki Tinsley
- Regions 9 & 10**
Truman R. Beeler

Headquarters:

HQS Audit Division
Edward Gekosky

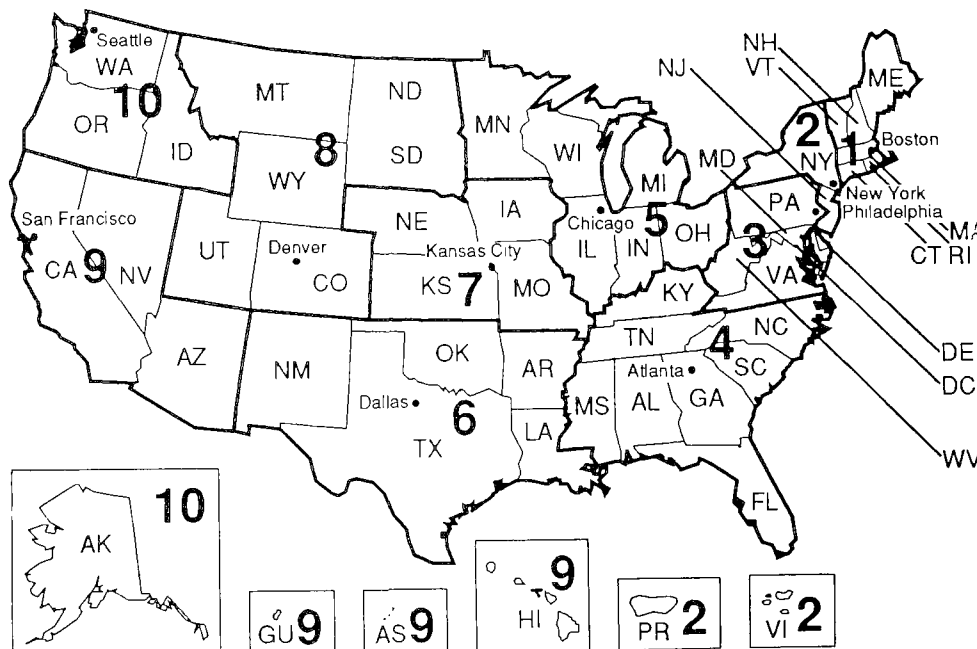
Financial Audit Division
Melissa M. Heist

Divisional Inspectors General for Investigations

Regions 1, 2, & 3
Thomas Papineau

Regions 4, 5, 6, 7, 8, 9, & 10
Allen P. Fallin

Procurement Fraud Division
Emmett D. Dashiell



Section 1 -- Significant Findings and Recommendations

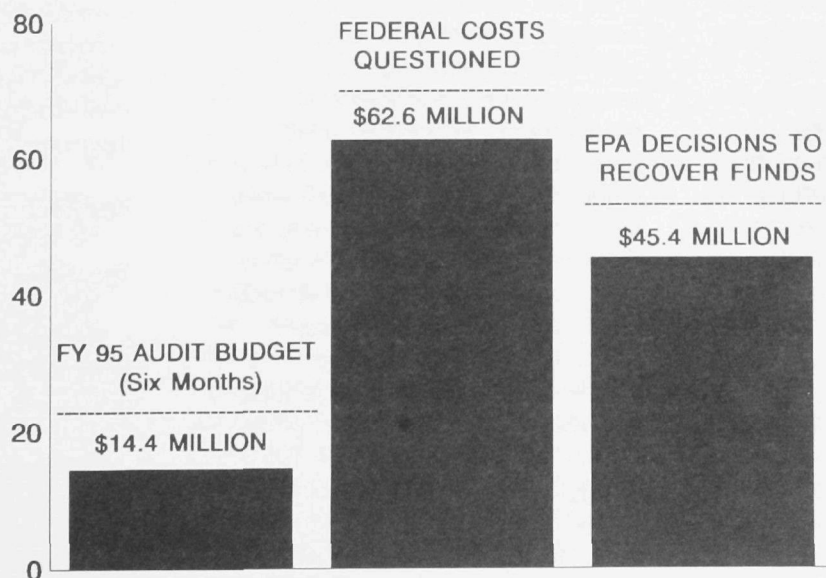
As required by sections 5(a)(1) and (2) of the Inspector General Act of 1978, as amended, this section identifies significant problems, abuses, and deficiencies relating to the Agency's programs and operations along with recommendations for the current period. The findings described in this section resulted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



COST BENEFITS OF TOTAL AUDIT EFFORTS

OCTOBER 1, 1994 THROUGH MARCH 31, 1995

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



Agency and Financial Management

The Inspector General Act requires the OIG to initiate reviews and other activities to promote economy and efficiency and to detect and prevent fraud, waste, and mismanagement in EPA programs and operations. Internal and performance audits and reviews are conducted to accomplish these objectives largely by evaluating the economy, efficiency, and effectiveness of operations. During this semiannual reporting period, the OIG conducted a number of major reviews of EPA programs, including oversight of subcontractors, use of Interagency Agreements and Intergovernmental Personnel Act assignments, management of application software maintenance, one Region's budget execution practices, contractor conversion at an Agency laboratory, and one Region's oversight of Tribal environmental programs. The OIG also reported on its audit of the Agency's fiscal 1994 financial statements. 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.

EPA \$126 Million Short of Congressional User Fee Targets

Findings in Brief

EPA has not aggressively pursued user fee opportunities, and has collected only \$22 million of the congressionally directed \$148 million in new user fees through fiscal 1994.

Background

User fees are charges the Federal government assesses individuals or organizations for services or things of value provided by Federal agencies. Office of Management and Budget (OMB) guidance requires Federal agencies to identify all potential fee programs, either charge fees or request exceptions, and maintain adequate documentation supporting established charges. The Omnibus Budget Reconciliation Act of 1990 (OBRA '90) directed EPA to collect \$187.5 million in new user fees for fiscal years 1991 through 1995.

We Found That

EPA had not inventoried its activities to identify all potential new user fees because Agency personnel were not aware of requirements in updated OMB guidance. Officials did not believe studying new fees was worthwhile since the Agency cannot keep the fees they collect, and the Agency was slow in charging fees already identified. Further, EPA was reluctant to use its existing statutory authority to charge fees and was \$126 million short of its OBRA '90 targets for fiscal 1991 through 1994 which we estimate added \$88 million to the national debt. If new fees already identified and potential new fees identified during the audit are charged, EPA

could fulfill its new user fee obligations.

Because EPA has not sought to update statutory caps on Pre-Manufacture Notice (PMN) fees set in 1976, 18 years of inflation (as of 1994) have effectively lowered the value of the maximum fees EPA can charge for PMN processing by 61 percent. If EPA had requested a timely adjustment for inflation to fee caps, it could have collected \$4 million more in fiscal 1994 alone. EPA missed more revenue opportunities by not charging administrative processing fees for incomplete PMN applications, and by not updating its 1977 policy to grant blanket fee waivers for biological pesticide tolerances.

Program offices had either insufficient or outdated information to support fees charged. They had not kept adequate supporting data because they believed fee management did not merit resources and because they felt that updated support for fees with rates set by law was unnecessary. As a result, an April 1994 court decision concluded that EPA did not use reasonable care in developing support for the Motor Vehicle and Engine Compliance Program fee. In addition, the Agency has no assurance that Pesticide Tolerance fees cover program costs.

We Recommended That

The Chief Financial Officer (CFO):

- Review EPA's activities, list all potential fees, and institute charges or request exceptions from OMB.
- Develop an action plan to implement Resource Conservation and Recovery Act (RCRA) fees and National Pollutant Discharge Elimination System fees.

- Encourage using EPA's existing statutory authority to charge fees, and make sure all user fees have adequate supporting documentation.

The Assistant Administrator for Air and Radiation evaluate two potential new fees: certification of chlorofluorocarbon (CFC) testing centers and the Acid Rain Emission Credits Program.

The Assistant Administrator for Prevention, Pesticides, and Toxic Substances:

- Initiate a legal review for a Toxic Release Inventory form processing fee, and request a legislative update to PMN fee caps to include a provision to charge administrative fees.
- Revise the Agency's policy for biological pesticide tolerances to grant waivers only based on economic tests, and make sure fee rates are in line with costs.

What Action Was Taken

The CFO and the Offices of Solid Waste and Emergency Response (OSWER), and Water generally agreed with our conclusions and recommendations, except that the OSWER does not plan to dedicate resources to further develop RCRA fees. The Office of Air and Radiation agreed to implement our recommendations, but stated that the report could better present the adverse programmatic consequences that can result from the imposition of fees. The Office of Prevention, Pesticides, and Toxic Substances did not agree with our recommendations and stated that: (1) increasing fee collection efforts would divert resources; (2) EPA would not see the benefits since fees go directly to the Treasury or

offset appropriated funds; and (3) since EPA grants waivers as a way of providing incentives for registering "safer" pesticides (which biological pesticides generally are), changing the waiver policy for them would send the wrong message to industry and the public. We issued our final report (5100209) on March 27, 1995. An Agency response to the final report is due by June 26, 1995.

Millions in Savings Possible Through Improved Subcontract Competition and Oversight

Findings In Brief

Prime contractor actions in selecting, negotiating, and awarding subcontracts, and the Agency's review of these actions, were not sufficient to ensure technically competent subcontracts, reasonable prices, and effective subcontract competition. Through improved subcontract competition and oversight, contract costs could be potentially reduced by \$55 million.

Background

The Federal Acquisition Regulation (FAR) requires the use of competition for Federal contract and subcontract awards with few exceptions. The FAR also provides guidelines for subcontract awards and governs the Agency's oversight and the prime contractor's management and use of subcontracts. In prior years, EPA has reported that up to 99 percent of its prime contract dollars were awarded through full and open competition. However, prior OIG reports related to certain prime contracts indicated that the vast

majority of subcontracts were awarded sole source or through other noncompetitive procedures.

We Found That

Over 78 percent of the subcontracts we reviewed were awarded noncompetitively, and 93 percent of these were not properly justified. Contracting officers routinely approved prime contractor requests for consent to award a subcontract sole source without supporting documentation. For the five prime contracts reviewed, we estimated that EPA could reduce contract costs between \$15.0 and \$54.9 million (based on the maximum potential value of the noncompetitive subcontracts in our sample) by requiring competitive subcontract awards. Extensive use of noncompetitive subcontract awards (67 percent of the value of prime contracts in our sample) undermine any benefits obtained from competitive prime contract awards.

The broad scope of work of EPA's large, cost-reimbursable prime contracts encouraged extensive and costly subcontracting. For the five prime contracts reviewed, subcontracts increased the prime contractors' costs an estimated 27.9 percent, or \$86.5 million, without any identifiable substantial value. Further, certain subcontractors performed services for such prolonged periods and to such an extent that separate prime contracts were justified.

EPA managers interfered with the prime contractors' responsibility to manage and competitively award subcontracts by directing prime contractors to use specific subcontractors or to subcontract specific tasks. Sixty-five of the 126

subcontracts proposed after prime contract award exhibited evidence of EPA involvement in the subcontract award. EPA program managers used prime contractors as subcontract brokers, avoided competition requirements for direct Federal procurements, and noncompetitively obtained the services of desired contractors through directed subcontract awards.

EPA oversight of prime contractor management, use and award of subcontracts did not: (1) ensure contracted services were procured at the lowest cost; (2) ensure subcontractors proposed by prime contractors were needed or were the most technically qualified; (3) identify or question EPA involvement in prime contractors' decisions to subcontract; or, (4) monitor the degree of noncompetitive subcontract awards and prolonged use of certain subcontractors.

EPA intends to reduce the scope of selected prime contracts and award more prime contracts to increase competition which could reduce the need for extensive, costly subcontracts to address broad contract requirements. Also, EPA plans to pilot the award of performance based, fixed price contracts to potentially reduce and better control contract costs.

We Recommended That

The Assistant Administrator for Administration and Resources Management:

- Extend current initiatives to increase prime contract competition to include subcontracting and realize economies from competitive subcontract awards.
- Reduce the use of subcontracts to those actually needed.

- Limit contractors' indirect and direct actual cost rates, negotiate fixed labor rates, and reduce the use of cost reimbursable contracts when possible.

- Preclude inappropriate EPA involvement in prime contractor selection and management of subcontractors.

- Strengthen controls over subcontracts and consistently and properly apply Federal requirements for subcontract awards.

What Action Was Taken

The final report (5100247) was issued to the Assistant Administrator for Administration and Resources Management on March 31, 1995. In response to our draft report, Agency officials agreed with many of the recommendations and initiated or planned corrective actions. Some of the findings and recommendations still need to be resolved. A response to the final report is due by June 30, 1995.

Interagency Agreements Used Without Adequate Cost Consideration

Findings in Brief

EPA often executed Economy Act Interagency Agreements (IAGs) without considering the reasonableness of their costs. In addition, EPA did not recover its full costs of performing work for other agencies.

Background

IAGs are written agreements between Federal agencies under which goods and services are provided in exchange for monetary reimbursement. The Economy Act of 1932, as amended, is the

authority most often cited for EPA to enter into IAGs with other Federal agencies.

We Found That

EPA had not adequately considered cost in determining to use Economy Act IAGs rather than its own procurement process. Although program offices varied in the measures taken to ensure cost reasonableness, the reason cited most often for using IAGs was the ease with which transactions could be completed in comparison to the contracting process. Independent Government Cost Estimates (IGCEs), cost comparisons, and better justification in the Decision Memorandum would ensure that program offices focus on cost reasonableness, not just convenience.

The Economy Act, U.S. Comptroller General Decisions, and Agency policy, all require full cost recovery when performing work or furnishing materials for another agency. Despite these requirements, EPA did not bill other agencies for EPA's indirect costs related to performing work or furnishing materials. Other Federal agencies, when providing goods and services to EPA, charge indirect cost rates between 3.2 percent and 15 percent. If EPA charged other agencies at these rates, EPA could have recouped between \$5 million and \$23.4 million.

For disbursement (funds-out) IAGs, project officers were generally not obtaining and reviewing cost information before approving invoices for payment. Most project officers interviewed acknowledged that they did not know the basis for the amounts invoiced by the performing agencies, but approved the invoices anyway. Also, the Agency paid contractors with whom it had no contractual relationship.

For certain IAGs, EPA made payments directly to the contractor rather than to the agency providing the goods or services. The other agencies' indirect costs cover services such as processing and paying invoices, and there is no indication that they have reduced their rates. Therefore, EPA could be paying twice for these services.

We Recommended That

The Assistant Administrator for Administration and Resources Management:

- Require that IAG packages explain the benefit to EPA of purchasing through other agencies instead of using EPA's own procurement process, and document cost comparisons.
- Require IGCEs for IAGs consistent with the Agency's current requirement for EPA contracts, and refuse to pay any invoices which lack supporting cost detail.
- Develop a standard clause for inclusion in all disbursement IAGs stating that EPA will not pay invoices without supporting cost detail, including a breakout of direct and indirect costs, and instruct project officers to notify the payment office to withhold/retract payments when the performing agency does not adhere to this clause.
- When performing work for other agencies, establish EPA indirect cost rates, amend existing IAGs to include the rate established or cancel the IAG, and not enter into any new IAGs until indirect cost rates are established.

What Action Was Taken

The final report (5400051) was issued to the Assistant Administrator on March 31, 1995.

Although formal written comments were not received in response to the draft report, Agency officials indicated that they were in general agreement with requiring IGCEs, but would not cease accepting or cancel existing reimbursable IAGs until indirect costs rates could be established and put in place. A response to the final report is due by June 30, 1995.

Region 7 Disregarded Approved Allocations in Implementing Their Budget

Findings in Brief

Region 7 funded management and support activities with resources meant to operate environmental programs, disregarded reprogramming rules, routinely overobligated program elements, and did not provide program managers with sufficient budget and financial information.

Background

Congress annually gives EPA a budget to protect human health and the environment, and provides funds within EPA's appropriations to operate environmental programs and for management and support activities. The Headquarters Budget Division, in consultation with the National Program Managers, provides the Regional Administrator with a budget for regional operations. EPA must obtain congressional approval to reprogram funds in excess of \$500,000, and the Region must obtain Headquarters approval to reprogram funds in excess of \$250,000.

We Found That

Region 7 used funds allocated for environmental programs on management and support activities.

The Region did not use workyears and personnel funds as EPA represented in its budget request to Congress and did not reprogram them to reflect planned and actual use. In fiscal 1994, the Region supplemented its management and support budget by \$1.1 million in personnel costs.

The Region exceeded reprogramming limitations contrary to EPA policy. The Region exceeded planned expenditures in 25 of 113 program elements (allocations for specific purposes) in fiscal 1993 (including \$567,739 in the Hazardous Substance Financial Management program element), and 24 of 145 program elements in fiscal 1994. While the Region did not exceed appropriation limitations, it disregarded reprogramming requirements. Funds certifying officers verified that funds were available in the appropriation, but did not determine if funds in the program elements would cover proposed expenditures. Region 7's budget monitoring procedures were not designed to manage available funds within the limits of program elements to prevent overobligations.

Region 7 did not have an inclusive process for allocating and disseminating budget and financial information to program managers. Program managers did not know the personnel budgets available through the operating plan to support their environmental programs. Region 7 budget staff provided program managers with information on travel, overtime, and other operating expenses (13 percent of the Region's internal operation budget). Regional financial reports were not provided timely or often enough to manage program operations. For example, two program managers had to develop their own financial tracking

systems to monitor their budgets. However, recognizing this need, in fiscal 1995, the Region's budget staff provided program managers with complete operating plan information.

We Recommended That

The Regional Administrator, Region 7:

- Follow EPA budget guidelines and reprogram funds to accurately reflect Regional activities.
- Develop required Regional budget execution procedures.
- Provide managers with complete and timely budget and financial information.

What Action Was Taken

The final report (5100250) was issued to the Regional Administrator on March 31, 1995. A response to the final report is due by June 29, 1995.

Improved Controls Needed Over IPA Assignments

Findings in Brief

While EPA's Intergovernmental Personnel Act (IPA) program has generally met the intent of the Act, more than half of the IPA assignments we reviewed had inadequate management controls resulting in excessive costs and insufficient benefit to EPA.

Background

The Intergovernmental Personnel Act authorizes Federal agency heads to approve temporary assignments of their personnel to eligible non-Federal organizations and vice versa. IPA assignments are to be of mutual benefit to the

organizations involved, and participating Federal employees are required to return to Federal service upon completion of the assignments. Chapter 1 of EPA's IPA Manual indicates that the organization benefitting more from the assignment should absorb the larger share of the cost.

We Found That

Generally, EPA's IPA program has benefitted EPA and the environmental community as a whole. Payments were accurate and supported for almost all of the IPA assignments reviewed, most assignees met the eligibility criteria, and the majority of Federal assignees returned to Federal service.

However, weak management controls over individual assignments resulted in at least one problem with 96 of 160 IPA assignments (totaling \$5.5 million) which we reviewed. For 43 of the assignments, EPA paid all of the costs, even though the benefits were mutual or predominantly accrued to the non-Federal organization. Also, 23 of the assignees did not, or do not plan to, return to their home organizations after their IPAs. Consequently, EPA may never receive any benefit from the expertise presumably acquired on those IPA assignments.

Several IPA assignments had multiple problems which were indicative of program abuse. The intent and cost of some assignments were questionable, as were the benefits to the Agency and the eligibility of the assignee. These multiple abuses most frequently involved IPAs of senior Agency officials (SES and GM-15 employees) authorized primarily at the Assistant Administrator level or higher. In our opinion, the IPA

mechanism was being used in these cases specifically for the convenience and benefit of the employees or to "farm out" unwanted employees.

Serious problems existed with Region 9's IPA program, largely due to blanket IPAs which were incomplete and did not contain valid certifications. In several cases, EPA employees assigned through blanket IPAs were performing some of their EPA duties and functions while being paid salaries and/or travel expenses with grant funds, thus allowing Region 9 to preserve its own travel funds for other uses. Conflict of interest situations were created on some blanket IPAs because project officers (POs) charged with grant oversight responsibilities subsequently acted, while on IPAs, as employees of the grantee for which they were POs.

Region 9 also augmented State staff on a long-term basis at significant costs using IPA agreements. At any time over the last five years, from 7 to 11 full-time EPA employees were serving on IPA assignments to the State of Hawaii. In our opinion, easy access to IPA assignees has contributed to Hawaii's lack of urgency in replacing them with its own staff.

Overall, the problems which we found were primarily due to inadequate internal controls or not adhering to controls in place. We believe that the cause for assignments with multiple problems and excessive costs was the hesitancy of IPA program officials to say "no" to EPA's most senior managers. In addition, the blanket agreements used by Region 9 were not reviewed for legality or completeness, and neither Headquarters nor the Region performed effective oversight reviews.

We Recommended That

The Assistant Administrator for Administration and Resources Management:

- Review the decision to centralize the IPA program function under a national coordinator.
- Develop and apply management controls which will justify costs and maximize benefits to EPA, especially for agreements involving senior managers, and ensure that assignments meet the intent, cost, eligibility, and service obligations required by the Act.
- Prohibit project officers from participating in IPA assignments funded by grants they oversee and monitor.

What Action Was Taken

The final report (5400052) was issued to the Assistant Administrator for Administration and Resources Management on March 30, 1995. While formal written comments were not received in response to our draft report, EPA officials indicated that they generally agreed with the report and that management controls can be improved. A response to the final report is due by June 30, 1995.

Further Actions Needed to Improve Region 7 Public Water Systems

Findings in Brief

Two Region 7 States, Kansas and Missouri, brought some small public water systems into compliance with drinking water regulations by using innovative preventive measures. However, ineffective data management systems impeded the States'

abilities to effectively monitor compliance and enforcement actions.

Background

Congress enacted the Safe Drinking Water Act (SDWA) in 1974 to protect the nation's water from various harmful contaminants. Congress amended the SDWA in 1986 to significantly increase the number of regulated contaminants and strengthen enforcement authority. EPA relies on the integrity of data received from States. In 1992, EPA formulated its plan to automate public water system information and began developing the Safe Drinking Water Information System (SDWIS). Unlike the Federal Reporting Data System (FRDS) which is an enforcement tracking system, SDWIS will provide a comprehensive automated data system for EPA and States to manage public drinking water programs.

We Found That

Region 7 encouraged State emphasis on innovative, preventive measures to help small, underfunded public water systems improve drinking water quality, and allowed States to be flexible in selecting enforcement actions. Region 7 agreed with the States that escalation of enforcement actions against small systems was not productive, and worked with States to help the smaller systems achieve compliance rather than penalize them for noncompliance. For instance, Missouri developed a State waiver program through a university grant of \$350,000 that reduced small system monitoring burdens and saved Missouri about \$12.3 million. Missouri successfully assisted small communities in identifying financing sources to enable them to consolidate small

systems to reduce compliance problems and costs. Missouri, Kansas, and Iowa consolidated some small systems to reduce overall compliance problems and monitoring, and to provide a larger customer base to absorb the high cost of testing and water treatment. These cooperative approaches resulted in improvements which brought some systems back into compliance.

However, we found that the States needed to develop written corrective action plans with milestones to assist chronic non-compliers in returning to compliance. These action plans would help the States and Regions monitor progress and establish a more effective, results-oriented process. Additionally, these plans could help resolve deficiencies Region 7 identified in State programs that had remained uncorrected since the 1992 program evaluation.

Kansas and Missouri did not have data management systems designed to facilitate effective enforcement and program improvement decisions. Ineffective systems have impacted both States' abilities to provide Region 7 with accurate enforcement data and to obtain small systems' timely compliance. Neither State's system has provided the cost and historical data to enable the State to make decisions for managing its safe drinking water program more effectively and efficiently. Kansas and Missouri are not moving as quickly toward more comprehensive, automated data management systems because of current systems' incompatibility with SDWIS. States may have adopted automated technology more quickly if Region 7 had provided information about currently available technology in other regions and States.

We Recommended That

The Regional Administrator, Region 7:

- Continue to stress to States the use of preventive measures and reasonable alternatives to reduce small systems' monitoring costs.
- Continue to work with the States to design enforcement actions with achievable, enforceable milestones.
- Help States develop corrective action plans with milestone dates for problems identified in annual program evaluations.
- Help States update data management systems, while Headquarters completes SDWIS; help States determine and acquire the most cost beneficial information and tracking systems; and emphasize States adopt SDWIS modules as they become available.

What Action Was Taken

The final report (5100226) was issued to the Regional Administrator on March 24, 1995. In response to the draft report, Region 7's Director, Water, Wetlands, Pesticides Division concurred with the findings and recommendations, and initiated corrective actions. For example, the Region issued detailed and specific guidance to the States, encouraging the use of waivers to reduce the costs of monitoring, and asked States to include remedies to problems identified in program evaluations during negotiations for the next year's workplan. Also, the Director indicated that two states (Iowa and Nebraska) are fully committed to adopting SDWIS modules as they become available; Missouri is seriously considering dropping work on their system and using SDWIS; and the Region will continue to work with Kansas and

encourage them to consider using SDWIS. As a result, we closed out the audit report in our tracking system.

Tribal Program in Region 8 Inadequately Planned

Findings in Brief

Region 8 had not clearly identified Tribal environmental needs, established a Regional workplan and performance measures, or efficiently organized its Tribal staff.

Background

In 1984, EPA adopted a formal Indian Policy to enhance environmental protection for over 500 Tribes in the United States. The Agency made a commitment to incorporate Indian Policy goals into its planning and management activities, including its budget, operating guidance, legislative initiatives, management accountability system, and ongoing policy and regulation development processes. In August 1994, the Regional Administrator established the Tribal program as one of the Region's top three program priorities.

We Found That

Region 8 made significant efforts to implement a Tribal program that supported EPA's policy. For example, the Region appointed a Tribal Coordinator, established a Tribal Work Group, and initiated Tribal policy papers. However, Region 8 did not have an accurate assessment of Tribal environmental needs since prior assessments were not complete, objective, up-to-date, or comprehensive.

In addition, the Region had not developed a workplan to establish

strategies for addressing Tribal environmental problems and achieving goals. Regional staff lacked needed direction to establish quantifiable goals and develop meaningful performance measures to evaluate progress.

Region 8 could not fulfill its goal of a meaningful presence on all reservations. Although resources were limited, the Region did not allocate all available funds for some Tribes' grant requests. Also, the Region did not adequately support EPA or Regional priorities for building Tribal expertise.

Region 8's organizational structure did not focus adequate attention on Tribal environmental needs or permit effective and efficient oversight of Tribal program development by clearly designating who had responsibility for implementation of EPA's Indian Policy. The Region did not have a focal point that was familiar with Tribal political structures and environmental needs, or a central point of management accountability for the Region's Tribal expenditures. Tribal representatives were frustrated with the Region's organization and the limited amount of time the Regional staff had to provide technical assistance.

We Recommended That

The Regional Administrator, Region 8:

- Conduct a comprehensive assessment of Tribal environmental needs, develop a Regional workplan, and establish time-specific and quantifiable performance measures.
- Evaluate grant funding options and allocate travel funds to provide adequate technical assistance.

- Assign a single Tribal program manager the responsibility to implement and monitor the program, and identify primary Tribal coordinators within each Regional program division.

What Action Was Taken

The final report (5100141) was issued to the Regional Administrator on January 23, 1995. In responding to the draft report, the Regional Administrator agreed with our recommendations and provided an acceptable action plan with milestone dates to correct the identified weaknesses. Based on our audit report, EPA declared, as an Agency level Federal Managers' Financial Integrity Act weakness, its administration of environmental issues on Indian reservations, particularly due to EPA's not providing appropriate technical support to the Tribes. We closed this audit in our tracking system and all corrective actions will now be tracked in the Agency's Management Audit Tracking System.

Application Software Maintenance Needs Further Improvements

Findings in Brief

Although EPA has taken significant steps to strengthen its management of application software maintenance, more needs to be done to improve system and software reliability, cost effectiveness, and decisions about operational changes.

Background

EPA has over 500 information systems as well as computer models to support its mission. Each year, EPA spends almost \$100 million operating and

maintaining its information systems, and at least \$1 billion over their life cycles. This audit is part of a Government-wide review of application software maintenance being conducted under the auspices of the President's Council on Integrity and Efficiency.

We Found That

EPA has taken steps in recent years to improve its management of application software maintenance, including establishing a Systems Development Center and guidance outlining the requirements for system life cycle management. However, application software maintenance is still not adequately managed in areas such as recording and analyzing system failures, tracking changes dictated by new legislation or evolving user needs, or monitoring resource utilization. As a result, managers do not have information they need to make critical decisions about system maintenance priorities, resource utilization, removal of software defects, or whether to replace or maintain a major information system.

A working capital fund, which includes Automated Data Processing and telecommunications services, is being created to administer services in a cost-effective manner. However, it is questionable whether the fund will be able to track maintenance costs separately from operations costs. The Agency has not developed, reviewed, or updated software maintenance costs by individual system throughout the life cycles of its information systems. Consequently, EPA officials do not have the necessary cost information to make informed system and budget decisions regarding the operation and maintenance of its systems. In addition, EPA's financial statements

did not accurately reflect capitalization of application software maintenance costs and some system costs were not accurately reported to the Office of Management and Budget (OMB).

Although EPA has initiated efforts to better manage software modifications, we found that management did not use adequate performance measurement indicators, tracking techniques, quality assurance procedures, or supplemental software tools. In most cases, management involvement was focused on the initial stages of review and approval, with the Agency relinquishing control over the final test and review stages to contractor personnel. As a result, changes to major national systems were not performed in a structured and controlled manner.

We Recommended That

The Assistant Administrator for Administration and Resources Management:

- Promote a more consistent and structured approach to managing application software maintenance.
- Identify appropriate metrics for use in managing application software maintenance, and incorporate them into the existing management and periodic ADP review processes.
- Enhance EPA's ability to identify and capture all costs, including application software maintenance, at the information system level, and report these costs to OMB.
- Improve controls over the process of changing and modifying application software, including identifying measurable performance indicators.

What Action Was Taken

The final report (5100240) was issued on March 31, 1995. In response to the draft report, the Assistant Administrator for Administration and Resources Management generally agreed with the findings and recommendations. A response to the final report is due by June 29, 1995.

Cultural Diversity Goals Exceeded in Laboratory Contractor Conversion

Findings in Brief

The Health Effects Research Laboratory's (HERL) contractor conversion hires exceeded established cultural diversity goals for women and minorities, while complying with applicable Federal and Agency guidelines for open and competitive recruitment.

Background

The Office of Management and Budget approved EPA's 1995 request to convert contractor activities into new permanent Government positions, and HERL was allocated 151 of the initial contract conversion vacancies. The OIG received an anonymous complaint alleging that the job vacancies created by the contractor conversion at HERL were filled by predominantly white male contractor support personnel, without regard for established cultural diversity goals.

We Found That

The distribution of HERL's contractor conversion hires exceeded the minimum goals established by the Raleigh Area Office of Civil Rights (AOCR) for women and minorities. At the time

of our review, women and minority hires totaled 81 of 137 (59 percent) positions filled under HERL's contractor conversion effort, exceeding the established goal by almost one-third. The remaining 56 (41 percent) conversion hires were white males. With the exception of Hispanics, minority hires exceeded or fell within 3 percentage points of their representation in the relevant civilian labor force.

Although granted direct hire authority by OPM, HERL officials relied upon an open and competitive recruitment process to fill contractor conversion vacancies. The HERL initiative consisted of an extensive nationwide recruitment effort both within (merit promotion) and outside Government. A detailed evaluation of candidates followed, which scored and ranked applicants, to produce the final certificate of candidates. All normal recruitment procedures were followed.

We Recommended That

No recommendations were necessary as we believe that this is a successful example of affirmative action for application throughout EPA.

What Action Was Taken

Since no written response was required from Agency officials, we closed our report (5400046) upon issuance to the Assistant Administrator for Research and Development on March 8, 1995.

Further Improvements in Financial Reporting Needed

Findings in Brief

During fiscal 1994, EPA continued to make improvements in its financial systems and

processes. As a result of these improvements and certain OIG assistance projects, we issued unqualified or qualified opinions on several financial statements for which we disclaimed an opinion last year. However, additional improvements are needed to resolve several material internal control weaknesses before unqualified opinions can be rendered on some of the Agency's financial statements.

Background

The Chief Financial Officers Act requires EPA to prepare financial statements for the Superfund, Leaking Underground Storage Tank (LUST), and Oil Spill Trust Funds, the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and Tolerance Revolving Funds, and the Asbestos Loan Program. The Act also requires the Inspector General, or an independent public accounting firm selected by the Inspector General, to audit the financial statements.

We Found That

Following are the results of our audit of the fiscal 1994 financial statements for these funds.

Superfund Trust Fund. We disclaimed an opinion on the financial statements primarily because of weaknesses in accounting for property, accounts payable, and accrued liabilities, grants funded from multiple appropriations, and Superfund State cost share credits.

LUST Trust Fund. We qualified our opinion on the LUST Trust Fund primarily because of weaknesses in the recording of accounts payable and accrued liabilities.

Oil Spill Trust Fund. We disclaimed an opinion on the financial statements for this fund primarily because of weaknesses in the accounting for grants funded from multiple appropriations.

Asbestos Loan Program. The Statements of Financial Position and Cash Flow for this fund were fairly presented. We qualified our opinion on the Statements of Operation and Changes in Net Position and Budget and Actual Expenses, solely because we chose not to audit costs allocated from other Agency appropriations to the loan program due to the substantial audit effort that would have been required.

FIFRA Fund. We qualified our opinion on the Statements of Financial Position and Cash Flows because of weaknesses in accounting for property. We disclaimed an opinion on the Statements of Operation and Changes in Net Position and Budget and Actual Expenses because of these weaknesses and because we also chose not to audit the costs allocated from other appropriations to the FIFRA Fund due to the substantial audit effort that would have been required.

Tolerance Fund. The Statements of Financial Position and Cash Flow for this fund were fairly presented. We disclaimed an opinion on the Statements of Operation and Changes in Net Position, and Budget and Actual Expenses because we chose not to audit the costs allocated from other appropriations to the Tolerance Fund due to the substantial audit effort that would have been required.

Material Internal Control Weaknesses

Financial Reporting. The Agency's financial activities could be more effectively managed if additional information was available, provided in more useful formats, and better used to analyze the Agency's financial activities. Lack of adequate information and reports resulted in Agency officials being unable to effectively monitor some asset and liability accounts. In some cases, to obtain timely information, Agency officials operated systems that duplicated the Agency's Integrated Financial Management System (IFMS). The lack of financial information and reports has the greatest impact on those general ledger accounts containing dollar amounts that carried forward from one year to the next.

Property. The procedures used to capitalize property did not identify all property that should have been capitalized, and when property was taken out of service it was not deleted from the accounting records. Therefore, we were unable to determine if the Agency's property balances reported in the financial statements (\$11.7 million for Superfund and \$353,000 for FIFRA) were fairly stated. The same condition was also noted in audit reports on the fiscal 1992 and 1993 financial statements.

Accounts Payable and Accrued Liabilities. We identified a net understatement of \$833,000 in accounts payable and accrued liabilities that affected the Superfund, LUST, Oil Spill, and FIFRA Funds. This misstatement was caused in part by problems with the accuracy and timeliness of data from a tracking system used by two of the Agency's finance offices. In addition, for the six audited funds, we found that 34 out

of 336 liability accounts payable/accrued had a debit balance when they should have had a credit or zero balance.

Grant Payments. Due to a lack of accounting information from grant recipients, the Agency processed disbursements for multi-funded grants using a first-in/first-out method, i.e., the oldest available funding was used first. This could result in some appropriations being improperly charged since it does not take into consideration which appropriation benefitted from the work performed.

Accounts Receivable. Emphasis by Agency management on recording receivables, and work performed by our contract independent public accounting firm, succeeded in reducing the number of unrecorded accounts receivable. However, we did identify: (1) five receivables that were not recorded in a timely manner, including two receivables totaling \$4.7 million that were not initially included in the fiscal 1994 financial statements, (2) an understatement of \$346,701 in the allowance for doubtful accounts, and (3) \$4.7 million of marketable securities accepted in settlement of approximately \$19 million of existing accounts receivable that had not been recorded resulting in an overstatement of receivables.

Superfund State Cost Share Credits. When EPA takes the lead in cleaning up a Superfund site, it enters into a contract with the State for the State to share in the cost of the cleanup. Rather than make payments to EPA for their share of cleanup costs, States can receive credits for amounts they incurred for remedial actions prior to entering into a contract with EPA. Although Agency guidance requires that the credits be recorded in IFMS, no instructions or procedures were provided to finance offices

and, consequently, the credits were not being recorded. One State contract we identified disclosed \$1.4 million in unrecorded credits, and others may exist.

or identified alternative corrective actions that would be taken to resolve the issues discussed in the report. A response to the final report is due by May 30, 1995.

We Recommended That

The Chief Financial Officer:

- Provide financial management offices with general ledger reports and hold them accountable for the accuracy of their account balances.
- Revise the Agency's capitalization policies and procedures to assure that disbursements necessitating capitalization are being identified and properly capitalized.
- Determine why liability accounts have debit balances and make any necessary adjustments to the account balances.
- Require a clause in grants funded from more than one appropriation that specifies how the payments should be charged to the various appropriations.
- Provide guidance to finance offices on (1) notifying Headquarters if unrecorded receivables are identified after the close of the year; and (2) identifying potentially uncollectible receivables for inclusion in the allowance for doubtful accounts.
- Develop guidance for recording Superfund State cost share credits and assure that credits are properly recorded.

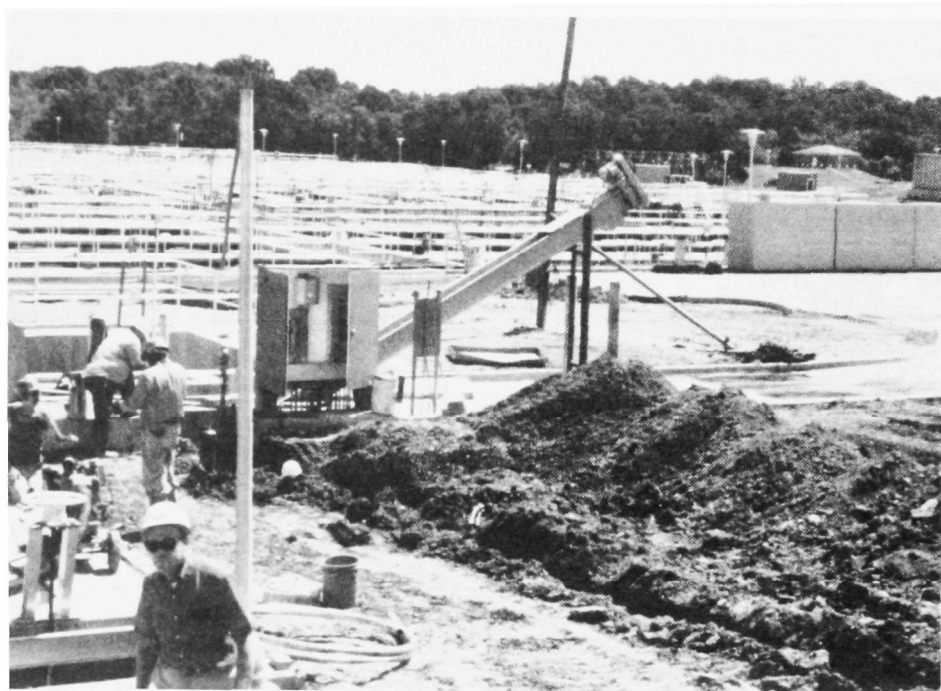
What Action Was Taken

The final report (5100192) was issued on February 28, 1995. In response to the draft report, the Chief Financial Officer concurred with most of our recommendations

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, \$67 million was obligated on one new construction grant award and 58 increases to existing grants. As of March 31, 1995, there was \$11.2 billion in grants that were potentially subject to audit. Of this total, there were 271 active construction grants, representing \$2.5 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, \$989 million was awarded for 38 continuation SRF grants.



As of March 31, 1995, EPA had obligated \$10.8 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. To assist the Agency in this effort, the OIG implemented a revised strategy in October 1994 that focuses effort on the most vulnerable grants, based on a

risk analysis of each remaining grant subject to audit. This identified 400 grants valued at \$6.5 billion which are expected to receive OIG review during the next three years. Summaries of several audits of construction grants with significant issues follow.

Los Angeles, California, Claimed Over \$30 Million of Ineligible Costs

Findings in Brief

The City of Los Angeles, California, claimed \$30,487,741 of ineligible construction, claim settlement, and indirect costs for the Hyperion wastewater treatment facility.

We Found That

EPA awarded four grants totaling \$104.3 million for site work, design, and construction of the Hyperion Energy Recovery System, including the Carver-Greenfield sludge drying process and associated facilities. The grantee claimed \$30,487,741 of ineligible costs under the grant, including:

- \$27,063,311 of construction costs previously declared ineligible by the California State Water Resources Control Board (SWRCB) because they included understated deductions for change orders, claims, and settlement costs; and
- \$3,424,430 for costs claimed in excess of the approved grant amount; and indirect costs that exceeded the City's actual indirect cost rates.

The Carver-Greenfield sludge drying process, funded under one of the grants, has been declared a failure by the SWRCB and EPA. The process was funded as an innovative technology that was to remove almost all of the water from sewage sludge. The system was designed to treat 265 tons of dried sludge per day, but has only been able to process about 37 tons per day. The City is eligible to receive a 100 percent grant to replace the failed innovative process. Despite the lack of additional available

grant funding, the City has expended its own funds for a sludge truck loading facility so the sludge which was to be dried by the Carver-Greenfield process could be loaded on trucks for land disposal.

We Recommended That

The Regional Administrator, Region 9, not participate in the Federal share of ineligible costs (\$25,580,260), and recover the applicable amount from the grantee.

What Action Was Taken

The audit report (5200012) was issued to the Regional Administrator, Region 9, on March 27, 1995. A response to the audit report is due by June 26, 1995.

Over \$19 Million of Questioned Costs Claimed for Orangeburg, New York, Project

Findings in Brief

The Rockland County Sewer District, New York, claimed \$1,721,208 of ineligible construction, administrative, and architectural engineering costs for the construction of a wastewater treatment facility. An additional \$17,629,638 of unsupported project costs were questioned.

We Found That

EPA awarded a grant of \$61,831,824 to the Rockland County Sewer District, New York, for the construction of a wastewater treatment facility. The grantee claimed \$1,721,208 of ineligible costs under the grant, including:

- \$1,360,171 of construction costs disallowed by New York State Department of Environmental Conservation (NYSDEC) based on its final payment review, and understatement of the ineligible portion of an eight-bay garage;

- \$192,870 of administrative costs declared ineligible by NYSDEC based on its final payment review, legal services related to review of the grant application, grant conditions which are ineligible for Federal participation, and incorrect application of the construction eligibility factor; and

- \$168,167 of engineering costs related to overbilling by the consulting engineer, costs disallowed by NYSDEC based on its final payment review, and incorrect application of the construction eligibility factor.

We also questioned \$1,840,701 of unsupported costs, including administrative expenses for indirect costs, costs attributed to cleaning digestors, and costs related to litigation settlements. Additionally, we questioned \$15,788,937 of innovative/alternative technology costs pending EPA's evaluation.

We Recommended That

The Regional Administrator, Region 2, not participate in the Federal share of ineligible costs (\$1,290,906), determine the eligibility of the Federal share of unsupported costs (\$2,959,420), and recover the applicable amount from the grantee.

What Action Was Taken

The audit report (5100190) was issued to the Regional Administrator, Region 2, on February 21, 1995. A response to the audit report is due by May 22, 1995.

Over \$5 Million of Questioned Costs Claimed for Bristol, Connecticut, Project

Findings in Brief

The City of Bristol, Connecticut, claimed \$2,462,057 of ineligible architectural engineering, construction, inspection, and administrative costs for the design and construction of a wastewater treatment facility. An additional \$2,873,709 of unsupported costs were questioned.

We Found That

EPA awarded a grant of \$19,071,076 to the City of Bristol, Connecticut, for the design and construction of a wastewater treatment facility. The grantee claimed \$2,462,057 of ineligible costs under the grant, including:

- \$1,365,596 of preliminary design costs which exceeded the allowance awarded in the grant agreement;
- \$823,451 of construction costs related to bid items and change orders which exceeded the State agency approved costs, and costs representing abandonment of the previous sewage treatment plant which were not included in the grant agreement;
- \$259,320 of inspection costs incurred after the State-approved project completion date, costs not related to the approved project, and costs allocable to the ineligible portion of the construction project; and
- \$13,690 of equipment, engineering, and administrative costs deemed ineligible due to

unallowable ordinary operating expenses and an improper proration factor.

We also questioned \$2,873,709 of unsupported costs that exceeded the maximum basic funding amount.

We Recommended That

The Regional Administrator, Region 1, not participate in the Federal share of ineligible costs (\$1,841,540), determine the eligibility of the Federal share of unsupported costs (\$2,155,282), and recover the applicable amount from the grantee.

What Action Was Taken

The report (5100230) was issued to the Regional Administrator, Region 1, on March 27, 1995. A response to the report is due by June 26, 1995.

Nearly \$2 Million of Ineligible Costs Claimed for Vernal, Utah, Project

Findings in Brief

The Ashley Valley Sewer Management Board, Vernal, Utah, claimed \$1,940,493 of ineligible engineering and construction costs for a wastewater treatment facility.

We Found That

EPA awarded two grants totaling \$13,284,409 to the Ashley Valley Sewer Management Board, Vernal, Utah. The grants provided for construction of a wastewater treatment facility including collection and interceptor sewers, pump station, lagoons, storage reservoir, and a pivot irrigation system for disposal of the treated effluent.

The grantee claimed \$1,940,493 of ineligible costs under the grant, including:

- \$887,950 of acquisition costs for land that was not used for the intended purpose of effluent disposal;
- \$434,528 of construction costs for an unused pump station and force main intended to transport the wastewater from the treatment facility to the land disposal site;
- \$314,186 of alternative funding provided for unused land disposal;
- \$150,432 of engineering project inspection costs that were incurred beyond the scheduled completion of construction; and
- \$153,397 of construction costs related to unallowable change orders and design engineering costs that exceeded the approved engineering agreement or related to the unused pump station and force main.

We Recommended That

The Regional Administrator, Region 8, not participate in the Federal share of ineligible costs (\$1,533,914), and recover the applicable amount from the grantee.

What Action Was Taken

The audit report (5100107) was issued to the Regional Administrator, Region 8, on December 1, 1994. A response to the audit report was due by March 1, 1995, but has not been received.

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 authorization expired September 30, 1994, and the taxing authority will expire on December 31, 1995, unless extended.

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



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 eighth annual report, covering fiscal 1994, will be issued no later than September 1995.

Higher Priority Needed for Reviews of Superfund Site Remedies

Findings in Brief

The Agency gave low priority to five-year reviews of Superfund site remedial actions needed to assure the continued environmental protection of the remedy or additional timely corrective action. As a result, there was an increasing backlog of unreviewed sites.

Background

In order to protect human health and the environment, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) requires the Agency to review, at least every five years, any post-Superfund Amendments and Reauthorization Act site where pollutants remain after the completion of remedial action.

We Found That

The required five-year reviews that were completed effectively identified successes or failures of remedies at Superfund hazardous waste sites. However, a substantial increasing backlog exists of such reviews due to the low priority placed by Agency management. Additionally, the completion of five-year reviews is not a target in the Superfund Comprehensive Accomplishments Plan nor is it a goal agreed to by regional and Headquarters officials.

Agency guidance did not include a requirement that the reviews result in a final determination about the protectiveness of remedies. Some of the reports did not contain any information regarding the need for timely corrective action. Without

this assurance, EPA is unable to provide adequate assurance regarding the continued protectiveness of remedies.

The Agency developed an abbreviated form of review, called the 1a review, for use at certain types of sites. However, there appeared to be considerable confusion regarding when and how to perform the 1a reviews and what to document in the reports. The review guidance did not require the reviewer to describe the conditions found at the site or provide adequate technical data. During our site visits, we found potential hazards or problems with the remedies which were not discussed adequately in the 1a report. The 1a reports often lacked vital information to support their conclusions regarding the protectiveness of remedies.

We Recommended That

The Assistant Administrator for Solid Waste and Emergency Response:

- Increase the priority for performing the reviews by making them a target in the Superfund Comprehensive Accomplishments Plan.
- Clarify the guidance for the use of 1a five-year reviews and require sufficient information to support conclusions.

What Action Was Taken

The final report (5100229) was issued to the Assistant Administrator for Solid Waste and Emergency Response on March 24, 1995. In response to the draft report, the Assistant Administrator agreed to give increased attention to the five-year reviews, and generally agreed to make

appropriate changes to the guidance. A response to the final report is due by June 24, 1995.

Better Controls Needed Over Region 8's Superfund Field Sampling Activities

Findings in Brief

Region 8 needed better sampling controls and quality assurance training of remedial project managers (RPMs), and more consistent RPM oversight at Superfund sites.

Background

Federal regulations require EPA to review and approve sampling and analysis plans (SAPs) which consist of a field sampling plan and a quality assurance project plan (QAPP). A QAPP describes policy, organization, and functional activities necessary to develop adequate data for planning and documenting a removal action, site evaluation, and hazard ranking system activities. Region 8 requires a contractor's SAP to be submitted 30 days prior to collecting samples.

We Found That

Region 8 experienced continued problems with untimely contractor submissions and undocumented approvals of contractor prepared SAPs. Contractors sometimes submitted SAPs close to the sampling event which did not give RPMs enough time to properly review them and ask for technical expertise if needed. Inadequately reviewed SAPs could result in inappropriate or incomplete sampling results. In some instances, this could cause a need for rework, a loss of valuable samples that cannot be duplicated, and unnecessary costs.

The majority of plans we reviewed were not signed by RPMs to indicate review, modification as needed, and approval necessary to prevent the collection of unreliable data. Also, RPMs had not always received timely technical assistance from other Regional staff, thus delaying sample collection or hindering the RPM's ability to incorporate comments in modified plans.

Some RPMs did not adequately oversee contractor activities at Superfund sites to help achieve Regional quality assurance goals. Also, some RPMs relied on contractors' expertise and did not routinely observe field sampling activities or take advantage of independent field audits in evaluating contractors' performance. Without appropriate oversight, RPMs could not ensure proper contractor performance or enhance their own experience levels.

The majority of RPMs did not attend all mandatory training courses offered in July 1994 and, in our opinion, did not recognize the importance of quality assurance training. They did not fully understand quality assurance procedures required for all individuals involved in sampling activities. Also, RPM training in quality assurance methods did not include sufficient examples to help RPMs effectively and consistently apply quality assurance principles, and training records were inaccurately compiled.

The Region demonstrated certain good oversight practices that resulted in cost savings. Specifically, an RPM recognized that a sampling program proposed by a contractor was excessive. She worked with the Regional Quality Assurance Officer to develop and implement a sampling

strategy and methodology that followed Superfund Accelerated Cleanup Model guidance and saved about \$200,000 in cleanup costs.

We Recommended That

The Regional Administrator, Region 8, require the Hazardous Waste Management Division Director to:

- Ensure RPMs request and receive draft plans in time to allow thorough reviews and appropriate approvals.
- Ensure RPMs periodically observe contractor field sampling activities and consider using field audits as a part of their oversight strategy and work plans.
- Provide adequate staff with quality assurance expertise to assist in RPM's reviews.
- Require RPMs to take mandatory training, strengthen training by including examples and good practices, and ensure the accuracy of training records.

What Action Was Taken

The final review report (5400034) was issued to the Regional Administrator, Region 8, on January 27, 1995. In discussions held before issuance of the report, the Region agreed with the findings and recommendations. It began corrective actions and established a management system review work group to address the recommendations. A response to the final report is due by April 27, 1995.

Region 9 Pilot Projects Speed Up Site Assessments

Findings in Brief

Region 9 pilots integrating Superfund site assessment activities significantly improved the timeliness and cost effectiveness of the site assessment process.

Background

Region 9 initiated a Superfund pilot program, termed SWIFT, which integrated Superfund preliminary assessments (PA) and site inspections (SI) to speed up the site assessment process and eliminate duplicate activities. Under the SWIFT pilot, each site had only one contractor and one project manager during the site assessment process. In addition, Region 9 participated in the Superfund Accelerated Cleanup Model (SACM) with the SWIFT-ER pilot program. This program added to the SWIFT process an expanded PA for earlier decision-making on potential site listings, and an Integrated Assessment (IA) which is an expanded SI with multi-program data gathering.

We Found That

SWIFT site assessments were completed in an average of 8.5 months as compared to 31.7 months under the previous methodology, and the average cost of a SWIFT PA/SI was \$11,856 as compared to \$38,710 for pre-SWIFT site assessments. These savings were primarily attributable to continuous site assessment activities and combining the PA and SI into a single publication. SWIFT-ER pilot projects were more costly than SWIFT projects due to additional sampling and analyses.

However, they were still less expensive than pre-SWIFT PA/SIs.

Early involvement of Regional Decision Teams in the site assessment process could prevent some sites from proceeding to the more expensive IA phase, thus avoiding expenditure of limited Superfund resources. Also, quarterly reports submitted by Region 9 to the Superfund Revitalization Office (SRO) could be improved to better inform the SRO of the effectiveness of SACM pilots. This would provide opportunities for program improvements to be implemented at other program offices.

We Recommended That

Since the pilot projects were meeting their goals and objectives, we made no formal recommendations.

What Action Was Taken

The final report (5400018) was issued to the Regional Administrator, Region 9, on November 28, 1994.



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 March 31, 1995, EPA had 300 OIG reports requiring resolution which was 30 percent more than the beginning balance of 230 reports six months ago. The number of past due responses (over six months from report issue date) rose 63 percent from 73 to 119 during this six-month reporting period. At the end of September 1994, the number of past due responses was 32 percent of the reports to be resolved compared to 40 percent of the reports in the follow-up system as of the end of this reporting period. Over the past six years, with one exception, the number of past due responses have been higher in the March semiannual report.

The costs questioned on the OIG reports for which management decisions were past due as of March 31, 1995, represented 80 percent of total questioned costs to be resolved.

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

During this reporting period six EPA Action Officials--Region 9; Region 10; the Office of Acquisition Management's (OAM) Contracts Management Division, Research Triangle Park, North Carolina; and three OAM's Cost Advisory and Financial Analysis Division branches--had 77 percent (92) of the 119 unresolved OIG reports exceeding 180 days.

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

Region 9 and Region 10 have not been timely in resolving reports with large dollar issues. Together these two regions account for 21.8 percent (26) of all the unresolved reports exceeding 180 days which amounts to 48 percent (\$117.2 million) of \$243.3 million of the total questioned costs needing resolution.

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. After meetings with the OIG, Region 9 indicated that it plans to issue 11 of the 14 overdue reports awaiting resolution by June

30, 1995, and two more of the overdue reports by September 30, 1995. The remaining report is dependent on the California State Water Resources Control Board completing its research for EPA. During this reporting period, the Region 10 Audit Follow-up Coordinator position was vacant. The position was filled in April 1995 and the Region plans to provide draft resolutions to the OIG on all past due reports by July 1, 1995.

Trends

Timely action on OIG reports--resolving issues raised by auditors within six months of report issuance--continues to be a problem.

From March 31, 1992, through March 31, 1995, the number of reports with past due management decisions increased from 34 percent to 40 percent. During this period the number of reports requiring resolution averaged about 300 each year.

The overall trends show that more action is needed at all management levels to (1) make audit follow-up a top priority, (2) ensure that report resolution is timely, and (3) reduce the growing backlog of past due reports.

Status Report On Perpetual Inventory of Reports in Resolution Process For The Semiannual Period Ending March 31, 1995 (Dollar Values in Thousands)

	<u>Number</u>	<u>Report Issuance</u>		<u>Report Resolution Costs Sustained</u>	
		<u>Questioned Costs</u>	<u>Recommended Efficiencies</u>	<u>To Be Recovered</u>	<u>As Efficiencies</u>
A. For which no management decision has been made by the commencement of the reporting period*	230	363,519	27,005		
B. Which were issued during the reporting period	448	62,559	36,205		
C. Which were issued during the reporting period that required no resolution	232	231	0		
Subtotals (A + B - C)	446	425,847	63,210		
D. For which a management decision was made during the reporting period	146	121,211	4,648	45,496	190
E. For which no management decision has been made by the end of the reporting period	300	304,636	58,562		
Reports for which no management decision was made within six months of issuance	119	243,256	22,393		

* 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.

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.

Despite Over \$570 Million in EPA Grants for 30 Years, PRASA's Poor Operations Continue

Previous Problems and Findings

Our followup of a January 1992 report concluded that the Puerto Rico Aqueduct and Sewer Authority (PRASA) was still experiencing major difficulties in administering a wastewater management program capable of achieving a consistently acceptable level of water pollution control. We reported that PRASA's (1) financial condition was worsening, (2) management of its wastewater

program operations was unstable, and (3) plant operations and maintenance had major deficiencies. We have reported these same conditions with little improvement since 1986.

Followup Findings

Region 2 had followed a strategy of providing financial assistance to PRASA to deal with its administrative, technical, and operational problems together with increased enforcement actions against noncompliance. However, corrective actions promised by the prior Executive Director of PRASA were not always implemented, progress was slow, and the positive

steps taken by PRASA to correct many of the prior findings achieved only minimal improvement. Therefore, we are again reporting on the same longstanding problems.

PRASA's financial condition continued to worsen and it has been unable to generate sufficient revenue to adequately run its operations. Difficulties with collections, rising operating expenses, and the absence of a realistic capital improvement plan have made PRASA heavily dependent on outside financial infusions. PRASA has received over \$1.5 billion worth of assistance from various sources, including over \$570 million from EPA. The current Executive Director has not formalized PRASA's corrective action plan with specific steps and milestone dates, and PRASA is continuing to struggle to provide minimal service to its customers, while incurring ever-increasing operating losses.

Management of PRASA's wastewater treatment program remained unstable. PRASA did not implement the reorganization plan which it promised in response to our prior audit, and it experienced a 70 percent turnover of upper management in 1993. In our opinion, the primary cause of PRASA's historically unstable management is the change in key positions every time a new Executive Director is appointed.

Failure to address longstanding operations and maintenance deficiencies prevented PRASA from achieving continuous compliance with National Pollutant Discharge Elimination System permit requirements, and from providing dependable protection of public health and water quality. PRASA did not provide sufficient training for wastewater treatment facility

operators in activated sludge process control, and did not have a comprehensive sludge management plan. Continuing inability to implement an effective preventive maintenance program kept PRASA in a catch-up mode of maintenance. We found major deficiencies at pump stations and bypasses resulting in a high potential for raw sewage overflows. Critical units typically were run until they failed, rather than being carefully evaluated and reconditioned on a schedule.

For years, Region 2 has approved grant funds despite PRASA's inability to function as a responsible grantee, and the Region's enforcement actions to date, while numerous, have not resulted in the corrections expected. In our opinion, Region 2 must continue its involvement, but assume a stronger role in monitoring PRASA's operation to assure meaningful change is brought about. This is especially important in view of the possible award of 27 new construction grants to PRASA and the awarding of State Revolving Funds. The Region advised that they have further addressed our concerns by prompting the Governor to create the position of Comptroller to independently oversee PRASA's operations. The Region and PRASA's Board of Directors finalized a Memorandum of Agreement which included the details of the Comptroller's responsibilities.

Followup Recommendations

We recommended that Regional Administrator, Region 2:

- Classify PRASA as a "high risk" grantee and offer expertise to PRASA during its effort to formulate a recovery plan.

- Obtain from PRASA a detailed corrective action plan with specific steps and milestone dates, and closely monitor progress towards implementation.

- Work with senior PRASA and Puerto Rico government officials to ensure that PRASA will operate with continuity.

- Perform monitoring to determine if PRASA's promised corrective actions were implemented and effective.

- Encourage PRASA to address structural problems causing noncompliance, and use enforcement actions if PRASA continues in noncompliance.

What Action Was Taken

The final report (5400060) was issued to the Regional Administrator, Region 2, on March 30, 1995. In responding to the draft report, the Regional Administrator stated that PRASA will be encouraged to make improvements, but that the extent of recommended EPA involvement is not their role. In addition to the actions surrounding the Comptroller's position, we were informed that Region 2 plans to increase the size and responsibility of the Caribbean Field Office during the next four years. A response to the final report is due by June 30, 1995.

Improvement Still Needed In Region 7's Potentially Responsible Party Search Program

Previous Problems and Findings

Our March 1992 report concluded that searches for potentially responsible parties (PRP) in Region 7 were not timely,

complete, or well documented, resulting in unnecessary costs and delays in getting polluters to accept responsibility for cleaning up their hazardous waste sites. We reported that searches for 3 of 5 National Priorities List (NPL) sites reviewed exceeded the Superfund program standard by more than four years, and searches for 3 of 4 non-NPL sites reviewed exceeded the program standard by 8 times. Also, many of the work assignments, statements of work, work plans, documentation of completed tasks, and search reports could not be found.

Followup Findings

The Region attempted to address the intent of the audit report recommendations by improving the PRP search acquisition practices, management controls, and by specializing and focusing contractor work assignments on essential search activities. However, the Region did not accomplish all the actions in its implementation plan and response to the audit recommendations.

The Region was unable to demonstrate effective monitoring or improved timeliness of PRP searches and could not provide a complete list of searches conducted and in progress. Our analysis of a PRP search report indicated that non-NPL searches were averaging 22 months to complete even though the EPA standards are for such searches to take no more than 6 months. In addition, the Region had not performed any full baseline searches since fiscal 1992.

Although the Region developed new procedures, the staff did not always implement them and had not improved search file documentation. The eight PRP search files we reviewed did not

contain adequate documentation to support search decisions.

Followup Recommendations

We recommended that the Regional Administrator, Region 7 direct the Acting Superfund Division Director to:

- Establish effective procedures to monitor PRP search timeliness and documentation.
- Improve the cost effectiveness of PRP searches through better contracting methods, conducting searches in-house, and developing procedures to monitor contractor efforts.

What Action Was Taken

The final report (5400032) was issued to the Regional Administrator, Region 7, on January 17, 1995. In responding to the draft report, the Acting Assistant Regional Administrator generally agreed with our findings and recommendations. Corrective actions by the Region include evaluating PRP search timeliness and documentation on a quarterly basis, using its civil investigators to conduct searches, and providing contract training to work assignment managers. Accordingly, no further response was required and the report was closed upon issuance.

CERCLIS Internal Controls Strengthened

Previous Problems and Findings

For fiscal 1992 and fiscal 1993, we performed detailed reviews of accomplishments claimed by the Superfund Program in the Comprehensive Environmental Response, Compensation, and Liability Information System

(CERCLIS). Our audit of fiscal 1992 CERCLIS data showed that the data used to support Superfund accomplishments was not always accurate. These inaccuracies were attributable to weak internal controls including a failure to: (1) adequately train personnel; (2) provide written policies and procedures; (3) adequately document events; (4) correctly record and properly classify events; and (5) authorize and approve transactions at the appropriate level of authority. Also, definitions of accomplishments were unclear and thus open to interpretation. Our fiscal 1993 report indicated that the Agency was in the process of implementing the recommendations from our fiscal 1992 review, but had not developed guidance for estimating and documenting response settlement amounts.

Followup Findings

We found that the corrective actions recommended in our fiscal 1992 and 1993 reports had either been completed or were nearing completion. Specifically, a definition Reform Workgroup developed clarifying language for each accomplishment for inclusion in the Superfund Program Management Manual. An Office of Solid Waste and Emergency Response (OSWER) Directive was issued in June 1994 on the required standard elements for CERCLIS data entry and accomplishment reporting. Also, OSWER Headquarters officials conducted training sessions in the regional offices on CERCLIS reporting and developed quick reference guides on accomplishment reporting and documentation requirements. Data fields were added and definitions were automated to provide users with information on the proper

methods for coding and entering CERCLIS data. In addition, supplemental guidance was issued in April 1994 which outlined the methodology for developing and documenting estimated settlement amounts.

Followup Recommendations

Since we considered the actions taken and underway sufficient to address the recommendations from the fiscal 1992 and fiscal 1993 reports, we did not make any further recommendations.

What Action Was Taken

On November 15, 1994, the final report (5400014) was issued to the Assistant Administrator for Solid Waste and Emergency Response.

Agency Actions In Response To Other OIG Work

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's efforts were instrumental in EPA's development of performance measurement information for inclusion in the Agency's fiscal 1994 financial statements. In particular, the OIG assisted the Office of Prevention, Pesticides and Toxic Substances in revising its measures for the Asbestos Loan and Grant Program. In addition, the Agency used the results of the OIG's audits of the Leaking Underground Storage Tank Program as a mechanism to evaluate the program's

performance, as required by the Government Performance and Results Act.

- In response to the OIG's inquiry into allegations of improper Interagency Agreement (IAG) oversight and management at a Superfund site, Region 8 officials reviewed their IAG financial and management controls. They confirmed the OIG's concerns about inadequate IAG monitoring, identified additional IAG management problems, and developed corrective actions to eliminate the vulnerabilities.

Status of Management Decisions on IG Reports

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

As presented, information contained in Tables 1 and 2 cannot be used to assess results of reviews performed or controlled by this office. Many of the reports counted were performed by other Federal auditors or independent public accountants under the Single Audit Act. EPA OIG staff does not manage or control such assignments. In addition, amounts shown as costs questioned or recommended to be put to better use contain amounts which were at the time of the review unsupported

by adequate documentation or records. Since auditees frequently provide additional documentation to support the allowability of such costs subsequent to report issuance, we expect that a high proportion of unsupported costs will not be sustained. EPA OIG controlled reports resolved during this period resulted in \$33.1 million being sustained out of \$46.3 million considered ineligible in reports under OIG control. This is 71 percent sustained rate.

Table 1 -- Inspector General Issued Reports With Questioned Costs**Semiannual Period Ending: March 31, 1995**

<u>Dollar Values(thousands)</u>			
	<u>Number</u>	<u>Questioned*</u> <u>Costs</u>	<u>Unsupported</u> <u>Costs</u>
A. For which no management decision has been made by the commencement of the reporting period**	124	363,519	100,796
B. New reports issued during period	49	62,328	23,210
Subtotals (A + B)	173	425,847	124,006
C. For which a management decision was made during the reporting period	62	121,211	22,888
(i) Dollar value of disallowed costs	48	45,496	8,438
(ii) Dollar value of costs not disallowed	39***	75,715	14,450
D. For which no management decision has been made by the end of the reporting period	111	304,636	101,118
Reports for which no management decision was made within six months of issuance	74	243,256	77,976

* 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.

*** 14 audit reports totaling \$3,630 were not agreed to by management.

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

Semiannual Period Ending: March 31, 1995

	Number	Dollar Value (in thousands)
A. For which no management decision has been made by the commencement of the reporting period*	34	27,005
B. Which were issued during the reporting period	35	36,205
Subtotals (A + B)	69	63,210
C. For which a management decision was made during the reporting period	16	4,648
(i) Dollar value of recommendations that were agreed to by management	5	190
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	9**	1,590
(iii) Dollar value of non-awards or unsuccessful bidders	4	2,868***
D. For which no management decision has been made by the end of the reporting period	53	58,562
Reports for which no management decision was made within six months of issuance	19	22,393

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

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

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

Resolution of Significant Reports

Report Number Report Date	Grantee/ Contractor	Report Issuance		Report Resolution	
		FS Questioned/ Recommended Efficiency		Federal Share to be Recovered/ Sustained Efficiency	
E2CWL2-02-0115	NASSAU	INEL	1,294,966	INEL	1,294,966
4100431	COUNTY NY	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
6/27/94		RCOM	0	SUST	0
P2CWL0-02-0232	CARTERET	INEL	562,082	INEL	562,082
4100330	NJ	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
5/27/94		RCOM	0	SUST	0
P2CWL1-02-0019	CAPE MAY	INEL	517,747	INEL	511,461
4100414	COUNTY NJ	UNSP	820,808	UNSP	1,300
REPORT DATE		UNUR	0	UNUR	0
6/21/94		RCOM	0	SUST	0
P2CWL1-02-0104	NYCDEP	INEL	1,337,198	INEL	1,115,819
3100118	NY	UNSP	6,380,330	UNSP	2,242,271
REPORT DATE		UNUR	0	UNUR	0
3/ 2/93		RCOM	0	SUST	0
P2CWL1-02-0104	NYCDEP	INEL	12,895,788	INEL	9,049,323
3100169	NY	UNSP	10,014,698	UNSP	4,429,590
REPORT DATE		UNUR	2,160,202	UNUR	712,124
4/29/93		RCOM	0	SUST	0
P2CWL3-02-0177	ONONDAGA	INEL	1,038,675	INEL	1,038,175
4100412	COUNTY NY	UNSP	2,125,053	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
6/21/94		RCOM	0	SUST	0
E2CWM1-03-0169	CHALFONT	INEL	838,177	INEL	838,177
4200017	TWP PA	UNSP	11,936	UNSP	11,936
REPORT DATE		UNUR	0	UNUR	0
7/11/94		RCOM	0	SUST	0
P2CWM2-03-0293	ANNE	INEL	497,541	INEL	481,448
4200012	ARUNDEL	UNSP	321,029	UNSP	0
REPORT DATE	COUNTY MD	UNUR	0	UNUR	0
4/ 5/94		RCOM	0	SUST	0
P2CWN1-03-0098	FAIRFAX	INEL	2,650,367	INEL	2,610,617
4300044	COUNTY VA	UNSP	564,072	UNSP	544,973
REPORT DATE		UNUR	0	UNUR	0
8/24/94		RCOM	0	SUST	0
E2BWL3-09-0190	SAN DIEGO	INEL	4,996,690	INEL	4,996,690
3300072	OUTFALL CA	UNSP	67,546	UNSP	67,546
REPORT DATE		UNUR	0	UNUR	0
9/29/93		RCOM	0	SUST	0
E2CWM2-09-0202	CENTRAL	INEL	698,753	INEL	698,753
4200020	MARIN CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
9/26/94		RCOM	0	SUST	0
S2CWN2-09-0126	MODESTO	INEL	184,079	INEL	184,079
4300023	CA	UNSP	1,161,015	UNSP	995,272
REPORT DATE		UNUR	0	UNUR	0
1/13/94		RCOM	0	SUST	0
S2CWN9-09-0032	MONTEREY	INEL	5,621,855	INEL	3,755,605
1300118	CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	38,348,260	UNUR	2,381,277
9/30/91		RCOM	0	SUST	0
S2CWN9-09-0039	LOS ANGELES	INEL	6,098,282	INEL	1,425,256
1300117	CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	7,460,741	UNUR	0
9/30/91		RCOM	0	SUST	0
E9BHP2-10-0024	RES-SELF	INEL	3,709,794	INEL	2,800,000
3400095	INSURANCE	UNSP	0	UNSP	0
REPORT DATE	OR	UNUR	0	UNUR	0
9/29/93		RCOM	0	SUST	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 September 30, 1994	157
New Investigations Opened This Period	89
Investigations Closed This Period	75
Pending Investigations as of March 31, 1995	171

Prosecutive and Administrative Actions

In this period, investigative efforts resulted in 9 convictions and 12* indictments. Fines and recoveries, including those associated with civil actions, amounted to \$4.2 million. Thirteen administrative actions** were taken as a result of investigations:

Reprimands	5
Resignations/Removals	1
Restitutions	6
Other	1

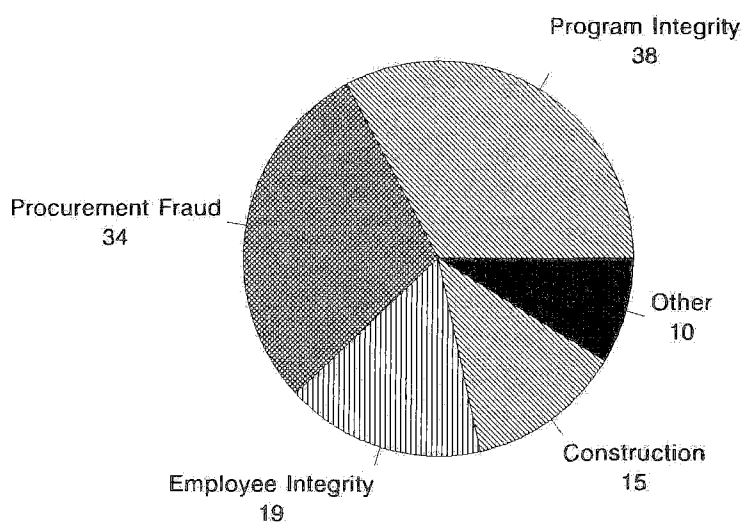
TOTAL 13

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

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

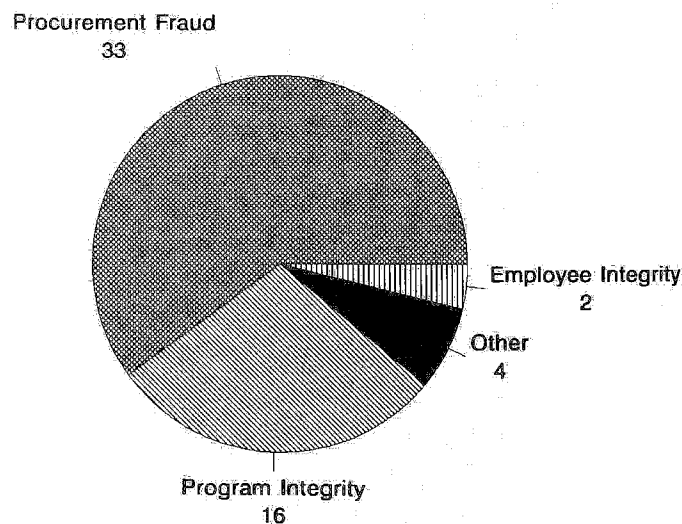
Profiles of Pending Investigations by Type (Total--171)

General EPA Programs



Total Cases: 116

Superfund and Lust



Total Cases: 55

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 October 1, 1994.

Former Maryland Chief Fiscal Officer Ordered to Repay \$1.2 Million

As reported in our Semiannual Report for the period ending September 30, 1994, Rufus O. Ukaegbu, former chief fiscal officer for the State of Maryland Department of the Environment, Water Quality Financing Administration (WQFA), pleaded guilty to Federal charges of money laundering and State of Maryland charges of theft.

In October 1994 Ukaegbu was sentenced on the Federal charges to 41 months imprisonment and repaid the State \$100,000 in addition to \$1,000 that was seized during a search. In November 1994, Ukaegbu was sentenced on the State charges to 20 years imprisonment (10 years suspended), 5 years probation, and was ordered to pay the remaining restitution of \$1,105,901.

Using 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 the authority to approve disbursements to contractors, used his position to cause the WQFA's bank to generate

fraudulent payment authorizations in names similar to legitimate contractors, but with addresses of bank accounts that he controlled.

Through the use of wire transfers and monetary instruments, the stolen funds were used to purchase numerous automobiles and other items of value which were shipped to Nigeria for resale, home remodeling, and to reduce personal debt.

Additionally, in January 1995, Ukaegbu was debarred for five years as result of the Federal and State charges.

Conspirator Pleads Guilty on State Charges

Keith Westbrook pleaded guilty to felony theft charges by the State of Maryland as a conspirator with Rufus O. Ukaegbu, relative to the \$1.2 million embezzlement described in the above case. Westbrook was sentenced to 3 years imprisonment (suspended), 5 years probation, with the first six months as home detention, and ordered to pay \$12,000 restitution.

Both cases, Ukaegbu and Westbrook, were investigated jointly by the EPA OIG, FBI, and the Maryland State Police.

Project Manager Convicted of Writing Checks to Himself

James Speer, project manager with Olympic View Environmental Review Council (OVER-C), Kitsap County, Washington, was convicted on March 30, 1995, for embezzling over \$46,500 from OVER-C.

OVER-C, a nonprofit organization, was awarded an EPA technical assistance grant (TAG) involving three Superfund sites in Kitsap County. Speer gained control of the organization's finances including

records, checkbooks, incoming bills, and outgoing payments and subsequently was able to write checks in excess of \$86,000 to himself. Speer would write the OVER-C checks and take them to two board members for authorization signatures. He then replaced the names of the legitimate payees on the check with his own name to remove cash from the OVER-C bank account. The cash was traced to his girlfriend's account and her mother's account. Speer paid portions of legitimate expenses while holding back funds for himself, allowing him time to continue obtaining and using additional Federal, State and private grants funds to "lap" expenses, staying ahead of the creditors.

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

Firm and President Sentenced

T. Head and Company, Inc., known as THI, and Toney Head, Jr., the firm's owner, president, and chief executive officer, were sentenced in October 1994, after being convicted of filing 41 false claims. Head was sentenced to 4 months prison in a work release program, 4 months home confinement, 2 years probation, and ordered to pay restitution of \$18,515 and a \$2,000 special assessment. THI was fined \$10,000 and ordered to pay an \$8,000 special assessment.

As reported in our previous semiannual report, 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. However, our investigation revealed that Head directed four former THI employees to falsify records which showed the number of hours these employees worked on the EPA contract. Head used the false information to inflate numerous THI invoices submitted to EPA.

Three Public Health Officers Guilty of Hiding Interest In EPA Contractor

William Burkhardt III, Scott R. Rippey and William D. Watkins, Commissioned Officers of the U.S. Public Health Service assigned to the U.S. Food and Drug Administration, North Kingstown, RI, plead guilty to knowingly filing false confidential statements of employment and financial interest. All three willfully failed to disclose their controlling ownership and employment interest in Biosearch Limited, New England Scientific, and Biological Analytical Laboratories (BAL). BAL received contracts and funds from EPA for work on the Narragansett Bay Project through one of the defendants and used equipment and supplies from the FDA. Each defendant was fined \$500 plus a \$25 assessment. This case was investigated jointly by the EPA OIG, HHS OIG and the Postal Inspection Service.

Office Equipment Pawned

A former Region 4 Stay-in-School participant pleaded guilty in December 1994 to misdemeanor theft of government property. The former employee was sentenced to 5 years probation, the first year to be supervised, and ordered to pay restitution of \$2,922. While employed with EPA, he had removed several pieces of EPA electronic and photographic equipment including portable

computers, video cameras, and transceivers, and pawned them in various Atlanta area pawn shops.

Civil and Administrative Actions to Recover EPA Funds

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

Riedel Environmental Services, Inc. to Repay More Than \$2.8 Million

The Department of Justice's Civil Division, working with attorneys from EPA's OGC, negotiated a civil settlement agreement with Riedel Environmental Services, Inc (RES) and its new owner, Canonie Environmental Services, Inc. Under

the agreement, RES and Canonie agreed to pay the Government \$2,800,000 over a 3 year period, plus interest accruing on the unpaid principal balance, to resolve a case the Government brought under the False Claims Act. The \$2,800,000 settlement includes repayment of the full contract price of approximately \$2,500,000 plus OIG audit, investigative, and prosecutive costs.

The OIG audit and investigation revealed that RES had failed to disclose the existence of a quotation for pollution liability insurance during the negotiation and award of a multi-year EPA Superfund contract. In addition, the OIG audit and investigation revealed that RES continued to receive payments from EPA for pollution self-insurance even after RES purchased pollution liability insurance.

Subcontractor Enters Civil Settlement

EPS Analytical Services, of Canton Mississippi, an EPA subcontractor, paid \$5,000 in a civil settlement on charges of submitting false claims for payment to EPA. EPS Analytical Services, a subcontractor for OHM, the prime contractor on the Southeast Wood Processing Superfund Site, was charged with making false claims for payment from EPA through OHM, for soil sample analysis that did not comply with EPA specifications.

Section 4 -- Fraud Prevention And Management Improvements

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

Review of Legislation and Regulations

Section 4(a)(2) of the Inspector General Act of 1978, as amended, directs the Office of Inspector General to review existing and proposed legislation and regulations relating to Agency programs and operations to determine their effect on economy and efficiency and the prevention and detection of fraud and abuse. During this semiannual period, we reviewed 2 legislative and 69 regulatory items. The most significant items reviewed are summarized below.

Regulations Implementing the Federal Acquisition Streamlining Act

Section 6006 of the Federal Acquisition Streamlining Act of 1994 (Act), Public Law 103-355, provides whistleblower protection for contractor employees of civilian agencies. The Inspectors General of executive agencies must review allegations of reprisals against contractor employees, and, if warranted, issue a report

We reviewed the proposed rule published in the December 1, 1994, Federal Register, for implementing the whistleblower protection provisions of the Act. Section 3.905(c) of the proposed rule stated that "Upon completion of the investigation, the head of the Agency shall ensure that the Inspector General provides a report of findings to..." We commented that such language was unnecessary and appeared to infringe upon the independent status of the Inspector General. We recommended that the section be revised to eliminate reference to the Agency head in relation to the distribution of the IG's report.

Proposed Executive Order on Classified National Security Information

We reviewed the subject document at OMB's request, and objected to the section requiring an Inspector General to conduct periodic evaluations of his/her agency's classified national security information program. With the exception of audits required by statute, we believe audits should result from a planning process which involves risk assessments of agency programs and activities.

Interim Rule Governing Entertainment, Gift, and Recreation Costs for Contractor Employees

We reviewed the interim rule under Federal Acquisition Regulation (FAR) case 94-750. Among other things, the interim rule would revise the FAR to indicate that the costs of wellness/fitness centers are allowable and that other recreation costs, with the exception of employee sports teams, are unallowable. We agreed that the costs of wellness/fitness centers should be allowable as a means of improving employee morale, performance, and fitness, but do not believe that the Government should pay the additional expense of subsidizing a contractor's employee sports teams. We recommended that all recreation costs, with the exception of wellness/fitness centers, should be unallowable.

Information Resources Policy Manual Directive 2100 - Information and Data Management Policy

We reviewed the Agency's draft policy and did not concur primarily because the document did not reflect the Agency's commitment to implementing a strong and effective data management program. Many of the recommendations which the Assistant Administrator for Administration and Resources Management agreed to implement following a congressionally requested Inspector General review were not implemented. We were particularly concerned that the document failed to define the responsibilities of the Information and Data Management Officer as they relate to establishing a "structure" to effectively share data Agency-wide. We believe that this position should be afforded the authority necessary to effectively centralize control over the Agency's decentralized systems development activities. Accordingly, we recommended that the document be revised to reflect several responsibilities of this position.

We also recommended clarification of various terms; identification of the ultimate goal or purpose of information and data management; and inclusion of several additional responsibilities for certain officials. At the end of the reporting period, the Office of Information Resources Management was addressing our concerns.

Information Resources Policy Manual Directive 2100 - Records Management Policy

We reviewed the Agency's draft policy and recommended that it be revised to reflect the unique storage and retirement considerations of

electronic records. We also recommended that the document be revised to (1) better describe the roles and responsibilities of systems managers and ADP managers concerning the management of electronic records and (2) specify that electronic records which are not copied to standard tapes must be maintained according to general records schedules.

Amendment to EPA Order 3120.1, Conduct and Discipline

We did not concur with the proposed revision because not all penalties appeared to be commensurate with the offense and not all prohibited actions were addressed. At the end of the reporting period, the Office of Human Resources Management was addressing our comments.

FAR Case 94-721

We recommended clarification of certain provisions implementing the Federal Acquisition Streamlining Act of 1994 and revising the Truth in Negotiations Act. Our primary recommendation related to a provision which could result in numerous instances where certified cost or pricing data would not be required, despite inadequate competition. We recommended that, in those cases, the offeror be required to submit such data so that the Government could perform cost or price analysis and ultimately negotiate a fair and reasonable price.

Suspension and Debarment Activities

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

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

A contractor may also be debarred for violating the terms of a Government contract or subcontract, such as willful failure to perform in accordance with the terms of one or more contracts, or a history of failure to perform, or of unsatisfactory performance on one or more contracts. A contractor may also be debarred for any other cause of so serious or compelling a nature that it affects the present responsibility of the contractor. Thus, a contractor need not have

committed fraud or been convicted of an offense to warrant being debarred. Debarments are to be for a period commensurate with the seriousness of the cause, but generally do not exceed 3 years.

The effectiveness of the suspension and debarment (S&D) program has been enhanced by regulations that provide all Federal agencies a uniform system for debarring contractors from receiving work funded by Federal grants, loans, or cooperative agreements. The system, required by Executive Order 12549, provides that a non-procurement debarment or suspension by one agency is effective in all agencies and requires the General Services Administration to publish monthly "Lists of Parties Excluded from Federal Procurement or Non-procurement Programs." Formerly, a non-procurement debarment was effective only in the programs administered by the debarring agency, and each agency maintained its own list. The EPA Suspension and Debarment Division in the Office of Grants and Debarment operates the S&D program at EPA. The OIG assists the EPA S&D program by providing information from audits, investigations, and engineering studies; and obtaining documents and evidence used in determining whether there is a cause for suspension or debarment. During this period, cases with direct OIG involvement led to 23 debarments, one suspension, and two compliance agreements, a total of 26 actions.

The following are examples:

- On February 2, 1995, EPA suspended Brian Burns, the former head of the Northeast Rural Water Association (NERWA), a recipient of EPA grant funds through the National Rural Water Association. EPA based this action on a criminal

indictment resulting from an OIG investigation. According to the indictment, Mr. Burns attended Trinity College and Harvard University as a full-time student, while he allegedly claimed his EPA-funded salary from NERWA and his educational expenses as NERWA-related.

- On March 7, 1995, EPA approved a compliance agreement with PRC Environmental Management, Inc. (PRC EMI), in which PRC EMI agreed to reimburse EPA \$300,000 for damages resulting from its submittal of premature bills for subcontractor costs. PRC EMI also agreed to implement several remedial measures designed to ensure that its future performance and administration of Federal contracts and assistance agreements fully comply with all applicable laws and regulations.

- On November 21, 1994, EPA debarred Stanley L. Peters and Stanley L. Peters and Associates, Inc. for 3 years. On January 31, 1995, AET Collaborative, Inc. of which Mr. Peters was president, was debarred for 3 years. The debarment arose from a joint OIG and FBI investigation which resulted in criminal charges alleging that Mr. Peters had received kickbacks from Nebraska schools for his assistance in obtaining Asbestos School Hazardous Abatement Act grants/loans from EPA. He was convicted of conspiracy to defraud by submitting false and fraudulent claims, and theft of Government funds. Dean Curtis, a co-conspirator, was debarred effective October 31, 1994.

- EPA debarred EKOTEC, Inc., its President, Steven Self, and company officials, Sharon Self and Steven Miller, for a period of five years, effective October 4, 1994. Mr. Self was convicted of improper disposal of hazardous waste by dumping waste in diesel automobile

tanks and ordering the falsification of documents regarding its disposal. In addition, he was responsible for illegal discharge of oil, grease, and industrial wastewater into the Salt Lake City sewer system in violation of the Clean Water, Clean Air, and Resource and Conservation Recovery Acts.

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, reviewed 320 investigations.

- One employee was allowed to resign pending administrative removal for falsification of the SF-171 used to gain employment, by claiming a degree not earned. The degree was required for the position.
- One employee received a 14-day suspension for a felony conviction.
- One employee was terminated during probationary period for falsification of the SF-171 by failing to list a previous termination, and for unprofessional conduct.
- One employee was reassigned to a low-risk position after an arrest report disclosed a conviction for theft.

OIG Management Initiatives

Reinventing Offices of Inspector General

The EPA OIG has continued 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 are focusing 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 is working 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 continue empowering the field divisions with more authority and autonomy in personnel matters, and by empowering Divisional IGs and Headquarters Directors to sign major audits, investigations, and management reports..

- 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 are focusing 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 are working more cooperatively with our customers to ensure that our products meet their needs. Internally, we are comprehensively reviewing 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.

Organizational Structure, Size, and Composition

- The OIG has streamlined its organization through consolidation of field offices, transferring and realigning positions and by eliminating supervisory positions. All three components of the OIG have either achieved or are in the process of achieving the supervisory ratio of 1:11 as mandated by the Administrator.
- Office of Investigations consolidated seven investigations field divisions into three divisions, eliminating a supervisory level and has already achieved a 1:11 supervisory ratio.
- Office of Audit has flattened its organization by reassigning Headquarters administrative and management staff to audit field offices and by eliminating supervisory positions and levels of review. This office now has a supervisory ratio of 1:8 and will achieve a 1:11 ratio during 1996.

- Office of Management has streamlined its structure by eliminating supervisory positions to reduce supervisory levels by 50 percent thus achieving the 1:11 ratio.

- We made liberal use of early-out and buy-out opportunities to reduce staff size.

- The OIG has made great strides in diversifying its workforce and is taking steps to maintain and strengthen diversity while meeting its streamlining requirements.

- The OIG has implemented a policy supporting our Affirmative Action Plan resulting in minorities and women accounting for 75 percent of all new hires and promotions during fiscal 1994, including new hires and promotions at grades 13 to 15.

Management and Administration

- The OIG has taken the greatest initiative in EPA to streamline its employee performance appraisal system. This is being done by reducing the number of rating levels and using generic summary Critical Job Elements focusing on outcomes and standards at only the Fully Successful level. We are requiring summary appraisal justifications only for Outstanding and Unsatisfactory ratings. This will reduce the time devoted to this activity by at least fifty percent while improving its effectiveness.

- The OIG is in the process of increasing delegation and decentralizing authority to the lowest practical level to make managerial decisions and increasing the empowerment of employees.

Work Processes

- The OIG is improving its work processes and systems by working with our customers to ensure that our products meet their needs and provide consultative services to promote more economic, efficient, and effective Agency management.

- OIG has included EPA management directly in our audit planning process.

- We are developing performance measures which include customer surveys and other external feedback. The most recent issue of our IG HIGHLIGHTS publication contains a customer survey. Since this publication is distributed nationwide to all EPA employees, we will receive valuable feedback.

- The OIG is implementing the use of electronic data exchange to facilitate reporting between the field offices and Headquarters in order to reduce the use of paper.

- We are reviewing OIG policy manuals to identify and eliminate policies in preference to existing Agency or Federal policy.

- OIG revised its reporting format to provide more concise and better balanced presentations to Agency management and Congress.

- The OIG, by invitation, has worked on cooperative projects with Agency managers to improve the integrity of scientific and financial information and Superfund accounting.

Remaining Steps Toward Continuing Reinvention

The OIG recognizes that reinvention is a dynamic process. We are extremely satisfied with the results of our reinvention efforts so far. However, we recognize that constant monitoring is necessary to

identify both potential problems and opportunities for improvements.

The areas that we believe need additional assistance in bringing our reinvention efforts to fruition remain in *team building, development of performance indicators within our offices, reduction of internal policy guidance, and conversion of a number of our auditors to management analyst positions.*

Training

OIG Developed Courses

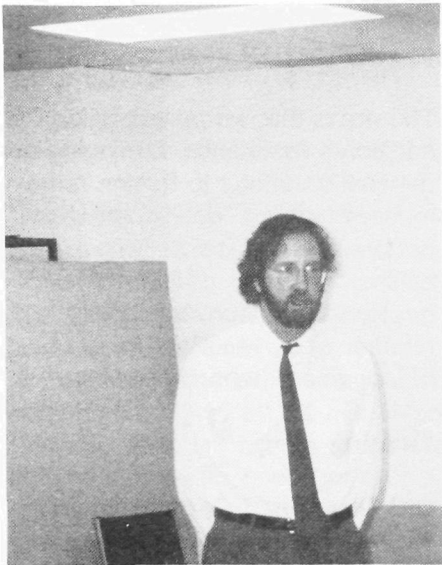
• Statistical Sampling Training

This course was designed to provide skills necessary to perform statistical sampling in connection with EPA contract audits. The emphasis is on elementary sampling procedures with some additional direction for those who encounter more difficult sampling problems and need references to more complete sources. This course was presented in Washington, DC.

• Internal Controls and Fraud Prevention

At the request of the Agency, the OIG presented a unit called a "Prescription for Prevention" as part of continuing professional education for Senior Executives. This presentation was designed to help EPA Senior Executives understand the nature and need for internal controls in preventing and detecting vulnerability to loss of resources and raise their consciousness to the elements and indicators of fraud. During this reporting period the unit was presented at five Senior Executive Workshops.

This presentation is an example of how the OIG is working with EPA and providing assistance to promote economy and efficiency.



Peter Rosenberg, Assistant Director, Communications, Office of Enforcement and Compliance Assurance (OECA), speaks at Brown Bag gathering (photo by Dana Sharon)



OIG Staff members engaged in lively discussions with Peter Rosenberg (photo by Dana Sharon)

The Brown Bag Institute of Learning

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

During this reporting period, presented reorganization of EPA's Office of Enforcement. Peter Rosenberg, Assistant Director of Communication, OECA, and Mark Charles, Branch Chief, Water Enforcement, OECA, were the instructors/facilitators.

OIG Contracted Courses

• Accounting and Auditing Update

This course was designed to provide EPA OIG personnel with an update and review of Generally Accepted Accounting Principles with FAR and CAS cost principles as they relate specifically to EPA leases, pensions, mergers, acquisitions, compensated absences and post retirement benefits. This course was presented in Memphis, TN.

President's Council on Integrity and Efficiency

• 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 and Results Act of 1993.

Committee on Integrity and Management Improvement

The Committee on Integrity and Management Improvement (CIMI) was established in 1984 by EPA Order 1130.1. Composed of senior EPA program officials and chaired by the Inspector General, CIMI strives to continually increase employee awareness and understanding of various Agency policies and procedures and to improve the economy, efficiency, and effectiveness of Agency operations.

AWARENESS BULLETINS

American Express Government Program

The American Express Government Program was implemented at EPA on November 30, 1993, and provides eligible EPA employees with an American Express Government credit card (Amex card) to pay for expenses related to official Government travel, such as common passenger carrier tickets, lodging, meals, and automobile rentals. Because of known and potential abuses, CIMI prepared this awareness bulletin to inform EPA employees of the requirements, and benefits of the program.

Employees may not use the Government Amex card to pay for

personal travel expenses or for any purchase that is not related to official Government travel. In addition to using the card only for authorized purposes and paying the bill in full upon receipt, employees are responsible for securing the card, reporting a lost or stolen card, returning the card upon cancellation or suspension of cardholder privileges or leaving Agency employment, and contacting American Express to resolve any disputed charges.

Conferences and Meetings

In an effort to reduce administrative expenses, President Clinton targeted Government meetings and conferences for close scrutiny. As a result, the Office of Management and Budget (OMB) issued OMB Bulletin 93-11, instructing agencies to keep conference costs to a minimum and to document alternatives considered and the rationale used in selecting conference sites. On September 14, 1994, the Agency issued Office of the Comptroller Policy Announcement 94-10 to provide implementing guidance. Agency policy dictates that a conference or meeting, and related travel, can be authorized only if it will provide a direct benefit to achieving EPA's mission. In addition, a written cost comparison must be prepared for all conferences and meetings involving travel by 30 employees or more and the final site selection must be approved by the Assistant or Regional Administrator. CIMI prepared an awareness bulletin to highlight EPA's policy and to stress the importance of avoiding even the appearance of improprieties in this area.

Management and Disposition of Federal Records

Federal records are Government property and may not be disposed of except in accordance with approved disposition schedules. EPA employees have three specific records management responsibilities. They must create records sufficient to document activities; maintain official Agency records separately from their personal files and other nonrecord materials; and follow the retention and disposition guidance specified in the records disposition schedules and the recordkeeping requirements documented for their organization within EPA. Managers or supervisors should ensure that recordkeeping requirements exist for all records and that the records are maintained according to Federal regulations and Agency policy. CIMI developed this bulletin to inform Agency employees of the requirements associated with the maintenance and disposition of official Agency records and their responsibilities in this regard.

Hotline Activities

The OIG Hotline opened 18 new cases and closed 31 cases during the reporting period. Of the cases closed, 7 resulted in environmental, prosecutive, or administrative corrective action, while 24 did not require action. Cases that did not have immediate validity because of insufficient information may be used to identify trends or patterns of potentially vulnerable areas for future review. The Hotline also referred 2,533 telephone callers to the appropriate program office, State agency, or other Federal agency for assistance.

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

- A complainant alleged that an EPA employee obtained travel advance funds without authorization by forging a supervisor's signature. An inquiry determined that the employee had obtained such funds without authorization on four separate occasions. Three of the four advances were repaid to the Imprest Fund before the employee became aware of the inquiry. The fourth repayment was made by the employee after being confronted by management. The employee received a 60-day suspension.
- A complainant alleged that an oil company in Ford, Virginia, was operating in violation of EPA regulations. Inspections of the company's facilities disclosed that the company had failed to prepare, certify, and implement Spill Prevention, Control, and Countermeasures (SPCC) plans. The company was issued a notice of non-compliance and given a grace period of 120 days to achieve compliance.

Appendix 1 -- Reports Issued

APPENDIX 1 REPORTS ISSUED

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

Assignment Control Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
1. INTERNAL & MANAGEMENT ASSIGNMENTS						
<u>Grants Administration Division</u>						
E1XMG5-11-0003-5400028	COMPLIANCE WITH RESTRICTIONS ON LOBBYING	1/ 6/95				
<u>Assistant Administrator for Administration and Resources Management</u>						
E1KAG4-03-0068-5400037	REVIEW OF ETS RISK ASSESSMENTS	2/ 2/95				
E1BMF2-04-0373-5100247	IMPROVEMENTS NEEDED IN SUBCON- TRACTOR COMPETITION & OVERSIGHT	3/31/95				
E1FMG4-13-0061-5400051	IAGS: OFF-LOADING AT EPA HQ	3/31/95				
E1MMG4-13-0064-5400052	ADMINISTRATION OF IPA ASSIGNMENTS	3/30/95				
E1SFL4-20-8001-5100192	FY 94 FINANCIAL STATEMENTS	2/28/95				
E1AMF4-20-7002-5100209	EPA'S COLLECTION OF USER FEES	3/27/95				
E1NMF3-15-0072-5100240	EPA'S MANAGEMENT OF APPLICATION SOFTWARE MAINTENANCE	3/31/95				
<u>Assistant Administrator for Research and Development</u>						
E1SKF4-02-0059-5400029	CONTRACT MONITORING ACTIVITIES AT RREL-EDISON	1/12/95				
E6ABG5-11-0009-5400046	ORD CONTRACTOR CONVERSION EFFORTS	3/ 8/95				
<u>Assistant Administrator for Solid Waste & Emergency Response</u>						
E1SFF4-11-0029-5100229	EPA'S MANAGEMENT OF 5 YR REVIEWS	3/27/95				
E1SFG5-11-5005-5400014	FOLLOW UP ON FY 92/93 SUPERFUND PERFORMANCE MEASURES	11/15/94				
<u>Regional Administrator - Region 1</u>						
E1SGG4-14-0010-5400042	LINEMASTER RI/FS REVIEW	CT 2/16/95				
<u>Regional Administrator - Region 2</u>						
E1HWR5-02-0015-5400030	DRINKING WATER DATA INTEGRITY-- REGION 2	1/12/95				
E1SGG4-14-0011-5400040	CIRCUITRON RI/FS REVIEW	NY 2/ 7/95				
<u>Director Air & Hazardous Wastes - Region 4</u>						
E1SGG4-14-0008-5400022	FCX SITES RI/FS REVIEW	12/ 6/94				

Assignment Control Number	Title		Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
<u>Regional Administrator - Region 5</u>							
E1SFL4-05-8000-5100216	CFO ACT FY 94 REGION 5		3/17/95				
E1KAB4-05-0212-5400013	AIR STATE IMPLEMENTATION PLANS REGION 5		11/10/94				
E1SFG4-05-0250-5400024	SFAI BASE CLOSURES--REGION 5		12/16/94				
<u>Regional Administrator - Region 7</u>							
E1HWF4-07-0036-5100226	REGION 7'S PUBLIC WATER SYSTEM SUPERVISION PROGRAM		3/24/95				
E1SFF4-07-0066-5100250	BUDGET EXECUTION--REGION 7		3/31/95				
E1SJG4-07-0050-5400032	FOLLOWUP PRP SEARCH PROGRAM		1/17/95				
<u>Regional Administrator - Region 8</u>							
E1XMF4-08-0036-5100141	BETTER PLANNING & ORGANIZATIONAL CHANGES COULD IMPROVE REGION 8'S TRIBAL PROGRAM		1/23/95				
E1SKG4-08-0045-5400034	SUPERFUND FIELD SAMPLING ACTIVITIES		1/27/95				
<u>Regional Administrator - Region 9</u>							
E1SFG4-09-0028-5400018	SFAI SWIFT PILOT		11/28/94				
<u>Regional Administrator - Region 10</u>							
E1SFG4-10-0078-5400035	REVIEW OF SFAI IN REGION 10		1/31/95				
TOTAL INTERNAL AND MANAGEMENT ASSIGNMENTS			26	0	0	0	0
2. CONSTRUCTION GRANT ASSIGNMENTS							
E2CWL2-01-0170-5100233	MWRA	MA	3/29/95	343,947	0	0	0
P2CWL2-01-0353-5100230	BRISTOL	CT	3/27/95	1,841,540	2,155,282	0	0
TOTAL OF REGION 01 : 2				2,185,487	2,155,282	0	0
E2CWL2-02-0130-5100123	PERTH AMBOY	NJ	12/27/94	166,123	309,423	0	0
E2FWP3-02-6000-5400060	PRASA FOLLOW-UP	PR	3/30/95	0	0	0	0
P2CWL1-02-0128-5100190	ROCKLAND COUNTY SD1	NY	2/21/95	1,290,906	2,959,420	0	0
P2CWL3-02-0083-5100191	FLORHAM PARK SEWERAGE	NJ	2/21/95	1,211,660	0	0	0
P2CWL4-02-0060-5100217	MIDDLETOWN	NY	3/21/95	699,268	0	0	0
P2CWL3-02-0128-5100231	HUDSON COUNTY UA	NJ	3/28/95	0	13,064,288	0	0
TOTAL OF REGION 02 6				3,367,957	16,333,131	0	0
E2CWM4-04-0245-5200001	MOULTON	AL	11/ 3/94	22,387	0	0	0
E2CWM5-04-0050-5200005	FLORENCE	AL	1/11/95	15,562	0	0	0
E2CWM5-04-0042-5200006	STARKE	FL	1/20/95	1,029,423	0	0	0
TOTAL OF REGION 04 3				1,067,372	0	0	0
E2CWL3-08-0038-5100124	LONGMONT	CO	12/28/94	16,229	0	0	0
E2CWM2-08-0092-5200003	BOULDER	CO	12/ 9/94	64,848	0	0	0
P2CWL3-08-0039-5100107	ASHLEY VALLEY	UT	12/ 1/94	1,533,914	0	0	0
TOTAL OF REGION 08 3				1,614,991	0	0	0

Assignment Control Number	Title		Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
E2CWM3-09-0072-5200002	FRESNO, CITY OF	CA	11/22/94	15,825	0	0	0
E2CWM3-09-0116-5200007	SANTA BARBARA, COUNTY OF	CA	1/24/95	457,325	0	0	0
E2CWM2-09-0093-5200008	SOUTH TAHOE PUD	CA	2/ 9/95	731,772	0	0	0
E2CWM3-09-0136-5200009	FRESNO, COUNTY OF	CA	3/ 7/95	185,427	0	0	0
E2CWM3-09-0189-5200011	OAKLAND, CITY OF	CA	3/21/95	206,803	38,861	0	0
E2CWM2-09-0244-5200012	LOS ANGELES, CITY OF	CA	3/27/95	25,580,260	0	0	0
E2CWN2-09-0266-5300002	MAUI, COUNTY OF	HI	11/ 9/94	1,094,241	0	0	0
S2CWN1-09-0174-5300011	CRESCENTA VALLEY CWD	CA	3/30/95	46,806	0	0	0
TOTAL OF REGION 09 8				28,318,459	38,861	0	0
E2CWM4-10-0079-5200004	SPOKANE, CITY OF	WA	1/ 3/95	171,131	0	0	0
P2CWN4-10-0015-5300006	JUNEAU, CITY & BOROUGH OF	AK	1/10/95	130,298	0	0	0
TOTAL OF REGION 10 2				301,429	0	0	0
TOTAL CONSTRUCTION GRANT ASSIGNMENTS				24	36,855,695	18,527,274	0
3. OTHER GRANT ASSIGNMENTS							
C3HVK4-01-0182-5500006	PITTSFIELD, CITY OF	MA	10/ 6/94	0	0	0	0
G3HVK4-01-0188-5500014	YORK SEWER DISTRICT	ME	10/31/94	0	0	0	0
G3HVK4-01-0197-5500015	PIONEER VALLEY PLAN COMM	MA	11/ 2/94	0	0	0	0
G3HVK3-01-0184-5500041	EXETER, TOWN OF	NH	11/29/94	0	0	0	0
G3HVK5-01-0031-5500051	MAINE MUNICIPAL BOND BANK	ME	12/ 5/94	0	0	0	0
G3HUK5-01-0027-5500060	HEALTH EFFECTS INSTITUTE	MA	12/27/94	0	0	0	0
G3HVK5-01-0065-5500079	MATTABASSETT DISTRICT	CT	2/ 8/95	0	0	0	0
G3HVK5-01-0075-5500103	BENNINGTON	VT	3/10/95	0	0	0	0
G3HVK5-01-0082-5500104	PIONEER VALLEY PLAN COMM	MA	3/10/95	0	0	0	0
N3HUK4-01-0172-5500016	UNIVERSITY OF VERMONT	VT	11/ 2/94	0	0	0	0
N3HUK4-01-0171-5500017	DARTMOUTH COLLEGE	NH	11/ 2/94	0	0	0	0
N3HMK1-01-0128-5500020	ARLINGTON	MA	11/ 4/94	0	0	0	0
N3HVK4-01-0073-5500021	ARLINGTON, TOWN OF	MA	11/ 4/94	0	0	0	0
N3HVK3-01-0130-5500022	ARLINGTON, TOWN OF	MA	11/ 4/94	0	0	0	0
N3HMK0-01-0259-5500023	ATHOL	MA	11/ 4/94	0	0	0	0
N3HVK1-01-0187-5500024	CAMBRIDGE	MA	11/ 4/94	0	0	0	0
N3HMK1-01-0120-5500025	BURLINGTON	MA	11/ 4/94	0	0	0	0
N3HVK2-01-0119-5500026	ARLINGTON	MA	11/ 4/94	0	0	0	0
N3HVK2-01-0056-5500027	DALTON	NH	11/ 4/94	0	0	0	0
N3HVK5-01-0030-5500040	RUTLAND REGIONAL PLAN COMM	VT	11/28/94	0	0	0	0
N3HVK5-01-0034-5500042	SOUTHEASTERN REG PLAN & DEV	MA	11/29/94	0	0	0	0
N3HVK5-01-0033-5500043	CENTRAL CONNECTICUT REG PLANCT	MA	11/29/94	0	0	0	0
N3HVK5-01-0049-5500061	BERKSHIRE COUNTY REG PLAN	MA	12/27/94	0	0	0	0
N3HVK5-01-0041-5500072	MASHANTUCKET PEQUOT TRIBE	CT	2/ 6/95	0	0	0	0
N3HUK4-01-0170-5500077	BOSTON UNIVERSITY	MA	2/ 8/95	0	0	0	0
N3HVK4-01-0158-5500078	CONNECTICUT, STATE OF	CT	2/ 8/95	0	0	0	0
N3HVK5-01-0070-5500105	BARNSTABLE	MA	3/10/95	0	0	0	0
TOTAL OF REGION 01 27				0	0	0	0
G3HVK5-02-0024-5500012	EFC	NY	10/31/94	0	0	0	0
G3HUK4-02-0204-5500019	NJIT FDN	NJ	11/ 3/94	0	0	0	0
G3HVK5-02-0070-5500038	LOVE CANAL AREA REV. AGCY.	NY	11/22/94	0	0	0	0
G3HVK5-02-0084-5500068	HUDSON REGL HLTH COMM	NJ	1/ 4/95	0	0	0	0
G3HVK5-02-0098-5500074	DELAWARE RVR. BSN. COMM.	NJ	2/ 7/95	0	0	0	0
G3HVK5-02-0112-5500101	ALEXANDRIA	NY	3/ 3/95	0	0	0	0
G3HUK5-02-0117-5500117	RENSSELAERVILLE INST	NY	3/21/95	0	0	0	0
N3HVK5-02-0012-5500001	BROOME COUNTY	NY	10/ 5/94	0	0	0	0
N3HVK5-02-0013-5500002	RENSSELAER COUNTY	NY	10/ 5/94	0	0	0	0
N3HVK4-02-0177-5500011	NEW YORK CITY	NY	10/27/94	0	0	0	0
N3HUK4-02-0171-5500013	RUTGERS ST UNIV	NJ	10/31/94	0	0	0	0
N3HUK5-02-0059-5500018	RPI	NY	11/ 2/94	0	0	0	0
N3HVK5-02-0068-5500029	ESSEX COUNTY	NJ	11/ 7/94	0	0	0	0
N3HVK5-02-0061-5500030	ESSEX COUNTY	NJ	11/ 7/94	0	0	0	0
N3HUK5-02-0065-5500031	ROCKEFELLER UNIVERSITY	NY	11/ 7/94	0	0	0	0
N3HUK5-02-0074-5500036	NEW YORK BOT GARDEN	NY	11/22/94	0	0	0	0
N3HUK5-02-0072-5500037	STEVENS INST OF TECH	NJ	11/22/94	0	0	0	0
N3HVK5-02-0062-5500044	WESTCHESTER COUNTY	NY	11/30/94	0	0	0	0
N3HVK5-02-0030-5500045	ERIE COUNTY	NY	11/30/94	0	0	0	0
N3HVK5-02-0079-5500052	MONROE COUNTY	NY	12/ 5/94	0	0	0	0
N3HVK5-02-0081-5500054	MADISON COUNTY	NY	12/12/94	0	0	0	0
N3HEK4-02-0138-5500058	NATL AUDUBON SOC	NY	12/20/94	0	0	0	0
N3HVK4-02-0178-5500062	ONONDAGA COUNTY	NY	1/ 3/95	0	0	0	0

Assignment Control Number	Title		Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
N3HUK4-02-0068-5500063	SYRACUSE UNIVERSITY	NY	1/ 3/95	0	0	0	0
N3HVK4-02-0063-5500064	NASSAU COUNTY	NY	1/ 3/95	0	0	0	0
N3HVK4-02-0044-5500065	CHAUTAUQUA	NY	1/ 3/95	0	0	0	0
N3HUK4-02-0190-5500066	PUERTO RICO UNIV	PR	1/ 3/95	0	0	0	0
N3HUK4-02-0162-5500067	RPI	NY	1/ 3/95	0	0	0	0
N3HUK5-02-0089-5500069	ALBANY MEDICAL COLLEGE	NY	1/ 9/95	0	0	0	0
N3HVK4-02-0135-5500070	SOUTH TIER CENT PLN & DEV	NY	1/11/95	0	0	0	0
N3HUK5-02-0100-5500080	ROCHESTER INST OF TECH	NY	2/10/95	0	0	0	0
N3HVK5-02-0101-5500081	PUERTO RICO DEPT OF AGR	PR	2/10/95	980	36,592	0	0
N3HVK5-02-0102-5500082	CHAUTAUQUA COUNTY	NY	2/10/95	0	0	0	0
N3HVK5-02-0088-5500083	SARATOGA COUNTY	NY	2/16/95	0	0	0	0
N3HVK5-02-0097-5500084	BURLINGTON COUNTY	NJ	2/16/95	0	0	0	0
N3HUK4-02-0179-5500086	MANHATTAN COLLEGE	NY	2/22/95	0	0	0	0
N3HVK5-02-0106-5500092	NASSAU COUNTY	NY	2/23/95	0	0	0	0
N3HUK5-02-0071-5500093	SYRACUSE UNIVERSITY	NY	2/23/95	0	0	0	0
N3HVK5-02-0011-5500099	ROCKLAND COUNTY	NY	3/ 3/95	0	0	0	0
N3HVK4-02-0188-5500100	ONONDAGA COUNTY	NY	3/ 3/95	0	0	0	0
N3HVK5-02-0116-5500106	CUMBERLAND COUNTY	NJ	3/13/95	0	0	0	0
N3HVK4-02-0205-5500107	SALEM	NJ	3/14/95	0	0	0	0
N3HUK4-02-0196-5500108	BOYCE THOMPSON INST	NY	3/14/95	0	0	0	0
N3HUK5-02-0113-5500109	NEW YORK UNIVERSITY	NY	3/14/95	0	0	0	0
N3HUK4-02-0194-5500110	CUNY RES FDN.	NY	3/16/95	0	0	0	0
N3HUK4-02-0187-5500111	HEALTH RESEARCH INC	NY	3/16/95	0	0	0	0
N3HVK5-02-0083-5500112	MIDDLESEX COUNTY	NJ	3/16/95	0	0	0	0
N3HVK5-02-0108-5500113	CLINTON COUNTY	NY	3/16/95	0	0	0	0
N3HUK5-02-0076-5500114	ROCHESTER UNIVERSITY	NY	3/16/95	0	0	0	0
N3HUK5-02-0077-5500115	ROCHESTER UNIVERSITY	NY	3/16/95	0	0	0	0
N3HUK5-02-0063-5500116	NYU MEDICAL CENTER	NY	3/16/95	0	0	0	0
TOTAL OF REGION 02 51				980	36,592	0	0
C3HVK5-03-0118-5500075	PRINCE WILLIAM COUNTY	VA	2/ 7/95	0	0	0	0
C3HVK5-03-0119-5500076	FAIRFAX COUNTY	VA	2/ 7/95	0	0	0	0
C3HVK5-03-0192-5500120	ANNE ARUNDEL COUNTY	MD	3/30/95	0	0	0	0
C3HVK5-03-0193-5500121	SUSSEX COUNTY	DE	3/30/95	0	0	0	0
C3HVK5-03-0194-5500122	CARROLL COUNTY	MD	3/30/95	0	0	0	0
G3HVK5-03-0155-5500096	VA RESOURCES AUTHORITY	VA	2/27/95	0	0	0	0
N3HVK5-03-0055-5500032	MARYLAND STATE OF	MD	11/14/94	0	0	0	0
N3HVK5-03-0056-5500085	PA COMMONWEALTH OF	PA	2/21/95	0	0	0	0
N3HVK5-03-0154-5500095	VA COMMONWEALTH OF	VA	2/27/95	161,977	0	0	0
N3HVK5-03-0156-5500097	WEST VIRGINIA STATE	WV	2/27/95	0	0	0	0
N3HVK5-03-0157-5500098	DELAWARE STATE	DC	2/27/95	0	0	0	0
TOTAL OF REGION 03 11				161,977	0	0	0
C3HVK4-04-0272-5500033	PENSACOLA	FL	11/14/94	0	0	0	0
C3HVK5-04-0064-5500071	DEKALB COUNTY	GA	1/23/95	0	0	0	0
C3HVK5-04-0045-5500118	ATLANTA	GA	3/21/95	0	0	0	0
G3HVK5-04-0046-5500046	MICRO	NC	12/ 1/94	0	0	0	0
G3HVK4-04-0060-5500053	MICRO	NC	12/ 6/94	0	0	0	0
G3HVK5-04-0057-5500056	METTER	GA	12/16/94	0	0	0	0
G3HVK5-04-0058-5500057	METTER	GA	12/16/94	0	0	0	0
N3HVK4-04-0228-5500034	FLORIDA STATE OF	FL	11/14/94	0	0	0	0
N3HUK4-04-0257-5500035	VANDERBILT UNIVERSITY OF	TN	11/16/94	0	0	0	0
N3HVK5-04-0043-5500039	BROWARD COUNTY	FL	11/25/94	0	0	0	0
N3HVK5-04-0019-5500047	ALABAMA STATE OF	AL	12/ 1/94	0	0	0	0
N3HVK4-04-0226-5500048	SOUTH CAROLINA STATE OF	SC	12/ 1/94	0	0	0	0
TOTAL OF REGION 04 12				0	0	0	0
C3HVK5-05-0017-5500003	FT WAYNE FY 93	IN	10/ 6/94	0	0	0	0
G3HVK5-05-0018-5500004	NORTH SHORE SD FY 94	IL	10/ 6/94	0	0	0	0
G3HVK5-05-0034-5500010	SMITH-GREEN CSC FY 92/93	IN	10/18/94	0	0	0	0
N3HUK4-05-0283-5500005	MICHIGAN U OF FY 93	MI	10/ 6/94	0	0	0	0
TOTAL OF REGION 05 4				0	0	0	0
C3HVK5-06-0010-5500009	ARK. DEPT OF POLLUTION CONTRAR		10/12/94	0	0	0	0
C3HVK5-06-0016-5500028	PSB EL PASO WATER UTILITIES TX		11/ 7/94	0	0	0	0
G3HVK5-06-0012-5500007	RIO HONDO	TX	10/12/94	0	0	0	0
G3HVK5-06-0011-5500008	SUNSET VALLEY	TX	10/12/94	0	0	0	0
N3HVK5-06-0021-5500055	TERREBONNE PARISH CONSOLIDATLA		12/14/94	0	0	0	0
TOTAL OF REGION 06 = 5				0	0	0	0

Assignment Control Number	Title		Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
N3HJV4-07-0074-5500087	MISSOURI	MO	2/22/95	0	0	0	0
N3HJV4-07-0075-5500094	STATE OF IOWA	IA	2/23/95	0	0	0	0
TOTAL OF REGION 07 2				0	0	0	0
N3HVK4-08-0066-5500088	NORTHERN CHEYENNE TRIBE	MT	2/22/95	0	0	0	0
N3HJV4-08-0065-5500089	STATE OF SOUTH DAKOTA	SD	2/22/95	0	0	0	0
N3HJV4-08-0056-5500119	MONTANA	MT	3/24/95	0	0	0	0
TOTAL OF REGION 08 3				0	0	0	0
C3HVK5-09-0053-5500090	LAS VEGAS, CITY OF	NV	2/22/95	0	0	0	0
C3HVK5-09-0054-5500091	HONOLULU, CITY & COUNTY OF	HI	2/22/95	0	0	0	0
N3HVK3-09-0028-5500049	COMMONWEALTH UTILITIES CORP	MP	12/ 1/94	17,179	0	0	0
N3HVK4-09-0189-5500050	COMMONWEALTH UTILITIES CORP	MP	12/ 1/94	130,749	0	0	0
N3HVK5-09-0039-5500073	PYRAMID LAKE PAIUTE TRIBE	NV	2/ 6/95	1,442	0	0	0
TOTAL OF REGION 09 5				149,370	0	0	0
G3HJV5-10-0023-5500059	BLACK DIAMOND, CITY OF	WA	12/23/94	14,419	0	0	0
G3HJV5-10-0036-5500102	SPOKANE COUNTY	WA	3/ 9/95	0	0	0	0
P3LLL3-10-0097-5100120	OREGON DEQ-LUST	OR	12/22/94	12,747	0	0	0
TOTAL OF REGION 10 3				27,166	0	0	0
TOTAL OTHER GRANT ASSIGNMENTS			123	339,493	36,592	0	0

5. SUPERFUND GRANT ASSIGNMENTS

E5FGL4-01-0132-5100220	REG:ON 1 SF AGREEMENTS	MA	3/22/95	0	37,232	0	0
TOTAL OF REGION 01 1				0	37,232	0	0
E5CKL4-02-0134-5100198	COLUMBIA UNIVERSITY	NY	3/ 6/95	47	0	0	0
TOTAL OF REGION 02 = 1				47	0	0	0
E5FGF4-05-0261-5100144	CA'S ILLINOIS	RS	1/31/95	0	0	0	0
TOTAL OF REGION 05 = 1				0	0	0	0
E5BGN4-06-0075-5300012	LA. SF CO-OP AGREEMENTS	LA	3/30/95	0	0	0	0
TOTAL OF REGION 06 = 1				0	0	0	0
E5BGG4-11-0035-5400044	WV SF COOPERATIVE AGREEMENTS		3/23/95	0	0	0	0
M5BFL5-11-0011-5100136	SF IAG-FY93 BUREAU OF REC		1/11/95	0	0	0	0
M5BFL5-11-0012-5100137	SF IAG-FY93 ENRD		1/11/95	0	0	0	0
M5BFL4-11-0037-5100138	SF IAG FY92 USGS		1/11/95	0	0	0	0
M5BFL5-11-0013-5100140	SF IAG FY93 ARMY AUDIT		1/18/95	0	0	0	0
TOTAL OF HDQ HAD REPORTS = 5				0	0	0	0
TOTAL SUPERFUND GRANT ASSIGNMENTS			= 9	47	37,232	0	0

8. OTHER CONTRACT ASSIGNMENTS

D8AML4-01-0193-5100042	TASHMOO TECHNOLOGIES INC.	MA	10/31/94
D8DML4-01-0205-5100044	ABT ASSOCIATES INC.	MA	11/ 2/94
D8DML5-01-0021-5100046	CAMP DRESSER & MCKEE INC.	MA	11/ 2/94
D8CML5-01-0020-5100048	ABB ENVIRONMENTAL SERVICES	ME	11/ 2/94
D8DML5-01-0025-5100052	ARTHUR D. LITTLE INC.	MA	11/ 2/94
D8AML4-01-0165-5100054	ABT ASSOCIATES	MA	11/ 3/94
D8DML3-01-0038-5100055	ABB ENVIRONMENT SERVICES	ME	11/ 3/94
D8AML4-01-0185-5100056	SYRACUSE RESEARCH CORP	NY	11/ 3/94
D8DML3-01-0223-5100057	COMBUSTION ENGINEERING	ME	11/ 3/94
D8DML5-01-0022-5100092	METCALF & EDDY INC	MA	11/29/94
D8AML5-01-0048-5100235	NEW ENGLAND ELECTRIC RESOUR	MA	3/30/95
D8APL5-01-0060-5100243	EASTERN RESEARCH GROUP	MA	3/30/95
D8DML5-01-0023-5100246	ABB POWER LABORATORIES	CT	3/30/95

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

Assignment Control Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
E8EMN3-01-0282-5300008	TRC FY 94 FLOORCHECK	CT	2/24/95			
E8AXP5-01-0602-5400017	TRC ENVIRONMENTAL CORP	MA	11/28/94			
TOTAL OF REGION 01 15						
D8DML5-02-0019-5100045	CORNELL UNIVERSITY	NY	11/ 2/94			
D8DML4-02-0170-5100053	GERAGHTY & MILLER	NY	11/ 2/94			
D8AML4-02-0202-5100105	MARTIN MARIETTA SERVICES	NJ	12/ 1/94			
D8DML3-02-0149-5100134	EBASCO	NY	1/ 9/95			
D8BML5-02-0073-5100215	MARTIN MARIETTA TECH. SERVICE	NJ	3/16/95			
D8CML5-02-0018-5100237	MATHTECH INC.	NJ	3/30/95			
D8DML4-02-0108-5100249	TAMS CONSULTANTS INC	NY	3/30/95			
D8EMP5-02-0069-5400059	ENSERCH ENVIRONMENTAL CORP	NY	3/30/95			
E8AXP5-02-0401-5400019	MALCOLM PIRNIE	NY	11/30/94			
E8AXP5-02-0507-5400023	ECOLOGY & ENVIR	NY	12/ 9/94			
E8AXP5-02-0404-5400026	MALCOLM PIRNIE INC	NY	12/20/94			
TOTAL OF REGION 02 11						
D8AML4-03-0478-5100004	NCI INFORMATION SYSTEMS INC	VA	10/ 6/94			
D8BML5-03-0049-5100029	WESTAT, INC.	MD	10/24/94			
D8BML2-03-0156-5100031	ROW SCIENCES	MD	10/24/94			
D8CML4-03-0468-5100032	GENERAL SCIENCE CORPORATION		10/24/94			
D8EML5-03-0048-5100033	AMERICAN MANAGEMENT SYSTEMS	VA	10/24/94			
D8EML5-03-0068-5100084	QUALITY TECHNOLOGY, INC.	MD	11/28/94			
D8EML5-03-0046-5100086	MANTECH TECHNOLOGY	VA	11/28/94			
D8AML5-03-0028-5100087	INFORMATION MANAGEMENT	VA	11/28/94			
D8EML5-03-0045-5100088	MANTECH ALM JOINT VENTURE	VA	11/28/94			
D8AML4-03-0532-5100089	QUALITY TECHNOLOGY INC.	MD	11/28/94			
D8CML4-03-0400-5100108	WESTAT, INC.	MD	12/ 6/94			
D8AML5-03-0026-5100109	PERFORMANCE ENGINEERING CORP	VA	12/ 9/94			
D8AML4-03-0506-5100110	HUGHES STX CORPORATION	MD	12/ 9/94			
D8AML4-03-0531-5100111	COMPUTER DATA SYSTEMS, INC.	MD	12/ 9/94			
D8AML4-03-0527-5100114	DYNACORP INC.	VA	12/19/94			
D8AML5-03-0025-5100116	I-NET INCORPORATED	MD	12/19/94			
D8AML5-03-0024-5100121	OGDEN GOVERNMENT SERVICES	VA	12/23/94			
D8EML5-03-0083-5100126	COMPUTER SCIENCE CORP	VA	12/29/94			
D8EML5-03-0110-5100157	LABAT SERVICES SEGMENT	VA	2/ 9/95			
D8BML5-03-0112-5100158	EG&G WASHINGTON ANALYTICAL	MD	2/ 9/95			
D8BML5-03-0114-5100159	SCIENCE APPLICATIONS INTER.	VA	2/ 9/95			
D8EML5-03-0111-5100161	TASCON, INC.	MD	2/ 9/95			
D8AAL5-03-0079-5100164	ALTERNATIVE ENERGY DEVELOP	MD	2/10/95			
D8BML4-03-0071-5100165	JACA CORPORATION	PA	2/10/95			
D8CML4-03-0112-5100166	THE BIONETICS CORPORATION	VA	2/10/95			
D8BML2-03-0155-5100167	DIVERSIFIED TECHNOLOGY	VA	2/10/95			
D8CML4-03-0144-5100168	DYNAMAC	MD	2/10/95			
D8AAL5-03-0081-5100169	ENERGY SYSTEMS ASSOCIATES	PA	2/10/95			
D8BML4-03-0288-5100170	HYDROGEOLOGIC, INC.	VA	2/10/95			
D8AML4-03-0533-5100171	INFORMATION DYNAMICS INC.	MD	2/10/95			
D8CML4-03-0422-5100172	JACA CORPORATION	PA	2/10/95			
D8AML5-03-0029-5100173	LABAT ANDERSON, INC.	VA	2/10/95			
D8EML5-03-0059-5100174	LABAT ANDERSON, INC.	VA	2/10/95			
D8AML5-03-0077-5100176	METROPOLITAN ARCHITECTS	VA	2/10/95			
D8AML5-03-0060-5100177	PLEXUS SCIENTIFIC CORP.	MD	2/10/95			
D8AML5-03-0041-5100178	TASCON INC.	MD	2/10/95			
D8CML3-03-0215-5100179	TECHNICAL RESOURCES, INC.	MD	2/10/95			
D8CML4-03-0098-5100180	TECHNICAL RESOURCES	MD	2/10/95			
D8EML5-03-0163-5100196	BOOZ ALLEN HAMILTON	VA	3/ 1/95			
D8APL5-03-0091-5100197	DYNAMAC	MD	3/ 1/95			
D8AML5-03-0027-5100224	PLANNING ANALYSIS CORP	VA	3/24/95			
D8EMP2-03-0313-5400006	COMPUTER SCIENCE CORP	VA	10/ 6/94			
P8BML2-03-0507-5100022	ASCI CORPORATION	VA	10/19/94			
TOTAL OF REGION 03 = 43						
E8ANX5-22-0058-5300004	ICF-DOE PROPOSAL		1/ 5/95			
TOTAL OF REGION 22 = 1						
D8EML4-04-0270-5100006	ADVANCED SYSTEMS TECHNOLOGY	GA	10/ 6/94			
D8BML3-04-0045-5100007	ADVANCED SYSTEMS	GA	10/ 6/94			
D8BML4-04-0031-5100008	ADVANCED SYSTEMS TECHNOLOGY	GA	10/ 7/94			
D8AML4-04-0211-5100017	TECHNOLOGY PLANNING & MGMT.	NC	10/18/94			

Assignment Control Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
D8BML5-04-0022-5100018	RESEARCH & EVALUATION ASSOC NC	10/18/94				
D8BML5-04-0023-5100019	RESEARCH & EVALUATION ASSOC NC	10/18/94				
D8AML4-04-0254-5100038	TWM SERVICE INC NC	10/26/94				
D8AML4-04-0264-5100066	MANTECH TECHNOLOGY NC	11/10/94				
D8EML4-04-0249-5100068	EQUITY ASSOCIATES INC TN	11/10/94				
D8CML4-04-0250-5100070	MANTECH TECHNOLOGY NC	11/10/94				
D8AML5-04-0025-5100074	INTEGRATED LABORATORY SYSTEMNC	11/14/94				
D8BML5-04-0044-5100103	ADVANCED SYSTEMS TECHNOLOGY GA	11/30/94				
D8AML4-04-0273-5100106	TECHNOLOGY PLANNING NC	12/ 1/94				
D8AML5-04-0060-5100143	TRIPLE P SERVICES INC. NC	1/26/95				
D8BML3-04-0318-5100150	EC/R INCORPORATED NC	2/ 2/95				
D8CML4-04-0262-5100207	KILKELLY ENVIRONMENTAL ASSOCNC	3/10/95				
D8BML5-04-0093-5100210	MANTECH ENVIRONMENTAL NC	3/16/95				
D8BML3-04-0196-5100214	MANTECH TECHNOLOGY NC	3/16/95				
D8AML5-04-0072-5100222	DYNAMIC RESOURCES INC. GA	3/22/95				
D8EML5-04-0095-5100223	DYNAMIC RESOURCES GA	3/22/95				
D8BML3-04-0063-5100241	INTEGRATED LABORATORY SYSTEMNC	3/30/95				
D8BML5-04-0021-5100244	INTEGRATED LABS NC	3/30/95				
TOTAL OF REGION 04 = 22						
D8CML3-05-0336-5100021	FEV ENG TECH FY 93 MI	10/18/94				
D8CML3-05-0220-5100051	ESE FY 90/91 IL	11/ 2/94				
D8AML5-05-0020-5100100	AUTO TESTING LAB OH	11/30/94				
D8AML5-05-0042-5100118	ALPHA-OMEGA CHEM OH	12/20/94				
D8CML4-05-0202-5100131	BATTELLE OH	1/ 4/95				
D8CML5-05-0040-5100152	TRIAD ENG 68-W1-0041 WI	2/ 3/95				
D8CML4-05-0307-5100251	COLEJON MECH OH	3/31/95				
D8AAP4-05-0309-5400011	AUTO TESTING LAB FY 94P IL	11/ 4/94				
D8AWP5-05-0081-5400058	GRACE ANALYTICAL LAB IL	3/29/95				
E8ABP4-05-0314-5400010	PRC EMI (EPA-AIRMS) IL	10/31/94				
E8AXP5-05-0089-5400048	PRC EMI (INDIAN HEAD) IL	3/ 9/95				
E8AXP5-05-0067-5400049	EARTH TECH (FT MCCOY) MI	3/21/95				
E8AXP5-05-0077-5400050	PRC EMI (SAVANNAH RIVER) IL	3/21/95				
E8AXP5-05-0078-5400054	PRC EMI (TECH SUPPORT-CHI) IL	3/24/95				
TOTAL OF REGION 05 14						
E8CMP2-23-0178-5400001	PEI ASSOC OH	10/ 3/94				
E8CMP3-23-0208-5400007	PEI ASSOC OH	10/ 7/94				
E8CMP3-23-0006-5400008	PEI ASSOC OH	10/ 7/94				
E8CMP3-23-0014-5400009	PEI ASSOC OH	10/18/94				
TOTAL OF REGION 23 = 4						
D8AML4-06-0171-5100012	LOCKHEED ENVIRONMENTAL TX	10/14/94				
D8EML5-06-0013-5100035	LOCKHEED ENGINEERING TX	10/26/94				
D8EML5-06-0017-5100069	LOCKHEED ENVIRONMENTAL TX	11/10/94				
D8AML4-06-0173-5100101	IBM TX	11/30/94				
D8CML5-06-0018-5100104	RADIAN CORPORATION TX	11/30/94				
D8CML4-06-0116-5100142	RADIAN CORPORATION TX	1/26/95				
D8AML5-06-0023-5100147	SOUTHWEST RESEARCH TX	2/ 2/95				
D8AML5-06-0022-5100148	LOCKHEED ENVIRONMENTAL TX	2/ 2/95				
D8CML4-06-0111-5100149	RADIAN CORPORATION TX	2/ 2/95				
D8EML5-06-0031-5100204	LEE WILSON & ASSOCIATES NM	3/ 8/95				
TOTAL OF REGION 06 = 10						
D8DML4-07-0046-5100003	MRI MO	10/ 5/94				
D8AML5-07-0018-5100187	MIDWEST RESEARCH MO	2/17/95				
D8AAL5-07-0022-5100202	MIDWEST RESEARCH MO	3/ 7/95				
TOTAL OF REGION 07 3						
D8CML5-08-0020-5100119	KAMAN SCIENCES CORPORATION CO	12/22/94				
D8AAL5-08-0023-5100153	RESOURCE ENTERPRISES, INC. UT	2/ 3/95				
D8AAL5-08-0023-5100154	RESOURCE ENTERPRISES, INC. UT	2/ 3/95				
D8AAL5-08-0022-5100199	RAVEN RIDGE RESOURCES CO	3/ 7/95				
TOTAL OF REGION 08 = 4						
D8CML4-09-0231-5100002	RI ROCKETDYNE DIV FC CA	10/ 3/94				
D8AML4-09-0237-5100016	SAIC PA CA	10/17/94				
D8BML2-09-0347-5100020	ECOS CI 1992 CA	10/18/94				

Assignment Control Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
D8BML5-09-0027-5100034	IT CORP CI 1990-1991	CA	10/25/94			
D8AML5-09-0029-5100059	IT CORP PA	CA	11/ 4/94			
D8AML5-09-0022-5100060	ENVIR SYS RESEARCH PA	CA	11/ 8/94			
D8AML4-09-0239-5100064	GEO INSIGHT INTL PA	CA	11/ 9/94			
D8CPL3-09-0089-5100076	SAIC FC	CA	11/16/94			
D8CWL4-09-0095-5100077	SAIC FC	CA	11/16/94			
D8AML4-09-0238-5100083	STERLING SOFTWARE PA	CA	11/18/94			
D8BML5-09-0040-5100132	JACOBS CI FY 1990	CA	1/ 4/95			
D8BML3-09-0241-5100133	J & S CI 1992	CA	1/ 4/95			
D8BML5-09-0046-5100182	GEO/R CI 1987	CA	2/14/95			
D8BML5-09-0051-5100183	GEO/R CI 1989	CA	2/14/95			
D8CML4-09-0236-5100208	EERC FC	CA	3/14/95			
D8AMN5-09-0024-5300001	SAIC PA	CA	10/28/94			
D8FMN5-09-0028-5300007	EERC FL	CA	1/18/95			
D8FMP4-09-0241-5400033	SAIC MS	CA	1/23/95			
TOTAL OF REGION 09		18				
D8BML4-10-0038-5100010	PTI CI FY 90 & 91	WA	10/ 7/94			
D8AML5-10-0027-5100203	COLUMBIA ENV SCI PA	WA	3/ 7/95			
D8EMP5-10-0028-5400041	CH2M IC	OR	2/ 9/95			
TOTAL OF REGION 10 =		3				
TOTAL OTHER CONTRACT ASSIGNMENTS		148	638,592	502,906	0	16,410,387
9. SUPERFUND CONTRACT ASSIGNMENTS						
D9CKL4-01-0189-5100043	MITRE CORPORATION	MA	11/ 2/94			
D9BFL4-01-0175-5100078	LOCKHEED	TX	11/17/94			
D9AKL5-01-0061-5100239	STONE & WEBSTER ENV TECH	MA	3/30/95			
D9AGL5-01-0058-5100245	ARTHUR D. LITTLE	MA	3/30/95			
D9AFL5-01-0063-5100248	LEGGETTE, BRASHEARS & GRAHAMCT		3/30/95			
P9DGL2-01-0237-5100135	TRC ENVIRONMENTAL CONSULT.	CT	1/ 9/95			
TOTAL OF REGION 01		6				
D9BFL5-02-0038-5100047	EBASCO SERVICES	NY	11/ 2/94			
D9EGL5-02-0037-5100050	EBASCO SERVICES	NY	11/ 2/94			
D9AGL5-02-0092-5100236	LOUIS BERGER & ASSOCIATES	NJ	3/30/95			
D9AFL5-02-0093-5100238	EDER ASSOCIATES	NY	3/30/95			
D9AGL5-02-0091-5100242	URS CONSULTANT CORP.	NJ	3/30/95			
E9AGP4-02-0180-5400012	ECOLOGY & ENVIR	NY	11/ 4/94			
E9AGP5-02-0504-5400016	ECOLOGY & ENVIR	NY	11/22/94			
E9AFP5-02-0511-5400039	ECOLOGY & ENVIR	NY	2/ 6/95			
E9AFP5-02-0512-5400043	ECOLOGY & ENVIR	NY	2/22/95			
E9AFP5-02-0518-5400056	ECOLOGY & ENVIR	NY	3/27/95			
E9AFP5-02-0517-5400061	ECOLOGY & ENVIR	NY	3/30/95			
P9BGL1-02-0155-5100122	ECOLOGY & ENVIR	NY	12/23/94			
P9DGL1-02-0154-5100125	ECOLOGY & ENVIRONMENT	NY	12/28/94			
TOTAL OF REGION 02		13				
D9BFL5-03-0031-5100005	VIAR	VA	10/ 6/94			
D9BFL2-03-0403-5100030	ROY F. WESTON	PA	10/24/94			
D9AFL5-03-0030-5100085	SANFORD COHEN & ASSOCIATES	VA	11/28/94			
D9BFL4-03-0225-5100090	BOOZ ALLEN HAMILTON	VA	11/28/94			
D9EFL5-03-0069-5100102	ROY F. WESTON	PA	11/30/94			
D9EFL5-03-0084-5100127	ROY F. WESTON	PA	12/29/94			
D9AFL5-03-0042-5100128	DYNAMAC	MD	12/29/94			
D9BFL3-03-0168-5100129	DYNAMAC	MD	12/29/94			
D9BFL2-03-0583-5100139	UNISYS GOVERNMENT SYSTEMS	VA	1/13/95			
D9CFL5-03-0113-5100160	THE WASHINGTON CONSULTING	DC	2/ 9/95			
D9EFL5-03-0108-5100162	NUS	MD	2/ 9/95			
D9EFL5-03-0109-5100163	NUS	MD	2/ 9/95			
D9EFL5-03-0072-5100175	MARASCO NEWTON GROUP LTD.	VA	2/10/95			
D9BFL3-03-0316-5100184	VIAR	VA	2/17/95			
D9AGL5-03-0085-5100185	C.C. JOHNSON & MALHOTRA	CO	2/17/95			
D9AGL5-03-0082-5100186	CDM FEDERAL PROGRAMS	VA	2/17/95			
D9AFL5-03-0093-5100205	S. COHEN & ASSOCIATES	VA	3/10/95			
D9AFL5-03-0095-5100206	GROUNDWATER TECHNOLOGY GOVT.PA		3/10/95			

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				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
D9AGL5-03-0086-5100219	TECHLAW, INC.	VA	3/22/95				
D9AFL5-03-0094-5100221	AEPCO, INC.		3/22/95				
D9AFL5-03-0044-5100225	SCIENTEX CORP.	VA	3/24/95				
TOTAL OF REGION 03		21					
E9EFN4-22-0179-5300005	ICF-FY 1994 LABOR FLOORCHECK		1/10/95				
E9BFP3-22-0314-5400045	ICF ESTIMATING SYS.VULNERA.		2/27/95				
TOTAL OF REGION 22		2					
D9BKL3-04-0348-5100009	EQUITY ASSOCIATES	TN	10/ 7/94				
D9BKL5-04-0028-5100036	EQUITY ASSOCIATES, INC.	TN	10/26/94				
D9BKL3-04-0349-5100037	EQUITY ASSOCIATES	TN	10/26/94				
D9BKL5-04-0035-5100067	PC ENGINEERING	TN	11/10/94				
D9AKL5-04-0052-5100098	PRECISION ENVIRONMENTAL	GA	11/29/94				
D9AKL5-04-0051-5100099	PRECISION ENVIRONMENTAL	GA	11/29/94				
D9BKL3-04-0022-5100146	EC/R	NC	2/ 2/95				
D9BKL5-04-0077-5100193	MANTECH TECHNOLOGY	NC	2/24/95				
D9BKL5-04-0078-5100194	MANTECH TECHNOLOGY	NC	2/24/95				
D9AGL5-04-0066-5100211	ENTECH, INC.	GA	3/16/95				
D9EGL5-04-0092-5100212	ENTECH, INC.	GA	3/16/95				
D9BKL4-04-0116-5100213	MANTECH RESEARCH	NC	3/16/95				
D9EGL5-04-0094-5100218	COMMUNITY RELATIONS PLUS	GA	3/21/95				
TOTAL OF REGION 04 =		13					
D9AGL4-05-0295-5100049	OHM REM 68-W9-0053	OH	11/ 2/94				
D9AKL4-05-0316-5100072	LIFE SYSTEMS INC	OH	11/14/94				
D9AJL5-05-0019-5100073	AT KEARNEY	IL	11/14/94				
D9EHL5-05-0052-5100151	SUPERIOR HAZ WASTE	WI	2/ 3/95				
D9AKP5-05-0070-5400062	BATTELLE	OH	3/31/95				
E9DKL4-05-0064-5100079	PRC EMI FY 92	IL	11/17/94				
E9EKN4-05-0272-5300003	PRC EMI CAS 409	IL	11/17/94				
E9AKP5-05-0051-5400038	PRC EMI (PCHEM TECH)	IL	2/ 3/95				
E9AKP5-05-0090-5400053	PRC EMI (R10)	IL	3/24/95				
TOTAL OF REGION 05		9					
E9EFP4-23-0018-5400005	OHM REM EQUIP USE	OH	10/ 5/94				
E9BHP4-23-0002-5400015	OHM REM FY 87	OH	11/18/94				
E9BHP4-23-0003-5400020	OHM REM FY 88	OH	12/ 6/94				
E9BHP4-23-0004-5400025	OHM REM FY 89	OH	12/14/94				
E9BHP4-23-0005-5400027	OHM REM FY 90	OH	12/22/94				
E9BHP4-23-0006-5400031	OHM REM FY 91	OH	1/13/95				
E9AHP5-23-0005-5400047	EQMI	OH	3/ 9/95				
TOTAL OF REGION 23 =		7					
D9AKL3-06-0187-5100097	VERTEC INC.	AK	11/29/94				
D9AKL5-06-0019-5100130	HALFF ASSOCIATES	TX	1/ 4/95				
TOTAL OF REGION 06		2					
D9BJL4-07-0061-5100011	DPRA	KS	10/11/94				
D9AGL4-07-0081-5100013	B & V WASTE SCIENCE & TECH	MO	10/17/94				
D9AGL4-07-0082-5100014	SVERDRUP ENVIRONMENTAL INC.	MO	10/17/94				
D9AGL4-07-0081-5100023	B & V WASTE SCIENCE & TECH	MO	10/20/94				
D9AGL4-07-0081-5100024	B & V WASTE SCIENCE & TECH	MO	10/20/94				
D9AGL4-07-0081-5100025	B & V WASTE SCIENCE & TECH	MO	10/20/94				
D9AGL4-07-0082-5100026	SVERDRUP ENVIRONMENTAL INC.	MO	10/20/94				
D9AGL4-07-0082-5100027	SVERDRUP ENVIRONMENTAL INC.	MO	10/20/94				
D9AGL4-07-0082-5100028	SVERDRUP ENVIRONMENTAL INC.	MO	10/20/94				
D9AGL4-07-0082-5100039	SVERDRUP ENVIRONMENTAL INC.	MO	10/26/94				
D9AGL4-07-0082-5100040	SVERDRUP ENVIRONMENTAL INC.	MO	10/26/94				
D9AGL4-07-0082-5100041	SVERDRUP ENVIRONMENTAL INC.	MO	10/26/94				
D9AGL4-07-0082-5100071	SVERDRUP ENVIRONMENTAL INC.	MO	11/14/94				
D9AGL5-07-0019-5100188	SVERDRUP ENVIRONMENTAL	MO	2/17/95				
D9AKL5-07-0025-5100227	BRAL ENVIRONMENTAL SERVICES	MO	3/24/95				
TOTAL OF REGION 07		15					

Assignment Control Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
D9AKL5-08-0015-5100080	HARRIS GROUP, INC.	11/17/94				
D9AKL5-08-0016-5100081	WATKINS JOHNSON ENVIRONMENT CO	11/17/94				
D9AKL5-08-0017-5100082	AGUIRRE ENGINEERS	11/17/94				
D9AKL5-08-0014-5100093	JAMES GRANT & ASSOC., INC. CO	11/29/94				
D9AKL5-08-0014-5100094	JAMES GRANT & ASSOC., INC. CO	11/29/94				
D9AKL4-08-0073-5100095	TOEROEK ASSOCIATES, INC. CO	11/29/94				
D9AKL5-08-0015-5100096	HARRIS GROUP, INC.	11/29/94				
D9AGL5-08-0027-5100181	PACIFIC WESTERN TECHNOLOGIESCO	2/13/95				
D9AGL5-08-0025-5100201	AQUIRRE ENGINEERING INC. CO	3/ 7/95				
D9AGL5-08-0029-5100252	MSE, INC MT	3/31/95				
TOTAL OF REGION 08 10						
D9BGL2-09-0142-5100001	JACOBS CI FY '91	CA 10/ 3/94				
D9BGL3-09-0111-5100015	BECHTEL CI 1991	CA 10/17/94				
D9AJL5-09-0033-5100112	SCS ENGINEERS PA	CA 12/ 9/94				
D9BGL5-09-0034-5100113	CET CI 1991	CA 12/ 9/94				
D9CGL5-09-0032-5100117	GEO/R FC	CA 12/20/94				
D9AGL5-09-0036-5100145	SAIC PA	CA 1/31/95				
D9BGL2-09-0154-5100189	S-CUBED CI 1990 AND 1991	CA 2/17/95				
D9AGL5-09-0041-5100195	RESEARCH MGMT PA	CA 2/28/95				
D9BGL5-09-0048-5100228	SAIC CO. 6 MS	CA 3/24/95				
D9FGP5-09-0019-5400003	CET MS	CA 10/ 4/94				
D9FGP5-09-0020-5400004	CET FL	CA 10/ 4/94				
TOTAL OF REGION 09 11						
D9AGL5-10-0008-5100058	ESA CONSULTANTS PA	MT 11/ 4/94				
D9AGL5-10-0012-5100061	EVS CONSULTANTS PA	WA 11/ 9/94				
D9AJL5-10-0010-5100062	ENVIROS PA	WA 11/ 9/94				
D9AJL5-10-0009-5100063	ENV. ISSUES MGMT. PA	WA 11/ 9/94				
D9AJL5-10-0007-5100075	OLYMPUS ENVIRONMTL. PA	WA 11/16/94				
D9AKL5-10-0030-5100234	CHUGACH DEVELOPMENT PA	AK 3/29/95				
D9FGN5-10-0037-5300009	CH2M IC	OR 3/15/95				
D9AKN5-10-0032-5300010	HERRERA ENVIRO CONSULT-PA	WA 3/29/95				
E9BGL3-10-0110-5100232	CH2M CI 1985-86	OR 3/28/95				
TOTAL OF REGION 10 = 9						
TOTAL SUPERFUND CONTRACT ASSIGNMENTS			= 118	1,434,688	4,182,512	3,667 19,794,175
TOTAL REPORTS 448				39,268,515	23,286,516	3,667 36,204,562

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 3/31/95:

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

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
<u>Assistant Administrator for Administration & Resources Management</u>			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
E3CML3-03-0201-4100523	TEMPLE UNIVERSITY	PA 9/15/94	D8AML4-01-0129-4100429	ARTHUR D. LITTLE	MA 6/27/94
Summary: EPA ERRONEOUSLY AWARDED A COOPERATIVE AGREEMENT TO TEMPLE UNIVERSITY AND MISMANAGED THE AGREEMENT BY NOT CONTROLLING EXPENDITURES AND ALLOWING UNAUTHORIZED TRAVEL.			*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)		
EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG REQUESTED A COMPTROLLER GENERAL OPINION REGARDING THE USE OF NON-FEDERAL TRAVEL UNDER COOPERATIVE AGREEMENTS. EPA MANAGEMENT, THE OIG AND THE OFFICE OF GENERAL COUNSEL ARE WORKING TOGETHER TO DEVELOP A REQUEST FOR GAO TO PROVIDE ITS OPINION ON THIS AND OTHER OUTSTANDING ISSUES. EPA WILL DELAY FINAL ACTION ON THIS AUDIT UNTIL RECEIPT OF THE COMPTROLLER GENERAL OPINION.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: A.D. LITTLE IS A SUBCONTRACTOR TO VERSAR. VERSAR SUBMITTED A BID WHICH WAS UNSUCCESSFUL. AN AWARD WAS MADE ON THIS RFP ON 9/30/94 TO RADIAN CORP, CONTRACT 68D40092. THE CONTRACT SPECIALIST DID NOT PROVIDE A COPY OF THE RECORD OF PROCUREMENT ACTION (ROPA) AND TRANSMITTAL LETTER TO COST ADVISORY. THE CONTRACT FILE HAS BEEN TRANSFERRED TO HEADQUARTERS.		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
IG FOLLOWUP STATUS AS OF 3/31/95 [1]			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
E1FMF4-19-0618-4100407	UNIVERSITY OF KANSAS	KS 6/17/94	D8AML4-02-0139-4100430	ENSERCH ENVIRONMENTAL CORP.	NJ 6/27/94
*Summary: EPA CIRCUMVENTED ASSISTANCE REGULATIONS AND MISUSED FEDERAL FUNDS BY AWARDED A COOPERATIVE AGREEMENT TO THE UNIVERSITY OF KANSAS WHICH INCLUDED INELIGIBLE AND UNNECESSARY COSTS SUCH AS TRAVEL, ALCOHOL, AND ENTERTAINMENT.			*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)		
EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG REQUESTED A COMPTROLLER GENERAL OPINION REGARDING THE USE OF NON-FEDERAL TRAVEL UNDER COOPERATIVE AGREEMENTS. EPA MANAGEMENT, THE OIG AND THE OFFICE OF GENERAL COUNSEL ARE WORKING TOGETHER TO DEVELOP A REQUEST FOR GAO TO PROVIDE ITS OPINION ON THIS AND OTHER OUTSTANDING ISSUES. EPA WILL DELAY FINAL ACTION ON THIS AUDIT UNTIL RECEIPT OF THE COMPTROLLER GENERAL OPINION.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NO AWARD HAS BEEN MADE.		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACT SPECIALIST PROJECTS TO MAKE AN AWARD ON THIS RFP BY 5/31/95.		
IG FOLLOWUP STATUS AS OF 3/31/95 [1]			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
<u>Contracts Management Division - RTP</u>			D8CPL2-03-0432-2100620 MIRANDA ASSOCIATES INC		DC 9/16/92
D8AML4-01-0085-4100247	EASTERN RESEARCH GROUP	MA 4/13/94	Summary: DCAA QUESTIONED \$278,979 DUE TO (1) THE LIMITATIONS OF FUNDS CLAUSE, (2) OVERSTATED OVERHEAD COSTS, AND (3) A COMPUTATIONAL ERROR.		
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACTING OFFICER'S DECISION HAS BEEN COMPLETED. QUESTIONED COST HAS BEEN SUSTAINED.		
EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NO AWARD HAS BEEN MADE.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: FINAL REVIEW BY THE OFFICE OF GENERAL COUNSEL EXPECTED BY 4/15/95.		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACT SPECIALIST PROJECTS TO AWARD A CONTRACT ON THIS RFP BY 4/15/95.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
			D8CPL2-03-0441-4100108	KENDRICK & COMPANY	DC 12/6/93
			Summary: COSTS OF \$202,352 WERE QUESTIONED DUE TO LIMITATIONS OF FUNDS CLAUSE AND OVERSTATED INCURRED COSTS.		
			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA CONTRACTING OFFICER IS TRYING TO LOCATE THE BUSINESS TO INITIATE THE CLOSE OUT PROCESS. KENDRICK & COMPANY HAS EITHER MOVED, GONE OUT OF BUSINESS, OR HAS BEEN PURCHASED.		

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
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DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:
RESOLUTION CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0213-4100274 VERSAR VA 5/10/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN
MADE: NO AWARD HAS BEEN MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST PROJECTS TO AWARD A CONTRACT ON THIS RFP BY
4/15/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0215-4100275 ENERGETICS INC. MD 5/10/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN
MADE: NO AWARD HAS BEEN MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST PROJECTS TO AWARD A CONTRACT ON THIS RFP BY
4/15/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0211-4100290 AVANTI CORPORATION VA 5/16/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN
MADE: NO AWARD HAS BEEN MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST PROJECTS TO AWARD A CONTRACT ON THIS RFP BY
4/15/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0280-4100355 COASTAL ENVIRONMENTAL MD 6/1/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN
MADE: NO AWARD HAS BEEN MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST PROJECTS TO MAKE AN AWARD ON THIS RFP BY
5/31/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0278-4100360 GANNETT FLEMING PA 6/7/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN
MADE: NO AWARD HAS BEEN MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST PROJECTS TO MAKE AN AWARD ON THIS RFP BY
5/31/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D9AFL4-03-0273-4100364 DYNACORP VIAR VA 6/7/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN
MADE: THE CONTRACTING OFFICER NEGOTIATED A MODIFICATION TO
CONTRACT NO. 68D90135 ON MAY 31, 1994. NO TRANSMITTAL LETTER
EXPLAINING ACTION TAKEN ON THE AUDIT REPORT WAS PREPARED AT
THAT TIME.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
APPROPRIATE TRANSMITTAL LETTER WAS GIVEN TO COST ADVISORY AND

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FINANCIAL ANALYSIS DIVISION AND MAILED TO DCAA AND THE OIG ON APRIL
13, 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0296-4100405 WASTE POLICY INSTITUTE VA 6/14/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
THE CONTRACT SPECIALIST EXPECTS NO AWARD TO BE MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST EXPECTS THIS RFP TO BE CANCELLED BY 5/31/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0282-4100434 RMC ENVIRONMENTAL SERVICE PA 6/28/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
NO AWARD HAS BEEN MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST PROJECTS TO MAKE AN AWARD ON THIS RFP BY
5/31/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0281-4100438 GREELEY-POLHEMUS GROUP PA 6/30/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
NO AWARD HAS BEEN MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST PROJECTS TO MAKE AN AWARD ON THIS RFP BY
5/31/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8ABL4-03-0301-4100446 UNIVERSAL SYSTEMS VA 7/14/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
THE CONTRACT SPECIALIST EXPECTS NO AWARD TO BE MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST EXPECTS THIS RFP TO BE CANCELLED BY 5/31/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0371-4100485 INFORMATION VENTURES, INC. PA 8/12/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
COMPETITIVE RANGE HAS BEEN ESTABLISHED.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST EXPECTS AWARD BY 6/30/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-03-0279-4100487 CDM FEDERAL PROGRAMS VA 8/12/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
NO AWARD HAS BEEN MADE.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONTRACT SPECIALIST PROJECTS TO MAKE AN AWARD ON THIS RFP BY
5/31/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8EML4-03-0498-4100557 QUANTECH, INC. VA 9/23/94
*Summary: SOME OF THE CONTRACTOR'S ESTIMATING PRACTICES REQUIRE

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CORRECTIVE ACTION TO IMPROVE THE RELIABILITY OF THEIR FUTURE COST ESTIMATES.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE MANAGEMENT DECISION WAS MADE ON THIS AUDIT ON FEBRUARY 3, 1995. CONTRACT NO. 68D50008 WAS AWARDED TO BATTELLE. QUANTECH, INC. IS A SUBCONTRACTOR ON THIS CONTRACT. THIS IS AN OPPTS CONTRACT WHICH WAS AWARDED AT RTP THEN TRANSFERRED TO EPA HEADQUARTERS IN WASHINGTON, DC.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED SHORTLY.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8BML3-04-0272-3100202 INTEGRATED LABORATORY SYS NC 6/2/93
*Summary:

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTOR HAS AGREED WITH COST QUESTIONED.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

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

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

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: FINAL ACTION EXPECTED BY JUNE 1, 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [2]

D8AML4-04-0219-4100478 TWM SERVICES INC. NC 8/11/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTOR WAS NOT FINANCIALLY CAPABLE OF PERFORMING JANITORIAL SERVICES WORK AT THE HUMAN STUDIES BUILDING IN CHAPEL HILL, NC. AWARD WAS MADE TO ANOTHER CONTRACTOR, TRIPLE P SERVICES, INC. ON FEBRUARY 10, 1995. THE CONTRACT SPECIALIST FAILED TO SEND DCAA, OIG, OR COST ADVISORY STAFF A COPY OF THE TRANSMITTAL LETTER STATING RESULTS OF AUDIT.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED SHORTLY.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-05-0265-4100467 GREAT LAKES ENVIRO CENTER MI 7/27/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: COMPETITIVE RANGE HAS BEEN ESTABLISHED.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE CONTRACT SPECIALIST EXPECTS AWARD BY 6/30/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D9AKL4-08-0048-4100279 RESOURCE TECHNOLOGY CORP WY 5/10/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RESOURCE TECHNOLOGY CORP. WAS A SUBCONTRACTOR ON THE SAIC (PRIME CONTRACTOR) PROPOSAL SUBMISSION. SAIC PROPOSAL SUBMISSION WAS UNSUCCESSFUL. SAIC, DCAA, OIG AND COST ADVISORY STAFF WERE NOTIFIED THAT SAIC WAS UNSUCCESSFUL. HOWEVER THE DCAA OFFICE, OIG AND COST ADVISORY STAFF WERE NOT SENT A TRANSMITTAL LETTER

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REGARDING THE UNSUCCESSFUL RESOURCE TECHNOLOGY CORPORATION SUBCONTRACT BID.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED SHORTLY.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8BBL4-09-0053-4100510 EARTH METRICS, INC CA 8/26/94
Summary: QUESTIONED DIRECT COSTS OF \$259,919 REPRESENT SUBCONTRACTS AWARDED TO COMPANIES NOT SPECIFIED IN THE CONTRACT AND FOR AMOUNTS IN EXCESS OF CONTRACT LIMITS. SOME INTERNAL CONTROL WEAKNESSES ARE ALSO IDENTIFIED IN THE REPORT.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACTING OFFICER DECISION IS PENDING ADDRESSING QUESTIONED COSTS. THE CONTRACTING OFFICER'S DECISION IS EXPECTED BY MAY 31, 1995.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: CONTRACT CLOSEOUT IS EXPECTED BY JULY 31, 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8CAN3-09-0259-4300037 IT FC CA 6/13/94
Summary: THE QUESTIONED AMOUNT REPRESENTS COSTS BILLED AFTER THE SPECIFIED CONTRACT DATE, PLUS ADJUSTMENTS FOR INDIRECT RATE DIFFERENCES BETWEEN THE BILLED AND THE LOWER OF THE NEGOTIATED OR CEILING RATE.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: IT, INC. PURCHASED HYDRA-SCIENCE, INC. THE ENTIRE PERFORMANCE PERIOD OF THE CONTRACT WAS WITH HYDRA-SCIENCE, INC. IT, INC. HAS LIMITED INFORMATION RELATIVE TO THE QUESTIONED COSTS.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY SEPTEMBER 15, 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AMN4-09-0230-4300048 SAIC PA CA 9/19/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN AWARD HAS BEEN MADE ON THIS RFP TO ANOTHER OFFEROR -- SYRACUSE RESEARCH -- ON 1/30/95. CONTRACT SPECIALIST ERRONEOUSLY DID NOT PROVIDE DCAA, OIG OR COST ADVISORY STAFF A COPY OF TRANSMITTAL LETTER. THE CONTRACT IS AN OPPTS AWARD AND HAS BEEN TRANSFERRED TO EPA HEADQUARTERS IN WASHINGTON, DC.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED SHORTLY.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

E1P8CMP2-23-0180-3400071 PEI ASSOC OH 8/25/93
Summary: UNSUPPORTED LABOR AND TRAVEL COSTS OF \$332,746 WERE QUESTIONED DUE TO INADEQUATE DOCUMENTATION. WE ALSO QUESTIONED AS INELIGIBLE \$513 BECAUSE OF LACK OF SUPPORT FOR INTER-COMPANY TRANSACTIONS.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN EPA LETTER DATED 3/1/94 ADVISED THE CONTRACTOR OF COSTS QUESTIONED AND REQUESTED A REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR RESPONDED ON 3/29/94 THAT THE SUPPORTING DOCUMENTATION WAS AVAILABLE. ON 4/12/94, EPA SENT A LETTER TO THE OIG ASKING THAT IT REVIEW THE NEW DATA AND PROVIDE A REVISED AUDIT REPORT. EPA IS CURRENTLY AWAITING OIG RESPONSE.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [3]

P8CMP2-23-0176-3400072 PEI ASSOC OH 8/26/93
Summary: QUESTIONED \$839,416 OF UNSUPPORTED LABOR AND TRAVEL COSTS THAT COULD NOT BE SUPPORTED BY ADEQUATE DOCUMENTATION.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN EPA LETTER DATED 3/1/94 ADVISED THE CONTRACTOR OF COSTS QUESTIONED AND REQUESTED A REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR RESPONDED ON 3/29/94 THAT THE SUPPORTING DOCUMENTATION WAS AVAILABLE. ON 4/12/94, EPA SENT A LETTER TO THE OIG ASKING ASSIGNMENT CONTROL			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE DID NOT RECEIVE A COPY OF THE AUDIT REPORT TIMELY. THE OFFICE IS CURRENTLY REVIEWING AUDIT REPORT.	
	THAT IT REVIEW THE NEW DATA AND PROVIDE A REVISED AUDIT REPORT. EPA IS CURRENTLY AWAITING OIG RESPONSE.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ANTICIPATES RESOLUTION BY 6/30/95.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
IG FOLLOWUP STATUS AS OF 3/31/95 [3]			E6EML4-07-0023-4100581 FAIRBURY NE 9/30/94		
P8CMP2-23-0181-3400074 PEI ASSOC OH 8/27/93				Summary: THE GRANT/LOAN WAS AWARDED FOR ASBESTOS ABATEMENT IN TWO FAIRBURY SCHOOLS. WE DETERMINED THAT THE GRANTEE CLAIMED AN UNREASONABLE AMOUNT FOR ADMINISTRATIVE COSTS. THE GRANTEE CLAIMED INELIGIBLE ENGINEERING AND CONSTRUCTION COSTS.	
*Summary: QUESTIONED UNSUPPORTED LABOR AND TRAVEL OF \$40,498 DUE TO MISSING DOCUMENTATION. WE ALSO QUESTIONED AS INELIGIBLE \$254 DUE TO LACK OF SUPPORT FOR INTERCOMPANY TRANSACTIONS.				EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES SEVERAL COMPLEX ISSUES AS A RESULT OF CRIMINAL PROCEEDINGS TAKEN AGAINST A CONTRACTOR UNDER THE PROJECT. THE PROGRAM IS CURRENTLY REVIEWING THE AUDIT FINDINGS.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN EPA LETTER DATED 3/1/94 ADVISED THE CONTRACTOR OF COSTS QUESTIONED AND REQUESTED A REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR RESPONDED ON 3/29/94 THAT THE SUPPORTING DOCUMENTATION WAS AVAILABLE. ON 4/12/94, EPA SENT A LETTER TO THE OIG ASKING THAT IT REVIEW THE NEW DATA AND PROVIDE A REVISED AUDIT REPORT. EPA IS CURRENTLY AWAITING OIG RESPONSE.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ANTICIPATES RESOLUTION BY 07/31/95.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
IG FOLLOWUP STATUS AS OF 3/31/95 [3]			E6EML4-07-0022-4100582 OGALALLA NE 9/30/94		
P8CMP2-23-0177-3400077 PEI ASSOC OH 9/1/93				*Summary:	
Summary: INADEQUATE ACCOUNTING SYSTEM RESULTED IN COST QUESTIONED INELIGIBLE OF \$20,359. MISSING DOCUMENTATION RESULTED IN \$1,863,579 OF QUESTIONED UNSUPPORTED COSTS. WE ALSO QUESTIONED \$1,992 AS INELIGIBLE DUE TO LACK OF SUPPORT FOR INTERCOMPANY TRANSACTIONS.				EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES SEVERAL COMPLEX ISSUES AS A RESULT OF CRIMINAL PROCEEDINGS TAKEN AGAINST A CONTRACTOR UNDER THE PROJECT. THE PROGRAM IS CURRENTLY REVIEWING THE AUDIT FINDINGS.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN EPA LETTER DATED 3/1/94 ADVISED THE CONTRACTOR OF COSTS QUESTIONED AND REQUESTED A REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR RESPONDED ON 3/29/94 THAT THE SUPPORTING DOCUMENTATION WAS AVAILABLE. ON 4/12/94, EPA SENT A LETTER TO THE OIG ASKING THAT IT REVIEW THE NEW DATA AND PROVIDE A REVISED AUDIT REPORT. EPA IS CURRENTLY AWAITING OIG RESPONSE.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ANTICIPATES RESOLUTION BY 07/31/95.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
IG FOLLOWUP STATUS AS OF 3/31/95 [3]			E3CBL3-08-0088-4100497 MONTANA STATE UNIVERSITY MT 8/23/94		
P8CMP2-23-0179-3400082 PEI ASSOC OH 9/3/93				Summary: THE COOPERATIVE AGREEMENTS WERE USED TO FUND AN EPA EMPLOYEE'S ADVANCED EDUCATION CONTRARY TO THE PURPOSE OF THE COOPERATIVE AGREEMENTS AND INTERGOVERNMENTAL PERSONNEL ACT AGREEMENT.	
Summary: INADEQUATE ACCOUNTING SYSTEM RESULTED IN COST QUESTIONED INELIGIBLE OF \$35,443. MISSING DOCUMENTATION RESULTED IN UNSUPPORTED COSTS OF \$512,794.				EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG INVESTIGATION IS ON-GOING.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN EPA LETTER DATED 3/1/94 ADVISED THE CONTRACTOR OF COSTS QUESTIONED AND REQUESTED A REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR RESPONDED ON 3/29/94 THAT THE SUPPORTING DOCUMENTATION WAS AVAILABLE. ON 4/12/94, EPA SENT A LETTER TO THE OIG ASKING THAT IT REVIEW THE NEW DATA AND PROVIDE A REVISED AUDIT REPORT. EPA IS CURRENTLY AWAITING OIG RESPONSE.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
IG FOLLOWUP STATUS AS OF 3/31/95 [3]			E1FBF3-10-0069-4100214 AUDIT OF CO-OPS/IAGS ERL-C OR 3/21/94		
P8CMP2-23-0179-3400082 PEI ASSOC OH 9/3/93				Summary: ERL-C DIDN'T ALWAYS COMPLY WITH FGCA ACT & EPA GUIDANCE. SEVEN OF 18 GRANTS SHOULD HAVE BEEN CONTRACTS AND 2 GRANTS WERE INAPPROPRIATELY USED. THREE OF 6 IAGS WERE FOR MULTIPLE INSTEAD OF DISTINCT PROJECTS. SOME IAG COSTS WERE OVERPAID OR UNRECOVERED.	
Summary: INADEQUATE ACCOUNTING SYSTEM RESULTED IN COST QUESTIONED INELIGIBLE OF \$35,443. MISSING DOCUMENTATION RESULTED IN UNSUPPORTED COSTS OF \$512,794.				EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE GRANTS DIVISION WAS FORMALLY ASSIGNED AS THE ACTION OFFICE IN SEPTEMBER 1994. THE DIVISION FORWARDED MANAGEMENT'S FINAL DECISION TO THE OIG ON 3/20/95 AND IS AWAITING THE OIG'S RESPONSE.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AN EPA LETTER DATED 3/1/94 ADVISED THE CONTRACTOR OF COSTS QUESTIONED AND REQUESTED A REFUND OR SUPPORTING DOCUMENTATION. THE CONTRACTOR RESPONDED ON 3/29/94 THAT THE SUPPORTING DOCUMENTATION WAS AVAILABLE. ON 4/12/94, EPA SENT A LETTER TO THE OIG ASKING THAT IT REVIEW THE NEW DATA AND PROVIDE A REVISED AUDIT REPORT. EPA IS CURRENTLY AWAITING OIG RESPONSE.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
IG FOLLOWUP STATUS AS OF 3/31/95 [3]				Grants Financial Management - Region 5	
	Grants Administration Division			P2CWP6-05-0298-2400004 W LAKE SUPERIOR MN 12/12/91	
E3CBP4-04-0252-4400116 REVIEW OF CA WITH NELHA- HI 9/29/94				Summary: THE GRANTEE CLAIMED \$8,595,588 OF INELIGIBLE CONSTRUCTION, ENGINEERING AND ADMINISTRATIVE COSTS, AND \$166,834 OF UNSUPPORTED COSTS.	
*Summary:					

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG DID NOT ACCEPT PROPOSED FINAL DETERMINATION LETTER OF 1/7/92. AUDIT ELEVATED TO HQ OIG AND PROGRAM OFFICE ON 7/24/92 TO RESOLVE ISSUES. OIG AND OFFICE OF GENERAL COUNSEL MET AND DETERMINED THAT ISSUES ARE REGULATORY. OIG IS RESEARCHING THE REGULATIONS AT THE TIME OF AWARD.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
	IG FOLLOWUP STATUS AS OF 3/31/95 [3]			D9BKL3-04-0034-3100010 EHRT	KY 10/9/92
	E2CWL9-05-0262-3100397 FLINT MI 9/30/93 Summary: FLINT CLAIMED \$2.8 MILLION UNNECESSARY/UNREASONABLE COSTS INCURRED TO RENEGOTIATE A CONTRACT. FLINT CLAIMED \$10,416,828 UNSUPPORTED COSTS FOR ADMINISTRATION, ENGINEERING AND CONSTRUCTION. WE QUESTIONED \$415,339 INELIGIBLE ENGINEERING COSTS INCURRED AFTER CONSTRUCTION COMPLETION DATE.			*Summary:	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: SINCE OVER \$13 MILLION OF COSTS WERE QUESTIONED, EPA PROVIDED THE CITY WITH ADDITIONAL TIME TO PROVIDE SUPPORTING DOCUMENTATION. ALSO, DUE TO RELATED LEGAL ISSUES, ASSISTANCE WAS NECESSARY FROM THE OFFICE OF REGIONAL COUNSEL.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS WERE SUSPENDED DUE TO OTHER MATTERS CONCERNING THE CONTRACTOR. NEGOTIATIONS HAVE RESUMED. THERE ARE MANY COMPLEX ISSUES TO BE RESOLVED BUT A NEGOTIATED SETTLEMENT CAN BE REACHED. IT IS DIFFICULT TO CONTACT AUTHORIZED REPRESENTATIVES.	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION ANTICIPATED BY MAY 1, 1995.	
	IG FOLLOWUP STATUS AS OF 3/31/95 [3]			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
	E2BWL5-05-0136-7000980 SAUGET IL 3/31/87 Summary: WE QUESTIONED OVER \$7 MILLION FOR INELIGIBLE AND UNNECESSARY PROJECT COSTS.			E8DML3-04-0260-4100357 EHRT	KY 6/2/94
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGIONAL OFFICE ISSUED A PROPOSED FINAL DETERMINATION TO THE OIG ON 3/22/94. ON 4/6/94, THE OIG AGREED WITH THE PROPOSED ACTIONS ON ALL MATTERS EXCEPT DECISION TO ACCEPT THE COSTS ASSOCIATED WITH THE TRANSFER SEWERAGE. THE LOCAL OIG HAS ELEVATED DISAGREEMENT TO HEADQUARTERS OIG.			*Summary:	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS WERE SUSPENDED DUE TO OTHER MATTERS CONCERNING THE CONTRACTOR. NEGOTIATIONS HAVE RESUMED. THERE ARE MANY COMPLEX ISSUES TO BE RESOLVED BUT A NEGOTIATED SETTLEMENT CAN BE REACHED. IT IS DIFFICULT TO CONTACT AUTHORIZED REPRESENTATIVES.	
	IG FOLLOWUP STATUS AS OF 3/31/95 [3]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION ANTICIPATED BY MAY 1, 1995.	
	E2CWL2-23-0299-4100539 ALLOUEZ TWP WI 9/22/94 Summary: THE GRANTEE CLAIMED \$413,271 OF INELIGIBLE CONSTRUCTION AND LAND ACQUISITION COSTS AND \$127,798 INELIGIBLE ARCHITECT/ENGINEERING (A/E) COSTS. THE GRANTEE DID NOT ADJUST ITS CLAIMS FOR \$34,655 PRIOR AUDITED INELIGIBLE COST AND UNSUPPORTED A/E COSTS OF \$272,489.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RESOLUTION IS DELAYED PENDING PROGRAM RESPONSE BASED ON PROJECT FILE INFORMATION.			S5DGN2-09-0047-4300033 CA DEPT OF HLTH ICRP	CA 3/31/94
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			*Summary:	
	IG FOLLOWUP STATUS AS OF 3/31/95 [1]			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THERE ARE COMPLEX ISSUES WHICH WILL TAKE MUCH DISCUSSION. HOWEVER, A NEGOTIATED SETTLEMENT IS POSSIBLE.	
	E2CWL2-23-0299-4100539 ALLOUEZ TWP WI 9/22/94 Summary: THE GRANTEE CLAIMED \$413,271 OF INELIGIBLE CONSTRUCTION AND LAND ACQUISITION COSTS AND \$127,798 INELIGIBLE ARCHITECT/ENGINEERING (A/E) COSTS. THE GRANTEE DID NOT ADJUST ITS CLAIMS FOR \$34,655 PRIOR AUDITED INELIGIBLE COST AND UNSUPPORTED A/E COSTS OF \$272,489.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY 8/31/95.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RESOLUTION IS DELAYED PENDING PROGRAM RESPONSE BASED ON PROJECT FILE INFORMATION.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			P8BMP0-23-0422-2400046 PEI ASSOC FY 90	OH 6/2/92
	IG FOLLOWUP STATUS AS OF 3/31/95 [1]			*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.	
	OAM Cost Advisory and Financial Analysis Division Cost Review and Rate Negotiation Branch			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 CLOSE OUT AUDITS ARE COMPLETE. PER OIG, CLOSE OUT AUDITS ARE IN PROGRESS.	
	D9BFL4-03-0338-4100352 C.C. JOHNSON & MALHOTRA MD 6/1/94 *Summary:			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTOR HAS OUTSTANDING BID AND PROPOSAL, AND STATE TAX ISSUES TO BE RESOLVED BEFORE FINAL RATES CAN BE NEGOTIATED. RESOLUTION TRANSFERRED TO EPA BY COGNIZANT AGENCY ON 3/8/95. PRIOR COGNIZANT AGENCY USED QUICK CLOSEOUT PROCEDURES TO CLOSE THEIR CONTRACT(S) AND DID NOT RESOLVE OUTSTANDING AUDIT ISSUES.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
				P8BMP1-23-0335-2400073 PEI ASSOC FY 85	OH 9/9/92
				*Summary: THE REVIEW FOUND \$224,781 OF INELIGIBLE AND \$195,886 OF UNSUPPORTED COSTS.	
				EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICER. HOWEVER, THE QUESTIONED DIRECT COSTS WILL NOT BE RESOLVED UNTIL CLOSE OUT AUDITS ARE COMPLETE. PER OIG, CLOSE OUT AUDITS ARE IN PROGRESS.	
				= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.	
				IG FOLLOWUP STATUS AS OF 3/31/95 [1]	

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
P8BMP1-23-0339-3400050	PEI ASSOC FY 89	OH 5/13/93		EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RESOLUTION HAS BEEN DELAYED DUE TO THE COMPANY NO LONGER BEING IN BUSINESS. THE CONTRACTING OFFICER WROTE A DECISION ON DISALLOWANCE OF COST CLAIMED BY CONTRACTOR IN AUDIT REPORT. FURTHER ACTION IS DEPENDENT ON THE OUTCOME OF AN OIG INVESTIGATION WHICH IS IN PROCESS.	
Summary: THE QUESTIONED COSTS DO NOT REFLECT AN ADJUSTMENT FOR INDIRECT COSTS. INELIGIBLE COSTS OF \$284,000 ARE DUE TO AN INADEQUATE BILLING SYSTEM. UNSUPPORTED COSTS OF \$530,000 WERE DUE TO INTER-COMPANY TRANSFERS.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY 4/30/95.		
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 CLOSE OUT AUDITS ARE COMPLETE. PER OIG, CLOSE OUT AUDITS ARE IN PROGRESS.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			D9BKL2-03-0599-4100295 KEYDATA SYSTEMS INC VA 5/18/94		
IG FOLLOWUP STATUS AS OF 3/31/95 [1]			Summary: DCAA QUESTIONED 233,278 OF COSTS INCURRED. DCAA ALSO CONSIDERS \$431,395 TO BE EXCESS COSTS BILLED TO EPA.		
P8BMP0-23-0175-3400053	PEI ASSOC FY 86	OH 5/14/93		EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER CANNOT RESPOND TO AUDIT REPORT SINCE THE CONTRACTOR IS UNDER AN OIG INVESTIGATION. CLAIM HAS BEEN FILED WITH DEPARTMENT OF INTERIOR BOARD OF CONTRACT APPEALS. WE ARE AWAITING INVESTIGATION RESULTS TO PROCEED WITH INTERIOR BOARD OF CONTRACT APPEALS CASE AND AUDIT RESOLUTION.	
Summary: WE HAVE QUESTIONED INELIGIBLE \$940,755, 53 PERCENT WAS DUE TO COST BILLED IN EXCESS OF WHAT WAS INCURRED. THE REMAINING 47 PERCENT WAS THE ADJUSTMENT OF INDIRECT RATES TO ACTUAL.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
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 CLOSE OUT AUDITS ARE COMPLETE. PER OIG, CLOSE OUT AUDITS ARE IN PROGRESS.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			D8CML4-05-0019-4100246 TRIAD ENG FY 92/93 WI 4/12/94		
IG FOLLOWUP STATUS AS OF 3/31/95 [1]			*Summary:		
P8BMP0-23-0177-3400062	PEI ASSOC FY 87/88	OH 6/14/93		EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: ORIGINAL ACTION OFFICE DID NOT TRANSMIT REPORT TO CURRENT ACTION OFFICIAL FOR RESOLUTION UNTIL MARCH 1995. REPORT WAS TRANSMITTED TO THE APPROPRIATE CONTRACTING OFFICER FOR RESOLUTION ON 3/15/95 WHO IS CURRENTLY NEGOTIATING WITH CONTRACTOR.	
Summary: WE QUESTIONED AS INELIGIBLE \$759,941 OF COST BILLED BUT NOT INCURRED. WE ALSO QUESTIONED AS UNSUPPORTED \$1,224,486, 48 PERCENT OF WHICH WAS DUE TO USING CATALOG PRICES. COSTS WERE NOT ADJUSTED FOR AUDITED INDIRECT RATES.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY 4/30/95.		
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 CLOSE OUT AUDITS ARE COMPLETE. PER OIG, CLOSE OUT AUDITS ARE IN PROGRESS. UNSUPPORTED COST IN THE AMOUNT OF \$626,555 HAVE BEEN RESOLVED UNDER CONTRACT NO. 68-01-7084.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			P9BGL4-10-0083-4100309 CH2M REM IV 87-89 C.I. OR 5/19/94		
IG FOLLOWUP STATUS AS OF 3/31/95 [1]			Summary: INELIGIBLE/UNSUPPORTED COSTS CONSIST OF: \$408,618 IN DIRECT LABOR, \$3,254,566 IN TRAVEL, \$3,458,995 IN OTHER DIRECT COSTS, \$2,292,817 IN OVERHEAD AND \$3,333 IN LABORATORY SERVICES.		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG IS REVIEWING CONTRACTOR'S RESPONSE TO THE AUDIT AND ADDITIONAL SUPPORTING DOCUMENTATION PROVIDED BY THE CONTRACTOR. NEGOTIATIONS WILL COMMENCE WHEN SUPPLEMENTAL REPORT IS ISSUED.		
IG FOLLOWUP STATUS AS OF 3/31/95 [1]			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
<u>OAM Cost Advisory and Financial Analysis Division</u> <u>Financial Analysis Branch</u>			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
P9CGL2-02-0283-4100397	ECOLOGY & ENVIR	NY 6/9/94		P9BGL4-10-0107-4100398 CH2M REM/FIT 87-89 C.I. CA 6/10/94	
*Summary: THE CONTRACT CLAIMED \$2,399,182 AS ALLOWABLE COSTS OF WHICH WE QUESTIONED \$62,711 AS UNALLOWABLE.			Summary: NET COSTS QUESTIONED OF \$173,335 CONSIST OF INELIGIBLE OVERTIME COSTS OF \$20,178, INELIGIBLE MOVING COSTS OF \$8,323, INELIGIBLE PUBLICATIONS COSTS OF \$128, INELIGIBLE OVERHEAD CREDIT OF \$3,045, UNSUPPORTED TRAVEL COSTS OF \$16,027, AND UNSUPPORTED COMPUTER COSTS OF \$131,724.		
EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATION POSITION FOR DIRECT COSTS HAS BEEN ESTABLISHED AND NEGOTIATIONS ARE CONTINUING. NEGOTIATIONS BY THE COST POLICY AND RATE NEGOTIATION BRANCH FOR SETTLEMENT OF THE 89-90 INDIRECT RATES ARE IN PROCESS.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG IS REVIEWING CONTRACTOR'S RESPONSE TO THE AUDIT AND ADDITIONAL SUPPORTING DOCUMENTATION PROVIDED BY THE CONTRACTOR. NEGOTIATIONS WILL COMMENCE WHEN SUPPLEMENTAL REPORT IS ISSUED.		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
IG FOLLOWUP STATUS AS OF 3/31/95 [1]			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
P8BMN1-03-0146-2300014	O&R MANAGEMENT CORPORATION MD	11/5/91		P9BGL4-10-0117-4100417 CH2M TECH 1 C.I. 1987-88 OR 6/22/94	
Summary: WE QUESTIONED \$557,442 OF OTHER DIRECT COSTS. ONE HUNDRED PERCENT OF THE CONTRACT WAS QUESTIONED BECAUSE O&R DID NOT MAINTAIN RECORDS.			Summary: NET COSTS QUESTIONED OF \$212,587 CONSIST OF INELIGIBLE OVERTIME LABOR OF \$7,754, UNSUPPORTED TRAVEL COSTS OF \$108,035,		

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UNSUPPORTED COMPUTER COSTS OF \$115,975, AND INELIGIBLE OVERHEAD CREDIT OF \$19,177.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG IS REVIEWING CONTRACTOR'S RESPONSE TO THE AUDIT AND ADDITIONAL SUPPORTING DOCUMENTATION PROVIDED BY THE CONTRACTOR. NEGOTIATIONS WILL COMMENCE WHEN SUPPLEMENTAL REPORT IS ISSUED.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

P9BGL4-10-0124-4100436 CH2M ARCS V C.I. 1988 & 89 OR 6/29/94
Summary: NET COSTS QUESTIONED OF \$322,262 CONSIST OF INELIGIBLE OVERTIME LABOR OF \$5,417, INELIGIBLE OVERHEAD CREDIT OF \$32,857, UNSUPPORTED TRAVEL COSTS OF \$144,373, AND UNSUPPORTED COMPUTER COSTS OF \$205,329.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG IS REVIEWING CONTRACTOR'S RESPONSE TO THE AUDIT AND ADDITIONAL SUPPORTING DOCUMENTATION PROVIDED BY THE CONTRACTOR. NEGOTIATIONS WILL COMMENCE WHEN SUPPLEMENTAL REPORT IS ISSUED.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D9BGL3-10-0088-4100471 URS FY 1989 AC WA 8/2/94
*Summary: THE AUDITOR QUESTIONED \$15,725 OF DIRECT COSTS ON EPA CONTRACT NOS. 68-W9-0053 AND 68-W9-0054. THE QUESTIONED COSTS ARE DUE TO AUDIT EXCEPTIONS TO THE ALLOCATION OF INTERNAL SERVICES COSTS.

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

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

IG FOLLOWUP STATUS AS OF 3/31/95 [2]

P9BGL4-10-0129-4100489 CH2M TECH II C.I. 1988-89 OR 8/16/94
Summary: NET COSTS QUESTIONED OF \$92,160 CONSIST OF INELIGIBLE OVERTIME LABOR OF \$2,507, UNSUPPORTED TRAVEL COSTS OF \$40,650, UNSUPPORTED COMPUTER COSTS OF \$69,820, AND INELIGIBLE OVERHEAD CREDIT OF \$20,817.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG IS REVIEWING CONTRACTOR'S RESPONSE TO THE AUDIT AND ADDITIONAL SUPPORTING DOCUMENTATION PROVIDED BY THE CONTRACTOR. NEGOTIATIONS WILL COMMENCE WHEN SUPPLEMENTAL REPORT IS ISSUED.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

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

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG IS REVIEWING CONTRACTOR'S RESPONSE TO THE AUDIT AND ADDITIONAL SUPPORTING DOCUMENTATION PROVIDED BY THE CONTRACTOR. NEGOTIATIONS WILL COMMENCE WHEN SUPPLEMENTAL REPORT IS ISSUED.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

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P9BGL4-10-0149-4100560 CH2M ARCS VI 1988 & 89 COSTS OR 9/26/94
Summary: UNSUPPORTED COSTS OF \$157,000 CONSIST OF TRAVEL COSTS OF \$76,000 AND COMPUTER COSTS OF \$81,000.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG IS REVIEWING CONTRACTOR'S RESPONSE TO THE AUDIT AND ADDITIONAL SUPPORTING DOCUMENTATION PROVIDED BY THE CONTRACTOR. NEGOTIATIONS WILL COMMENCE WHEN SUPPLEMENTAL REPORT IS ISSUED.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

P9BGL4-10-0147-4100566 CH2M ARCS III 1988-89 COSTS OR 9/28/94
Summary: UNSUPPORTED COSTS OF \$115,000 CONSIST OF TRAVEL COSTS OF \$42,000 AND COMPUTER COSTS OF \$73,000. INELIGIBLE COSTS OF \$4,000 CONSIST OF OVERHEAD COSTS.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: OIG IS REVIEWING CONTRACTOR'S RESPONSE TO THE AUDIT AND ADDITIONAL SUPPORTING DOCUMENTATION PROVIDED BY THE CONTRACTOR. NEGOTIATIONS WILL COMMENCE WHEN SUPPLEMENTAL REPORT IS ISSUED.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

P9AHN9-23-0347-0300036 OH MATERIALS (PR EQ RATES) OH 3/27/90
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ARE CONTINUING. CONTRACTOR HAS SUBMITTED A COUNTER OFFER.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION SCHEDULED TO BE COMPLETED BY 9/30/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

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: NEGOTIATIONS ARE CONTINUING.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY 9/30/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

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: NEGOTIATIONS ARE CONTINUING ON CONTRACT NO. 68-01-7445.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED TO BE CONCLUDED BY 9/30/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

OAM Cost Advisory & Financial Analysis Division
Washington Cost Advisory Branch

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

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AWARD OF THIS CONTRACT WAS PLANNED FOR EARLY NOVEMBER 1994. CONTRACTOR WAS UNSUCCESSFUL BIDDER. CONTRACT IS CURRENTLY UNDER PROTEST BY THE CONTRACTOR.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
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DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:
RESOLUTION CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D9AFL4-02-0173-4100515 FOSTER WHEELER USA CORP NJ 9/8/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACT STILL IN THE NEGOTIATION PROCESS. A SUMMARY OF NEGOTIATIONS WILL BE PROVIDED TO THE OIG IF THE OFFEROR IS THE SUCCESSFUL BIDDER.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:
PROJECTED AWARD AND NEGOTIATIONS ARE EXPECTED TO BE COMPLETED BY JUNE 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8BML4-03-0345-4100343 PRC, INC. VA 6/ 1/94
*Summary: DCAA QUESTIONED (\$45.71) FOR 1991 AND (\$3,322.96) FOR 1992.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE SUBJECT AUDIT IS STILL BEING NEGOTIATED. A SUMMARY OF NEGOTIATIONS WILL BE FORWARDED TO THE OIG IF THE OFFEROR IS THE SUCCESSFUL BIDDER.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:
RESOLUTION EXPECTED TO BE COMPLETED BY NOVEMBER 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D9AFL4-03-0453-4100506 AE ENVIRONMENTAL SERVICES WV 8/25/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ON THE SUBJECT AUDIT ARE CONTINUING. A SUMMARY OF NEGOTIATIONS WILL BE PROVIDED TO THE OIG IF THE OFFEROR IS THE SUCCESSFUL BIDDER.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
PROJECTED CONTRACT DEFINITIZATION DATE IS JUNE 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D9AKL4-03-0450-4100536 ROY F. WESTON PA 9/22/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE RESULTS OF THE SUBJECT AUDIT ARE STILL BEING NEGOTIATED. THE OIG WILL BE PROVIDED WITH A SUMMARY OF NEGOTIATIONS IF THE OFFEROR IS THE SUCCESSFUL BIDDER.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:
RESOLUTION EXPECTED BY JUNE 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

E9AKP4-05-0291-4400117 PRC EMI (R3 SATA) IL 9/30/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ARE CONTINUING ON THE SUBJECT AUDIT. PROGRAM WILL PROVIDE THE OIG WITH SUMMARY OF NEGOTIATIONS IF THE OFFEROR IS THE SUCCESSFUL BIDDER.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE
CONCLUSION OF NEGOTIATIONS AND CONTRACT AWARD IS ANTICIPATED FOR JUNE 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

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

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
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EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
THIS AUDIT REPORT IS CURRENTLY UNDER NEGOTIATIONS. 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: AN AWARD
OF THIS COMPETITIVE PROCUREMENT WILL NOT TAKE PLACE UNTIL JUNE 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D8AML4-07-0077-4100499 DPRA INCORPORATED KS 8/24/94
*Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
CONTRACTOR WAS UNSUCCESSFUL OFFEROR. CONTRACT WAS AWARDED TO ABT ASSOCIATES ON 9/30/94.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:
RESOLUTION IS EXPECTED SHORTLY.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

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

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
RESPONSE FAXED AND MAILED TO OIG ON 9/15/94. THE AUDIT WILL NOT BE NEGOTIATED UNTIL MAY 15, 1995.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

P9CGL2-10-0127-4100226 CH2M REGION IV ARCS OR 3/29/94
Summary: CH2M CLAIMED \$73,895 OF UNSUPPORTED COMPUTER COSTS. \$69,559 OF UNSUPPORTED COSTS RELATED TO THE RED-PENN WORK ASSIGNMENT, AND \$6,199 OF INELIGIBLE INDIRECT COSTS.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
THE PROGRAM RESPONDED TO THE OIG ON 9/15/94 VIA FAX AND A COPY WAS SENT TO THE OIG. NEGOTIATIONS WILL NOT BE COMPLETE UNTIL MAY 15, 1995.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

Office of the Administrator

E1SFE3-07-0101-4100522 FMFIA CAPPING, OSWER, WATER 9/16/94
*Summary: THE AGENCY DID NOT ADEQUATELY IMPLEMENT THE INTEGRITY ACT. THE AGENCY CHANGED ITS PROCESS TO ELIMINATE UNNECESSARY PAPERWORK TO MAKE THE PROCESS MORE USEFUL. MANAGERS' TRAINING AND KNOWLEDGE OF CONTROLS ARE STILL A CONCERN.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:
THE PROGRAM OFFICE IS REVIEWING THE OIG'S 2/13/95 COMMENTS ON EPA MANAGEMENT'S RESPONSE OF 12/28/94. THE PROGRAM IS PREPARING A FORMAL WRITTEN REPLY, EXPECTED TO BE ISSUED BY 4/30/95, TO CLARIFY EPA MANAGEMENT'S POSITION AND PROVIDE ADDITIONAL INFORMATION ON THOSE SPECIFIC RECOMMENDATIONS CITED BY OIG TO SUPPORT ORIGINAL RESPONSE.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [2]

Regional Administrator - Region 1

S2CWL1-01-0024-4100179 SPRINGFIELD MA 1/31/94
Summary: THE CITY OF SPRINGFIELD, MA CLAIMED UNALLOWABLE PROJECT

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
COSTS OF \$4,059,671 FOR THE CONSTRUCTION OF A SECONDARY SEWAGE TREATMENT PLANT, INCLUDING NEW INTERCEPTOR SEWERS, PUMPING STATIONS, FORCE MAIN SIPHON, AND OUTFALL SEWER.		
<p>EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION IS MEETING WITH THE CITY'S CONSULTANT ON A BIWEEKLY BASIS TO REVIEW \$4,060,000 IN QUESTIONED COSTS. THE PROPOSED FINAL DETERMINATION LETTER WAS SENT TO THE OIG ON MARCH 3, 1995.</p> <p>DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [2]</p>		
E2CWL1-01-0136-4100576	MWRA	MA 9/29/94
<p>*Summary:</p> <p>EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA IS WAITING ON THE STATE AGENCY TO PROVIDE ADDITIONAL INFORMATION IN ORDER TO COMPLETE THE REVIEW OF THIS AUDIT.</p> <p>DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE FINAL DETERMINATION LETTER IS EXPECTED TO BE COMPLETED BY APRIL 30, 1995.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [1]</p>		
E2CWL2-01-0029-4100578	MASS WATER RESOURCES AUTH	MA 9/29/94
<p>Summary: TOTAL INELIGIBLE COSTS OF \$199,984 QUESTIONED FOR GRANT FUNDS USED FOR OPERATION AND MAINTENANCE WORK; WORK PERFORMED BEYOND THE SCOPE OF THE PROJECT AND OTHER INELIGIBLE ITEMS.</p> <p>EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE FINAL DETERMINATION LETTER WAS SENT TO THE GRANTEE ON MARCH 30, 1995.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE OIG CLOSED THIS AUDIT ON APRIL 5, 1995.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [3]</p>		
<u>Regional Administrator - Region 2</u>		
P2CWL1-02-0104-3100374	NYCDEP	NY 9/14/93
<p>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.</p> <p>EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THIS MEGA-AUDIT INCLUDED 6 EPA GRANTS WITH TOTAL GRANTEE CLAIMED COSTS OF \$683 MILLION AND AUDITOR QUESTIONED COSTS OF \$50 MILLION. BECAUSE OF THE MAGNITUDE OF THIS OVERALL CONSTRUCTION PROJECT, WHICH COVERED 16 YEARS (1977-1992), VERY EXTENSIVE STAFF TIME AND EFFORT ARE REQUIRED TO RESOLVE THESE ISSUES.</p> <p>DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: TARGET FINAL RESOLUTION IS JUNE 1995.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [3]</p>		
P2CWN1-02-0028-4300034	OCEAN COUNTY UA	NJ 5/4/94
<p>Summary: THE GRANTEE CLAIMED UNALLOWABLE COSTS OF \$4,513,658 CONSISTING OF INELIGIBLE COSTS OF \$3,057,931 (FEDERAL SHARE \$2,144,016) AND UNSUPPORTED COSTS OF \$1,455,727 (FEDERAL SHARE \$883,541) FOR CONSTRUCTION OF SECONDARY WASTEWATER TREATMENT FACILITIES AND APPEARANCES.</p> <p>EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THIS AUDIT ENCOMPASSED 5 EPA GRANTS WITH TOTAL GRANTEE CLAIMED COSTS OF \$247 MILLION AND AUDITOR QUESTIONED COSTS OF \$4.5 MILLION. THE ONGOING REGIONAL REVIEW IS ENSURING THAT ALL</p>		
ISSUES HAVE BEEN FULLY EVALUATED, ANALYZED, AND THAT THE GRANTEE IS GIVEN FULL OPPORTUNITY TO SUBMIT ADDITIONAL SUPPORTING DOCUMENTATION.		
<p>DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: TARGET FINAL RESOLUTION IS MAY 1995.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [1]</p>		
<u>Regional Administrator - Region 3</u>		
P2BWN3-03-0077-4300032	PHILADELPHIA CITY OF	PA 3/30/94
<p>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.</p> <p>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.</p> <p>DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE TARGET DATE FOR ISSUANCE OF A MANAGEMENT DECISION IS 9/30/95.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [1]</p>		
P2CWN2-03-0456-4300043	HOWARD COUNTY DPW	MD 8/23/94
<p>Summary: COSTS OF \$1.5 MILLION WERE DETERMINED INELIGIBLE PRIMARILY BECAUSE THE GRANTEE CLAIMED ARCHITECT/ENGINEERING COSTS IN EXCESS OF GRANT CEILINGS AND COSTS INCURRED AFTER THE APPROVED COMPLETION DATES.</p> <p>EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AT CONGRESSIONAL REQUEST, FINAL MANAGEMENT DECISION HAS BEEN DELAYED UNTIL A MEETING IS HELD WITH THE GRANTEE AND THE STATE TO DISCUSS THE AUDIT FINDINGS. THE GRANTEE AND STATE MET ON 4/4/95. EPA MAY MEET AGAIN AT THE END OF APRIL 1995.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ESTIMATED MANAGEMENT DECISION DATE IS 5/30/95.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [1]</p>		
P2CWN3-03-0031-4300045	ARLINGTON COUNTY	VA 9/1/94
<p>Summary: ARLINGTON COUNTY, VA CLAIMED \$1.9 MILLION OF INELIGIBLE COSTS INCLUDING \$360,000 FOR A HEAT RECOVERY SYSTEM THAT WAS NEVER UTILIZED.</p> <p>EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG CHANGED (REDUCED THE DOLLAR AMOUNT) SOME OF THE CONTRACT AUDITOR'S FINDINGS PRIOR TO ISSUANCE OF THE FINAL AUDIT REPORT, WHILE NOT SPECIFYING WHICH FINDINGS WERE AFFECTED BY THE CHANGES. AT A MEETING HELD 3/8/95, THE OIG AGREED TO SPECIFY EXACTLY WHICH OF THE FINDINGS IN THE AUDIT REPORT WERE AFFECTED.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ESTIMATED MANAGEMENT DECISION DATE IS 4/30/95.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [1]</p>		
E6FHG4-03-0266-4400110	REGIONAL VEHICLE ASSIGNMENT	9/22/94
<p>*Summary: BASED ON ACTUAL USAGE, THE ASSIGNMENT OF VEHICLES TO REGION 3 SUPERFUND ON-SCENE COORDINATORS ON A FULL-TIME BASIS WAS NOT ALWAYS JUSTIFIED.</p> <p>EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AWAITING RESPONSE FROM REGIONAL PROGRAM OFFICE AS OF 3/31/95.</p> <p>DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/95 [5]</p>		

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
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Regional Administrator - Region 4

E2CWM3-04-0062-4200019 KEY WEST FL 9/15/94
Summary: WE QUESTIONED THE \$1,017,608 DESIGN ALLOWANCE CLAIMED BY THE GRANTEE BECAUSE IT DUPLICATED THE STEP 2 DESIGN GRANT WHICH WAS AWARDED FOR THE SAME PURPOSE.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: STATE OF FLORIDA IS SEARCHING FOR ADDITIONAL INFORMATION WHICH MAY HELP RESOLVE DISPUTED AMOUNT. THE REGION SHOULD HAVE A RESPONSE IN 30-60 DAYS.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [2]

E2CWP3-04-0225-4400096 BRUNSWICK GA 8/10/94
Summary: CONSTRUCTION COST WITH FEDERAL SHARE OF \$311,250 WAS QUESTIONED BECAUSE SOME SEWERS WERE NOT BUILT AS PLANNED. ENGINEERING COST CLAIMED WITH FEDERAL SHARE OF \$65,000 WAS QUESTIONED BECAUSE THE GRANTEE DID NOT PROCURE THESE SERVICES IN CONFORMITY WITH EPA REGULATIONS.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AS OF 3/31/95, GRANTEE HAS ASKED FOR A DELAY OF 30-60 DAYS TO FILE A GRANT AMENDMENT TO CHANGE THE SCOPE OF WORK OUTLINED IN THE GRANT.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [2]

Regional Administrator - Region 6

E2CWN3-06-0089-4300052 HOUSTON TX 9/29/94
Summary: HOUSTON, TEXAS CLAIMED \$6,159,937 OF INELIGIBLE ENGINEERING AND CONSTRUCTION COSTS FOR THE CONSTRUCTION OF A WASTEWATER TREATMENT FACILITY. AN ADDITIONAL \$991,174 OF UNSUPPORTED COSTS OF \$1,063,235 OF UNNECESSARY AND UNREASONABLE COSTS WERE QUESTIONED.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT TRANSMITTAL LETTER (ATL) WAS SENT BY TEXAS WATER DEVELOPMENT BOARD TO CITY ON 02/03/95, ALONG WITH AN ANALYSIS OF FINAL AUDIT. CITY REQUESTED AN EXTENSION OF 90 DAYS TO RESPOND TO ATL. THIS WAS GRANTED. AUDIT HAS OVER 90 VERY COMPLEX FINDINGS WITH CLAIMED COSTS OF \$208,720,680, QUESTIONED COSTS OF \$13,417,479, AND \$3,562,938 POTENTIALLY DUE EPA.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

D9AGL4-10-0072-4100269 CFS ID 5/3/94
Summary: (PREAWARD AUDIT UNDER NEGOTIATION)

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION (TNRCC) AND THE CONTRACTOR COMPLETED THEIR PRICE NEGOTIATION IN 12/94 AND THE CONTRACT WAS SIGNED BY CFS, BUT NOT YET SIGNED BY TNRCC. EPA IS CURRENTLY AWAITING A COPY OF THE FINAL PRICE NEGOTIATION MEMORANDUM FROM TNRCC THAT SHOWS THAT ALL RECOMMENDATIONS HAVE BEEN COMPLETED. ONCE EPA RECEIVES IT AND SENDS A COPY OF NEGOTIATION MEMO TO DCAA, THE AUDIT WILL BE CLOSED.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

Regional Administrator - Region 8

P5BGL2-08-0089-4100167 STATE OF COLORADO CO 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: MAP REVIEW WAS COMPLETED ON 6/28/94. THIS WAS A BASIS FOR OUR PRELIMINARY FINAL DETERMINATION LETTER SENT TO IG 8/10/94. OIG REJECTED PRELIMINARY DECISION. REGION AGREED TO REDRAFT THE LETTER. REGION REISSUED PRELIMINARY FINAL DETERMINATION LETTER AND SENT TO OIG 1/5/95. THE STATE DID NOT RESPOND. FINAL DRAFT OF DECISION LETTER SENT TO OIG 3/23/95 FOR CONCURRENCE.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [5]

P2CWN1-08-0063-4300005 SOUTH VALLEY 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. RECEIVED COMMENTS FROM WATER MANAGEMENT AND GRANTEE ON QUESTIONED COSTS ON 9/12/94. OFFICE IS REVIEWING DOCUMENTATION FOR PRELIMINARY FINAL DETERMINATION LETTER FOR 10/01/94. THE OIG HAS ASKED FOR CLARIFICATION ON OUR DECISION LETTER AND REVISION OF ATTACHED SPREADSHEETS -- SENT CHANGES TO THE OIG 4/01/95.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

Regional Administrator - Region 9

S2CW*8-09-0157-1300112 LOS ANGELES, CITY OF CA 9/25/91
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 FORCE ACCOUNT AND \$1,099,261 ARCHITECT/ENGINEERING COSTS INCURRED UNDER PROHIBITED CONTRACT METHOD.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD IS FINALIZING PROPOSED FINAL DETERMINATION LETTER AND WILL SEND IT TO EPA BY 4/15/95.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA IS EXPECTED TO ISSUE THE FINAL DETERMINATION LETTER BY 4/30/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

S2CW*8-09-0156-1300119 LOS ANGELES, CITY OF CA 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 COSTS ALLOCABLE TO INELIGIBLE CONSTRUCTION. UNREASONABLE COSTS OF \$68,150,598 RELATED TO EXCESSIVE LANDSCAPING, FORCE ACCOUNT COSTS AND UNUSED FACILITIES.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD IS FINALIZING THE PROPOSED FINAL DETERMINATION LETTER AND WILL SEND IT TO EPA BY 4/15/95.

DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA IS EXPECTED TO ISSUE THE FINAL DETERMINATION LETTER BY 5/15/95.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

S2CWN1-09-0228-2300044 LOS ANGELES, CITY OF CA 3/13/92
Summary: INELIGIBLE COSTS INCLUDED \$1,400,564 FOR UNUSED EQUIPMENT ITEMS; \$202,058 FOR UNALLOWABLE ARCHITECT/ENGINEERING (A/E) FEES; AND \$572,354 FOR UNALLOWABLE FORCE ACCOUNT (F/A) COSTS; AND UNREASONABLE COSTS OF \$1,010,586 FOR EXCESSIVE A/E AND F/A. AN

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
	ADDITIONAL \$11,188,321 WAS QUESTIONED BECAUSE PLANT WAS NOT OPERATING IN ACCORDANCE WITH PLANT CONCEPTS.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: IN THIS SAN FRANCISCO AUDIT, THE KEY ISSUE IS THE ADEQUACY OF COMPUTER TAPE DOCUMENTATION FOR TIME CARDS.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD AND OIG AGREE ON PROPOSED FINAL DETERMINATION LETTER.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA EXPECTS TO ISSUE THE FINAL DETERMINATION LETTER BY 5/30/95.	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA EXPECTS TO ISSUE FINAL DETERMINATION LETTER BY 4/30/95.			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
E2CWN1-09-0092-2300082	RUSSIAN RIVER CSD	CA 9/25/92	S2CWN0-09-0076-3300080	LAS VIRGENES MWD	CA 9/30/93
	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.			Summary: INELIGIBLE COSTS OF \$5,091,815 INCLUDE: \$42,564 FOR CONSTRUCTION COSTS NOT INCURRED; \$192,643 OF INTEREST EARNED; \$647,791 FOR UNALLOWABLE ARCHITECT/ENGINEERING (A/E) AND ADMINISTRATIVE COSTS; \$1,919,244 FOR A/E AND CONSTRUCTION OUTSIDE SCOPE OF PROJECT; AND \$2,289,573 RELATED TO EXCESS CAPACITY. AN ADDITIONAL \$757,976 WERE UNREASONABLE A/E COSTS.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD AND OIG REACHED AGREEMENT ON ALL BUT TWO ISSUES. THE STATE WATER RESOURCES CONTROL BOARD SENT EPA A LETTER OF DISAGREEMENT FOR THESE TWO ISSUES ON 3/1/95.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD IS WORKING WITH THE OIG TO RESOLVE AREAS OF DISAGREEMENT. MEMBERS OF THE SWRCB MAY REFER ONE ISSUE TO THE FULL STATE BOARD.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA TO ISSUE FINAL DETERMINATION LETTER BY 9/30/95.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE STATE WATER RESOURCES CONTROL BOARD INTENDS TO SEND THE PROPOSED FINAL DETERMINATION LETTER TO EPA BY 6/30/95.	
	IG FOLLOWUP STATUS AS OF 3/31/95 [1]			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
S2CWN0-09-0262-2300089	SAN FRANCISCO, CITY & CO	CA 9/30/92	E2AWT3-09-0082-3400037	SAN DIEGO, CITY OF	CA 3/29/93
	Summary: INELIGIBLE COSTS INCLUDE \$50,015 OF UNALLOWABLE ARCHITECT/ENGINEERING (A/E) COSTS AND \$271,092 FOR COSTS ALLOCABLE TO OTHER FEDERAL FACILITIES RELATED TO UNSUPPORTED CONSTRUCTION A/E FORCE ACCOUNT COSTS.			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: IN THIS SAN FRANCISCO AUDIT, THE KEY ISSUE IS THE ADEQUACY OF COMPUTER TAPE DOCUMENTATION FOR TIME CARDS.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OUTFALL PROJECT IS A JOINT EFFORT WITH THE INTERNATIONAL BOUNDARY AND WATER COMMISSION. THE AUDIT CANNOT BE RESOLVED UNTIL A REQUIREMENT FOR SECONDARY TREATMENT IS DETERMINED.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA EXPECTS TO ISSUE THE FINAL DETERMINATION LETTER BY 5/30/95.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: AUDIT RESOLUTION TARGET DATE IS 9/30/95.	
	IG FOLLOWUP STATUS AS OF 3/31/95 [1]			IG FOLLOWUP STATUS AS OF 3/31/95 [2]	
S2CWM9-09-0192-3200056	SAN FRANCISCO, CITY & CO	CA 9/30/93	S2CWN2-09-0091-4300051	VALLEJO SAN & FLOOD CONTROL	CA 9/29/94
	Summary: THE AUDIT QUESTIONED COSTS OF \$137,651 AS INELIGIBLE AND \$257,228 AS UNSUPPORTED.			Summary: INELIGIBLE COSTS OF \$5,525,458 INCLUDE \$712,246 OF UNALLOWABLE ARCHITECT/ENGINEERING FEES; \$3,162,957 OF EARNED INTEREST NOT CREDITED TO THE GRANT, AND \$1,650,255 OF UNALLOWABLE CONSTRUCTION. UNREASONABLE COSTS OF \$3,874,497 REPRESENT UNUSED FACILITIES.	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: IN THIS SAN FRANCISCO AUDIT, THE KEY ISSUE IS THE ADEQUACY OF COMPUTER TAPE DOCUMENTATION FOR TIME CARDS.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD IS RESEARCHING THE ISSUES AND PLANS TO SEND THE PROPOSED FINAL DETERMINATION LETTER TO EPA BY 5/30/95.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA EXPECTS TO ISSUE THE FINAL DETERMINATION LETTER BY 5/30/95.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.	
	IG FOLLOWUP STATUS AS OF 3/31/95 [1]			IG FOLLOWUP STATUS AS OF 3/31/95 [1]	
S2CWN0-09-0073-3300036	SAN FRANCISCO, CITY & CO	CA 4/26/93	G3HVK4-09-0203-4500703	SAN JOAQUIN VALLEY UAPC DIST	CA 7/28/94
	Summary: INELIGIBLE COSTS OF \$493,315 INCLUDE \$3,112 OUTSIDE THE 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.			*Summary:	
	EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: IN THIS SAN FRANCISCO AUDIT, THE KEY ISSUE IS THE ADEQUACY OF COMPUTER TAPE DOCUMENTATION FOR TIME CARDS.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE FINAL DETERMINATION LETTER FOR THIS SINGLE AUDIT WAS ROUTED FOR SIGNATURE ON 3/28/95.	
	DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA EXPECTS TO ISSUE THE FINAL DETERMINATION LETTER BY 5/30/95.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED SHORTLY.	
	IG FOLLOWUP STATUS AS OF 3/31/95 [1]			IG FOLLOWUP STATUS AS OF 3/31/95 [5]	
S2CWN0-09-0050-3300078	SAN FRANCISCO, CITY AND CO	CA 9/30/93	N3HVK4-09-0157-4500752	HAWAII, DEPT OF AGRICULTURE	HI 8/19/94
	Summary: INELIGIBLE COSTS OF \$281,859 REPRESENT COSTS IN EXCESS OF THE APPROVED AMOUNT. UNSUPPORTED COSTS OF \$43,598 RELATE TO FORCE ACCOUNT COSTS NOT SUPPORTED BY ORIGINAL SOURCE DOCUMENTATION.			*Summary:	
				EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE INITIAL FINAL DETERMINATION LETTER FOR THIS SINGLE AUDIT WAS	

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
ROUTED FOR SIGNATURE IN JANUARY 1995. HOWEVER, SUBSEQUENT FINANCIAL ISSUES WERE RAISED WHICH REQUIRE ADDITIONAL INFORMATION FROM THE GRANTEE TO RESOLVE. CONSEQUENTLY, A SECOND FINAL DETERMINATION LETTER WILL BE PREPARED AFTER REVIEW AND RECEIPT OF THE ADDITIONAL FINANCIAL INFORMATION.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PETERSBURG IS OLDEST CONSTRUCTION SITE IN REGION. REGION HAS BEEN INVOLVED IN EXTENSIVE LITIGATION. STATE PROJECT FILES AND MUCH OF CITY'S SUPPORTING DOCUMENTATION WERE MISPLACED BY ATTORNEYS. REGION SENT DRAFT FINAL DETERMINATION LETTER TO OIG 5/5/94. ALTHOUGH THE OIG CODED THE RESPONSE INCOMPLETE, THE REGION DISAGREES. NEW DOCUMENTATION WAS FOUND. THE REGION EXPECTS TO ISSUE REVISED DRAFT FINAL DETERMINATION LETTER TO OIG BY 5/1/95.		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY 6/30/95.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
IG FOLLOWUP STATUS AS OF 3/31/95 [1]			IG FOLLOWUP STATUS AS OF 3/31/95 [4]		
E2AWP9-09-0065-9400025	HOMELAND EARLY WARNING	CA 3/31/89	P2CWN0-10-0052-3300069	SEATTLE	WA 9/29/93
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".			Summary: INELIGIBLE COSTS OF \$162,801 INCLUDE: \$6,904 ALLOCABLE TO INELIGIBLE CONSTRUCTION AND \$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 MADE: EPA OFFICE OF WATER AGREES WITH THE MAJORITY OF THE REGION'S TWO-THIRDS RULE INTERPRETATION. THE PROGRAM WILL MEET WITH THE STATE WATER RESOURCES CONTROL BOARD TO RESOLVE THE REMAINING COSTS DEEMED INELIGIBLE BY THE OFFICE OF WATER.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGION IS OBTAINING ADDITIONAL INFORMATION FOR INCLUSION IN THE DRAFT FINAL DETERMINATION LETTER. REGION WILL ISSUE DRAFT FINAL DETERMINATION LETTER TO OIG BY 06/01/95.		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EPA EXPECTS TO ISSUE ITS FINAL DETERMINATION LETTER BY 6/30/95.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
IG FOLLOWUP STATUS AS OF 3/31/95 [5]			IG FOLLOWUP STATUS AS OF 3/31/95 [2]		
<u>Regional Administrator - Region 10</u>					
P2CWL9-10-0002-2100669	PIERCE COUNTY UTILITIES DEP	WA 9/30/92	P2CWN1-10-0049-3300076	SEASIDE, CITY OF	OR 9/30/93
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.			Summary: INELIGIBLE COSTS OF \$97,155 INCLUDE: \$7,889 OF UNALLOWABLE FORCE ACCOUNT AND \$89,266 OF CONSTRUCTION COSTS RELATED TO SERVICE LATERALS. COSTS OF \$188,202 ARE NOT SUPPORTED BY SOURCE DOCUMENTATION.		
EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: 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 FOUND RELEVANT DOCUMENTATION AND HAS COMPLETED ITS REVIEW.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGION HAS BEEN OBTAINING INFORMATION, COMMENTS, AND DOCUMENTATION FROM THE STATE AND PROGRAM OFFICE. REGION SUBMITTED DRAFT FINAL DETERMINATION LETTER TO OIG ON 12/16/94. RECEIVED OIG'S COMMENTS 01/23/95. WILL ISSUE REVISED DRAFT FINAL DETERMINATION LETTER TO OIG BY 06/01/95.		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: FINAL DETERMINATION LETTER ISSUED ON 3/14/95.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
IG FOLLOWUP STATUS AS OF 3/31/95 [4]			IG FOLLOWUP STATUS AS OF 3/31/95 [2]		
P2CWN9-10-0107-2300091	FED WAY WATER AND SEW	WA 9/30/92	P2CWN1-10-0041-3300077	METROPOLITAN WASTEWTR. MGT.	CA 9/30/93
Summary: INELIGIBLE COSTS OF \$1,304,725 CONSISTED OF: \$67,287 FOR UNALLOWABLE CONSTRUCTION COST; \$61,048 RELATED TO INELIGIBLE CONSTRUCTION PERCENTAGE; \$21,243 OF UNAPPROVED ARCHITECT/ENGINEERING; AND \$1,155,147 RELATED TO EXCESS CAPACITY. ALSO QUESTIONED WERE \$2,242,049 AS UNSUPPORTED.			Summary: INELIGIBLE COSTS OF \$2,511,772 INCLUDE: \$26,970 OF MISC COSTS; \$107,481 OF INSURANCE PREMIUMS; \$181,830 ALLOCABLE TO INELIGIBLE PERCENT; \$2,195,491 OUTSIDE SCOPE OF PROJECT. ADDITIONALLY, WE QUESTIONED \$6,657,189 WHICH WAS NOT SUPPORTED BY ADEQUATE SOURCE DOCUMENTS.		
EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION IS OBTAINING ADDITIONAL INFORMATION FROM AUDITEE AND STATE TO REVIEW AND RESOLVE ISSUE OF GRANT ELIGIBLE COSTS FOR A 30 YEAR PLAN VS A 20 YEAR PLAN. ADDITIONAL DOCUMENTS ARE TIME CONSUMING TO GET BECAUSE PROJECT IS 15 YRS. OLD. SENT DRAFT FINAL DETERMINATION LETTER TO OIG 3/2/95. RECEIVED OIG'S COMMENTS 3/29/95. REGION EXPECTS TO ISSUE REVISED DRAFT FINAL DETERMINATION LETTER TO OIG BY 5/15/95.			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THIS PROJECT HAS VERY COMPLEX ISSUES, E.G., SEGMENTATION OF GRANTS. REGION IS SEEKING ADDITIONAL COMMENTS AND DOCUMENTATION FROM STATE, REGION'S PROGRAM AND FROM GRANTEE. REGION WILL ISSUE A DRAFT FINAL DETERMINATION LETTER TO OIG BY 07/01/95.		
DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
IG FOLLOWUP STATUS AS OF 3/31/95 [2]			IG FOLLOWUP STATUS AS OF 3/31/95 [1]		
P2CWN2-10-0016-3300067	PETERSBURG, CITY OF	AK 9/21/93	E3NLB3-10-0151-4100563	LUST-IDAHO	ID 9/28/94
Summary: INELIGIBLE COSTS OF \$215,893 INCLUDE: \$8,064 OF UNALLOWABLE ADMINISTRATIVE; \$43,473 OF INELIGIBLE ARCHITECT/ENGINEERING COSTS; AND \$164,356 OF INELIGIBLE CONSTRUCTION COSTS. COSTS OF \$21,877 WERE NOT SUPPORTED BY SOURCE DOCUMENTATION.			*Summary: COSTS IN THE AMOUNT OF \$711,906 WERE QUESTIONED AS UNSUPPORTED BECAUSE IDAHO DID NOT HAVE ADEQUATE DOCUMENTATION TO SUPPORT THAT THE COSTS WERE ALLOCABLE TO THE LUST PROGRAM. ALSO IDAHO NEEDED TO IMPROVE SITE OVERSIGHT, COST RECOVERY, AND REPORTING PROCEDURES.		
			EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: ISSUED DRAFT FINAL DETERMINATION LETTER TO OIG ON 1/13/95. ON-SITE INVESTIGATION TO BE CONCLUDED MAY 1995. REGION EXPECTS TO ISSUE DRAFT FINAL DETERMINATION LETTER TO OIG 06/01/95.		

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
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DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:
RESOLUTION CANNOT BE DETERMINED AT THIS TIME.

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

P2CWN2-10-0068-4300013 WASILLA, CITY OF AK 12/15/93
Summary: INELIGIBLE COSTS OF \$306,738 INCLUDED \$182,188 OF COSTS ALLOCABLE TO INELIGIBLE PORTION OF CONSTRUCTION; \$122,647 OF UNALLOWABLE ARCHITECT/ ENGINEERING COSTS; AND \$1,730 OF COSTS CLAIMED TWICE. COSTS OF \$97,346 WERE NOT SUPPORTED BY SOURCE DOCUMENTATION.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGION, STATE, AND CITY GATHERING ADDITIONAL INFORMATION AND DOCUMENTATION TO BE USED. ISSUED DRAFT FINAL DETERMINATION LETTER TO OIG ON 2/3/95. OIG RESPONDED 2/22/95. REGION TO RESPOND TO OIG COMMENTS BY 6/01/95.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [2]

P2CWN3-10-0034-4300039 NORTH BEND, CITY OF OR 6/27/94
Summary: INELIGIBLE COSTS OF \$56,470 INCLUDE: \$3,197 OF UNREFUNDED P&S DEPOSITS; \$9,000 OF UNALLOWABLE CONSTRUCTION; \$15,440 OF OPERATION AND MAINTENANCE RELATED COSTS; \$28,833 COST ALLOCABLE TO INELIGIBLE PERCENTAGE. \$88,853 OF UNSUPPORTED ENGINEERING AND ADMINISTRATIVE COSTS WERE ALSO QUESTIONED.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGION EXPECTS TO ISSUE DRAFT FINAL DETERMINATION LETTER TO OIG BY 6/1/95.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

P2CWN3-10-0141-4300053 MUNICIPALITY OF ANCHORAGE AK 9/29/94
Summary: INELIGIBLE COSTS OF \$2,649,916 INCLUDE: \$41,555 ALLOCABLE TO THE INELIGIBLE PERCENTAGE; \$126,115 OF UNALLOWABLE CONSTRUCTION COSTS; AND \$2,482,246 OF COSTS ALLOCABLE TO FEDERAL FACILITIES. COSTS OF \$15,602 WERE NOT SUPPORTED BY ADEQUATE SOURCE DOCUMENTATION.

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGION SENT DRAFT FINAL DETERMINATION LETTER TO OIG ON 2/24/95. OIG RESPONDED 3/9/95. PROGRAM WILL RESPOND TO OIG COMMENTS BY JUNE 1, 1995.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [1]

G3HVK3-10-0167-4500605 NESKOWIN REG SANITARY AUTH OR 6/22/94
*Summary:

EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGION EXPECTS TO ISSUE DRAFT FINAL DETERMINATION LETTER TO OIG BY 5/1/95.

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

IG FOLLOWUP STATUS AS OF 3/31/95 [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 (F.S. \$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 RESOLUTION BOARD (ARB) HAS HEARD THE ISSUES IN THE AUDIT AND IS PREPARING ITS DECISION FOR THE AGENCY.

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
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DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTS
RESOLUTION BY MAY 1, 1995.

IG FOLLOWUP STATUS AS OF 3/31/95 [6]

TOTAL AUDITS ISSUED BEFORE REPORTING PERIOD FOR WHICH NO MANAGEMENT
DECISION WAS MADE DURING THE REPORTING PERIOD: 119

* 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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