

**EPA**

# **Office of Inspector General Semiannual Report to the Congress**

October 1, 1995 through  
March 31, 1996



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*On the cover:  
Half Dome in Yosemite  
National Park, California,  
(photo courtesy of the  
National Park Service,  
U.S. Department of the Interior).*

## Foreword



This six-month period has been one of the most challenging times in the history of the Agency and the Office of Inspector General. The uncertainty of resource levels along with significant interruptions in the work hampered the effectiveness of the Agency in carrying out its mission. This situation made it clear that the work of the Office of Inspector General, in partnership with the Agency, represented more than findings of questioned costs, recommended efficiencies, recoveries, prosecutive and administrative actions. EPA management recognized the necessity and opportunity to apply the results and assistance of the OIG in making changes that solve difficult management problems. This cooperative approach is further strengthening the Agency's ability to protect vital natural resources and human health.

While this report highlights examples of OIG audits, reviews, and investigations completed in the past six months, EPA management is already acting on many of our recommendations to obtain savings, improvements, and more effective ways of addressing its mission. The OIG itself is also continuing to improve its efficiency and value to the Agency through organizational streamlining, strategic planning, and technology. Although much still needs to be done, I believe that the Agency-wide commitment to continuous improvement and achieving the greatest results from available resources, is the necessary formula to mutually meet our future challenges.

John C. Martin  
Inspector General



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## **INTRODUCING**

***Nikki L. Tinsley, Deputy Inspector General.***

*Ms. Tinsley was formerly the EPA OIG Divisional Inspector General of the Central Audit Division in Kansas City, KS.*



# Executive Summary

## Section 1-- Significant Findings and Recommendations

### 1. Major Delays in Superfund Cleanups Increased Costs and Potential Health Risks

Despite identification between 12 and 15 years ago, the three Superfund sites we reviewed were still not cleaned up. The prolonged time spent studying sites and designing remedies resulted in higher cleanup costs and continued risks to public health and the environment (page 17).

### 2. Year 2000 Could Cause Failure of Major Information Systems

The Office of Information Resources Management (OIRM) has raised Agency awareness of data processing problems associated with the year 2000. However, OIRM has not acted sufficiently to reduce the imminent threat of major EPA systems failure (page 10).

### 3. Superfund Technical Assistance Grant Program Seldom Used

The Agency had not adequately defined Technical Assistance Grant (TAG) program needs, goals, or performance measures. In addition, the program was inconsistently implemented and publicized, resulting in only a small number of TAGs being awarded since the program's inception (page 20).

### 4. Unauthorized Use of Gulf Ecology Division Laboratory

Non-Federal personnel were allowed to perform research at the Gulf Ecology Division (GED) laboratory without proper authorization, and some directly assisted on EPA research activities in violation of Federal law. In addition, proper security over access to GED facilities had not been established (page 11).

### 5. Inadequate Management Led to Ineffective and Costly Programs

EPA's ineffective, inefficient planning and inadequate oversight of a major contractor's performance resulted in some of the products and services procured being inadequate, untimely, and/or of questionable value (page 21).

### 6. FACA Committees' Costs Nearly Doubled Since 1993

While we support EPA's strategy of using FACA committees to create partnerships with business and communities, the Agency needs to ensure that the operations of these committees is fiscally responsible. Although EPA has decreased the number of its Federal Advisory Committee Act (FACA) committees by one-third since 1993, their operating costs have increased 84 percent, and the number of Agency personnel involved has grown almost 57 percent (page 9).

### 7. Inadequate Evacuation Plan and Accessibility Pose Safety Risks

EPA's Occupant Emergency Plan for Waterside Mall (WSM) was outdated and insufficiently complete to protect employees and contractors. Also, survey respondents believed additional actions are needed to make WSM safer and more accessible to the physically challenged (page 14).

### 8. Hazardous Waste Risks Reduced, But Inadequate Oversight Resulted in Cost Overruns and Inefficient Cleanup

EPA Region 8 responded to the Summitville, CO, Superfund site emergency in a widespread but remote area, by reducing hazardous waste risks. However, the Region did not adequately oversee Interagency Agreements (IAGs) with the Department of Interior's Bureau of Reclamation resulting in seven cost overruns totaling nearly \$7.3 million and inefficient cleanup implementation (page 18).

### 9. Superfund Site Laboratory Data Is Questionable

Although EPA spent nearly \$2 million overseeing the Aerojet General Corporation Superfund site, Region 9 had not monitored the quality of laboratory data used for making public health risk assessments, developing cleanup alternatives, and designing the remedy (page 19).

### 10. Reorganizations and Streamlining Plans Will Increase Personnel Costs

Although the four regions we reviewed developed plans to reduce the number of supervisory positions, their reorganizations will cumulatively increase senior level employees by 19 percent and salary costs by an estimated \$370,000 (page 8).

### 11. Air Toxics From R&D Facilities Not Regulated

Although EPA has initiated improvements on facility air toxics emission standards, it has not designated research and development (R&D) facilities as a separate category for regulation. Consequently, without independent state regulation, toxic emissions from R&D facilities are unrestricted (page 12).

### 12. Over \$100 Million in Government Property, Including Vehicles, Improperly Provided to Contractors

EPA has acquired hundreds of passenger vehicles without statutory authority. In addition, EPA recently reported \$138.3 million in government property (including passenger and other vehicles) held by contractors despite regulatory requirements that contractors furnish all necessary property (page 23).

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### **13. Grant Improperly Awarded to Pay Symposium Costs**

EPA improperly awarded a grant to the Gulf of Mexico Foundation to pay ineligible expenses previously incurred by an EPA contractor for a 1995 symposium (page 22).

### **14. Canceled Payment Activities Were Effectively Managed**

In general, EPA effectively monitored and controlled canceled payment activities and properly resolved most negotiated canceled checks, limiting the risk of significant loss to the Agency. However, EPA could improve case file maintenance and timely recovery of duplicate payments at certain accounting offices (page 15).

### **15. Improvements Needed in Ohio's Leaking Underground Storage Tank (LUST) Program**

The Ohio Bureau of Underground Storage Tanks Regulation effectively directed LUST resources to cleanup of high priority sites, but overstated accomplishments and did not attempt to recover most cleanup costs (page 13).

### **16. Los Angeles, California, Claimed Almost \$13.4 Million of Ineligible Costs**

The City of Los Angeles, California, claimed \$13,370,935 of ineligible construction, force account, and indirect costs for the Hyperion Secondary Conversion Project and Energy Recovery System, and the East Valley Interceptor Sewer (page 26).

### **17. Nearly \$10.1 Million of Questioned Costs Claimed for New York City Projects**

The City of New York claimed \$7,481,371 of ineligible architectural engineering, force account, and construction costs for pump stations, interceptor sewers, and a force main. We questioned an additional \$2,606,283 of unsupported and unreasonable costs (page 26).

### **18. Almost \$3 Million of Ineligible Costs Claimed by the County of Westchester, New York**

The County of Westchester, New York, claimed ineligible project costs of \$2,995,923 for the expansion and upgrading of a wastewater treatment plant (page 27).

### **19. San Francisco, California, Claimed Over \$2.8 Million of Ineligible Costs**

The City and County of San Francisco claimed \$2,812,732 of ineligible project costs for wastewater treatment facilities (page 27).

## **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 327 reports for which no management decision had been made. During the first half of fiscal 1996, the Office of Inspector General issued 251 new reports and closed 360. At the end of the reporting period, 218 reports remained in the Agency followup system for which no management decision had been made. Of the 218 reports, 126 reports remained in the Agency followup system for which no management decision was made within 6 months of issuance (page 28).

For the 223 reports closed that required agency action, EPA management disallowed \$41.4 million of questioned costs and agreed with our recommendations that \$7.7 million be put to better use (page 28). In addition, cost recoveries in current and prior periods included \$1.1 million in cash collections, and at least \$31.6 million in offsets against billings (page 4).

## **Section 3--Prosecutive Actions**

During this semiannual reporting period, our investigative efforts resulted in 5 convictions and 1 indictment. Also, our investigative work led to \$3.4 million in fines and recoveries (page 33).

## **Section 4--Fraud Prevention and Management Improvements**

During this semiannual period, we reviewed 3 legislative and 35 regulatory items. Our most significant comments concerned the Local Empowerment and Flexibility Act of 1996, proposed revisions to the Federal Acquisition Regulation, the Office of Personnel Management's proposed rule on suitability for national security positions and personnel investigations, and the EPA Commercial Purchase Card policy (page 37).

The Office of Grants and Debarment completed action on 6 OIG-generated suspension and debarment cases during this reporting period, resulting in 4 suspensions and two compliance agreements (page 38).

The EPA Committee on Integrity and Management Improvement (CIMI), chaired by the Inspector General, published a bulletin on membership in professional societies and associations (page 40).

Ten new Hotline cases were opened and 15 were closed during the reporting period. Of the closed cases, 4 resulted in environmental, prosecutive, or administrative corrective action (page 41).

## 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, or disposed of a safe manner.
Toxic Substances Control Act	Requires EPA notification of any new chemical prior to its manufacture and authorizes EPA to regulate its production, use, or disposal..
Federal Insecticide, Fungicide, and Rodenticide Act	Authorizes EPA to register all pesticides, specify the terms and conditions of their use, and remove unreasonable 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 contaminated sites.
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 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	Authorizes EPA 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	Provides for a program of education on the environment through activities in schools and related educational activities, and to encourage students to pursue careers related to the environment.
National Environmental Policy Act of 1969	Provides a national policy requiring environmental impact statements describing potentially adverse effects of, and alternatives to, any major Federal action. Established the Council on Environmental Quality.

# Profile of Activities and Results

October 1, 1995 through March 31, 1996

## Audit Operations

### OIG Managed Reviews:

#### - Reviews Performed by EPA, Independent Public Accountants and State Auditors

##### - Questioned Costs\*

- Total \$35.8 Million
- Federal Share \$25.5 Million

##### - Recommended Efficiencies\*

(Funds be Put to Better Use)

- Total \$12.8 Million
- Federal Share \$12.8 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) \$40.4 Million

##### - Costs Disallowed as Cost Efficiency

- Federal Share (funds made available by EPA management's commitment to implement recommendations in OIG performance and preaward audits) \$0.4 Million

### Other Reviews:

#### - Reviews Performed by Another Federal Agency or Single Audit Act Auditors

##### - Questioned Costs\*

- Total \$2.9 Million
- Federal Share \$2.9 Million

##### - Recommended Efficiencies\*

- Total \$32.2 Million
- Federal Share \$32.2 Million

##### - Costs Disallowed to be Recovered

- Federal Share \$1.0 Million

##### - Costs Disallowed as Cost Efficiency

- Federal Share \$7.3 Million

### Agency Recoveries:

Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments.)\*\*

\$32.7 Million

### Reports Issued:

#### - OIG Managed Reviews:

- EPA Reviews Performed by the OIG 51
- EPA Reviews Performed by Independent Public Accountants 4
- EPA Reviews Performed by State Auditors 3

#### - Other Reviews:

- EPA Reviews Performed by another Federal Agency 134
- Single Audit Act Reviews 59

### Total Reports Issued

251

Reports Resolved (agreement by Agency officials to take satisfactory corrective action)\*\*\*

223

### Investigative Operations

- Fines and Recoveries (including civil) \$3.4 million
- Investigations Opened 71
- Investigations Closed 71
- Indictments of Persons or Firms 1
- Convictions of Persons or Firms 5
- Admin. Actions Against EPA Employees 11

### Fraud Detection and Prevention Operations

- Debarments, Suspensions, and Compliance Agreements 6
- Hotline Cases Opened 10
- Hotline Cases Processed and Closed 15
- Personnel Security Investigations Adjudicated 384

\*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 1996, the Agency has operated under a series of Continuing Resolutions and has suspended operations twice for a total of 18 work days due to two separate breaks in funding. During this period, the OIG planned and carried out its own shutdown procedures, and prepared for other shutdowns as each of several short term Continuing Resolutions expired. Operating under these contingencies, along with only partial incremental funding, has prevented the OIG from pursuing normal operations, including long-term assignments and projects, contracting, travel, purchases of equipment and services, and required training. Additionally, the OIG has operated with an Agency-imposed freeze on all personnel actions. This freeze has prevented the OIG from maintaining a workforce above 390 Full-Time Equivalent (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.

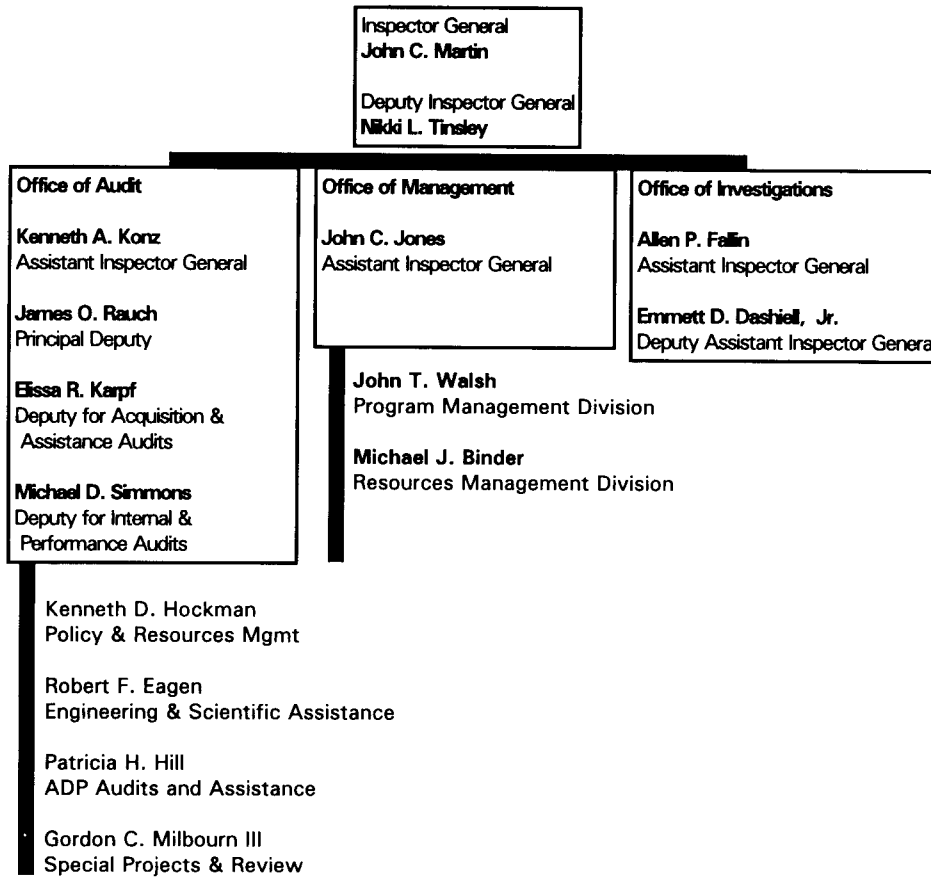
Source		Section/Page	
Inspector General Act, as amended.			
Section 4(a)(2)	Review of Legislation and Regulations	4	37
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	1	7
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	1	7
Section 5(a)(3)	Prior Significant Recommendations on Which Corrective Action Has Not Been Completed	Appendix 2	50
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	3	33
Section 5(a)(5)	Summary of Instances Where Information Was Refused	*	*
Section 5(a)(6)	List of Audit Reports	Appendix 1	42
Section 5(a)(7)	Summary of Significant Reports	1	7
Section 5(a)(8)	Statistical Table 1-Reports With Questioned Costs	2	30
Section 5(a)(9)	Statistical Table 2-Reports With Recommendations That Funds Be Put To Better Use	2	31
Section 5(a)(10)	Summary of Previous Audit Reports Without Management Decisions	Appendix 2	50
Section 5(a)(11)	Description and Explanation of Revised Management Decisions	Appendix 2	50
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.

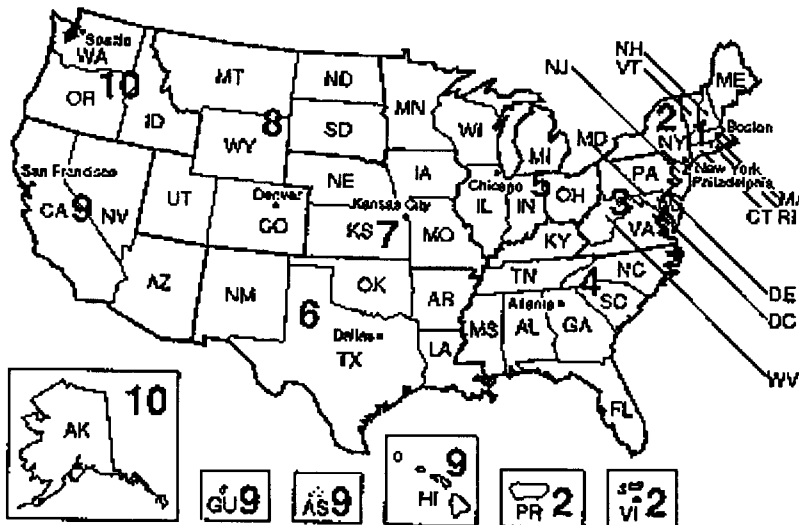
# Office of Inspector General-Who's Who

## Headquarters



## Divisional Inspectors General for Audit

**Regions 1 & 2**  
 Paul D. McKechnie  
  
**Region 3**  
 Paul R. Gandolfo  
  
**Regions 4 & 6**  
 Mary M. Boyer  
  
**Region 5**  
 Anthony C. Carrollo  
  
**Regions 7 & 8**  
 Bennie S. Salem (Acting)  
  
**Regions 9 & 10**  
 Truman R. Beeler  
  
**Headquarters:**  
**HQ Audit Division**  
 Edward Gekosky  
  
**Financial Audit Division**  
 Melissa M. Heist



## Divisional Inspectors General for Investigations

**Regions 1, 2 & 3**  
 Thomas L. Papineau  
  
**Regions 4,5,6, 7, 8, 9, &10**  
 Ailverdes Cornelious (Acting)  
  
**Washington Field Division**  
 Adrienne R. Rish (Acting)

# Section 1 -- Significant Findings and Recommendations

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

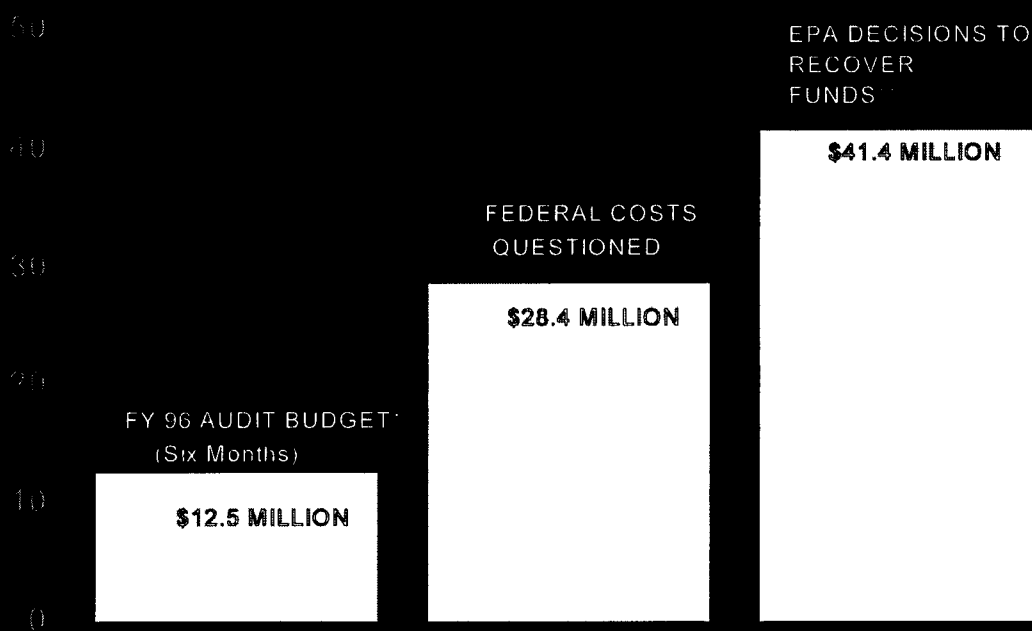
## Performance Indicators

This box appears throughout our report to identify items that may be used as indicators of economy, efficiency, or effectiveness in the measurement of Agency programs and operations.



## COSTS & BENEFITS OF TOTAL AUDIT EFFORTS

REPORT OF THE INSPECTOR GENERAL  
ON THE COSTS AND BENEFITS OF TOTAL AUDIT EFFORTS



\* FY96 funding through 3/31 by Continuing Resolutions.

\*\* REPORTS RESOLVED THIS PERIOD INCLUDING REPORTS ISSUED IN PRIOR PERIODS

## Agency Management

*The Inspector General Act requires the OIG to initiate reviews and other activities to promote economy and efficiency and to detect and prevent fraud, waste, and mismanagement in EPA programs and operations. Internal and performance audits and reviews are conducted to accomplish these objectives largely by evaluating the economy, efficiency, and effectiveness of operations. During this semiannual reporting period, the OIG conducted a number of major reviews of EPA programs, including reorganization issues in several regions; cost growth in EPA's Federal Advisory Committee Act committees; EPA's computer systems' preparations for the year 2000; and allegations about improper use of facilities at one laboratory. 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.*

### Reorganizations and Streamlining Plans Will Increase Personnel Costs

#### Findings in Brief

Although the four regions we reviewed developed plans to reduce the number of supervisory positions, their reorganizations will cumulatively increase senior level employees by 19 percent and salary costs by an estimated \$370,000.

#### Background

The National Performance Review (NPR) and a September 1993 Presidential memorandum launched governmentwide streamlining efforts. NPR set a goal of doubling the managerial span of control within five years, based on the premise that the elimination of managerial levels would reduce the size of the Federal workforce and save money.

#### We Found That

The four regions reviewed had developed plans to reduce the number of senior supervisory positions (grades 14 and above) to achieve the Agency goal of a 1:11 ratio. However, they also plan to promote personnel, cumulatively increasing the number of senior level employees from 342 to 408, or 19 percent, and estimated annual salary costs by \$370,000. One region was planning a 33 percent increase in senior level employees.

#### Performance Indicators

-PC & B Costs

-Number of Grades 14 & Above



As part of their reorganization plans, the four regions advertised, or planned to advertise, existing and newly created positions at higher grades. Nonsupervisory personnel were sometimes promoted to higher graded nonsupervisory positions, and displaced supervisory personnel were reassigned to nonsupervisory positions at the same grade or promoted to a higher grade than they held as supervisors. The regions did not follow EPA guidance and limit consideration for new supervisory positions. In December 1994, EPA issued guidance on options for reinventing organizations which stated that managers were to limit

consideration for advertised supervisory positions to the affected group of supervisors. Furthermore, promoting lower graded employees to these positions was specifically prohibited. If sufficient applicants did not apply to fill the supervisory positions, managers could expand the scope of competition to other employees at the same grade level as the job advertised. While most promotions have not yet occurred due to an Agency-wide freeze, a Headquarters waiver has already allowed some to take place in one region.

#### We Recommended That

The Deputy Administrator:

- Review the implementation of reorganization plans for all EPA offices and regions, and evaluate actions taken to reduce the number of senior supervisory positions.
- Take whatever action is necessary to ensure that all offices comply with the streamlining initiative and actually reduce the number of higher graded positions over time.

#### What Action Was Taken

*The final audit report (6400015) was issued to the Deputy Administrator on November 22, 1995. In responding to the report, the Deputy Administrator stated that while some increases in senior level positions may be appropriate at this time to meet the Agency's streamlining, reinvention, and diversity goals, significant increases should not become a permanent part of the Agency's grade structure. Further, he has asked the Office of Administration and Resources Management to work with other Headquarters and regional offices to develop a long-term strategy for effectively managing these issues.*

## FACA Committees' Costs Nearly Doubled Since 1993

### Findings in Brief

While we support EPA's strategy of using Federal Advisory Committee Act (FACA) committees to create partnerships with business and communities, the Agency needs to ensure that the operations of these committees are fiscally responsible. Although EPA has decreased the number of its FACA committees by one-third since 1993, their operating costs have increased 84 percent, and the number of Agency personnel involved has grown almost 57 percent.

### Background

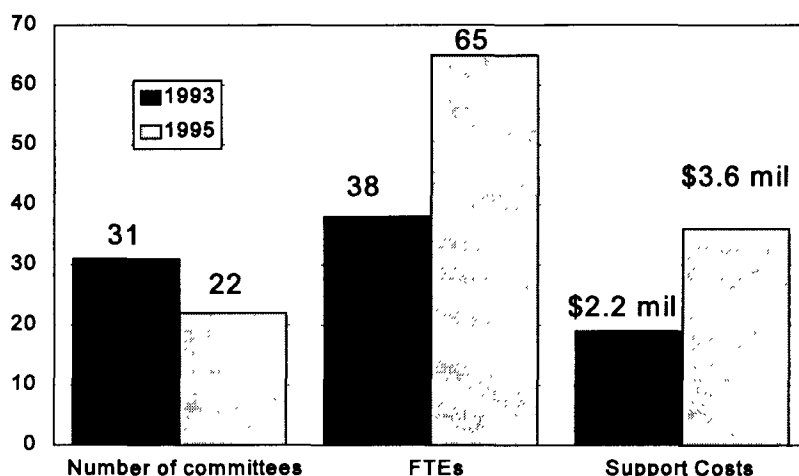
A February 1993 Executive Order directed executive departments and agencies to terminate at least one-third of FACA committees not required by statute. New advisory committees could be established only under compelling circumstances with the approval of the Office of Management and Budget. Additionally, a June 1994 Vice-Presidential memorandum directed each agency to reduce advisory committee costs by at least five percent.

### We Found That

EPA's cost to operate FACA committees has increased from \$4.9 million for 31 committees in 1993 to over \$9 million for 22 committees in 1995. This is an 84 percent rise in the cost of committee operations with two-thirds of the costs supporting committees not required by statute.

The number of Agency personnel involved in FACA committee operations has also grown from 38 full-time equivalent (FTE) personnel at cost of \$2.2 million in fiscal 1993 to 65

## EPA Committees



FTE at a cost of \$3.6 million in fiscal 1995.

Over 70 percent of the fiscal 1995 salary costs for operational support was for high level employees. EPA's decentralized operations appeared to contribute to a duplication of similar administrative functions resulting in the involvement of more and higher paid personnel than necessary in committee operations.

Although a central Agency office administers FACA and consolidates cost data, it has no control over individual FACA committee funds. Each program office separately funds the FACA committees it establishes. This system does not allow EPA to fully consider costs in establishing committees or their priorities. Consequently, the Agency is not able to ensure that funds are used efficiently to obtain public advice. Efforts by EPA to decrease overall FACA committee costs have not been successful.

### We Recommended That

The Deputy Administrator:

- Assign responsibility and authority for monitoring and reducing overall costs of FACA committees.

- Identify offsetting reductions in existing committees prior to establishing new committees.

- Review and consolidate, where appropriate, administrative committee functions to reduce the number and grade level of personnel involved in committee operations.

### What Action Was Taken

The final report (6100147) was issued to the Deputy Administrator on March 29, 1996. In response to our draft report, the Deputy Administrator did not dispute the cost growth, but stressed the importance of FACA committees to Agency operations. He disagreed with most recommendations, but agreed to conduct a review of FACA administrative functions to find ways to streamline them. A response to the final report is due on June 27, 1996.

## **Year 2000 Could Cause Failure of Major Information Systems**

### **Findings in Brief**

**The Office of Information Resources Management (OIRM) has raised Agency awareness of data processing problems associated with the year 2000. However, OIRM has not acted sufficiently to reduce the imminent threat of major EPA systems failure.**

### **Background**

The upcoming century change is considered to be one of the most critical problems facing data processing, and industry has become increasingly aware of the potential impact of storing years in computers as two digit numeric fields (e.g., "1996" can be stored as "96"). The basic problems are inverse dates (interpreting "00" as occurring prior to "99") and resulting incorrect leap year assumptions. Since most systems perform date calculations, they could produce unreliable information, or even fail completely, on or before January 1, 2000.

### **We Found That**

OIRM has been conducting an information campaign to alert system managers to problems and solutions associated with the year 2000. The Agency also reviewed 36 of its over 300 application systems, and developed a query program to help locate date codes needing modification within some systems. However, OIRM has not established specific guidance to educate managers regarding the magnitude of the problem.

For example, several managers were unaware of potential problems with system interfaces and incompatible historical data, which will complicate the modification process and directly affect the time and cost of resolving year 2000 problems. Yet every system we surveyed exchanges data with at least one other Agency system, and 54 percent exchange data with systems outside of EPA.

Also, each major application system is vulnerable to the faults of its hardware platform. OIRM did not develop consistent test plans to ensure that each operating system's idiosyncrasies will be tested and that programs will function as intended beyond the year 2000.

OIRM plans to allow information system managers to implement either the industry-recommended, four digit year expansion or to reprogram their systems and specify subsequent cut-off dates. Reprogramming solutions could hide the problem and scatter future "failure" dates randomly across the Agency. Also, these inconsistent methods for dealing with the year 2000 problem will affect how well Agency systems interact.

EPA plans to contract out systems reprogramming efforts, but the lack of detailed plans, budget uncertainties, and contracting time delays make it questionable whether EPA systems will be ready in time. To date, only two systems are currently year 2000 compliant, and four major systems have experienced problems accepting dates beyond 1999. Industry recommends that systems be fully tested and ready for implementation by the end of 1997, to allow for one full year of normal processing, as well as year-end and quarter-end processing.

### **We Recommended That**

The Acting Director, Office of Information Resources Management:

- Expedite the development of guidance documents to, at a minimum, identify: (1) common concerns that need to be addressed; (2) reliable methods for testing date fields for year 2000 compliance; and (3) tests designed to ensure compatibility between Agency application systems.
- Employ an existing communication mechanism to: (1) disseminate guidance to system managers; (2) serve as a central repository devoted to year 2000 issues; and (3) provide an avenue for the exchange of ideas and experiences among system managers.
- Endorse the use of the existing four digit year standard, and require system managers to obtain a waiver if they choose a solution other than the standard.

### **What Action Was Taken**

*We issued our final report (6400036) to the Acting Director, Office of Information Resources Management, on March 14, 1996. In responding to the draft report, the Agency agreed that the year 2000 issue poses a serious problem and partially agreed with our three recommendations, while being reluctant to impose a "one size fits all" solution on existing Agency systems. A response to the final report is due on June 12, 1996.*

## Unauthorized Use of Gulf Ecology Division

### Findings in Brief

**Non-Federal personnel were allowed to perform research at the Gulf Ecology Division (GED) laboratory without proper authorization, and some directly assisted on EPA research activities in violation of Federal law. In addition, proper security over access to GED facilities had not been established.**

### Background

In April 1995, we received allegations that: (1) students from the University of West Florida (UWF) were performing unauthorized, private research at GED's laboratory; (2) a scientist employed by the University of South Alabama used GED's laboratory without an agreement or relationship between EPA and the University; and (3) two EPA scientists had proposed using the GED facilities for a privately funded research project without proper approval.

### We Found That

All of the allegations were true. Students and/or faculty from at least three universities had worked or were currently working at GED's laboratory without any authorized agreement, contract with EPA, or assessment of user fees. In addition, two GED scientists solicited private funding for research at GED without proper approval. A May 1995 Office of Research and Development (ORD) management review identified the MOU as a significant problem, and it is currently being revised to reflect GED's new mission.

Some of these non-Federal personnel were directly assisting GED staff on EPA research projects which violates statutory prohibitions against Federal agency acceptance of voluntary services. In addition, non-Federal use of EPA facilities without proper authorization raises questions of EPA's liability in case of accidents, injuries, or compensation claims, as well as ownership of patents and proprietary information resulting from the research.

The former laboratory director implemented a Memorandum of Understanding (MOU) with UWF without proper approval, and many of the unauthorized uses of GED facilities were justified by GED staff based on questionable or vague provisions in this unapproved MOU. ORD received the proposed MOU in 1992, but did not provide a timely response or intervene when the MOU was implemented without approval.

Further, GED officials did not establish proper security over access to the facility because they believed the risk of unauthorized access was minimal. Anyone could enter the facility during normal business hours without identification or proper authorization. In addition, information required on the entrance log was insufficient to properly identify individuals entering GED after normal business hours. Due to the large fluctuation of non-Federal personnel who work at the laboratory, control over unauthorized access is difficult without some type of 24-hour restriction.

### We Recommended That

The Assistant Administrator for Research and Development:

- Coordinate with the Office of the Comptroller in order to fulfill the reporting requirements for a violation

of Federal law regarding the acceptance of voluntary services.

- Work with the Acting Assistant Administrator for Administration and Resources Management to prepare an Agency-wide "umbrella" delegation for implementation of reimbursement authority for use of EPA facilities.

- Coordinate with the Office of Administration and Resources Management and the Office of General Counsel to develop guidance concerning non-Federal use of EPA facilities and fees to be charged for such use, and the solicitation and use of private funds for EPA research.

- Identify and terminate all unauthorized non-Federal use of GED facilities and provide an expeditious review of the proposed MOU between GED and UWF.

### What Action Was Taken

*The final special review report (6400045) was issued to the Assistant Administrator for Research and Development on March 30, 1996. In response to the draft report, the Assistant Administrator included corrective actions and milestone dates for completion of planned actions that were considered adequate for resolution of all except two of our recommendations. The Agency disagreed with our conclusions regarding GED's acceptance of voluntary services, a violation of Federal law; and the non-Federal use of EPA laboratory facilities. A response to the final report is due by June 30, 1996.*

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## **Air Toxics From R&D Facilities Not Regulated**

### **Findings in Brief**

**Although EPA has initiated improvements on facility air toxics emission standards, it has not designated research and development (R&D) facilities as a separate category for regulation. Consequently, without independent state regulation, toxic emissions from R&D facilities are unrestricted.**

### **Background**

The 1990 Clean Air Act Amendments (CAAA) required EPA to identify categories for major sources of toxic air pollutants, including a separate category for R&D facilities, and to establish emission standards for each source category. EPA's Office of Air Quality Planning and Standards (OAQPS) is responsible for promulgating technology-based Maximum Achievable Control Technology (MACT) standards.

### **We Found That**

EPA had neither developed an R&D source category nor planned to do so. As a result, these facilities operate without restriction in states that have no independent regulation, and industry could take advantage of R&D status to avoid complying with air toxics regulations. Agency officials knew little about the number of major R&D facilities or the emissions they produce. However, state officials could name dozens of specific unregulated R&D facilities that may emit major quantities of air toxics.

Although the Agency is not meeting the statutorily mandated schedule, OAQPS was adopting initiatives to expedite and improve the MACT

development process. Through their most well-known initiative, the MACT Partnership Program, EPA and states work together with industry and environmentalists to reduce the time and resources needed for completing the MACT standards. In addition, under the Tiering program, EPA regulations (both planned and under development) are classified according to anticipated cross-Agency concerns, impact on the public, political interest, and controversy with other Federal agencies. This initiative would exempt some regulations from high level review to speed the process.

Also, we found that the CAAA's method for computing the emission limit, called the "MACT floor," is not completely defined. For example, the emission limit calculated from the top 12 percent of industry sources could result in a standard which does not require any emissions control. Regardless of its shortcomings, OAQPS officials believe that the current law provides for set limits and strengthens their position when dealing with industry.

### **We Recommended That**

The Director, OAQPS, establish a separate category covering research and development facilities.

### **What Action Was Taken**

*The final report (6100140) was issued to the Director, OAQPS, on March 19, 1996. In responding to the draft report, the Director concurred with our observations and conclusions concerning the development process for MACT standards. Also, the Director agreed that emissions from major sources at R&D facilities lack regulation and that a separate category would be established. A response to the final report is due by June 17, 1996.*

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

### Findings in Brief

The Ohio Bureau of Underground Storage Tanks Regulation (BUSTR) effectively directed LUST resources to cleanup of high priority sites, but overstated accomplishments and did not attempt to recover most cleanup costs.

### Background

The Resource Conservation and Recovery Act authorizes EPA to use cooperative agreements to provide LUST Trust Funds to States for the cleanup of LUSTs. BUSTR, which is part of the Ohio Department of Commerce, administers the LUST program in Ohio.

### We Found That

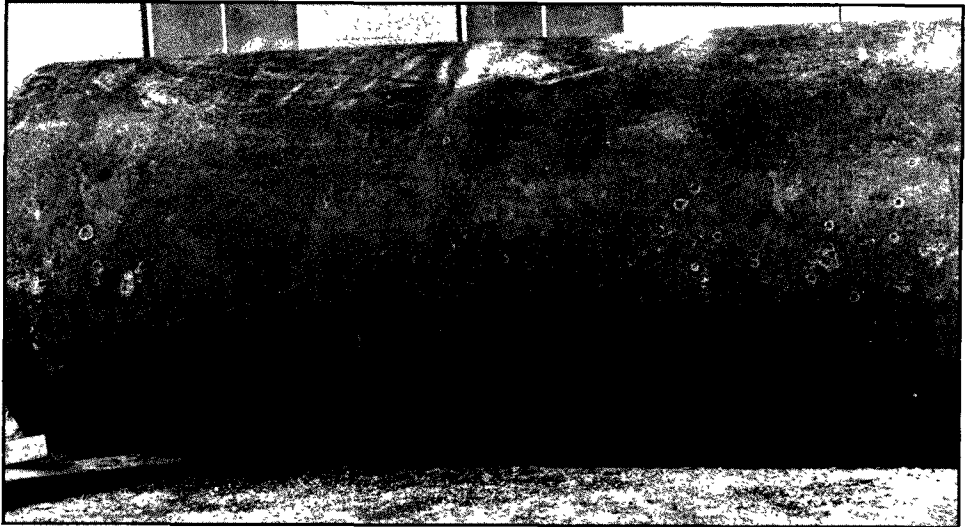
BUSTR effectively used two systems to identify and clean up high priority LUST sites posing the greatest threat to human health and the environment. The first system identified emergency sites requiring immediate action, and the second evaluated the long-term effects of each release.

#### Performance Indicators



- Confirmed Releases
- Cleanups Initiated
- Cleanups Completed
- Enforcement Actions

However, BUSTR did not report program accomplishments in accordance with EPA guidance.



*Closeup of typical corroded storage tank shows sources of leaks (EPA photo).*

Actual accomplishments were less than what was reported for confirmed releases, cleanups initiated, cleanups completed, and enforcement actions. These overstatements provided the Agency with an inaccurate basis for comparing Ohio activities with other states.

BUSTR had not recovered Federal and state funds spent to clean up 121 LUST sites because it had not completed the development of its cost recovery program. Also, BUSTR did not maintain complete cost documentation on LUST cleanups which prevented identification of sites with the greatest cost recovery potential.

### We Recommended That

The Regional Administrator, Region 5, work with BUSTR to ensure that it.

- Reviews its methodology for computing the number of confirmed releases, cleanups initiated, cleanups completed, and enforcement actions taken to ensure the methodology meets EPA definitions.

- Develops and implements a comprehensive cost recovery program that attempts to recover LUST Trust Fund money.

- Maintains complete cost documentation records.

### What Action Was Taken

*The final report (6100095) was issued to the Regional Administrator, Region 5, on February 5, 1996. In responding to the draft report the Regional Administrator agreed to take corrective action to address all the findings and recommendations in the report. Accordingly, no further response was required and we closed the report upon issuance.*

## Inadequate Evacuation Plan and Accessibility Pose Safety Risks

### Findings in Brief

**EPA's Occupant Emergency Plan (OEP) for Waterside Mall (WSM) was outdated and insufficiently complete to protect employees and contractors. Also, survey respondents believed additional actions are needed to make WSM safer and more accessible to the physically challenged.**

### Background

EPA is required to develop and maintain an evacuation plan for safeguarding over 5,000 Agency employees and contractors at WSM in an emergency. Our review included a survey of EPA Headquarters employees having mobility- or sensory-related physical challenges.

### We Found That

Much of EPA's WSM OEP was inadequate and could hinder the Agency's ability to safely and quickly evacuate personnel in an emergency. Seventy-six percent of physically challenged survey respondents did not know what to do in an emergency.

Specifically, the list of key evacuation personnel was outdated, and no stairwell, elevator, or exit monitors were designated. Data needed on physically challenged staff was incomplete, and detailed emergency procedures to protect them, such as use of the elevator for evacuation, were not included in the OEP. Further, building evacuation routes had not been posted, and basic provisions of the OEP had not been disseminated to appropriate staff or generally communicated to WSM employees. The OEP did not provide any emergency policy and procedures for contractors.

The Agency had not established a formal process to annually update, test, and obtain approval of the WSM

OEP. In addition, annual training for key personnel had not been conducted, and several monitors told us that they had not had any training in more than five years.

In recent years, EPA and the General Services Administration (GSA) have resolved major barriers to accommodate the physically challenged at WSM. However, our survey respondents believed that additional improvements could make WSM safer and more accessible, especially in stairs, hallways, and parking facilities. Many of the survey respondents believed that barriers, some of which may violate accessibility standards, pose a danger to their health and safety, and have impeded their job performance.

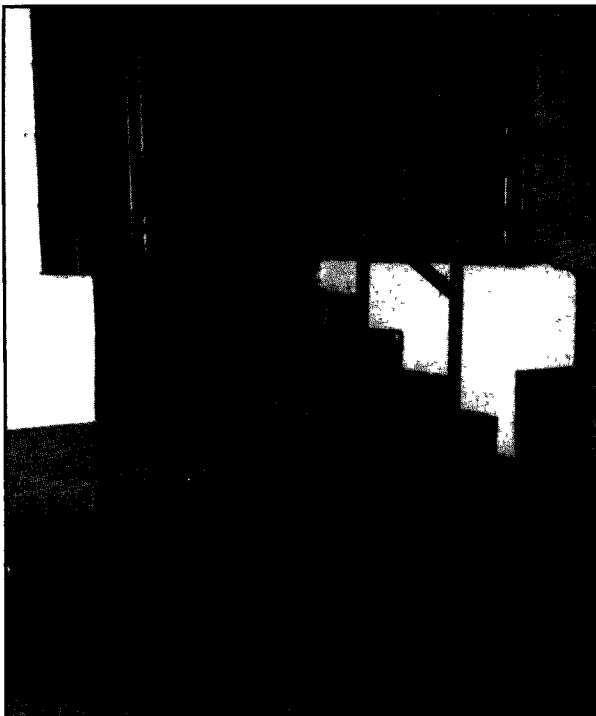
### We Recommended That

The Acting Assistant Administrator for Administration and Resources Management:

- Establish a formal process to periodically update, test, and communicate the OEP.
- Identify and train evacuation personnel annually.
- Make easy and inexpensive changes to remove some barriers.
- Request that GSA determine if any existing barriers put WSM in noncompliance with accessibility standards and take corrective actions, if necessary.

### What Action Was Taken

*The final report (6100150) was issued to the Acting Assistant Administrator for Administration and Resources Management on March 28, 1996. In response to the draft report, the Agency generally agreed with most of our recommendations, but disagreed with some aspects of the findings. A response to the final report is due on June 26, 1996.*



*These stairs from the EPA garage must be climbed to reach an elevator (EPA photo).*

## Canceled Payment Activities Were Effectively Managed

### Findings In Brief

In general, EPA effectively monitored and controlled canceled payment activities and properly resolved most negotiated canceled checks, limiting the risk of significant loss to the Agency. However, EPA could improve case file maintenance and timely recovery of duplicate payments at certain accounting offices.

### Background

EPA authorizes the Department of Treasury to disburse Agency funds to employees, vendors, contractors, and grantees. The Agency submits certifications that Treasury relies on to print and mail checks, and to transmit funds electronically. If a check needs to be cancelled after issuance, Treasury credits the funds back to the Agency's appropriation or fund account. However, checks can still be negotiated because Treasury does not notify financial institutions that the checks have been canceled. If a canceled check is subsequently negotiated, Treasury identifies this as a payment over cancellation (POC), and charges the Agency with the amount of the check. Between October 1990 and May 1995, Treasury identified 88 canceled EPA checks resulting in POCs totaling more than \$1.3 million. EPA has 15 accounting offices that are involved in payment cancellation activities.

### We Found That

In general, the Agency effectively controlled check cancellation activities and resolved canceled checks that

had been negotiated. Specifically, the Research Triangle Park accounting office properly managed canceled payment activities, systematically maintained files, and ensured that canceled checks did not result in duplicate or improper payments.

The Chicago accounting office adequately resolved most of the POCs we reviewed. However, the office did not timely resolve one POC resulting in a \$999,999 duplicate payment when a grantee negotiated both an original and a replacement check. The grantee had use of the \$999,999 overpayment for nearly 2½ years before the Chicago office corrected the situation.

#### Performance Indicators

Number and Timeliness of Unresolved POC Cases



The Washington Financial Management Center (WFMC) established a computer database and case files as control records for check cancellation cases. Two WFMC accounting sections did not keep their record systems current or follow up on cases timely. For example, files could not be located for 44 of 115 check cancellation cases. The database maintained by WFMC to control canceled check cases did not include 25 unresolved cases. In addition, 30 cases were open over a year, and 20 others more than six months.

### We Recommended That

The Director, Financial Management Division (FMD), direct WFMC staff to:

- Organize the filing system for canceled check cases so files can be easily found.
- Update the computer database to include all cases and show whether each case is open or closed.
- Review all open cases to determine when they should be followed up.

### What Action Was Taken

*The final report (6100074) was issued to the Director, FMD, on November 30, 1995. In response to the draft report, the Director, FMD, stated that WFMC has revamped and strengthened the procedures on the existing filing system. Also, WFMC will update the database to show whether cases are open or closed, and ensure timely follow-up on an ongoing basis. The corrective actions were responsive to our recommendations and we closed the audit report in our tracking system.*

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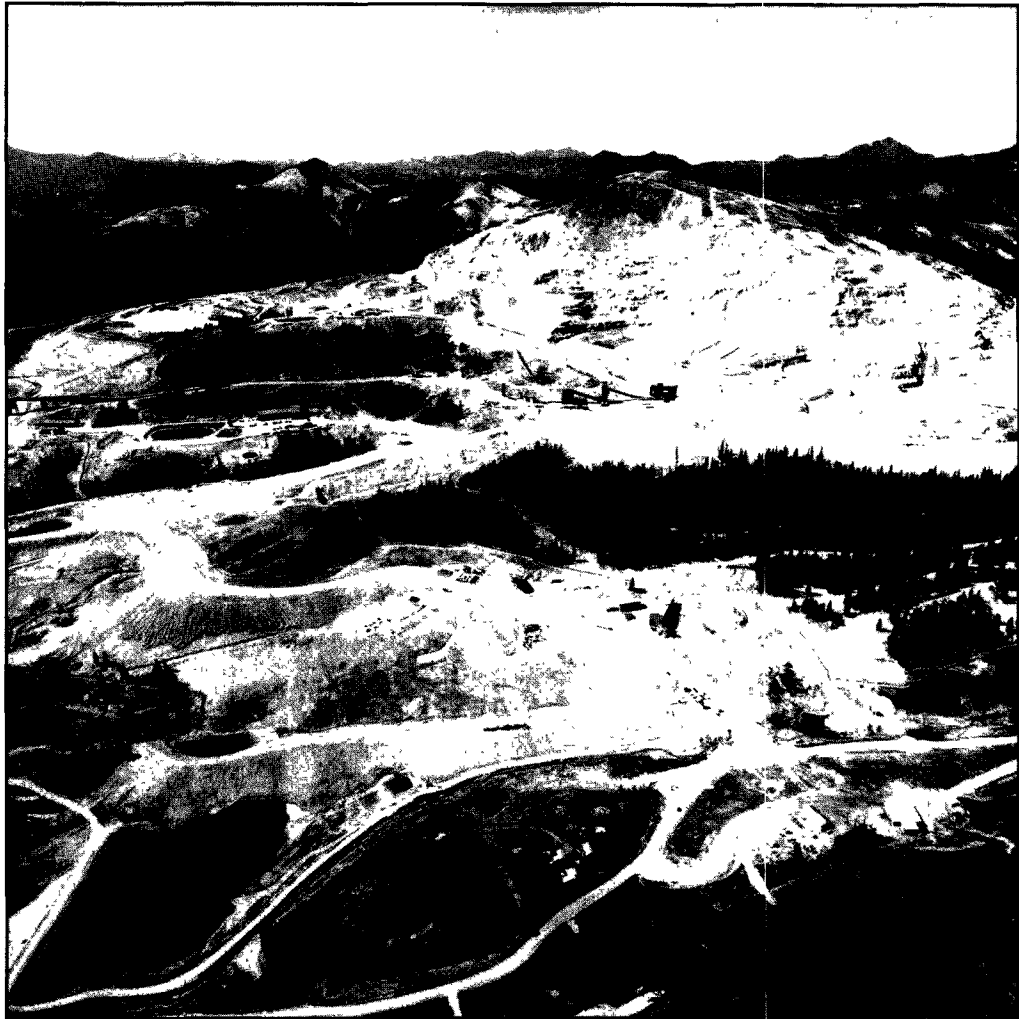
## Superfund

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

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

*SARA increased the audit requirements for the Inspector General. In addition to providing a much larger and more complex program for which the OIG needs to provide audit coverage, SARA gave the*



*Inadequate oversight resulted in cost overruns at the Summitville, CO, Superfund site (EPA OIG photo). See page 18.*

*Inspector General a number of specific responsibilities. Mandatory annual audit areas include:*

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

- *Examination of remedial investigations and feasibility studies.*

*The Inspector General is required to submit an annual report to the Congress regarding the required Superfund audit work, containing such recommendations as the Inspector General deems appropriate.*

## Major Delays in Superfund Cleanups Increased Costs and Potential Health Risks

### Findings in Brief

**Despite identification between 12 and 15 years ago, the three Superfund sites we reviewed were still not cleaned up. The prolonged time spent studying sites and designing remedies resulted in higher cleanup costs and continued risks to public health and the environment.**

### Background

We evaluated the history and chronology of activities at three Superfund sites to identify examples of the barriers encountered during the cleanup process. We selected sites based primarily on recommendations from EPA regional offices, stage of cleanup, geographic location, and the existence of significant delays in the cleanup. The information will be used, in conjunction with our other work, to develop a long-term audit plan for Superfund.

### We Found That

In general, lengthy remedial investigation/feasibility study and enforcement negotiations delayed actual cleanup of sites. Studying the sites and designing cleanup remedies accounted for about 75 percent of the time since the sites were discovered. Delays also occurred because of community, state, congressional, and potentially responsible party objections to the remedy selected for cleanup. In addition, the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act and its 1986 amendments resulted in more focus on achieving process steps rather than cleanup of sites.

The Whitmoyer Laboratories site in Myerstown, PA, entered the Superfund cleanup pipeline in 1984. Although some actions have been taken to prevent further threats to public health and the environment, others have not. For example, in 1988 an on-site vault containing about 4 million pounds of hazardous waste was targeted for a time-critical

#### Performance Indicators

- Timeliness of Action
- Cost of Action



removal action, due to sampling activities which indicated extremely high concentrations of arsenic in the soil, ground water and surface water surrounding the vault. The proposed removal action called for excavating the vault wastes and transporting them to a secured landfill at a cost of about \$3 million. However, the removal did not take place, and the vault cleanup is being handled by the remedial program at an estimated cost of around \$18 million. Agency officials attributed this cost increase to the land ban requirements, promulgated after the proposed removal. As of June 1995, when we completed our site review, the vault and its contents were still on-site.

The Wasatch Chemical site in Salt Lake City, UT, was discovered in 1980 and estimated to have construction completed by 1995, but is not yet fully cleaned up. From 1981 to 1985, state sampling showed that the ground water at the site was contaminated with toxic chemicals; the suspected source was an on-site evaporation pond used for containing process wastes. In 1985, EPA proposed further investigation and possible removal of the pond, but neither occurred. For the next ten years, EPA conducted enforcement negotiations

and two removal actions, completed the site studies, and began the remedial action. In 1994, EPA began cleanup of the evaporation pond using innovative technology. Because of uncertainties involved with this technology, cost estimates at the site have nearly doubled, from \$3.3 million to \$6.3 million.

The Southern Maryland Wood Treating site in Hollywood, MD, was discovered in 1981, and although \$30 million has been spent on removal and remedial actions, the site is still not cleaned up. Partially due to community and political pressure, work on a 95 percent completed remedial design was halted in 1992 and the Agency was forced to reevaluate remedial alternatives and adopt a less costly remedy. While the estimated cost for the new remedial action is less than the original one, this change resulted in lengthening the overall cleanup process. Although community involvement is important and necessary to ensure acceptance of the remedy, it has the potential to increase the time and cost of site cleanups.

### We Recommended That

No recommendations were made since the case studies were designed to support a long-range audit plan for evaluating and targeting ways of reducing future cleanup delays

### What Action Was Taken

*Since no written response was required from Agency officials, we closed our report (6400016) upon issuance to the Assistant Administrator for Solid Waste and Emergency Response and the Assistant Administrator for Enforcement and Compliance Assurance on November 29, 1995.*

## **Hazardous Waste Risks Reduced, But Inadequate Oversight Resulted in Cost Overruns and Inefficient Cleanup**

### **Findings in Brief**

EPA Region 8 responded to the Summitville, CO, Superfund site emergency in a wide-spread but remote area, by reducing hazardous waste risks. However, the Region did not adequately oversee Interagency Agreements (IAGs) with the Department of Interior's Bureau of Reclamation (Reclamation) resulting in seven cost overruns totaling nearly \$7.3 million and inefficient cleanup implementation.

### **Background**

In December 1992, the Summitville Consolidated Mining Company, Inc., filed for bankruptcy and abandoned an open-pit mining operation used to recover gold and silver from mined rock. At the request of the Colorado Department of Health, EPA Region 8 assumed responsibility for cleaning up the Summitville mining site and entered into an initial IAG with Reclamation to clean up the site. By July 1995, Region 8 had obligated more than \$96 million for five Reclamation IAGs, and total site cleanup costs were estimated at \$120 million.

### **We Found That**

Region 8 reduced hazardous waste risks from the Summitville site. However, the Region did not adequately oversee and monitor Reclamation to ensure efficient cleanup:

- It did not enforce IAG terms and conditions requiring Reclamation to submit current monthly progress

and cost reports. The reports were often late and did not accurately identify costs by IAG budget categories. As a result, IAG cost ceilings were overrun seven times, once by \$5.2 million.

- It did not properly project future Summitville funding needs or elevate funding problems when Headquarters staff delayed funding requests.
- It approved IAG payments without documentation supporting the allowability and reasonability of costs, and routinely approved Reclamation payment requests consisting of a single dollar figure without reviewing required monthly reports supporting reimbursement. For example, Region 8 unknowingly reimbursed Reclamation for an ineligible financing fee included in a single lump sum request.
- It did not make sure Reclamation used contracting methods which would keep cleanup costs down. It did not encourage Reclamation to use fixed-price contracts or delivery orders whenever practicable, and did not document the basis for Reclamation using time-and-materials delivery orders. Region 8 and Reclamation created an unnecessary layer of general and administrative expenses and unnecessary profit by allowing Reclamation's contractor to procure subcontractors for some cleanup on two delivery orders.
- It created a new contract vulnerability by allowing Reclamation to award both a fixed-price construction contract and a related site-support time-and-materials delivery order to the same contractor. This provided the contractor with an opportunity to avoid losses and/or maximize profits by mischarging costs incurred on the fixed-price contract

work to the time-and-materials delivery order.

### **We Recommended That**

The Regional Administrator, Region 8:

- Instruct Regional project managers to closely monitor Reclamation's compliance with the Summitville IAG terms and conditions and take appropriate action.
- Instruct staff to elevate IAG funding delays to an appropriate management level to ensure adequate funding availability.
- Establish Regional controls over all IAG payment requests so that Regional project managers do not approve payments without adequate supporting documentation.
- Encourage Reclamation to definitize Summitville cleanup tasks, cease the use of time-and-materials delivery orders, and establish fixed-price contracts to the extent practicable as soon as possible.
- Evaluate the adequacy of Reclamation's controls to prevent its contractor from mischarging direct costs of the fixed-price construction contract to an open time-and-materials delivery order.

### **What Action Was Taken**

*During our review, the Region issued new guidance to improve IAG oversight. The final report (6400019) was issued to the Regional Administrator, Region 8, on January 22, 1996. In discussions with the OIG, the Region has indicated disagreement with some of the findings, but is preparing a work-plan to address the recommendations. A response to the final report is due by April 22, 1996.*

## Superfund Site Laboratory Data is Questionable

### Findings in Brief

Although EPA spent nearly \$2 million overseeing the Aerojet General Corporation (Aerojet) Superfund site, Region 9 had not evaluated the quality of laboratory data used for making public health risk assessments, developing cleanup alternatives, and designing the remedy.

### Background

Aerojet is a major Department of Defense contractor that develops and manufactures solid and liquid propelled rocket motors in Rancho Cordova, California. In 1979, ground water contamination was discovered in several private wells surrounding Aerojet's 8,500-acre facility, and EPA listed the site on its National Priorities List in 1982 as one of the 10 highest risk sites. In a 1989 consent decree, Aerojet agreed to complete a remedial investigation and feasibility study, identify potential remedies and costs, and monitor contamination. Region 9 is responsible for approving the quality assurance project plan (QAPP), monitoring compliance with the QAPP, and verifying that work complies with the consent decree. The QAPP is the primary vehicle for ensuring that environmental data is of sufficient quality and quantity for decision-making.

### We Found That

Aerojet spent about \$100 million on studies and cleanup without adequately ensuring the quality of the underlying data or complying with the data quality requirements in its consent decree with EPA and the State of California. Region 9 spent nearly \$2 million overseeing this site, but had not evaluated the quality of laboratory data Aerojet collected for making public

health risk assessments, developing cleanup alternatives, and designing the remedy.

#### Performance Indicators

- Annual Laboratory Audits
- Double Blind Performance Evaluation Samples
- Quality Assurance Reports
- Quality Assurance Audits



Adequate data quality objectives, which are used as the basis for preparing the QAPP, had not been developed. Several quality assurance activities including data validation requirements, independent laboratory audits, frequency of performance evaluation samples, and maintenance of magnetic media were omitted from the QAPP. Further, the Region had not approved the QAPP and did not ensure that data validation requirements for historical and recent data were met, even though they are necessary for determining data quality. As a result, much of the historical data was inaccurately reflected in the database, and recent data was of questionable quality.

Aerojet generally did not comply with the QAPP and related consent decree requirements. Annual laboratory audits

were not done, performance evaluation samples were not submitted, quarterly quality assurance reports had not been prepared since 1993, and annual quality assurance audits were not conducted. Also, the Region and state regulatory agencies had not established responsibilities for monitoring the quality of laboratory data, and neither state agency had taken any specific steps to monitor data quality since they believed EPA was responsible for ensuring data quality.

### We Recommended That

The Regional Administrator, Region 9, monitor the quality of laboratory data produced for the Aerojet cleanup by:

- Ensuring data quality objectives are effective.
- Including key quality assurance activities in the QAPP.
- Monitoring compliance with the QAPP.

### What Action Was Taken

*The final review report (6400044) was issued to the Regional Administrator, Region 9, on March 28, 1996. A response to the final report is due by June 28, 1996.*



*Aerojet's ground water extraction treatment facility (EPA OIG photo).*

OCTOBER 1, 1995 THROUGH MARCH 31, 1996

## **Superfund Technical Assistance Grant Program Seldom Used**

### **Findings in Brief**

**The Agency had not adequately defined Technical Assistance Grant (TAG) program needs, goals, or performance measures. In addition, the program was inconsistently implemented and publicized, resulting in only a small number of TAGs being awarded since the program's inception.**

### **Background**

The TAG program was authorized in 1986 under the Superfund Amendments and Reauthorization Act (SARA) to encourage community involvement in the Superfund decision-making process. Grants of \$50,000 are available to local community groups affected by Superfund site activities to hire technical advisors who monitor and interpret site specific technical studies. EPA is responsible for providing information to residents who live near Superfund sites and involving them in site cleanup decisions.

### **We Found That**

While the TAG program was implemented in general compliance with program and regulatory requirements, program managers had not developed sufficient goals and performance measures or a long-term strategy to effectively and efficiently manage it. There was also no indication that the Agency had conducted a needs survey or identified the number of communities interested in obtaining a TAG grant.

Although EPA is required to notify an impacted community about the TAG program and the availability of TAG grants, we determined that this information was not consistently

communicated to interested groups. Further, individual regions placed different levels of emphasis on implementing and promoting the TAG program which directly correlated to the number of TAGs awarded and resulted in program inconsistency on a national scale.

Consequently, the TAG program objectives of affording local community groups access to technical advisors at Superfund sites were generally unfulfilled during the seven years of its existence. There have been only 151 TAGs awarded since 1988 for the over 1,250 Superfund National Priorities List sites. EPA awarded only \$8.2 million of the \$33 million budgeted for TAG since program inception, and grantees reported less than one-half (\$3.6 million) had been spent as of the end of fiscal 1994.

### **We Recommended That**

The Assistant Administrator for Solid Waste and Emergency Response:

- Conduct a needs survey for the TAG program to determine whether sufficient need exists to continue the program. If not, the program could be proposed for elimination through the upcoming reauthorization of the Superfund statute.
- Promote consistent implementation of the TAG program through the establishment of national program goals, performance measures, a long-term strategy, and shared best practices.

### **What Action Was Taken**

*The final report (6100160) was issued to the Assistant Administrator for Solid Waste and Emergency Response on March 29, 1996. In responding to the draft report, Agency officials agreed in principle with many of the audit recommendations and provided information on activities which was*

*responsive to the recommendations. A response to the final report is due by June 28, 1996.*

## Extramural Resources Management

## Inadequate Management Led to Ineffective and Costly Programs

*Over the past several years, the OIG has repeatedly identified problems in the Agency's award and administration of contracts, interagency agreements, and cooperative agreements at various EPA offices and facilities. During this semiannual reporting period, the OIG conducted major reviews to examine EPA's management of its contracts with a major contractor; a grant awarded by the Gulf of Mexico Program Office; and EPA's ownership of vehicles and provision of property to contractors. Independent audits of the records and performance of individual contractors and recipients of assistance agreements were also conducted in accordance with the General Accounting Office standards for audits of governmental organizations, programs, activities, and functions. These audits determine whether costs claimed by contractors are eligible, supported by documentation, necessary, and reasonable. Summaries follow of the most significant findings and recommendations reported during this semiannual period.*

### Findings in Brief

**EPA's ineffective, inefficient planning and inadequate oversight of a major contractor's performance resulted in some of the products and services procured being inadequate, untimely, and/or of questionable value.**

### Background

We reviewed four contracts with the Agency's third largest contractor which supported four programs: (1) "Green Lights," a voluntary, nonregulatory program aimed at reducing air pollution; (2) "Indoor Air Quality," projects to educate the public about indoor air pollution; (3) "Local Government Reimbursement," a program that reimburses municipalities for carrying out temporary emergency measures; and (4) the Zone II Environmental Services Assistance Teams (ESAT), which perform analytical services at EPA laboratories. The contracts awarded to support these programs ranged from approximately \$15 million to \$68 million over a three to four year period.

### We Found That

The "Green Lights" program was more costly than necessary because EPA authorized the contractor to perform questionable work without analyzing its cost-effectiveness or necessity. For example, EPA officials allowed the contractor to visit Hawaii at government expense to assist participants, stating that the trip was cost-effective and led to improvements in the progress of each participant visited. However, our analysis suggested that the participants would have been successful even without the

visits. In addition, one of EPA's measures of the "Green Lights" program was misleading because the Agency emphasized the number and prominence of its participants without revealing that many had made little or no progress in the program.

EPA did not adequately plan individual projects under the "Indoor Air Quality" program, resulting in unnecessary delays, modifications, and increased costs. Reliance on the contractor to complete projects on time and within budget allowed some to linger for years beyond their scheduled due dates. Three of the projects continued for as many as six years, over several contract periods, exceeding the total of all the original budgets by more than \$1 million.

The administrative costs to promote EPA's "Local Government Reimbursement" (LGR) program were unreasonable in relation to the low response. During fiscal 1995, EPA reimbursed approximately \$95,000 to four local governments, yet paid over \$300,000 for contracts to administer the program. More cost-effective alternatives may exist, such as for EPA to make the existing fact sheet (which explains the program and how to apply for reimbursement) more available to local governments.

Despite deficiencies in the prime contractor's management of the Region 7 ESAT team, the contractor received positive award fee evaluations. In addition, the Region 8 ESAT team charged a high percentage of hours (33 percent in one fee evaluation period) to program management, which included several "make work" assignments, due to unclear objectives and ill-defined tasks.

## We Recommended That

The Acting Assistant Administrator for Administration and Resources Management and the Assistant Administrators for Air and Radiation and for Solid Waste and Emergency Response:

- Only include entities who actively participate in "Green Lights" when measuring the success of the program, and eliminate work assignments that are not within the scope of the contract.
- Terminate "Indoor Air Quality" work assignments that are unnecessary, and require justification for continuing assignments with significant delays or increased costs.
- Eliminate all contractor efforts to promote or administer the "Local Government Reimbursement" program.
- Revise the ESAT contracts to specifically define program management and monitor program management costs.

## What Action Was Taken

*The final report (6100161) was issued to the Acting Assistant Administrator for Administration and Resources Management and the Assistant Administrators for Air and Radiation and for Solid Waste and Emergency Response on March 30, 1996. In responding to the draft report, the Agency disagreed with specific issues raised in the report but agreed with most of the recommendations. The Office of Air and Radiation, in particular, has already taken many actions to improve the "Green Lights" program, such as conducting a pilot test in which a senior contracting officer is assigned to work directly with the program to help ensure the appropriateness of work assignments, and reducing the reporting burden by*

*decreasing the frequency of submitting several required reports from monthly to quarterly. A response to the final report is due by June 30, 1996.*

## Grant Improperly Awarded to Pay Symposium Costs

### Findings In Brief

**EPA improperly awarded a grant to the Gulf of Mexico Foundation (GMF) to pay ineligible expenses previously incurred by an EPA contractor for a 1995 symposium.**

### Background

A prior OIG audit concluded that EPA's Gulf of Mexico Program Office (GMPO) improperly modified a cooperative agreement with the Texas General Land Office (TGLO) to pay for food, entertainment, and guest travel at GMPO's 1995 symposium. Since state law prohibited TGLO from paying for services for which it had not contracted, EPA awarded a grant six months after the symposium to GMF to pay for these and other symposium services.

### We Found That

The GMF grant funded \$66,839 in symposium costs which were not legally eligible for Federal funding. GMPO's contractor incurred obligations by arranging for the travel of invited non-Federal attendees, certain catering services, and entertainment provided at the 1995 symposium. GMF did not arrange or contract for any of these services, nor did the grant stimulate or support any GMF symposium-related activities. Consequently, the grant was used improperly to procure "bill paying services" for costs that EPA could not pay directly or through its contractor.

The grant agreement erroneously listed vendors that were to be paid \$9,620 for symposium-related entertainment costs which had already been paid from private donations solicited by GMF. The executive director stated that these costs represented EPA obligations and GMF was being reimbursed, although the grant documentation did not indicate that GMF would be reimbursed for symposium costs already paid. Also, erroneous costs in the grant budget were roughly equivalent to the unpaid symposium catering costs which could not legally be paid using Federal funds or through an assistance agreement.

In addition, the grant agreement contained tasks that were misleading or erroneous, such as completing on-site coordination of the symposium event and collections of exhibitor and registration fees. The 1995 symposium occurred almost six months prior to award of the GMF grant. We could not identify any on-site coordination remaining to be completed, and the GMPO contractor and TGLO indicated that all symposium fees had already been collected. We believe the task of completing fee collections was added to the grant by GMPO to facilitate a possible improper transfer of fees from the contractor to GMPO to pay symposium costs. Further, administrative costs in the grant were about \$300 for each symposium debt to be paid by GMF.

## We Recommended That

The Acting Assistant Administrator for Administration and Resources Management:

- Annul the GMF grant and request repayment of EPA funds.
- Require GMPO to account for all symposium fees, including any fees transferred to GMF, and determine any use of these fees by GMPO's

contractor or GMF. Fees identified as miscellaneous receipts should be recovered and deposited to the U.S. Treasury.

#### What Action Was Taken

*The final report (6400043) was issued on March 28, 1996. In response to the draft report, the Acting Assistant Administrator for Administration and Resources Management generally disagreed with our findings, conclusions, and recommendations. The Agency maintains that the symposium was appropriately funded under an assistance agreement and that any fees collected were program income rather than miscellaneous receipts to the government. Also, in light of recent audits focusing on the use of contracts and assistance agreements to support conferences, the Office of Water has agreed to co-chair an Agency-wide task force to develop guidance and training materials to clarify the complexities of using contracts or assistance agreements to support conferences. A response to the final report is due on June 26, 1996.*

### Over \$100 Million in Government Property, Including Vehicles, Improperly Provided to Contractors

#### Findings in Brief

**EPA has acquired hundreds of passenger vehicles without statutory authority. In addition, the Agency recently reported \$138.3 million in government property (including passenger and other vehicles) held by contractors, despite regulatory requirements that contractors furnish all necessary property.**

#### Background

Agencies are not permitted to acquire passenger motor vehicles unless specifically authorized by appropriation act or other law. The Federal Acquisition Regulation (FAR) prohibits, with certain exceptions, federal agencies from providing facilities (i.e., tools, equipment, furniture, vehicles) to contractors.

#### We Found That

EPA has acquired 523 vehicles, of which 287 were being used as passenger vehicles in violation of statutory restrictions. This occurred because Agency officials understood that commercial lease operators were unwilling to expose their vehicles to contamination and wear associated with Superfund sites.

As of February 1996, EPA reported 229 active contracts providing \$138.3 million in government property to contractors, including 392 EPA-owned vehicles and others leased from the General Services Administration (GSA). This property also includes the Agency's shuttle bus service at Headquarters; EPA's contractor provides drivers for busses and vans leased from GSA. It also includes scientific equipment used at EPA laboratories. The Office of Acquisition Management (OAM) acknowledged that it has become Agency-wide routine practice to provide property (including vehicles) to contractors despite FAR prohibitions. In addition, EPA incurred expenses for over ten



**EPA Headquarters shuttle buses are government-owned, contractor-operated (EPA photo).**

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years by maintaining property inventories even though a 1984 FAR provision specifies that the contractor's property control records constitute the government's official property records.

### **We Recommended That**

We recommended that the Acting Assistant Administrator for Administration and Resources Management:

- Seek statutory authority to purchase any new passenger vehicles, and refrain from purchasing any new passenger vehicles until and unless EPA obtains such authority.
- Develop a plan to remove from contractor custody all government vehicles.
- Develop a formal plan for achieving Agency compliance with the FAR, and issue a formal policy specifying the conditions under which government-furnished and contractor-acquired property will be approved.
- Propose an appropriate FAR revision to allow for permanent exemption of scientific and technical services contracts at EPA laboratories from the FAR, or bring the laboratories into compliance.
- Develop a plan to bring the shuttle services contract into FAR compliance.

### **What Action Was Taken**

*Agency officials generally agreed with our recommendations, and committed to issuing a policy to clarify those circumstances in which EPA may furnish property to contractors. OAM is also planning to issue a class FAR deviation, which will limit EPA to providing existing equipment under new and existing contracts until all government-owned property is*

*consumed. FAR deviations will also be provided for scientific and technical services contracts at EPA laboratories, in order not to impair the quality of Agency research. The final report (6100149) was issued to the Acting Assistant Administrator for Administration and Resources Management on March 28, 1996. A response to the final report is due on June 26, 1996.*

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## Construction Grants

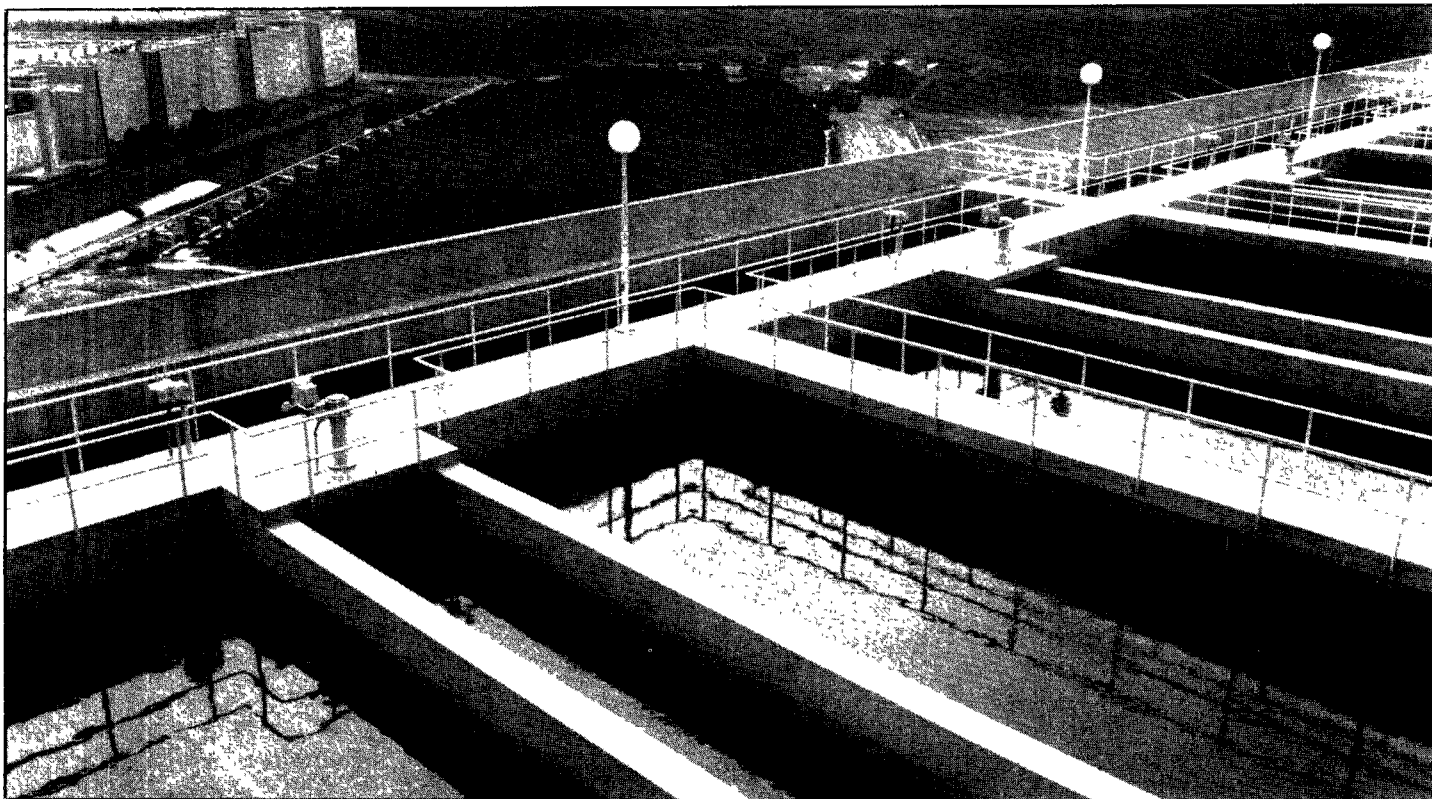
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Since EPA was established, the construction grants program has been one of its largest and most successful undertakings. The program was established under the provisions of Public Law 92-500, as amended, and has provided over \$52 billion in financial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

The Agency developed, in consultation with the OIG, a Completion/Close-Out Strategy for the program. The goal of the

*Agency's strategy is to bring the program to a successful completion as expeditiously as possible to assure that the environmental benefits of the program are fully realized and its fiscal and technical integrity are protected.*

*To assist the Agency in this effort, the OIG, in consultation with the Agency, implemented a revised audit strategy in October 1994 that focuses effort on the most vulnerable grants, based on a risk analysis of each remaining grant subject to audit. As of March 31, 1996, there were 284 grants valued at \$5 billion which are expected to receive OIG review during the next two and a half years. Summaries of some audits of construction grants with significant issues follow.*



*Blue Plains Regional Sewage Treatment Plant, Washington, DC (EPA photo).*

OCTOBER 1, 1995 THROUGH MARCH 31, 1996

## Los Angeles, California, Claimed Almost \$13.4 Million of Ineligible Costs

### Findings in Brief

The City of Los Angeles, California, claimed \$13,370,935 of ineligible construction, force account, and indirect costs for the Hyperion Secondary Conversion Project and Energy Recovery System, and the East Valley Interceptor Sewer.

### We Found That

EPA awarded six grants totaling \$63,942,299 to the grantee for construction of various items, including (1) new and modernized primary tank batteries for the Hyperion wastewater treatment facilities; (2) the East Valley Interceptor Sewer; (3) the Hyperion Energy Recovery System (HERS) Co-generation Project; and (4) the HERS Utility System. The grantee claimed \$13,370,935 of ineligible costs under the grants, including:

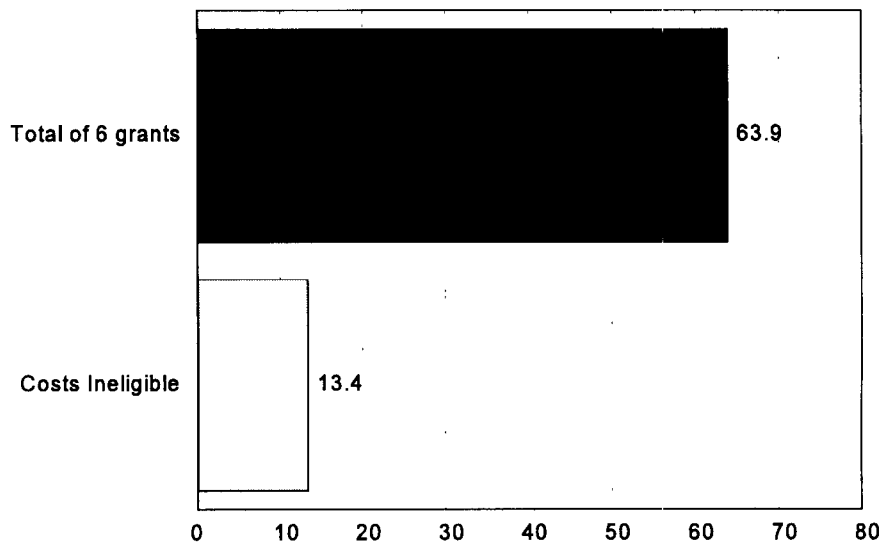
- \$11,681,187 of construction change order costs in excess of the amount declared eligible by the delegated state agency;
- \$1,144,757 of force account and related indirect costs previously disapproved by the delegated state agency; and
- \$544,991 of otherwise allowable project costs in excess of the approved grant amount.

Similar findings of questioned costs totalling nearly \$60 million were reported in our fiscal 1995 reports to Congress.

### We Recommended That

The Regional Administrator, Region 9, not participate in the Federal share of

## City of Los Angeles



ineligible costs of \$10,487,352.

### What Action Was Taken

*We issued the final report (6200002) to the Regional Administrator, Region 9, on November 7, 1995. We received a proposed final determination, which sustained \$12,295,252 of the ineligible costs (\$9,668,241 Federal share), from the Regional Administrator on March 25, 1996, and concurred with that final action.*

## Nearly \$10.1 Million of Questioned Costs Claimed for New York City Projects

### Findings in Brief

The City of New York claimed \$7,481,371 of ineligible architectural engineering, force account, and construction costs for pump stations, interceptor sewers, and a force main. We questioned an

**additional \$2,606,283 of unsupported and unreasonable costs.**

### We Found That

EPA awarded four construction grants totaling \$156,050,178 to the New York City Department of Environmental Protection for the design and construction of wastewater treatment facilities pertaining to the Oakwood Beach Water Pollution Control Project. The grantee claimed \$7,481,371 of ineligible costs under the grant, including:

- \$6,875,660 of construction costs attributable to the purchase of vehicles, costs which exceeded the New York State Department of Environmental Conservation determination, and costs due to an incorrect application of the construction eligibility factor; and
- \$605,711 of administrative and force account costs which exceeded allowable indirect costs or were

allocable to the ineligible portion of the construction project.

We also questioned \$1,934,408 of unsupported costs, including construction costs for overruns which exceeded approved amounts, and costs based on inaccurate accounting report data or incurred after the project completion date. Additionally, we questioned \$671,875 of claimed costs as unnecessary or unreasonable because they exceeded the approved project amount according to the American Society of Civil Engineers' guidelines.

#### **We Recommended That**

The Regional Administrator, Region 2, not participate in the Federal share of ineligible costs (\$5,347,231), determine the eligibility of the Federal share of unsupported costs (\$1,263,715) and unnecessary or unreasonable costs (\$503,906), and recover the applicable amount from the grantee.

#### **What Action Was Taken**

*We issued the final report (6100096) to the Regional Administrator, Region 2, on February 5, 1996. A response to the audit report is due by May 6, 1996.*

### **Almost \$3 Million of Ineligible Costs Claimed by the County of Westchester, New York**

#### **Findings in Brief**

**The County of Westchester, New York, claimed ineligible project costs of \$2,995,923 for the expansion and upgrading of a wastewater treatment plant.**

#### **We Found That**

EPA awarded a construction grant totaling \$66,958,888 to the County of

Westchester, New York, to expand and upgrade the Mamaroneck wastewater treatment plant. The grantee claimed \$2,995,923 of ineligible costs under the grant, including:

- \$2,734,121 of architectural engineering basic fees that exceeded the limit established by the New York State Department of Environmental Conservation, and an incorrect application of the construction eligibility factor;
- \$331,802 of unallowable base bid construction costs included in the engineering design allowance, an incorrect application of the construction eligibility factor to claimed force account costs, and unrefunded deposits received by the grantee for plans and specifications not applied against claimed costs; and
- a \$70,000 credit adjustment to eliminate a duplicate credit for equipment already included in the grantee's construction cost claim.

#### **We Recommended That**

The Regional Administrator, Region 2, not participate in the funding of ineligible costs of \$2,995,923 (Federal share \$1,647,757).

#### **What Action Was Taken**

*We issued the final report (6100076) issued to the Regional Administrator, Region 2 on December 6, 1995. A response from Region 2 had not been received as of March 31, 1996.*

### **San Francisco, California, Claimed Over \$2.8 Million of Ineligible Costs**

#### **Findings in Brief**

**The City and County of San Francisco claimed \$2,812,732 of ineligible project costs for wastewater treatment facilities.**

#### **We Found That**

EPA awarded six grants totaling \$148,157,669 to the grantee for (1) facility planning and studies; (2) construction of the Channel Basin and North Shore Outfall Consolidation projects, and the North Shore Pump Station; (3) Improvements to the Richmond-Sunset Water Pollution Control Plant; and (4) construction of a marine combined overflow facility including improvements to the Southeast sewer system and Water Pollution Control Plant. The grantee claimed \$2,812,732 of ineligible costs under the grants, including:

- \$1,506,019 of costs claimed in excess of the State Water Resources Control Board's approved amount, and
- \$1,306,713 of costs allocable to another Federal facility, the U.S. Army-Presidio.

#### **We Recommended That**

The Regional Administrator, Region 9, not participate in the Federal share of ineligible costs of \$2,109,549.

#### **What Action Was Taken**

*We issued the final report (6200003) to the Regional Administrator, Region 9, on November 28, 1995. We received a proposed final determination, which sustained \$2,025,030 of the Federal share, from the Regional Administrator on March 14, 1996, and concurred with that final action.*

## 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, 1996, EPA had 218 OIG reports requiring resolution which was 33 percent **less** than the beginning balance of 327 reports six months ago. The number of past due responses (over six months from report issue date) also **dropped** 3 percent from 130 to 126 during this six-month reporting period. At the end of September 30, 1995, the number of past due responses was 40 percent of the total inventory of reports in the follow-up system, compared to 58 percent as of the end of this reporting period. The costs questioned in the OIG reports for which management decisions were past due as of March 31, 1996, represented 83 percent of total to be resolved.

At March 31, 1996, Agency management has made no decision on over 64 percent (62 of 97) non-preaward reports between one and nine years old. Three EPA offices-- Office of Acquisition Management, Grants Administration Division, and the Assistant Administrator for Administration and Resources Management accounted for 66 percent (64 of 97) of the audits on which no management decision had been made.

About 23 percent (29 of 126) of the past due reports were preaward audits. This is an 8 percent **improvement** over the previous six-

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

### Trends

Over the past three years the Agency has not been timely in submitting responses to Office of Inspector General non-preaward reports. For example, no responses were received within the required six-month resolution period on 29 percent (285 of 972) of the non-preaward reports requiring management decisions from October 1, 1992, through September 30, 1995.

However, EPA is making progress in this area. The percentage of no responses within the required six-month resolution period has **decreased** from 37 percent in fiscal 1993 to 22 percent in fiscal 1995.

We encourage EPA to continue its work to be more timely. 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.

**Status Report On Perpetual Inventory of Reports in Resolution Process For The Semiannual Period Ending March 31, 1996 (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	327	206,435	208,743		
B. Which were issued during the reporting period	251	28,389	44,987		
C. Which were issued during the reporting period that required no resolution	137	0	0		
Subtotals (A + B - C)	441	234,824	253,730		
D. For which a management decision was made during the reporting period	223	75,113	66,891	41,364	7,703
E. For which no management decision decision has been made by the end of the reporting period	218	159,711	186,839		
Reports for which no management decision was made within six months of issuance	126	133,591	143,224		

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

## **Status of Management Decisions on IG Reports**

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

*under required statistical tables of sections 5(a)(8) and (9) of the Act, as amended.*

*As presented, information contained in Tables 1 and 2 cannot be used to assess results of reviews performed or controlled by this office. Many of the reports counted were performed by other Federal auditors or independent public accountants under the Single Audit Act. EPA OIG staff 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 \$33.8 million being sustained out of \$39.6 million considered ineligible in reports under OIG control. **This is an 85 percent sustained rate.***

**Table 1 -- Inspector General Issued Reports With Questioned Costs  
Semiannual Period Ending: March 31, 1996**

	<u>Number</u>	<u>Dollar Value in thousands</u>	
		<u>Questioned Costs*</u>	<u>Unsupported Costs</u>
<b>A. For which no management decision has been made by the commencement of the reporting period**</b>	<b>121</b>	<b>206,435</b>	<b>82,450</b>
<b>B. New Reports issued during period</b>	<b>29</b>	<b>28,389</b>	<b>2,130</b>
<b>Subtotals (A + B)</b>	<b>150</b>	<b>234,824</b>	<b>84,580</b>
<b>C. For which a management decision was made during the reporting period</b>	<b>63</b>	<b>75,113</b>	<b>17,283</b>
<b>(i) Dollar value of disallowed costs</b>	<b>48</b>	<b>41,364</b>	<b>6,400</b>
<b>(ii) Dollar value of costs not disallowed</b>	<b>38***</b>	<b>33,749</b>	<b>10,883</b>
<b>D. For which no management decision has been made by the end of the reporting period</b>	<b>87</b>	<b>159,711</b>	<b>67,297</b>
<b>Reports for which no management decision was made within six months of issuance</b>	<b>63</b>	<b>133,591</b>	<b>65,168</b>

\* Questioned costs include the unsupported costs.

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

\*\*\* 15 audit reports totaling \$3,960 were not agreed to by management.

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**Table 2 -- Inspector General Issued Reports With Recommendations That Funds Be Put To Better Use****Semiannual Period Ending: March 31, 1996**

	<u>Number</u>	<u>Dollar Value (in thousands)</u>
<b>A. For which no management decision has been made by the commencement of the reporting period*</b>	<b>63</b>	<b>208,743</b>
<b>B. Which were issued during the reporting period</b>	<b>17</b>	<b>44,987</b>
<b>Subtotals (A + B)</b>	<b>80</b>	<b>253,730</b>
<b>C. For which a management decision was made during the reporting period</b>	<b>51</b>	<b>66,891</b>
<b>(i) Dollar value of recommendations that were agreed to by management</b>	<b>18</b>	<b>7,703</b>
<b>- based on proposed management action</b>	<b>n/a</b>	<b>n/a</b>
<b>- based on proposed legislative action</b>	<b>n/a</b>	<b>n/a</b>
<b>(ii) Dollar value of recommendations that were not agreed to by management</b>	<b>13**</b>	<b>17,229</b>
<b>(iii) Dollar value of non-awards or unsuccessful bidders</b>	<b>26</b>	<b>41,959***</b>
<b>D. For which no management decision has been made by the end of the reporting period</b>	<b>29</b>	<b>186,839</b>
<b>Reports for which no management decision was made within six months of issuance</b>	<b>15</b>	<b>143,224</b>

\* 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.

\*\* Seven 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	<u>Report Issuance</u>		<u>Report Resolution</u>	
		FS Questioned/ Recommended Efficiency		Federal Share to be Recovered/ Sustained Efficiency	
S2CWL5-01-0017	WESTBOROUGH	INEL	1,409,113	INEL	1,409,113
5100529	MA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
9/29/95		RCOM	0	SUST	0
P2CWL2-02-0126	MORRISTOWN	INEL	1,192,220	INEL	1,192,220
5100410	NJ	UNSP	133,478	UNSP	133,478
REPORT DATE		UNUR	0	UNUR	0
7/11/95		RCOM	0	SUST	0
D9AGL5-03-0082	CDM FEDERAL	INEL	0	INEL	0
5100186	PROGRAMS VA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
2/17/95		RCOM	2,784,289	SUST	2,784,289
D9AGL5-07-0019	SVERDRUP	INEL	0	INEL	0
5100188	ENVIROMENTAL	UNSP	0	UNSP	0
REPORT DATE	MO	UNUR	0	UNUR	0
2/17/95		RCOM	1,412,700	SUST	1,412,700
E2CWN2-09-0339	SAN FRANCISCO	INEL	2,109,549	INEL	2,025,030
6200003	CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	0	UNUR	0
11/28/95		RCOM	0	SUST	0
E2CWN1-09-0092	RUSSIAN RIVER	INEL	6,258,050	INEL	4,167,156
2300082	CSD CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	13,685,550	UNUR	0
9/25/92		RCOM	0	SUST	0
E2CWN5-09-0126	LOS ANGELES	INEL	22,040,839	INEL	22,040,839
5300036	CITY CA	UNSP	0	UNSP	0
REPORT DATE		UNUR	155,326	UNUR	155,325
9/28/95		RCOM	0	SUST	0
E9BGL3-10-0110	CH2M CI	INEL	261,751	INEL	261,751
5100232	1985-86	UNSP	1,465,141	UNSP	1,465,141
REPORT DATE		UNUR	3,667	UNUR	3,667
3/28/95		RCOM	0	SUST	0
P9BGL4-10-0083	CH2M REM IV	INEL	401,582	INEL	401,582
4100309	87-89 CI	UNSP	6,473,083	UNSP	1,168,493
REPORT DATE		UNUR	0	UNUR	0
5/19/94		RCOM	0	SUST	0
P8CMP2-23-0177	PEI ASSOC	INEL	23,655	INEL	20,359
3400077	OH	UNSP	1,863,579	UNSP	1,329,694
REPORT DATE		UNUR	0	UNUR	0
9/1/93		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, 1995	181
New Investigations Opened This Period	71
Investigations Closed This Period	71
Pending Investigations as of March 31, 1996	181

### Prosecutive and Administrative Actions

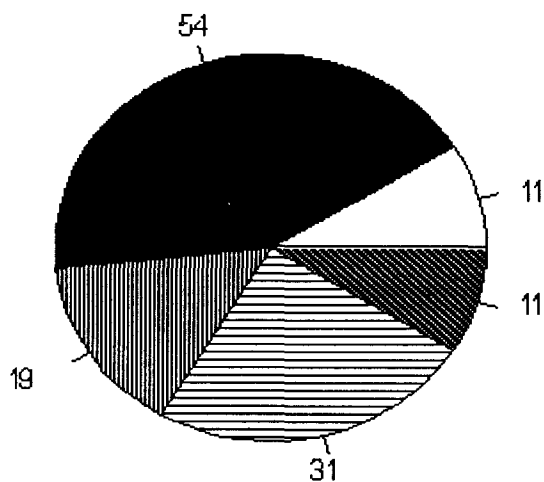
In this period, investigative efforts resulted in 5 convictions and 1\* indictment. Fines and recoveries, including those associated with civil actions, amounted to \$ 3,448,953. Eleven administrative actions\*\* were taken as a result of investigations.

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

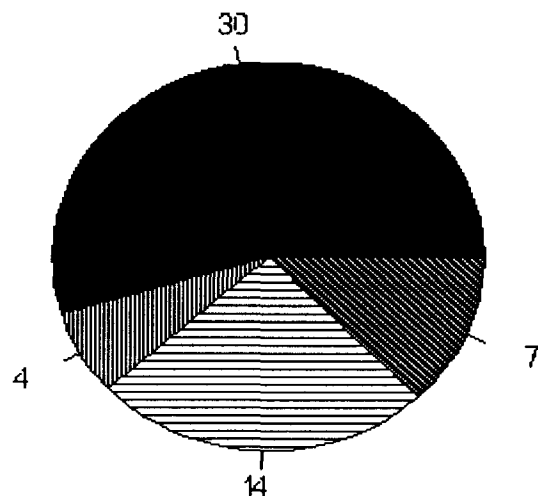
\*\* Does not include suspensions and debarments resulting from Office of Investigations activities or actions resulting from reviews of personnel security investigations.

### Profiles of Pending Investigations by Type

General EPA Programs  
Total Cases = 126



Superfund & 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, 1995.*

### **Former Water Association Official Sentenced**

Brian Burns, a former program manager of the Northeast Rural Water Association (NERWA), was sentenced on January 4, 1996, in United States District Court, Burlington, Vermont, to 6 months in jail and 4 months of home detention based on his conviction by a federal jury in July 1995 on charges of felony fraud, false statements, and wire fraud. Burns was also ordered to pay restitution to the Federal government of \$21,186 and \$150 in court costs.

As reported in our previous Semiannual Report, NERWA was funded by EPA and the U.S. Department of Agriculture (USDA) to provide training and technical assistance in safe drinking water and wastewater matters. Burns concealed and/or manipulated material information provided to the National Rural Water Association, NERWA's oversight organization, by misrepresenting his work on daily time logs. Burns used Federal funds of approximately \$5,000 to pay for an apartment, \$7,000 in travel expenses for trips to attend Harvard, and a \$30,000 salary while attending school.

The case was investigated by the EPA OIG with the assistance of the

IRS Criminal Investigation Division and the USDA OIG.

### **Former California Lab Manager and Director Sentenced**

In May 1995 Eureka Laboratories, Inc., of Sacramento, California, pleaded guilty to conspiracy to defraud the United States; making and using false documents and concealment of material fact by trick, scheme and device; and filing false claims. Later that month, a jury found Kuen Lee, former Eureka GC/MS Laboratory manager, and Chung Li, former Eureka Director of Laboratory Services, guilty on the same charges.

Eureka is an analytical services laboratory that was hired by various government agencies, including EPA, the Army, and the Air Force, to test numerous water, soil, and air samples for environmental pollutants and toxins in connection with the remediation of hazardous waste sites. Contractually required quality control methods identified specific laboratory procedures, such as tuning, calibration, and performance testing of laboratory equipment, that were designed to ensure that the data produced were accurate and reliable. The primary methods employed by Eureka were gas chromatography (GC) and gas chromatography/mass spectrometry (GC/MS).

The defendants conspired to falsify analytical test results in order to make it appear that Eureka had properly calibrated and maintained its laboratory equipment. Eureka concealed its fraudulent manipulations of the data by removing various computer-generated "flags" or identifiers from the documents it delivered to its government clients. As a result, the accuracy and

reliability of the test results vital to the successful identification of hazardous substances and the remediation of Superfund hazardous waste sites were compromised. In November 1995, Chung Li was sentenced to 24 months incarceration, followed by 36 months supervised probation, 250 hours of unpaid community service, a payment of a \$400 special assessment, and \$60 in fees. Also as a special condition of probation, Li is prohibited from employment involving chemical analyses for Government contracts unless a fully operational Quality Assurance/Quality Control procedure is implemented by the employer and reviewed by the probation officer.

In December 1995, Kuen Lee was sentenced to 5 months incarceration, followed by 36 months supervised probation, 250 hours of unpaid community service, and 5 months of participation in a residential community correction center. Lee was also ordered to pay a \$400 special assessment and \$60 in fees. Lee also is subject to the same special condition of probation regarding employment as Li.

In December 1995, Eureka was sentenced to 60 months probation, fined \$1.5 million, ordered to pay restitution of \$322,442 and a \$1,600 special assessment. The company was also ordered for five years to establish a committee to monitor its compliance with industry standards for GC/MS tuning, calibration, and recalibration and compliance with the terms of probation and to develop and implement an effective prevention and detection program during the period of probation.

This investigation was investigated by the EPA OIG, the U.S. Army Criminal Investigation Command, the U.S. Air Force Office of Special Investigations,

and the California Environmental Protection Agency.

### **Former Officers of a Midwest Engineering Firm Sentenced**

A major Midwest engineering firm, Tenney Pavoni Associates, Inc., and two of its principals, Mark W. Tenney and Joseph L. Pavoni, were charged in February 1995 with submitting false and inflated claims to the EPA for their company's engineering and inspection services on the construction of a nitrification project through the Hammond Sanitary District and to the U.S. Department of Transportation on a Federally-funded bridge project in Hammond, Indiana. The company was also charged with conspiracy to submit false claims. Also, company vice-president Gary T. Boblitt was charged with and pled guilty to filing a false and inflated statement to the Hammond Sanitary District, which was submitted to EPA for reimbursement.

Tenney Pavoni Associates, Inc. (TPA), formerly known as TenEch Engineering, was an engineering firm with offices in South Bend and Highland, Indiana; Louisville, Kentucky; and Chicago and Springfield, Illinois. Mark Tenney was the chief executive officer and Joseph Pavoni was the president of the company. TPA was the primary engineering firm on over \$17 million of EPA-funded grant work at the Hammond Sanitary District, Hammond, Indiana. According to the criminal information, Tenney and Pavoni established policies and practices which resulted in the falsification of time sheets to reflect inflated hours worked by their employees on cost-reimbursement contracts that TPA received from EPA and the U.S. Department of Transportation. Further, the

information charged that persons supervised by Tenney and Pavoni reviewed time sheets of engineers and others and also boosted the amount of hours reflected for these government contracts, resulting in the company submitting invoices seeking payment for work that had not been performed.

On July 24, 1995, Mark Tenney pleaded guilty to one count of making a false claim and one count of aiding and abetting. On December 22, 1995, Tenney was sentenced to five months incarceration, five months home detention, 300 hours of community service, restitution of \$372,771 and a fine of \$250,000, and a special fee of \$50. On March 15, 1996, Joseph Pavoni pleaded guilty to making a false claim and was sentenced to three years probation, 500 hours of community service, restitution of \$372,771, a fine of \$250,000 and a special fee of \$50. The restitution of \$372,771 and fine of \$250,000 were imposed jointly and severally on co-defendants Mark Tenney, Joseph Pavoni, and Tenney Pavoni Associates, Inc.

This case was investigated jointly by the EPA OIG, FBI, and the Department of Transportation OIG.

### **False Inspector Convicted and Sentenced**

Tim Gusler pleaded guilty in October 1995 to theft by deception in New Jersey Superior Court after an OIG investigation revealed that Gusler, while posing as an EPA and/or state environmental inspector, extorted money from at least two automobile body repair shops under threat of reporting them for alleged violations of environmental laws. Gusler was sentenced in January 1996 to 5 days imprisonment, 36 months probation, and 50 hours of community service

and a fine of \$140. This case was investigated jointly by the EPA OIG and the New Jersey Division of Criminal Justice, Office of the Attorney General.

### **Former Stay-in-School Employee Sentenced**

Delron Gant, a former stay-in-school employee, was sentenced in January 1996 to 12 months probation, fined \$10, and ordered to pay restitution of \$431, the cost of an airline ticket, after pleading guilty to a misdemeanor charge of second degree theft. Gant submitted an altered travel authorization in order to receive a round trip airline ticket which she used for personal travel.

### **Employee Sentenced in Theft Case**

Carlton Nadolney, an EPA toxicologist, was sentenced in November 1995 to 60 months probation including 4 months of monitored home detention, fined \$25 and ordered to pay restitution of \$15,014 after pleading guilty to theft of government property. As reported in our previous semiannual report, Nadolney's plea was the result of an OIG investigation which disclosed approximately \$15,000 in unauthorized long distance telephone calls that were charged to EPA.

### **Former Employee Sentenced in AMEX Scam**

On December 19, 1995, Jean Stafford, a former EPA secretary, was sentenced to 24 months in prison, fined \$120,000, and ordered to pay restitution of \$7,200. Upon release from prison, she will be placed on probation for three years.

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

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

## **Civil and Administrative Actions to Recover EPA Funds**

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

*future payments and to collect debts; and negotiating voluntary settlements providing for restitution in the context of suspension and debarment actions. Civil and administrative actions to recover funds usually extend over several semiannual reporting periods.*

### **Construction Companies Settle Claims That They Falsely Took Part in Programs for Minorities and Women**

Several construction companies involved in federally-funded public works projects in the Seattle-Tacoma area agreed to pay the Federal government \$715,000 to settle two lawsuits alleging that they used sham minority subcontracting companies in order to qualify under state and local programs for the socially and economically disadvantaged. The projects were the West Seattle Bridge replacement project, the Seattle Transit Access project, and the upgrading of the City of Tacoma Waste Water Treatment Plant, all of which took place in the late 1980's.

The lawsuits resulted from the investigative efforts of a multi-agency task force consisting of the EPA OIG, U.S. Attorney's Office, FBI, IRS, DOT OIG, and DOL OIG.

In one lawsuit, the government alleged that Peter Kiewit Sons, Inc., an Omaha, Nebraska, holding company, through its operating subsidiaries, Kiewit Construction Group, Inc., of Omaha, and Kiewit Construction Company, Inc., and Kiewit Pacific Company of Seattle, falsely represented that it was using a minority female owned company in Seattle, Global Consultants Construction, Inc., to do nearly \$8

million worth of work when, in fact, Global did not actually perform the work.

In the other lawsuit, the government alleged that General Construction Company, formerly a division of Wright-Schuchart, Inc., and now owned by Fletcher-General, Inc., a Seattle-based firm, used 3A Industries, Inc., as a sham minority business enterprise in order to meet participation goals on the EPA-funded Tacoma Waste Water Treatment Plant. 3A, which was supposed to do \$3 million worth of steel and concrete construction, was found to have little more than small tools, brooms, and shovels at the site.

In answering the government's allegations, all defendants denied any wrongdoing, asserted that their conduct was entirely lawful, and did not admit liability. As a condition of settlement, Fletcher General Construction paid \$140,000, and Kiewit Construction Group, Inc., paid \$575,000 to resolve the matter, and the district court dismissed the case on January 2, 1996.

### **LNS Environmental Services**

LNS Environmental Services, Inc. (LNS) and Niranjana G. Shah, LNS's owner and president, entered into an agreement with the U.S. Attorney's Office for the Eastern District of Texas, paying \$9,000 to settle a civil False Claims Act case. The agreement and payment were the culmination of an OIG investigation relating to LNS's submission of a fraudulent invoice for testing samples from a Superfund site. EPA paid LNS \$4,687 on the fraudulent invoice.

## 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 three legislative and 36 regulatory items. The most significant items reviewed are summarized below.*

#### **H.R. 2086 - Local Empowerment and Flexibility Act of 1996**

We shared the Agency's concern with the bill's provisions for waiver of environmental protections contained in law or regulation. We supported inclusion of a provision to prohibit the waiver of any provision enforcing environmental protection.

We pointed out that the waiver provisions were confusing, appeared contradictory and, if retained, should be strengthened by requiring the head of the affected agency to approve waivers for all matters under his/her responsibility.

We also supported prohibiting waivers for any requirement of the Budget and Accounting Procedures Act of 1950, the Cash Management Improvement Act of 1990, the Chief Financial Officers' Act of 1990, the Federal Grant and Cooperative Agreement Act of 1977, the Government Management Reform Act of 1994, the Office of Federal Procurement Policy Act of 1983, the Single Audit Act of 1984, and any amendments to these laws.

### Proposed Revisions of the Federal Acquisition Regulation (FAR)

We disagreed with the proposal under FAR Case 93-009 to eliminate the provision requiring an offeror to disclose contingent fee arrangements, provide a contingent fee representation and agreement, and submit a statement of contingent and other fees. Such arrangements are inherently risky for the government because the agent's fee is unknown at the time of the award and increases during the contract. We recommended retaining existing FAR provisions concerning disclosure of contingent fees.

The proposed rule under FAR Case 93-10 would make most protest-related costs unallowable. As written, only those costs incurred by an "interested party" to defend against a protest would be allowable. We responded that the term "interested party" needed to be more clearly defined and disagreed that the costs incurred by a protestor should be unallowable, regardless of the outcome of the protest. We recommended that the proposed rule be revised to specify that protest costs are (1) reimbursable to a protestor who wins a protest because of inappropriate actions on the part of the contractor or the government during the award of the protested contract, and (2) unallowable when incurred by a party to defend against a protest when not requested by the contracting officer.

## **OPM's Proposed Rule On Suitability, National Security Positions, and Personnel Investigations**

The provision to delete the reinvestigation requirement for public trust positions concerns us because EPA has a number of high-risk public trust positions, including criminal investigators, auditors, and those responsible for establishing Agency policy. To provide for assurance of the personal integrity of those occupying high-risk public trust positions, we recommended retaining the reinvestigation requirement.

## **Management Integrity Advisor (MIA) Roles and Responsibilities**

At the request of the Comptroller, we commented on a draft document proposing to establish MIAs who would assist EPA's Senior Resource Officials (SRO) in implementing the Federal Managers' Financial Integrity Act. We recommended that the document specify that the MIA should report directly to the SRO, allowing the MIA to function without the undue influence of others and providing for sufficient access to personnel and information resources. Further, offices should understand that the MIA function is a primary duty and will not be as effective if burdened by collateral duties of equal importance. We also proposed enhancements to the MIA's duties, including recommending that the MIA should (1) refer conditions of significant weakness or possible impropriety to the OIG for review or consultative assistance as needed, (2) review changes to policy and procedures to ensure that controls are sufficiently described, and (3) stay abreast of

developments which significantly affect office operations.

## **Government Bankcard Policy**

In addition to encouraging greater use of government backcards, we recommended that the policy be revised to require the Agency's approving officials to attend the complete training program so that these officials would be knowledgeable about the policies and controls to prevent misuse.

The Office of Acquisition Management revised the document accordingly to require all bankcard approving officials be trained by December 1997 and, subsequently, set up a schedule of classes.

## **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, specific offenses, including the commission of any offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of an entity or individual.*

*An entity or individual may also be debarred for any other cause of so serious or compelling a nature that it affects its present responsibility. Thus, an entity or individual 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 EPA Suspension and Debarment (S&D) 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 one debarment, 4 suspensions, and 2 compliance agreements, a total of 7 actions.*

*The seven actions are summarized below:*

- On November 6, 1995, EPA suspended William D. Watkins and Scott R. Ripey, Commissioned Officers of the U.S. Public Health Service, and William Burkhardt III, a Food and Drug Administration employee, for knowingly filing false confidential statements of employment and financial interest. All three willfully failed to disclose their ownership and employment interest in Biosearch Limited, New England Scientific, and Biological Analytical Laboratories (BAL). EPA contracted with BAL for work on the Narragansett Bay project. Our March 31, 1995, semiannual report discussed the individuals' guilty pleas for filing false statements.

- On November 9, 1995, EPA debarred Keith L. Westbrook for three years. Our semiannual report for the period ending March 31, 1995, discussed Mr. Westbrook's guilty plea as a conspirator in a \$1.2 million embezzlement of funds used to construct sewage treatment plants and other water quality improvements in Maryland.

● On November 9, 1995, EPA suspended Pauline M. Ewald, President, Environmental Compliance Organization (ECO). In its proposals to obtain contracts from the recipients of Superfund Technical Assistance Grants, ECO submitted false resumes by misrepresenting degrees and professional certifications, including those for people not employed by ECO. Superfund Technical Assistance Grants support community involvement in the cleanup of hazardous waste sites.

● On January 23, 1996, EPA entered into an agreement with K.R. ("Simon") Narasimhan to resolve allegations that Narasimhan falsified time cards on subcontract work under EPA contracts. Under the terms of the agreement, Mr. Narasimhan will receive training in business ethics and ethical requirements under government contracts, including the importance of accurate timekeeping. EPA will withdraw its notice of proposed debarment after receiving certification that the training has been completed.

● On February 13, 1996, EPA entered into a compliance agreement with T. Head and Company, Inc. (THI) and Toney Head, Jr., its owner, president, and chief executive officer. Our March 31, 1995, semiannual report discussed the subjects' conviction for filing 41 false claims and our September 30, 1995, report discussed the settlement of the civil case regarding the false claims. EPA agreed to terminate THI and Head's suspension and further debarment proceeding provided that they (1) are found to be in compliance with the Agreement following an audit conducted by EPA compliance auditors, (2) conduct ethics training for THI's officers and employees, (3) appoint an independent Ethics Compliance Officer, and (4) establish a hotline for complaints. The

agreement also provides for EPA compliance audits annually over a three year period. The terms of the agreement will apply to any successor company to THI, and to any company THI or Head acquires control or Head becomes an officer in if that company works on or may work on Federal-funded projects.

● On March 8, 1996, EPA suspended Khemsafe Environmental, Inc. and its president, Inno Obiorah, after a multi-count indictment involving larceny, fraud, and falsifying business records. Many of the alleged offenses occurred in conjunction with asbestos removal in schools.

● On March 19, 1996, EPA suspended the National Environmental Testing Laboratory, Santa Rosa Division (NET SR), pending the completion of an investigation involving the propriety of laboratory practices on which the results of analyses were based. NET SR performed laboratory analyses of soil and water samples as a subcontractor under the Superfund program, and for the Departments of the Army and Navy.

## **OIG Management Initiatives**

### **Reinventing the Office of Inspector General**

To meet Government Performance and Results Act requirements, a team of Office of Audit (OA), Office of Investigations (OI), and Office of Management (OM) staff is developing an OIG Strategic Plan that will guide our future audit and investigative activities.

All three offices are preparing or enhancing performance measures, which will be used to assess success

in achieving our performance goals. OA, OI, and OM are also working on customer service plans that will identify who our customers are, how often we will survey them, what we will ask, and how we will use responses to improve operations. OI, as a separate initiative, will meet with high-level Agency managers to get feedback on investigative reports.

These offices continue to streamline OIG Manual Chapters, bulletins, and guidance, to eliminate one-half of internal regulations, as required by Executive Order. Also, they are participating in developing a new OIG management information system that will consolidate and enhance the usefulness of information on the several systems we've been using. Our system plan is being developed by a GSA contractor and will include input from both Headquarters and field office staff. The plan, which specifies our system need; computer equipment, software, telecommunications requirement; and cost estimates and schedules, should be completed in August 1996.

OA and OI are reviewing workload to determine long-range staffing needs (office locations, staff grade levels, and numbers). As part of that project, OA is reassessing its approach to single audit activities, contract audits and organization, and state revolving funds audits. OA and OI results will form the basis for the OIG position management plan that will allocate resources among offices and locations. OM is reorganizing to further streamline its operations. It will have two divisions and two staffs reporting to the AIG. Staff skills will be enhanced as they acquire skills in additional aspects of organizational support activities.

OA and OI are also working together to implement a contract audits strategy, developed by a joint

workgroup, to identify contractors with common indicators for high risk and vulnerability.

OA is completing the ongoing work of several Quality Action Teams addressing (1) revised report writing guidance, (2) auditor career ladder promotion criteria, and (3) decentralized reporting, and is continuing work on an automated audit process and a writing proficiency program.

OI is developing and documenting physical fitness standards and an investigator training profile. The standards and training, including physical techniques and firearms training, will serve in part to support deputization for investigators.



*Laura Olsen reviews interviewing concepts (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, we presented Advanced Interviewing in

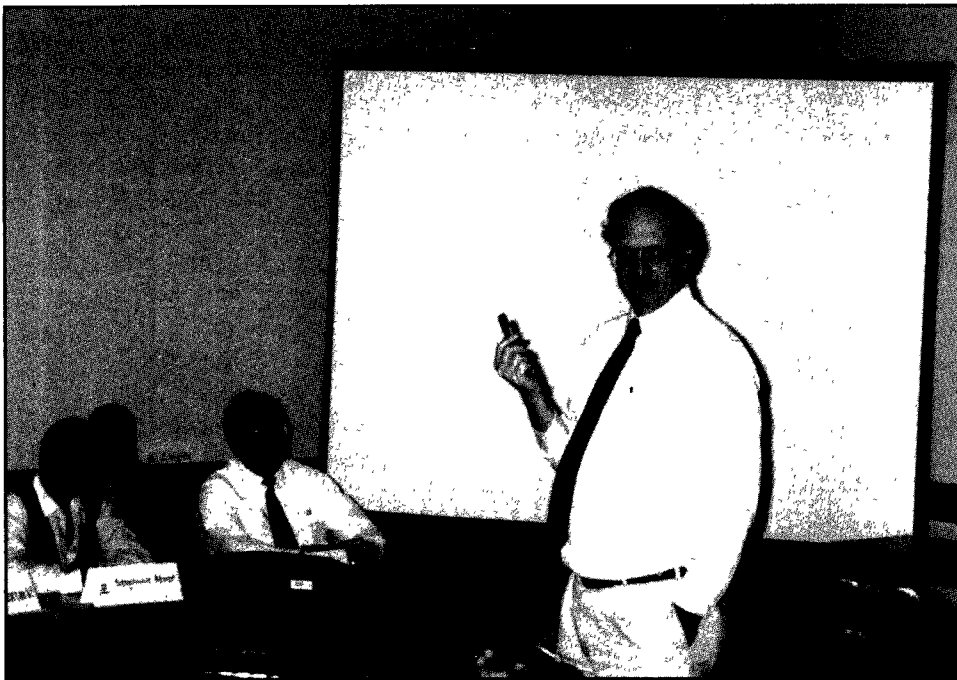
November 1995, with Laura Olsen as instructor. She reviewed basic interviewing concepts for investigators and auditors, and concluded with an in-depth session on advanced interviewing principles.

Computer Fraud training was held in December 1995, with instructor Carlton Fitzpatrick. He focused on the unique characteristics of computer-related investigations and audits and on the perspectives of planning and demonstrating financial investigations and audits.

Both instructors are from the Federal Law Enforcement Training Center.

### **Committee on Integrity and Management Improvement**

*The Committee on Integrity and Management Improvement (CIMI) was established in 1984 by EPA Order 1130.1 to coordinate the Agency's effort to minimize the opportunities for fraud, waste, and mismanagement in EPA programs and activities. CIMI strives to continually increase*



*Carlton Fitzpatrick discusses computer-related aspects of audits and investigations (photo by Dana Sharon).*

*employee awareness and understanding of various Agency policies and procedures. The Committee is composed of senior EPA program and regional officials and is chaired by the Inspector General.*

## **Professional Societies and Associations**

EPA encourages employee participation in professional societies and associations that relate to the employee's organization and the Agency's mission because it can enhance individual and organizational performance and morale. CIMI issued an awareness bulletin to highlight EPA policy and to alert employees that conflict of interest questions can arise.

The bulletin emphasized that an employee (1) may not participate "personally and substantially" in any matter which affects the financial interests of an organization in which he/she serves as an officer, director, or employee; (2) should consult his/her Deputy Ethics Official, even if not an officer or director, before participating in any EPA matter involving the organization; and (3) may not attempt to influence another Federal Government organization on behalf of an outside organization. Similarly, an employee involved in communications with an organization in which he/she is a member should have a formal designation indicating that the employee is not representing the organization or participating in any EPA decisions concerning the organization.

The bulletin also indicated that employees should perform work concerning organizations and societies on their own time. However, with supervisory approval, an employee holding a leadership position may be allowed reasonable amounts of time to prepare for meetings. Finally, EPA generally will

pay for the travel of employees officially representing the Agency at organization functions because a professional society or association may pay only if the matter falls within the circumstances described in EPA Ethics Advisory 92-26.

## **Hotline Activities**

The OIG Hotline opened 10 new cases and completed and closed 15 cases during the reporting period. Of the cases closed, 4 resulted in environmental, prosecutive, or administrative corrective action, while 11 did not require action. Cases that did not have immediate validity due to insufficient information may be used to identify trends or patterns of potentially vulnerable areas for future review.

The following are examples of corrective action taken as a result of information provided to the OIG hotline:

- A complainant alleged time and attendance abuse and falsification of timekeeping documents by a regional employee. The allegations were substantiated and the timekeeper was temporarily suspended from her duties and given a written reprimand.
- A complainant alleged misuse of government resources by a senior Headquarters official. A review found that the official had conducted personal business on government time using government equipment. The official received an oral reprimand.

## **Personnel Security**

The Personnel Security Program is one of the Agency's first-line defenses against fraud. The program uses background investigations and

National Agency Checks and Inquiries to review the integrity of EPA employees and contractors.

During this semiannual reporting period, the Personnel Security Staff reviewed and adjudicated 384 investigations. The following administrative actions were taken as a result of investigative findings:

- An employee was terminated during the probationary period, for failure to list prior convictions, which included 2 felonies, on the SF-171 used to gain employment with EPA.
- Two contractor employees were terminated for failure to list prior convictions for concealed weapons, controlled substances, and grand larceny on the security questionnaire used for initiation of the investigation. A contractor employee was denied access to Confidential Business Information (CBI) for failure to list a conviction on the security questionnaire used for initiation of the investigation.
- An employee's security clearance was administratively withdrawn and the subject was placed in a low-risk position because of derogatory information reflected in the five-year periodic reinvestigation.

# 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>Deputy Administrator</u>						
E1MMG5-07-0024-6400015	PROPOSED STREAMLINING WILL RESULT IN INCREASED COSTS	11/22/95				
E1AIG6-11-0007-6400041	REGION 5 EMPLOYEE AMEX CARD ABUSE	3/21/96				
E1XMF5-13-0071-6100147	EPA FACA COMMITTEES' COSTS INCREASE	3/22/96				
E6AMG5-13-0073-6400001	REASSIGNMENTS OF SENIOR EPA STAFF	10/13/95				
<u>Financial Management Division</u>						
E1AMF5-11-0017-6100074	CANCELED PAYMENT ACTIVITIES WERE EFFECTIVELY MANAGED	11/30/95				
<u>Grants Administration Division</u>						
E1XMG6-11-0004-6400034	COMPLIANCE WITH RESTRICTIONS ON LOBBYING	3/ 6/96				
<u>Assistant Administrator for Air and Radiation</u>						
E1SKF5-03-0070-6100161	AGENCY'S MANAGEMENT AND OVERSIGHT OF SELECTED CONTRACTS AWARDED TO A MAJOR EPA CONTRACTOR	3/30/96				
<u>Director, Office of Air Quality Planning and Standards</u>						
E1KAF5-11-0001-6100140	DEVELOPMENT OF MAXIMUM ACHIEVABLE CONTROL TECHNOLOGY STANDARDS	3/19/96				
E1KAB5-01-0126-6400046	EPA'S OPEN MARKET TRADING RULE	3/28/96				
<u>Assistant Administrator for Administration and Resources Management</u>						
E1HWG4-04-0168-6400043	GRANT AWARDED TO THE GULF OF MEXICO FOUNDATION	3/28/96	66,839			
E1SFP6-11-0017-6400029	EPA'S SUPERFUND OVERSIGHT AND RESPONSE COSTS	2/ 6/96				
E1FMF5-13-0072-6100149	GOVERNMENT-OWNED VEHICLES AND GOVERNMENT-FURNISHED PROPERTY	3/28/96				
E1PMF6-13-0077-6100150	MINIMIZING RISK FOR THE PHYSICALLY CHALLENGED AT WATERSIDE MALL	3/28/96				

Assignment Control Number	Title	Final Report Issued	Questioned Costs			Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
<u>Office of Information Resources Management</u>						
E1XMG5-06-0049-6400003	LEASED LINE REQUIREMENTS	TX 10/23/95				
E1NMB5-15-3038-6400036	YEAR 2000 VULNERABILITY	3/14/96				
<u>Assistant Administrator for Research and Development</u>						
E6ABG5-04-0110-6400045	BETTER CONTROLS REQUIRED FOR OUTSIDE ENTITIES USE OF GULF ECOLOGY DIVISION LAB	3/30/96				
<u>Assistant Administrator for Solid Waste and Emergency Response</u>						
E1SFF5-09-0021-6100160	SUPERFUND TECHNICAL ASSISTANCE GRANTS	3/27/96				
E1SFB5-11-0008-6400016	SUPERFUND SITE BARRIERS CASE STUDIES	11/30/95				
<u>Regional Administrator - Region 3</u>						
E1KAG5-05-0165-6400032	REGION 3 AIR STATE IMPLEMENTATION PLANS (SIPS) PA	2/13/96				
<u>Regional Administrator - Region 7</u>						
E1MMG5-07-0024-6400030	REGION 7'S POSITION MANAGEMENT	2/ 6/96				
<u>Regional Administrator - Region 8</u>						
E1SFG5-08-0032-6400019	EPA'S OVERSIGHT OF SUMMITVILLE CLEANUP	CO 1/22/96				
E1AMB5-08-0031-6400042	REGION 8'S BUDGET EXECUTION PROCESS	3/22/96				
<u>Regional Administrator - Region 9</u>						
E1SKG5-09-0110-6400044	AEROJET SF SITE-DATA QUALITY	3/28/96				
TOTAL	=	23	66,839	0	0	0

## 2. CONSTRUCTION GRANT ASSIGNMENTS

S2CWL5-01-0015-6100047	WEBSTER	MA	11/ 1/95	334,565	0	0	0
S2CWL2-01-0204-6100120	MWRA	MA	2/28/96	182,704	0	0	0
TOTAL OF REGION 01 = 2				517,269	0	0	0
E2CWL4-02-0089-6100102	PRASA GRANT CLOSE OUT	PR	2/ 5/96	0	865,856	0	0
E2CWL5-02-0150-6100127	WANAQUE VALLEY RSA	NJ	3/11/96	383,236	0	0	0
P2CWL4-02-0198-6100076	WESTCHESTER CO - MAMARONECK	NY	12/ 6/95	1,647,757	0	0	0
P2CWL4-02-0061-6100096	NEW YORK CITY-OAKWOOD BEACH	NY	2/ 5/96	5,347,231	1,263,715	503,906	0
TOTAL OF REGION 02 = 4				7,378,224	2,129,571	503,906	0

OCTOBER 1, 1995 THROUGH MARCH 31, 1996

Assignment Control Number	Title		Final Report Issued	Questioned Costs			Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
E2CWM4-04-0118-6200007	MIAMI-DADE WATER & SEWER AU FL		3/11/96	20,570	0	0	0
E2CWM4-04-0151-6200008	MIAMI DADE WATER & SEWER AU FL		3/21/96	70,290	0	0	0
P2CWN5-04-0041-6300012	TAMPA FL		1/24/96	128,947	0	0	0
TOTAL OF REGION 04 = 3				219,807	0	0	0
E2CWN3-07-0127-6300013	OSAGE BEACH MO		2/ 5/96	332,048	0	0	0
TOTAL OF REGION 07 = 1				332,048	0	0	0
E2CWM5-08-0018-6200001	GRAND JUNCTION CO		10/31/95	500,250	0	0	0
E2CWN3-08-0054-6300011	RAMSEY COUNTY ND		12/ 5/95	224,174	0	73,422	0
TOTAL OF REGION 08 = 2				724,424	0	73,422	0
E2CWM4-09-0092-6200002	LOS ANGELES, CITY OF CA		11/ 7/95	10,487,352	0	0	0
E2CWM2-09-0339-6200003	SAN FRANCISCO, C&C OF CA		11/28/95	2,109,549	0	0	0
S2CWN3-09-0098-6300015	SAN BERNARDINO, CITY OF CA		2/ 7/96	443,544	0	449,748	0
TOTAL OF REGION 09 = 3				13,040,445	0	449,748	0
E2CWN5-10-0018-6300010	MONTESANO, CITY OF WA		11/30/95	83,003	0	0	0
TOTAL OF REGION 10 = 1				83,003	0	0	0
TOTAL CONSTRUCTION GRANT ASSIGNMENTS = 16				22,295,220	2,129,571	1,027,076	0

### 3. OTHER GRANT ASSIGNMENTS

G3HVK6-01-0010-6500032	YORK SEWER DISTRICT ME		12/11/95	0	0	0	0
G3HVK6-01-0044-6500048	CT HAZARDOUS WASTE MGMT CT		2/13/96	0	0	0	0
G3HUK6-01-0049-6500050	HEALTH EFFECTS INSTITUTE MA		2/21/96	0	0	0	0
G3HVK6-01-0050-6500051	MATTABASSETT DISTRICT CT		2/21/96	0	0	0	0
G3HUK6-01-0051-6500052	FOUR TOWN FOCUS INC. MA		2/21/96	0	0	0	0
G3HVK6-01-0048-6500054	MA WATER POLLUTION ABATEMENTMA		2/21/96	0	0	0	0
N3HUK5-01-0068-6500001	WOODS HOLE RESEARCH CENTER MA		10/ 3/95	0	0	0	0
N3HUK5-01-0161-6500002	UNIVERSITY OF VERMONT VT		10/ 3/95	0	0	0	0
N3HVK5-01-0169-6500003	CLARK UNIVERSITY MA		10/ 3/95	0	0	0	0
N3HUK5-01-0174-6500004	DARTMOUTH COLLEGE NH		10/ 3/95	0	0	0	0
N3HUK5-01-0177-6500005	YALE UNIVERSITY CT		10/ 3/95	0	0	0	0
N3HUK5-01-0084-6500033	UNIVERSITY SYSTEM OF NH NH		12/11/95	0	0	0	0
N3HUK5-01-0119-6500034	BOSTON UNIVERSITY MA		12/11/95	0	0	0	0
N3HUK5-01-0131-6500053	WORCESTER POLYTECHNIC INST. MA		2/21/96	0	0	0	0
TOTAL OF REGION 01 = 14				0	0	0	0
C3HVK6-02-0020-6500025	BINGHAMTON NY		11/21/95	0	0	0	0
E3CPL4-02-0193-6100092	NJIT NJ		1/24/96	24,660	0	0	0
E3CWL5-02-0145-6100112	RESEARCH FOUNDATION - SUNY NY		2/21/96	0	0	0	0
G3HVK6-02-0013-6500006	SALEM NJ		10/11/95	0	0	0	0
G3HVK6-02-0016-6500012	INTERSTATE SANIT. COMM. NJ		11/ 1/95	0	0	0	0
G3HUK6-02-0026-6500028	AMERICAN LUNG ASSN NY		12/ 1/95	0	0	0	0
G3HUK6-02-0041-6500043	HUDSON REGL HEALTH COMM. NJ		2/ 5/96	0	0	0	0
G3HUK6-02-0040-6500044	OZONE TRANSPORT. COMM DC		2/ 5/96	0	0	0	0
G3HVK6-02-0039-6500045	DELAWARE RIVER BASIN COMM NJ		2/ 5/96	0	0	0	0
N3HUK5-02-0164-6500009	STEVENS INST OF TECH NJ		10/25/95	0	0	0	0
N3HVK5-02-0144-6500010	PUERTO RICO, U OF PR		10/26/95	0	0	0	0
N3HUK5-02-0166-6500011	SYRACUSE RESEARCH CORP. NY		10/26/95	0	0	0	0
N3HUK5-02-0139-6500013	NEW YORK STATE NY		11/ 1/95	0	0	0	0
N3HUK5-02-0126-6500016	NY BOTANICAL GARDEN NY		11/ 3/95	0	0	0	0
N3HVK5-02-0124-6500017	S TIER REG PLNG & DEV BD NY		11/ 3/95	0	0	0	0
N3HVK5-02-0138-6500019	ST REGIS MOHAWK TRIBE NY		11/ 8/95	0	0	0	0
N3HUK5-02-0125-6500020	MANHATTAN COLLEGE NY		11/ 8/95	0	0	0	0

Assignment Control Number	Title		Final Report Issued	Questioned Costs			Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
N3HVK5-02-0165-6500021	NEW YORK CITY	NY	11/ 8/95	0	0	0	0
N3HUK5-02-0154-6500022	HEALTH RESEARCH INC.	NY	11/ 8/95	0	0	0	0
N3HVK6-02-0019-6500023	BROOME COUNTY	NY	11/13/95	0	0	0	0
N3HUK6-02-0011-6500024	SYRACUSE UNIVERSITY	NY	11/21/95	0	0	0	0
N3HVK6-02-0038-6500040	CLINTON COUNTY	NY	1/22/96	0	0	0	0
TOTAL OF REGION 02 = 22				24,660	0	0	0
C3HVK6-03-0112-6500042	FAIRFAX COUNTY	VA	2/ 5/96	0	0	0	0
G3HVK6-03-0105-6500036	VA RESOURCES AUTHORITY	VA	1/22/96	0	0	0	0
N3HVK6-03-0095-6500026	MARYLAND STATE OF	MD	11/29/95	0	0	0	0
N3HVK6-03-0096-6500027	WEST VIRGINIA STATE	WV	12/ 1/95	0	0	0	0
N3HVK6-03-0098-6500029	PA COMMONWEALTH OF	PA	12/ 4/95	0	0	0	0
N3HJVJ6-03-0100-6500030	VA COMMONWEALTH OF	VA	12/ 5/95	0	0	0	0
TOTAL OF REGION 03 = 6				0	0	0	0
C3HVK6-04-0020-6500018	JACKSONVILLE	FL	11/ 7/95	0	0	0	0
TOTAL OF REGION 04 = 1				0	0	0	0
C3HJVJ6-05-0082-6500037	FT WAYNE FY 94	IN	1/22/96	0	0	0	0
C3HVK6-05-0084-6500038	KALAMAZOO FY 94	MI	1/22/96	0	0	0	0
C3HVK6-05-0109-6500061	RACINE FY 94	WI	3/19/96	0	0	0	0
C3HJVJ6-05-0108-6500062	HAMMOND FY 94	IN	3/19/96	0	0	0	0
E3PLD5-05-0134-6100095	CA'S OHIO LUST	RS	2/ 5/96	0	0	0	0
N3HVK6-05-0083-6500039	MINNESOTA STATE OF	MN	1/22/96	0	0	0	0
TOTAL OF REGION 05 = 6				0	0	0	0
N3HJVJ6-06-0014-6500031	OKLAHOMA STATE OF	OK	12/ 5/95	0	0	0	0
TOTAL OF REGION 06 = 1				0	0	0	0
N3HJVJ6-08-0014-6500007	STATE OF SOUTH DAKOTA	SD	10/12/95	0	0	0	0
N3HJVJ6-08-0020-6500049	STATE OF COLORADO	CO	2/20/96	0	0	0	0
N3HJVJ5-08-0048-6500058	STATE OF NORTH DAKOTA	ND	3/15/96	1,945,213	0	0	0
TOTAL OF REGION 08 = 3				1,945,213	0	0	0
C3HVK6-09-0047-6500055	HONOLULU, CITY AND COUNTY	HI	3/ 5/96	0	0	0	0
G3HVK6-09-0029-6500008	BAY AREA AIR QUAL. MGMT DI	CA	10/24/95	0	0	0	0
G3HVK6-09-0032-6500014	GUALALA COMMUNITY SERVICES	CA	11/ 1/95	0	0	0	0
G3HJVJ6-09-0033-6500015	NAPA COUNTY RESOURCE CONSERVCA	CA	11/ 1/95	0	0	0	0
G3HJVJ6-09-0039-6500035	LOS ANGELES, CITY OF	CA	12/11/95	0	0	0	0
G3HVK6-09-0053-6500064	UNION SANITARY DISTRICT	CA	3/26/96	0	0	0	0
N3HVK6-09-0042-6500041	PALAU, REPUBLIC OF	PW	1/23/96	0	0	0	0
N3HVVH6-09-0043-6500047	SPECIAL REPORT GUAM MGNT	PW	2/ 6/96	0	0	0	0
N3HVVH6-09-0052-6500063	SPECIAL RPT AMERICAN SAMOA		3/19/96	0	0	0	0
TOTAL OF REGION 09 = 9				0	0	0	0
TOTAL OTHER GRANT ASSIGNMENTS = 62				1,969,873	0	0	0
<b>5. SUPERFUND GRANT ASSIGNMENTS</b>							
E5CGL5-10-0053-6100060	PUYALLUP TRIBE SPECIAL REV	WA	11/21/95	26,313	0	0	0
TOTAL OF REGION 10 = 1				26,313	0	0	0
H5BFL6-20-0015-6100072	SF ATSDR TRANSACTIONS		11/30/95	0	0	0	0
H5BFL6-20-0015-6100073	SF NIEHS TRANSACTIONS		11/30/95	0	0	0	0

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			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
TOTAL OF REGION 20 =	2		0	0	0	0
TOTAL SUPERFUND GRANT ASSIGNMENTS	=	3	26,313	0	0	0

#### 8. OTHER CONTRACT ASSIGNMENTS

D8BML6-01-0005-6100036	FAY,SPOFFORD&THORNDIKE, INC.	MA	10/26/95	* The dollar value of contract audits have not been shown. Public disclosure of the dollar value of financial		
D8AML5-01-0166-6100039	CADMUS GROUP INC	MA	10/30/95			
recom-				mendations could prematurely reveal the Government's negotiating positions or release of this information is not routinely available under the Freedom of Information Act. The number of these reports and dollar value of		
D8DML3-01-0132-6100041	ABB ENVIRONMENTAL SERVICES	ME	10/30/95			
D8DML3-01-0222-6100042	ENVIRONMENTAL HEALTH & ENG.	MA	10/30/95	findings have been included in the aggregate data displayed below. Such data individually excluded in		
D8CML2-01-0039-6100043	ARTHUR D. LITTLE	MA	10/30/95			
D8DML3-01-0135-6100044	INDUSTRIAL ECONOMICS INC	MA	10/30/95	listing will be provided to the Congress under separate memorandum within 30 days of the transmittal of the		
the						
D8BML6-01-0023-6100063	ABT ASSOCIATES INC.	MA	11/22/95	annual report to the agency head. The transmitted data will contain appropriate cautions regarding disclosure.		
D8BML6-01-0026-6100065	ABT ASSOC INC.	MA	11/28/95			
this						
D8DML3-01-0220-6100066	ARTHUR D. LITTLE INC.	MA	11/28/95			
D8BML5-01-0192-6100077	MITRE CORP.	MA	12/11/95			
semi-						
D8AML5-01-0113-6100080	ENVIRONMENTAL HEALTH & ENG.	MA	12/11/95			
D8AML5-01-0121-6100091	MAGUIRE GROUP	CT	1/24/96			
D8AML6-01-0011-6100118	PEQUAD ASSOC	MA	2/22/96			
D8CML4-01-0127-6100138	ENSR CORPORATION	MA	3/14/96			
D8DML4-01-0020-6100141	SIGMA RESEARCH CORPORATION	MA	3/19/96			
D8CML5-01-0043-6100144	EG & G DYNATREND INC.	MA	3/20/96			
D8BML5-01-0143-6100145	INDUSTRIAL ECONOMICS INC	MA	3/21/96			
D8DML4-01-0125-6100146	INDUSTRIAL ECONOMICS INC	MA	3/21/96			
D8DML5-01-0024-6100148	ABB CONBUSTION ENG-FOSSIL	CT	3/22/96			
D8AMP5-01-0182-6400004	NORTHBRIDGE ENVIRONMENTAL	MA	10/26/95			
D8AMP6-01-0016-6400023	ENERGY INVESTMENT CORP.	MA	2/ 5/96			
D8AMP6-01-0203-6400024	CADMUS GROUP	MA	2/ 5/96			
D8AMP6-01-0017-6400026	HEC ENERGY/DESIGN SYSTEMS	MA	2/ 5/96			
D8AMP6-01-0015-6400027	XENERGY INC.	MA	2/ 5/96			
D8EMP6-01-0025-6400038	INDUSTRIAL ECONOMICS INC	MA	3/20/96			
E8CAP3-01-0060-6400009	ALLIANCE TECHNOLOGIES CORP	MA	11/ 3/95			
E8EMP4-01-0029-6400028	TRC UNCOMPENSATED O/T	CT	2/ 5/96			
E8EMP5-01-0621-6400031	TRC FY95 FLOORCHECK #2	CT	2/13/96			

TOTAL OF REGION 01 = 28

D8BML5-02-0080-6100040	HYDRO-QUAL INC.	NJ	10/30/95
D8BML5-02-0181-6100079	SYRACUSE RESEARCH CORP.	NY	12/11/95
D8EML4-02-0160-6100101	ENSERCH ENVIRONMENTAL CORP	NJ	2/ 5/96
D8AML6-02-0032-6100139	KAPADIA CONSULTING	NY	3/14/96
D8EMP6-02-0025-6400012	HYDROQUAL INC	NJ	11/22/95
D8CMP6-02-0033-6400025	CAMRODEN ASSOC. FY93&94	NY	2/ 5/96
E8CWP4-02-0195-6400021	MALCOLM PIRNIE	NY	1/24/96

TOTAL OF REGION 02 = 7

D8CML4-03-0113-6100001	DYNAMAC	MD	10/ 3/95
D8CML4-03-0255-6100002	DYNAMAC	MD	10/ 3/95
D8CML5-03-0125-6100003	COMPUTER SCIENCE CORP.	VA	10/ 3/95
D8CML5-03-0184-6100004	DYN NETWORK MANAGEMENT INC.	VA	10/ 3/95
D8CML5-03-0176-6100005	DYN NETWORK MANAGEMENT	VA	10/ 3/95
D8CML5-03-0216-6100006	ROY F. WESTON	PA	10/ 3/95
D8AML5-03-0237-6100020	S.S. PAPADOPULOS & ASSOCS.	MD	10/ 6/95
D8AML5-03-0099-6100031	VERSAR INC.	VA	10/13/95
D8BML3-03-0165-6100032	ENVIRONMENTAL MANAGEMENT SUPMD		10/13/95
D8AML5-03-0385-6100049	MANTECH ENVIRONMENTAL	VA	11/ 3/95
D8AML5-03-0384-6100050	BIONETICS	VA	11/ 3/95
D8AML5-03-0386-6100052	ISSI, INCORPORATED	VA	11/ 3/95

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				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
D8AML5-03-0379-6100053	INDUS CORP.	VA	11/ 3/95				
D8AML5-03-0356-6100054	JACA	PA	11/ 3/95				
D8BML4-03-0091-6100055	PERRIN QUARLES ASSOCIATES	VA	11/ 3/95				
D8BML4-03-0293-6100056	PERRIN QUARLES ASSOCIATES	VA	11/ 3/95				
D8AML6-03-0120-6100105	BIONETICS CORP.	VA	2/14/96				
D8AML5-03-0383-6100106	DYNAMAC	MD	2/14/96				
D8AML5-03-0352-6100107	DYNAMAC	MD	2/14/96				
D8AML5-03-0359-6100108	HAMPSHIRE RESEARCH ASSOC.	VA	2/15/96				
D8AML6-03-0094-6100113	PRINCETON ECONOMIC RESEARCH	MD	2/22/96				
D8AML5-03-0354-6100114	SCIENCE POLICY ASSOC. INC.	DC	2/22/96				
D8AML6-03-0080-6100115	ASPEN SYSTEMS	MD	2/22/96				
D8AML6-03-0099-6100116	DECISION ANALYSIS CORP.	VA	2/22/96				
D8AML6-03-0081-6100117	ENVIRO MANAGEMENT	VA	2/22/96				
D8AML6-03-0101-6100130	HYDROGEOLOGIC INC.	VA	3/13/96				
D8CBL4-03-0423-6100132	DYNAMAC	MD	3/13/96				
D8EML6-03-0092-6100133	SMITH ENVIRONMENTAL TECH.	PA	3/13/96				
D8AML6-03-0107-6100136	ANTARES GROUP INC.	MD	3/14/96				
D8BML4-03-0131-6100137	VERSAR	VA	3/14/96				
D8EML6-03-0136-6100154	DYNACORP-NMI	VA	3/26/96				
D8EML6-03-0085-6100155	RESOLVE INC.	DC	3/26/96				
D8CML5-03-0315-6100156	DYNACORP-TAI	VA	3/27/96				
D8CML5-03-0329-6100157	DYNACORP-TAI	VA	3/27/96				
D8AML6-03-0113-6100158	INTERNATIONAL DEVELOPMENT	DC	3/27/96				
TOTAL OF REGION 03 = 35							
E8EMP5-22-0053-6400005	ICF-FY 95 LABOR FLOORCHECK		10/26/95				
TOTAL OF REGION 22 = 1							
D8AML5-04-0149-6100016	ALPHA GAMMA TECHNOLOGIES	NC	10/ 6/95				
D8BML3-04-0296-6100018	KBN ENG. & APPL. SCI. INC.	FL	10/ 6/95				
D8DML2-04-0383-6100019	KBN ENGINEERING & APPLIED SCFL		10/ 6/95				
D8BML6-04-0029-6100070	MANTECH ENVIRONMENTAL	NC	11/29/95				
D8EML6-04-0041-6100081	APPLIED TECHNICAL SERVICES	GA	12/11/95				
D8BML3-04-0192-6100085	RESEARCH INFORMATION ORG.	NC	1/22/96				
D8BML3-04-0191-6100086	RESEARCH INFORMATION ORG.	NC	1/22/96				
D8BML5-04-0137-6100142	TECHNOLOGY PLANNING & MGMT.	NC	3/19/96				
D8AML6-04-0046-6100143	INTEGRATED LABORATORY SYSTEMNC		3/19/96				
TOTAL OF REGION 04 = 9							
D8AML5-05-0150-6100010	CHEMICAL ABSTRACT SV	OH	10/ 4/95				
D8EML5-05-0135-6100014	CITY ENVIRONMENTAL	MI	10/ 5/95				
D8BML6-05-0033-6100027	ENVIRON SCIENCE & ENG 91	IL	10/10/95				
D8CML3-05-0329-6100030	BATTELLE	OH	10/12/95				
D8DML4-05-0263-6100046	BATTELLE FY 93	OH	10/31/95				
D8CML4-05-0052-6100094	INST GAS TECH FY 92/93/94	IL	1/24/96				
D8AML6-05-0085-6100122	RESOURCE MGT ASSOC	WI	3/ 5/96				
TOTAL OF REGION 05 = 7							
D8EML5-23-0008-6100045	OHM REM	OH	10/31/95				
TOTAL OF REGION 23 = 1							
D8CML4-06-0053-6100015	SIMON-EEI INC.	OK	10/ 6/95				
D8BML5-06-0029-6100017	SOUTHWEST RESEARCH INSTITUTETX		10/ 6/95				
D8BML3-06-0068-6100082	RADIAN TX	TX	1/22/96				
D8BML3-06-0069-6100083	RADIAN	TX	1/22/96				
D8AML6-06-0013-6100084	TEXAS A & M UNIVERSITY	TX	1/22/96				
D8BML4-06-0060-6100110	TILLMAN & ASSOCIATES	OK	2/16/96				
D8BML3-06-0113-6100111	TILLMAN & ASSOCIATES	OK	2/16/96				
D8BML4-06-0048-6100121	LEE WILSON ASSOC.	NM	2/28/96				

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			Ineligible Costs	Unsupported Costs	Unreasonable Costs	

TOTAL OF REGION 06 = 8

D8BMR6-08-0022-6100135 PROCESS APPLICATIONS CO 3/13/96

TOTAL OF REGION 08 = 1

D8CML5-09-0093-6100058	AQUA FC	CA	11/13/95			
D8CML6-09-0031-6100059	GEO/R FC	CA	11/13/95			
D8CML4-09-0130-6100062	SAIC FC	CA	11/21/95			
D8AML6-09-0037-6100087	ADM ASSOC INC PA	CA	1/22/96			
D8AML6-09-0035-6100088	ROBT. BEIN, WILLM. FROST PA	CA	1/22/96			
D8CML5-09-0121-6100089	SAIC FC	CA	1/22/96			
D8CML5-09-0105-6100103	SAIC FC	CA	2/ 8/96			
D8AMN5-09-0120-6300004	SAIC PA	CA	11/ 2/95			
D8AMN5-09-0122-6300006	EERC PA	CA	11/ 7/95			
D8AMN6-09-0036-6300014	DANIEL MANN PA	CA	2/ 5/96			

TOTAL OF REGION 09 = 10

D8AMN5-10-0054-6300002	COLUMBIA ENVTL SCIENCES PA	WA	10/19/95			
D8AMN5-10-0055-6300003	DADE MOELLER & ASSOC PA	WA	10/19/95			
D8EMN6-10-0003-6300005	DADE MOELLER & ASSOC MS	WA	11/ 2/95			
D8EMN6-10-0008-6300017	ELGIN SYFERD - DDB NEEDHAM	WA	2/28/96			

TOTAL OF REGION 10 = 4

TOTAL OTHER CONTRACT ASSIGNMENTS	=	111	259,279	0	0	8,357,564
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#### 9. SUPERFUND CONTRACT ASSIGNMENTS

D9AGL5-01-0185-6100064	ANEPTK CORPORATION	MA	11/22/95			
D9AGL5-01-0180-6100067	NOBIS ENGINEERING	NH	11/28/95			
D9AGL5-01-0186-6100068	DIVERSIFIED TECH CORPORATIONCT		11/28/95			
D9AKL5-01-0181-6100069	METCALF & EDDY INC	MA	11/29/95			
D9AKL5-01-0184-6100097	FOSTER WHEELER ENVIR CORP	NJ	2/ 5/96			
D9DFL2-01-0333-6100098	ARTHUR D. LITTLE, INC.	MA	2/ 5/96			
E9AGP5-01-0627-6400006	TRC	CT	10/27/95			
E9HFP4-01-0147-6400008	RE-SOLVE INC.	MA	11/ 2/95			
TOTAL OF REGION 01 = 8						

D9DFL2-02-0258-6100037	FOSTER WHEELER CORPORATION	NJ	10/30/95			
D9DFL3-02-0165-6100078	EBASCO SERVICES INC.	NY	12/11/95			
D9EFP5-02-0151-6400013	FOSTER WHEELER ENVIR CORP	NJ	11/22/95			
D9EGP5-02-0162-6400014	FOSTER WHEELER ENVIRONMENTAL	NJ	11/22/95			
P9DGL2-02-0134-6100093	ECOLOGY AND ENVIRONMENT	NY	1/24/96			

TOTAL OF REGION 02 = 5

D9AFL6-03-0103-6100109	TECHNOLOGY & MANAGEMENT	MD	2/16/96			
D9CFL4-03-0397-6100131	ROY F. WESTON	PA	3/13/96			
D9CFL6-03-0131-6100134	VERSAR INC.	VA	3/13/96			
D9AFL5-03-0333-6100153	ROY F. WESTON	PA	3/26/96			
D9BFL2-03-0473-6100159	TECHNICAL RESOURCES, INC.	MD	3/27/96			

TOTAL OF REGION 03 = 5

E9DFL4-22-0275-6100126	ICF-FY 1986 INCURRED COST		3/11/96			
E9EFP4-22-0176-6400002	ICF KAISER ENG INC D/S		10/18/95			
E9EFP4-22-0437-6400018	ICF INTN'L-CAS 403 O/H INS.		12/ 6/95			

TOTAL OF REGION 22 = 3

E9EKL5-05-0022-6100035	PRC EMI CAS 418-410	IL	10/25/95			
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Assignment Control Number	Title		Final Report Issued	Questioned Costs			Efficiencies (Funds Be Put To Better Use)
				Ineligible Costs	Unsupported Costs	Unreasonable Costs	
E9AGP6-05-0038-6400017	PRC EMI RAC	IL	12/ 5/95				
E9BKT6-05-0036-6400033	PRC EMI 87 FLASH	IL	2/14/96				
TOTAL OF REGION 05 = 3							
E9EHP5-23-0011-6400010	EQMI A/S REVIEW	OH	11/ 7/95				
TOTAL OF REGION 23 = 1							
D9AKL5-06-0054-6100071	BROWN & ROOT ENVIRONMENTAL	TX	11/29/95				
TOTAL OF REGION 06 = 1							
D9CGL3-07-0147-6100007	B&V WASTE SCIENCE & TECH	MO	10/ 3/95				
D9DGL3-07-0013-6100008	BLACK & VEATCH	MO	10/ 3/95				
D9CGL4-07-0072-6100123	B&V WASTE SCI & TECH CORP	MO	3/ 5/96				
D9CGL5-07-0014-6100124	BLACK & VEATCH WASTE SCI	MO	3/ 7/96				
D9CGL4-07-0072-6100125	B&V WASTE SCI & TECH CORP	MO	3/ 7/96				
TOTAL OF REGION 07 = 5							
D9AGL5-08-0055-6100075	CH2MHILL INC	CO	12/ 2/95				
D9AGL5-08-0055-6100119	CH2MHILL INC	CO	2/27/96				
TOTAL OF REGION 08 = 2							
D9BKL4-10-0139-6100104	MK	ID	2/13/96				
D9BGN3-10-0089-6300001	URS AC 1990-1993	WA	10/16/95				
D9BGN4-10-0026-6300007	CH2M HILL CI 1990-93	OR	11/13/95				
TOTAL OF REGION 10 = 3							
TOTAL SUPERFUND CONTRACT ASSIGNMENTS = 36				681,538	0	0	36,629,256
TOTAL REPORTS = 251				25,299,062	2,129,571	1,027,076	44,986,820

## 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 3/31/96:

- 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 &amp; Resources Management</u>			E1NMF3-15-0072-5100240	PCIE APPL MAINT-EPA MGT	3/31/95
E1FMF4-03-0141-5100513	EPA'S OVRSGHT OF ASSIST AGRMNT	9/28/95	<p>*Summary: ALTHOUGH EPA HAS TAKEN SIGNIFICANT STEPS TO STRENGTHEN ITS MANAGEMENT OF APPLICATION SOFTWARE MAINTENANCE, MORE NEEDS TO BE DONE TO IMPROVE SYSTEM AND SOFTWARE RELIABILITY, COST EFFECTIVENESS, AND DECISIONS ABOUT OPERATIONAL CHANGES.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG ISSUED FINAL REPORT 3/31/95. THE PROGRAM OFFICE RESPONDED FORMALLY 7/20/95, AGREEING OR PARTIALLY AGREEING WITH RECOMMENDATIONS THAT WERE NOT WITHDRAWN. THE OIG REQUESTED ADDITIONAL INFORMATION ON 9/6/95 IN ORDER TO CLOSE THE AUDIT.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [3]</p>		
<p>Summary: EPA GRANTS SPECIALISTS AND PROJECT OFFICERS DID NOT PROPERLY ADMINISTER AND MONITOR ASSISTANCE AGREEMENTS TO DETERMINE IF PERFORMANCE REQUIREMENTS WERE MET, NOR DID THEY IDENTIFY AN ESTIMATED \$33 MILLION IN UNUSED FUNDS FOR ALLOCATION ELSEWHERE.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE RESPONSE TO THE FINAL REPORT WAS DATED 3/25/96. THE GRANTS OFFICE ISSUED CORRECTIVE ACTIONS TO THE OIG AND IS AWAITING ITS RESPONSE. ADDITIONALLY, THE GRANTS OFFICE IS AWAITING INFORMATION FROM OGC.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [4]</p>			E1FMF4-19-0618-4100407	UNIVERSITY OF KANSAS KS	6/17/94
E3CML3-03-0201-4100523	TEMPLE UNIVERSITY PA	9/15/94	<p>*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.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG REQUESTED THE COMPTROLLER GENERAL'S OPINION REGARDING THE USE OF NON-FEDERAL TRAVEL UNDER COOPERATIVE AGREEMENTS. THE OFFICE OF GRANTS AND DISBARMENT (OGD), OFFICE OF GENERAL COUNSEL AND THE OIG HAVE COORDINATED A REQUEST FOR GAO TO PROVIDE ITS OPINION ON THIS AND OTHER OUTSTANDING ISSUES.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED WITHIN 45 DAYS OF RECEIPT OF GAO OPINION.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [2]</p>		
<p>Summary: EPA ERRONEOUSLY AWARDED A COOPERATIVE AGREEMENT TO TEMPLE UNIVERSITY AND MISMANAGED THE AGREEMENT BY NOT CONTROLLING EXPENDITURES AND ALLOWING UNAUTHORIZED TRAVEL.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG REQUESTED THE COMPTROLLER GENERAL'S OPINION REGARDING THE USE OF NON-FEDERAL TRAVEL UNDER COOPERATIVE AGREEMENTS. OGD, OIG, AND OGC HAVE COORDINATED A REQUEST FOR GAO TO PROVIDE ITS OPINION ON THIS AND OTHER OUTSTANDING ISSUES.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED WITHIN 45 DAYS OF RECEIPT OF GAO OPINION.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>			E1AMF4-20-7002-5100209	EPA'S COLLECTION OF USER FEES	3/27/95
E1FMG4-13-0061-5400051	IAGS	3/31/95	<p>Summary: EPA HAS AGGRESSIVELY PURSUED USER FEE OPPORTUNITIES AND HAS COLLECTED ONLY \$22 MILLION OF THE CONGRESSIONALLY DIRECTED \$148 MILLION IN NEW USER FEES THROUGH FISCAL 1994.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: FOUR EPA MEDIA PROGRAM OFFICES RECENTLY CONDUCTED AN INVENTORY OF EXISTING USER FEES, AND AREAS FOR POTENTIAL NEW FEES. BY JUN 28, A RESPONSE TO OIG'S MARCH 1995 AUDIT REPORT IS EXPECTED. ADDITIONALLY, EPA IS DEVELOPING A PROCESS FOR BI-ANNUAL REVIEW OF USER FEES THAT IMPLEMENTS OMB CIRCULAR A-25.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY AUGUST 1996.</p>		
<p>Summary: EPA OFTEN EXECUTED ECONOMY ACT IAGS WITHOUT OBTAINING ADEQUATE COST REASONABLENESS INFORMATION. IN ADDITION, EPA DID NOT RECOVER ITS FULL COSTS OF PERFORMING WORK FOR OTHER AGENCIES.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE IS WORKING WITH APPROPRIATE EPA OFFICES TO RESOLVE AUDIT ISSUES. IT EXPECTS RESPONSE TO THE AUDIT REPORT BY 5/15/96.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>					

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE PROGRAM OFFICE HAS REVIEWED AUDIT REPORT AND IS AWAITING COMMENTS FROM THE RECIPIENT.		
<u>Assistant Administrator for Solid Waste &amp; Emergency Response</u>			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY JUNE 30, 1996.		
E1DSF4-11-0036-5100512	RCRA MANIFEST REQUIREMENTS	9/28/95	IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
*Summary: WE FOUND MORE CONTROLS ARE NEEDED OVER HAZARDOUS WASTE MANIFESTING. WE RECOMMENDED EPA IMPROVE USE OF INSPECTION RESOURCES AND HAZARDOUS WASTE TRACKING AND NOTIFICATION.			E3CBP4-04-0252-4400116	REVIEW OF CA WITH NELHA- HI	9/29/94
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG IS CURRENTLY REVIEWING THE PROGRAM OFFICE RESPONSE.			*Summary:		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE PROGRAM OFFICE IS CURRENTLY REVIEWING COMMENTS RECEIVED FROM THE RECIPIENT.		
IG FOLLOWUP STATUS AS OF 3/31/96 [2]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED SHORTLY AFTER APRIL 30, 1996.		
<u>Assistant Administrator for Water</u>			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
E1HWF4-04-0168-5100530	GULF OF MEXICO PROGRAM	GA 9/29/95	E5BKL4-04-0243-5100526	CLARK ATLANTA UNIVERSITY	GA 9/30
*Summary: EPA ARRANGED FOR THE COLLECTION OF FEES AND DONATIONS WITHOUT STATUTORY AUTHORITY TO DEFRAY THE COSTS OF ITS 1995 GULF OF MEXICO PROGRAM (GMP) SYMPOSIUM. THE AGENCY ALSO IMPROPERLY MODIFIED A COOPERATIVE AGREEMENT TO OBTAIN SERVICES AND PAY COSTS SUCH AS FOOD, ENTERTAINMENT, AND TRAVEL UNALLOWABLE UNDER A CONTRACT.			Summary: CLARK ATLANTA UNIVERSITY (CAU) MISMANAGED CONGRESSIONA EARMARKED FUNDS PROVIDED UNDER AN EPA COOPERATIVE AGREEMENT TO ESTABLISH A HAZARDOUS SUBSTANCE RESEARCH CENTER. AS A RESULT THE CENTER WAS NOT PROPERLY ESTABLISHED AND SERIOUS CONTROL WEAKNESSES CONTRIBUTED TO \$3.6 MILLION OF INELIGIBLE OR UNSUPPOR COSTS.		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REVIEW OF AND RESPONSE TO ORIGINAL AUDIT DELAYED BY FURLOUGH EVENTS. THE PROGRAM OFFICE RESPONDED TO THE OIG ON MARCH 1, 1996. ON MARCH 15, THE OIG RESPONDED, AGREEING WITH ALL PROJECTED STEPS EXCEPT ONE. THE PROGRAM OFFICE IS REVIEWING THE OIG RESPONSE AND DETERMINING NEXT STEPS. EXPECT RESPONSE TO OIG IN EARLY APRIL.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE PROGRAM OFFICE HAS MET WITH CLARK ATLANTA UNIVERSITY AND THE OFFICE OF RESEARCH AND DEVELOPMENT (ORD) TO DISCUSS AUDIT FINDINGS. THE ORD HOPES TO VISIT CLARK ATLANTA TO REVIEW PROJEC COMPLETED. THIS AUDIT IS VERY COMPLEX.		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT TO REACH RESOLUTION BY JULY 31, 1996.		
IG FOLLOWUP STATUS AS OF 3/31/96 [2]			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
E1HWE5-23-0001-5100516	DRINKING WATER DATA INTEGRITY	9/29/95	E6EML4-07-0023-4100581	FAIRBURY	NE 9/30/94
*Summary: NATIONWIDE ABOUT 12 PERCENT OF COMMUNITY, SURFACE PUBLIC WATER SYSTEMS (PWS) REPORTED INVALID OR POTENTIALLY FALSIFIED DATA AT LEAST ONCE FROM 1991 THROUGH 1994. WITHOUT STATE OFFICIALS OR EPA REVIEWING THE VALIDITY OF THE DATA, SERIOUS HEALTH RISKS COULD GO UNDETECTED AND NEGATE EPA'S AND STATES' ABILITY TO PREVENT WATER AND SUPPLY CONTAMINATION.			Summary: THE GRANT/LOAN WAS AWARDED FOR ASBESTOS ABATEMENT IN T FAIRBURY SCHOOLS. WE DETERMINED THAT THE GRANTEE CLAIMED AN UNREASONABLE AMOUNT FOR ADMINISTRATIVE COSTS. THE GRANTEE CLAIM INELIGIBLE ENGINEERING AND CONSTRUCTION COSTS.		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG REQUESTED PROGRAM TO RESPOND TO THE AUDIT AFTER RECEIVING ITS FY 1996 BUDGET. THIS HAS NOT OCCURRED. THE PROGRAM OFFICE IS PREPARING A RESPONSE BASED ON RECENT DECISIONS REGARDING PROGRAM REDIRECTION. EXPECT RESPONSE TO BE SUBMITTED TO OIG LATE MARCH/EARLY APRIL.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA AUDIT INVOLVES SEVERAL COMPLEX ISSUES AS A RESULT OF CRIMINALASSIGNMENT CONTROL PROCEEDINGS TAKEN AGAINST A CONTRACTO UNDER THE PROJECT. GAD IS STILL WAITING FOR SOME INFORMATION FR THE OFFICE OF GENERAL COUNSEL BEFORE ISSUING FINAL DETERMINATION		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION 45 DAYS AFTER RECEIVING INFORMATION FROM OGC.		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
<u>Grants Administration Division</u>			E1FUF5-08-0019-5100528	SCERP PERFORMANCE	9/29/95
G3HUK5-03-0358-5500215	AMERICAN COUNCIL FOR ENERGY DC	9/ 5/95	*Summary: SCERP AND EPA NEEDED TO IMPROVE THEIR WORKING RELATIONSHIP AND TO BETTER FOCUS LIMITED RESEARCH FUNDING ON DEVELOPING SOLUTIONS TO THE MOST ACUTE ENVIRONMENTAL PROBLEMS AL THE U.S.- MEXICAN BORDER.		
*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: THE PROGRAM OFFICE HAS BEEN UNABLE TO ADDRESS AUDIT ISSUES DUE TO NUMBER OF AUDITS PENDING RESOLUTION. THE OFFICE IS CURRENTLY REVIEWING AUDIT FINDINGS.			ENGINEERING COSTS INCURRED AFTER CONSTRUCTION COMPLETION DATE.		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTS TO REACH RESOLUTION IN THE 3RD QUARTER (APRIL - JUNE 1996).			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION 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. THE DECISION IS EXPECTED PRIOR TO THE END OF THIS CALENDAR YEAR.		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
E3CBL3-08-0088-4100497 MONTANA STATE UNIVERSITY MT 8/23/94			IG FOLLOWUP STATUS AS OF 3/31/96 [3]		
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.			G3HVK5-05-0168-5500191 ILLINOIS OSFM FY 93/94 IL 7/31/94		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG CAN NOT RESOLVE AUDIT FINDINGS UNTIL THE OIG FINISHES ITS INVESTIGATION.			*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: GROSS REDUCTION OF RESOURCES COMBINED WITH THE LENGTHY FURLOUGHS HAVE INHIBITED THE REGION'S ABILITY TO REACH RESOLUTION IN A TIMELY MANNER. BECAUSE OF BUDGET UNCERTAINTIES, THE REGION CANNOT DETERMINE WHEN THIS REPORT WILL BE RESOLVED. THE REGION WILL CONTINUE TO REVIEW THE REPORT AND ACHIEVE A RESOLUTION AS QUICKLY AS POSSIBLE.		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
E5CKN5-24-0013-5300035 NORTH CAROLINA STATE UNIV NC 9/28/95			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
*Summary: NCSU CLAIMED \$48197 IN INELIGIBLE COSTS RELATED TO ESTABLISHMENT OF A HAZARDOUS SUBSTANCE RESEARCH CENTER. WE RECOMMENDED THAT EPA MANAGEMENT ADJUST GRANT COSTS PER OUR DETERMINATION. NET DUE GRANTEE \$34,699.			N3HVJ5-05-0166-5500193 MICHIGAN DNR FY 92/93 MI 7/31/94		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE RECEIVED COPY OF AUDIT REPORT ON MARCH 5, 1996 AND IS CURRENTLY REVIEWING AUDIT FINDINGS.			*Summary:		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTS RESOLUTION BY SEPTEMBER 30, 1996.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: GROSS REDUCTION OF RESOURCES COMBINED WITH THE LENGTHY FURLOUGHS HAVE INHIBITED THE REGION'S ABILITY TO REACH RESOLUTION IN A TIMELY MANNER. BECAUSE OF BUDGET UNCERTAINTIES, THE REGION CANNOT DETERMINE WHEN THIS REPORT WILL BE RESOLVED. THE REGION WILL CONTINUE TO REVIEW THE REPORT AND ACHIEVE A RESOLUTION AS QUICKLY AS POSSIBLE.		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
<u>Grants Financial Management - Region 5</u>			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
E2BWL5-05-0136-7000980 SAUGET IL 3/31/87			G3HVJ5-05-0171-5500204 WHITLEY CO CS FY 93/94 IN 8/21/94		
Summary: WE QUESTIONED OVER \$7 MILLION FOR INELIGIBLE AND UNNECESSARY PROJECT COSTS.			*Summary:		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION ISSUED A PROPOSED FINAL DETERMINATION TO THE OIG ON 3/22/94. ON 4/6/94, THE OIG AGREED WITH THE PROPOSED ACTIONS ON ALL MATTERS EXCEPT DECISION TO ACCEPT THE COSTS ASSOCIATED WITH THE TRANSFER SEWERAGE. THE OIG HAS ELEVATED DISAGREEMENT TO HEADQUARTERS FOR REVIEW.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: GROSS REDUCTION OF RESOURCES COMBINED WITH THE LENGTHY FURLOUGHS HAVE INHIBITED THE REGION'S ABILITY TO REACH RESOLUTION IN A TIMELY MANNER. BECAUSE OF BUDGET UNCERTAINTIES, THE REGION CANNOT DETERMINE WHEN THIS REPORT WILL BE RESOLVED. THE REGION WILL CONTINUE TO REVIEW THE REPORT AND ACHIEVE A RESOLUTION AS QUICKLY AS POSSIBLE.		
= 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 3/31/96 [6]			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
E2CWL9-05-0262-3100397 FLINT MI 9/30/93			G3HVJ5-05-0171-5500204 WHITLEY CO CS FY 93/94 IN 8/21/94		
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			*Summary:		
			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: GROSS REDUCTION OF RESOURCES COMBINED WITH THE LENGTHY FURLOUGHS HAVE INHIBITED THE REGION'S ABILITY TO REACH RESOLUTION IN A TIMELY MANNER. BECAUSE OF BUDGET UNCERTAINTIES, THE REGION CANNOT DETERMINE WHEN THIS REPORT WILL BE RESOLVED. THE REGION WILL CONTINUE TO REVIEW THE REPORT AND ACHIEVE A RESOLUTION AS QUICKLY AS POSSIBLE.		
			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
			<u>Office of Emergency &amp; Remedial Response</u>		

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
E1SKF4-07-0053-5100483	CONTRACT FOR ANAL. SUPPORT	9/18/95	IG FOLLOWUP STATUS AS OF	3/31/96 [1]	
<p>*Summary: ESAT REPLACEMENT CONTRACT NOT ADEQUATELY PLANNED.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PROGRAM OFFICES RESPONDED TO OIG IN FEBRUARY AND MARCH 1996. THE OIG REJECTED THE RESPONSES. EPA IS AWAITING DETAILED INFORMATION ON THE REJECTIONS.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [4]</p> <p><u>Regional Administrator - Region 1</u></p>			<p><u>Regional Administrator - Region 2</u></p> <p>P2CWN1-02-0028-4300034 OCEAN COUNTY UA NJ 5/ 4/</p> <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 MA THIS AUDIT ENCOMPASSED 5 EPA GRANTS WITH GRANTEE CLAIMED COSTS O \$247 MILLION AND AUDITOR QUESTIONED COSTS OF \$4.5 MILLION. THE ONGOING REGIONAL REVIEW IS ENSURING THAT ALL ISSUES ARE FULLY EVALUATED AND ANALYZED, AND THAT THE GRANTEE'S ADDITIONAL SUBMIT DOCUMENTATION WILL BE THOROUGHLY EVALUATED.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY JUNE 1996.</p>		
E1FAG5-01-0071-5400108	NESCUM	9/29/95	IG FOLLOWUP STATUS AS OF	3/31/96 [3]	
<p>*Summary:</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE REGION RESPONDED TO THE OIG ON MARCH 28, 1996 REPORTING ON THE STATUS OF THE CORRECTIVE ACTION PLAN. BASED ON ACCOMPLISHMENTS OUTLINED IN THIS MEMO, INCLUDING THE GRANTEE'S RESPONSE, THE OIG CLOSED THE AUDIT ON 4/2/96.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION OCCURRED ON APRIL 2, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1] (Report closed 4/2/96.)</p>			<p>P2CWL3-02-0128-5100231 HUDSON COUNTY UA NJ 3/28/95</p> <p>Summary: THE HUDSON COUNTY UTILITIES AUTHORITY CLAIMED ON UPWAR ADJUSTMENT TO INELIGIBLE COSTS OF \$1,580,440 AND UNSUPPORTED COSTS OF \$23,578,045 TO CONSTRUCT AN UPGRADE TO A WASTEWATER TREATMENT PLANT AND RELATED FACILITIES.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE AUDIT ENCOMPASSED 4 EPA GRANTS WITH GRANTEE CLAIMED COSTS OF \$82 MILLION, INCLUDING A HIGHLY CONTROVERSIAL \$17 MILLION FINDING INVOLVING ACUTE TOXICITY RELEASE LIMIT. THE OIG HAS CONCURRED TO DRAFT RESOLUTION.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY MAY 1996.</p>		
S2CWL1-01-0024-4100179	SPRINGFIELD MA	1/31/94	IG FOLLOWUP STATUS AS OF	3/31/96 [3]	
<p>Summary: THE CITY OF SPRINGFIELD, MA CLAIMED UNALLOWABLE PROJECT COSTS OF \$4,059,671 FOR THE CONSTRUCTION OF A SECONDARY SEWAGE TREATMENT PLANT, INCLUDING NEW INTERCEPTOR SEWERS, PUMPING STATIONS, FORCE MAIN SIPHON, AND OUTFALL SEWER.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: ON MARCH 27, 1996, EPA MANAGEMENT AND THE OIG MET REGARDING THIS AUDIT. EPA MANAGEMENT, WITHIN THE NEXT 30 DAYS, WILL EITHER ACCEPT THE OIG POSITION, REFER THIS AUDIT TO HQ FOR RESOLUTION OR ASK THE CITY TO PROVIDE MORE INFORMATION THAT MAY OR MAY NOT EXIST. THIS IS A COMPLEX AUDIT REVIEW, WITH OVER \$2.5 MILLION IN QUESTIONED COSTS.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [2]</p>			<p>P2CWL4-02-0141-5100407 NEPTUNE SA NJ 7/10/95</p> <p>Summary: THE GRANTEE CLAIMED \$856,871 (FEDERAL SHARE \$642,653) INELIGIBLE COSTS. THE MAJORITY OF THESE COSTS RELATED TO COSTS CLAIMED OUTSIDE THE SCOPE OF THE APPROVED PROJECT.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA FACTORS THAT HAVE DELAYED THE RESOLUTION OF THIS AUDIT INCLUDE THE INVOLVEMENT OF AN AGENCY OTHER THAN THE DELEGATED STATE AGEN THIS RESULTED IN A MORE LENGTHY REVIEW PROCESS TO INSURE THAT</p>		
E2CWL2-01-0170-5100233	MWRA MA	3/29/95	IG FOLLOWUP STATUS AS OF	3/31/96 [3]	
<p>Summary: MWRA CLAIMED A TOTAL OF \$982,705 IN INELIGIBLE COSTS FOR A FENDERING SYSTEM NOT IN ACCORDANCE WITH SPECS, ABANDONED EQUIPMENT, POLICE, VIDEO, AND COMPUTER SERVICES.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PROBLEMS WITH THE CONSTRUCTION OF A PIER AT THE WASTEWATER TREATMENT PLANT REQUIRED THE GRANTEE TO SUPPLY MORE INFORMATION. THE REGION EXPECTED THIS INFORMATION BY 10-15-95. IF THIS INFORMATION IS NOT SUPPLIED BY THE END OF MAY 1996, THE REGION WILL RULE THE ASSOCIATED COSTS INELIGIBLE AND PROCESS THE FINAL DETERMINATION LETTER.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p>			<p>ALL PARTICIPANT POSITIONS WERE ANALYZED AND FOUND CORRECT. THE HAS CONCURRED ON DRAFT RESOLUTION.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY JUNE 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [3]</p>		
			E2CWN4-02-0142-5300032	MONROE TWSP MUA NJ	9/18/95
			<p>Summary: MONROE TOWNSHIP MUA, NJ CLAIMED INELIGIBLE COST OF \$794,147 (FEDERAL SHARE \$595,610) AND UNSUPPORTED COSTS OF \$365, (FEDERAL SHARE \$274,002) FOR CONSTRUCTION OF COLLECTION SYSTEM, PUMPING STATIONS, FORCE MAINS AND INTERCEPTOR.</p>		

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THIS COMPLEX AUDIT ENCOMPASSED 2 EPA GRANTS WITH GRANTEE CLAIMED COSTS OF \$12 MILLION AND OVER \$1 MILLION IN AUDITOR QUESTIONED COSTS. ITS RESOLUTION HAS BEEN DELAYED DUE TO THE REGION'S IN-DEPTH EVALUATION OF ISSUES RAISED BY THE AUDITOR AND THE RELATED GRANTEE SUBMITTED DOCUMENTATION. THE OIG HAS CONCURRED WITH THE DRAFT RESOLUTION.			E2CWM5-04-0042-5200006	STARKE FL	1/20/95
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY JUNE 1996.			Summary: WE QUESTIONED AS INELIGIBLE THE GRANTEE'S CLAIM OF \$1,372,564 FOR ACQUISITION OF A SPRAY IRRIGATION SITE. THE COST WERE QUESTIONED BECAUSE THE SITE WAS NEVER UTILIZED FOR THE INTENDED PURPOSE.		
IG FOLLOWUP STATUS AS OF 3/31/96 [3]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA A PROPOSED FINAL DETERMINATION LETTER HAS NOT BEEN PREPARED PENDING LEGAL DISCUSSION REGARDING ELIGIBILITY OF A PORTION OF T LAND WHICH HAS BEEN DECLARED WETLANDS. DIFFICULT TO PREDICT WHEN THIS FINAL DETERMINATION LETTER WOULD BE WRITTEN AT THIS TI		
<u>Regional Administrator - Region 3</u>			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
P2BWN3-03-0077-4300032 PHILADELPHIA CITY OF PA	3/30/94		IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
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.			E5CGL4-04-0036-5100490 FLORIDA DER SF COOP AGR FL	9/19/9	
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE SIZE AND COMPLEXITY OF THIS MEGA-AUDIT (COVERING SEVERAL GRANTS UNDER THE CITY OF PHILADELPHIA SOUTHWEST TREATMENT PLANT PROJECT) REQUIRES SIGNIFICANT TIME FOR RESOLUTION. THE ESTIMATED DATE FOR ISSUANCE OF A MANAGEMENT DECISION IS 9/30/96.			Summary: FDEP DID NOT PROVIDE SUPPORT FOR COST TOTALING \$2,149,111. THE UNSUPPORTED COSTS WERE NOT IN COMPLIANCE WITH 4 CFR 30.501. DUE TO A BOOKKEEPING ERROR, FDEP ALSO CLAIMED AN ADDITIONAL \$28,911 OF INELIGIBLE COSTS THAT RELATED TO ANOTHER PROJECT.		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA AUDITOR AND GRANTEE ARE CONTINUING TO NEGOTIATE OVER THE SUPPORT DOCUMENTS FOR THE UNSUPPORTED COSTS QUESTIONED IN THE AUDIT. SUBSTITUTIONS ARE BEING OFFERED BY THE GRANTEE ON THE "SAMPLES" REQUESTED IN THE AUDIT.		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: SHOULD RESOLVED IN 3RD QUARTER, FY 1996.		
E2CWM4-03-0291-5200024 WSSC MD	9/27/95		IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
Summary: COSTS OF \$1.7 MILLION WERE INELIGIBLE BECAUSE THE GRANTEE CLAIMED CONSTRUCTION COSTS ASSOCIATED WITH EXCESS RESERVE CAPACITY.			<u>Regional Administrator - Region 5</u>		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES COMPLEX TECHNICAL ISSUES. GRANTEE'S ATTORNEY HAS REQUESTED A MEETING TO FURTHER DISCUSS THESE ISSUES.			E3PLD5-05-0134-5400095 CA'S OHIO LUST R5	8/29/95	
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION IS EXPECTED BY JUNE 30, 1996.			*Summary: FLASH REPORT ISSUED ON AUDITEE INADEQUATE FINANCIAL MANAGEMENT SYSTEM AND INABILITY TO SUPPORT COSTS.		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA GROSS REDUCTION OF RESOURCES COMBINED WITH THE LENGTHY FURLONGHS HAVE INHIBITED THE REGION'S ABILITY TO REACH RESOLUTIO IN A TIMELY MANNER. BECAUSE OF BUDGET UNCERTAINTIES, THE REGION CANNOT DETERMINE WHEN THIS REPORT WILL BE RESOLVED. THE REGION WILL CONTINUE TO REVIEW THE REPORT AND ACHIEVE A RESOLUTION AS QUICKLY AS POSSIBLE.		
<u>Regional Administrator - Region 4</u>			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
E2CWP3-04-0225-4400096 BRUNSWICK GA	8/10/94		IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
Summary: CONSTRUCTION COSTS WITH FEDERAL SHARE OF \$311,250 WAS QUESTIONED BECAUSE SOME SEWERS WERE NOT BUILT AS PLANNED.			<u>Regional Administrator - Region 6</u>		
ENGINEERING COST CLAIMED WITH FEDERAL SHARE OF \$65,000 WAS QUESTIONED BECAUSE THE GRANTEE DID NOT PROCURE THESE SERVICES IN CONFORMITY WITH EPA REGULATIONS.			E2CWN3-06-0089-4300052 HOUSTON TX	9/29/94	
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG RESPONDED ON 9/5/95 STATING IT DOES NOT AGREE WITH THE REGION'S PROPOSED FINAL DETERMINATION LETTER. THIS AUDIT HAS BEEN FORWARDED TO THE OIG HEADQUARTERS OFFICE.			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 AND \$1,063,235 OF UNNECESSARY AND UNREASONABLE COSTS WERE QUESTIONED.		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA		
IG FOLLOWUP STATUS AS OF 3/31/96 [6]					

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
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THE AUDIT TRANSMITTAL LETTER WAS SENT BY THE TEXAS WATER DEVELOPMENT BOARD TO CITY OF HOUSTON ON 02/03/95, ALONG WITH ANALYSIS OF AUDIT. A 90-DAY AND 120-DAY EXTENSION WAS REQUESTED AND GRANTED. AUDIT HAS OVER 90 COMPLEX FINDINGS WITH CLAIMED COSTS OF \$208,720,680, QUESTIONED COSTS OF \$13,417,479. RECEIVED RESPONSE -- 3 BOXES, 7 VOLUMES OF DOCUMENTS. OTHERS COMING.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ESTIMATE AUDIT RESOLUTION BY JUNE 1, 1996.

IG FOLLOWUP STATUS AS OF 3/31/96 [1]

E5BGN4-06-0075-5300012 LA. SF CO-OP AGREEMENTS LA 3/30/95

Summary: LDEQ'S PROCUREMENT PRACTICES RESULTED IN QUESTIONED COSTS OF OVER \$2 MILLION. WE ALSO FOUND THAT WORK WAS PERFORMED THAT WAS OUTSIDE THE SCOPE OF THE CONTRACTS, EQUIPMENT PURCHASED WITHOUT EPA'S PRIOR APPROVAL AND CLAIMED AMOUNTS THAT WERE NOT SUPPORTED BY ACCOUNTING RECORDS.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (LDEQ) HAS REQUESTED A FINAL DISPUTE DETERMINATION FROM THE REGION. DOCUMENTATION HAS BEEN REVIEWED. SUMMARY REVIEW OF LDEQ'S RESPONSE REVIEWED BY PROGRAM. DEVIATION ON \$710,192, AND \$272,968 REQUESTED FROM EPA HEADQUARTERS ON 01/19/96.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ESTIMATE RESOLUTION BY MAY 1, 1996, ONCE DEVIATION IS GRANTED OR DENIED.

IG FOLLOWUP STATUS AS OF 3/31/96 [1]

#### Regional Administrator - Region 7

N3HVJ4-07-0075-5500094 STATE OF IOWA IA 2/23/95

\*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: ADDITIONAL INFORMATION HAS BEEN REQUESTED FROM THE GRANT RECIPIENT. ANTICIPATE RESPONSE BY MID-MAY 1996.

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

IG FOLLOWUP STATUS AS OF 3/31/96 [1]

N3HVJ5-07-0036-5500225 STATE OF MISSOURI MO 9/19/95

\*Summary:

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: ADDITIONAL INFORMATION HAS BEEN REQUESTED FROM THE RECIPIENT. ANTICIPATE A MANAGEMENT DECISION BY THE END OF MAY 1996.

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

IG FOLLOWUP STATUS AS OF 3/31/96 [1]

#### Regional Administrator - Region 8

P2CWL3-08-0039-5100107 ASHLEY VALLEY UT 12/ 1/94

Summary: THE GRANTEE HAD ABANDONED THE ALTERNATIVE EFFLUENT LAM APPLICATION FACILITIES THAT RESULTED IN ABOUT \$1.2 MILLION OF FEDERAL COSTS SHARE QUESTIONED.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA REGIONAL MUNICIPAL FACILITIES BRANCH IS WORKING WITH THE STATE T EVALUATE RECOVERY OF COSTS. DECISION WILL BE BASED ON THESE FINDINGS DUE TO ISSUES THAT INVOLVE OTHER STATE AND FEDERAL AGENCIES WHICH COULD RESULT IN LEGAL ACTIONS AGAINST EPA. SEVER MEETINGS ARE SCHEDULED FOR RESOLUTION. FIRST MEETING SET FOR AP 18, 1996.

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

IG FOLLOWUP STATUS AS OF 3/31/96 [1]

#### Regional Administrator - Region 9

E1SKF5-09-0031-5100505 OVERSIGHT OF DATA QA-FFAS CA 9/26/95

\*Summary: REGION 9 HAD NOT SIGNIFICANTLY STRENGTHENED ITS OVERSIGHT PROGRAM OVER DEPARTMENT OF DEFENSE (DOD) LABORATORIES REQUIRED DOD TO IMPROVE ITS QUALITY ASSURANCE PROJECT PLANS. PARTLY AS A RESULT OF THIS, HAZARDOUS WASTE CLEANUPS AT FIVE DOD SUPERFUND SITES IN REGION 9 WERE DELAYED UP TO 2 1/2 YEARS, AND \$5.5 MILLION IN DATA WERE REJECTED DUE TO POOR QUALITY OF LABORATORY ANALYSES.

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE REGION HAS BEEN ANALYZING HOW TO ADDRESS THE AUDIT RECOMMENDATION'S RESOURCE AND INTERNAL RESPONSIBILITY IMPLICATION DUE TO THE EXTENSIVE RECOMMENDATIONS, THE IMPLICATION OF THE FOLLOWUP ACTIONS, AND CURRENT RESOURCE LIMITATIONS, THE REGION PLANS TO HAVE A MANAGEMENT DECISION MEMO ISSUED BY JUNE 30, 1996

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY JUNE 30, 1996.

IG FOLLOWUP STATUS AS OF 3/31/96 [1]

E2AWT3-09-0082-3400037 SAN DIEGO, CITY OF CA 3/29/93

Summary: THE CITY OF SAN DIEGO HAS CONSTRUCTED AN \$11.8 MILLION LAND OUTFALL WHICH WILL NOT BE USED BY THE CITY FOR THE INTENDED PURPOSE OF THE GRANT NOR WILL IT BE USED IN THE FORESEEABLE FUTU

- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE OUTFALL PROJECT IS A JOINT EFFORT WITH THE INTERNATIONAL BOUNDARY AND WATER COMMISSION. THE AUDIT CANNOT BE RESOLVED UNT A REQUIREMENT FOR SECONDARY TREATMENT IS DETERMINED. EPA IS CONSIDERING GRANT TERMINATION SINCE GRANTEE RECEIVED A WAIVER FO THE SECONDARY TREATMENT REQUIREMENT.

= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: DUE TO CONGRESSIONAL INVOLVEMENT, RESOLUTION IS NOT EXPECTED BEFORE SEPTEMBER 30, 1996.

IG FOLLOWUP STATUS AS OF 3/31/96 [2]

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
S2CWN0-09-0076-3300080	LAS VIRGENES MWD CA	9/30/93	SUBMIT REVISED DRAFT FINAL DETERMINATION LETTER TO OIG BY JUNE 3 1996.		
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 OF THE PROJECT'S SCOPE \$2,289,573 RELATED TO EXCESS CAPACITY AND \$757,976 UNREASONABLE A/E COSTS.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE STATE WATER RESOURCES CONTROL BOARD (SWRCB) IS WORKING WITH THE OIG TO RESOLVE AREAS OF DISAGREEMENT. THE SWRCB STAFF MAY REFER ONE ISSUE TO ITS EXECUTIVE BOARD. THE SWRCB MET WITH THE GRANTEE AT THE END OF JANUARY 1996. THE GRANTEE WILL SUBMIT MORE DOCUMENTATION. THE SWRCB IS DRAFTING A DECISION.			IG FOLLOWUP STATUS AS OF 3/31/96 [2]		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: A FINAL DETERMINATION LETTER IS TARGETED FOR SEPTEMBER 30, 1996.			P2CWN1-10-0041-3300077 METROPOLITAN WASTEWTR. MGT. OR 9/30/		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			Summary: INELIGIBLE COSTS OF \$2,511,772 INCLUDE: \$26,970 OF MISCELLANEOUS COSTS, \$107,481 OF INSURANCE PREMIUMS, \$181,830 ALLOCABLE TO INELIGIBLE PERCENT; \$2,195,491 OUTSIDE SCOPE OF PROJECT \$6,657,189 NOT SUPPORTED BY ADEQUATE SOURCE DOCUMENTS.		
S2CWN2-09-0091-4300051 VALLEJO SAN & FLOOD CONTROL CA 9/29/94			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA RECEIVED DEVIATION FROM HEADQUARTERS. PENDING EVALUATION AND REVISION OF DRAFT FINAL DETERMINATION LETTER, EXPECT IT TO BE DELIVERED TO OIG BY 7/1/96.		
Summary: INELIGIBLE COSTS OF \$5,525,458 INCLUDE \$712,246 OF UNALLOWABLE ARCHITECT/ENGINEERING FEES; \$3,162,957 OF EARNED INTEREST NOT CREDITED TO THE GRANT, AND \$1,650,255 OF UNALLOWABLE CONSTRUCTION. UNREASONABLE COSTS OF \$3,874,497 REPRESENTED UNUSED FACILITIES.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: IN DRAFTING THE FINAL DETERMINATION LETTER (FDL), THE SWRCB DISCOVERED NUMEROUS CALCULATION ERRORS IN THE ELIGIBLE COSTS OF CHANGE ORDERS AND CONSTRUCTION. THE ERRORS MUST BE CORRECTED BEFORE THE FDL IS DRAFTED. TARGET FOR DRAFT FDL IS 6/30/96.			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			P2CWN2-10-0068-4300013 WASILLA, CITY OF AK 12/15/93		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			Summary: INELIGIBLE COSTS OF \$306,738 INCLUDED \$182,188 OF COST 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.		
S5BGN3-09-0140-5300027 CA DOH-MCCOLL NPL SITE CA 8/ 1/95			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA THE REGION, STATE, AND CITY ARE GATHERING ADDITIONAL INFORMATION AND DOCUMENTATION. A DRAFT FINAL DETERMINATION LETT WAS PROVIDED TO OIG ON 2/3/95. THE OIG RESPONDED 2/22/95. THE REGION EXPECTS TO RESPOND TO OIG COMMENTS BY 6/01/96.		
Summary: INELIGIBLE COST OF \$895,268 INCLUDES \$29,892 COSTS NOT SUPPORTED BY DOCUMENTATION; \$687,123 OF UNALLOWABLE COSTS; AND \$178,253 OF FUNDS DRAWN IN EXCESS OF THE APPROPRIATE AMOUNTS.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: DELAYS IN DEVELOPING THE FINAL DETERMINATION LETTER (FDL) WERE CAUSED BY THE TIMING OF THE AUDIT REPORT AND FURLOUGHS. CURRENTLY, AN FDL IS PLANNED FOR 6/30/96.			IG FOLLOWUP STATUS AS OF 3/31/96 [2]		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED BY JUNE 30, 1996.			P2CWN3-10-0034-4300039 NORTH BEND, CITY OF OR 6/27/94		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			Summary: INELIGIBLE COSTS OF \$56,470 INCLUDE: \$3,197 OF UNREFUN P&S DEPOSITS \$9,000 OF UNALLOWABLE CONSTRUCTION; \$15,440 OF OPERATION AND MAINTENANCE RELATED COSTS; \$28,833 COST ALLOCABLE INELIGIBLE PERCENTAGE. \$88,853 OF UNSUPPORTED ENGINEERING AND ADMINISTRATIVE COSTS WERE ALSO QUESTIONED.		
<u>Regional Administrator - Region 10</u>			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA ADDITIONAL PARTIAL DOCUMENTATION RECEIVED FROM CITY. DOCUMENTS MUST BE ANALYZED AND EVALUATED BEFORE THE REGION REVISES THE DRA FINAL DETERMINATION LETTER. EXPECT TO PROVIDE DRAFT FINAL DETERMINATION LETTER TO OIG BY 11/15/96.		
P2CWN1-10-0049-3300076 SEASIDE, CITY OF OR 9/30/93			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.		
Summary: INELIGIBLE COSTS OF \$97,155 INCLUDES \$7,889 OF UNALLOWABLE FORCE ACCOUNT AND \$89,266 OF CONSTRUCTION COSTS RELATED TO SERVICE LATERALS, COSTS OF \$188,202 WERE NOT SUPPORTED BY SOURCE DOCUMENTATION.			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: REGION HAS BEEN OBTAINING INFORMATION, COMMENTS, AND DOCUMENTATION FROM THE STATE AND OPERATIONS OFFICE. REGION WILL			P2CWN4-10-0015-5300006 JUNEAU, CITY & BOROUGH OF AK 1/10/		
			Summary: INELIGIBLE COST \$164,988 INCLUDES: \$2,461 OF LEGAL COS ALLOCABLE TO INELIGIBLE CONSTRUCTION; AND \$162,527 OF ADMINISTRATIVE COSTS CONSIDERED OUTSIDE THE SCOPE OF THE APPROVE		

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
PROJECT.			AUDIT IS CLOSED AS OF APRIL 3, 1996.		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EXPECT ADDITIONAL ENGINEERING DETAIL FROM CITY BY EARLY SPRING 1996. REVISED DRAFT FINAL DETERMINATION LETTER PROVIDED TO OIG ON 3/8/96.			IG FOLLOWUP STATUS AS OF 3/31/96 [1] (Report closed 4/3/96.)		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			D8BML5-04-0144-5100468 RESEARCH & EVALUATION ASSOC.NC 8/22/		
IG FOLLOWUP STATUS AS OF 3/31/96 [3]			*Summary:		
P3LLL3-10-0097-5100120 OREGON DEQ-LUST OR 12/22/94			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE AND THE OIG HAVE REACHED RESOLUTION.		
*Summary: INELIGIBLE COSTS QUESTIONED OF \$12,747 INCLUDE \$11,994 OF UNALLOCABLE MOTORPOOL COSTS AND \$753 OF UNALLOCABLE TRAVEL COSTS.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THIS AUDIT IS CLOSED AS OF APRIL 3, 1996.		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE OIG CONCURS WITH ALL ISSUES IN PROPOSED DRAFT FINAL DETERMINATION LETTER EXCEPT ONE. THE ISSUE IN QUESTION WILL REQUIRE AN ON-SITE VISIT TO RESOLVE.			IG FOLLOWUP STATUS AS OF 3/31/96 [1] (Report closed 4/3/96.)		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION BY MAY 31, 1996.			D8BML5-07-0030-5100381 MIDWEST RESEARCH INSTITUTE MO 6/26/		
IG FOLLOWUP STATUS AS OF 3/31/96 [2]			*Summary:		
<u>Contracts Management Division - RTP</u>			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA IS CURRENTLY AWAITING SUPPLEMENTAL AUDIT INFORMATION FROM TH KANSAS CITY DEFENSE CONTRACT AUDIT AGENCY.		
D8CML5-02-0018-5100237 MATHTECH INC. NJ 3/30/95			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THE PROGRAM OFFICE ANTICIPATES CLOSEOUT OF THE CONTRACT BY SEPTEMBER 30, 1996.		
*Summary: ALL COSTS CLAIMED ARE ALLOWABLE; HOWEVER, THERE IS AN ADJUSTMENT TO THE FEE BECAUSE THE LEVEL OF EFFORT WAS NOT OBTAINED.			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACT SPECIALIST MUST NEGOTIATE QUESTIONED COST WITH THE CONTRACTOR.			E8CMP2-23-0178-5400001 PEI ASSOC OH 10/ 3/94		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT CLOSEOUT OF THE CONTRACT BY SEPTEMBER 30, 1996.			Summary: WE QUESTIONED \$175,940 OF UNSUPPORTED LABOR AND ASSOCIATED OVERHEAD COSTS. WE ALSO QUESTIONED \$52,181 OF INELIGIBLE OVERHEAD COSTS BILLED IN EXCESS OF NEGOTIATED INDIRECT RATES.		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RESOLUTION OF MULTIPLE QUESTIONED COSTS MUST BE NEGOTIATED.		
D8BML3-04-0282-3100207 SYSTEMS RESEARCH & DEV. NC 6/ 4/93			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: CLOSEOUT OF AUDIT IS EXPECTED BY DECEMBER 31, 1996.		
*Summary:			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: EPA WAS PRECLUDED FROM COLLECTING MONIES DUE AS A RESULT OF CHAPTER 11 BANKRUPTCY FILED BY THE CONTRACTOR. ANY RECOVERY MUST BE ESTABLISHED THROUGH THE COURT. WE HAVE REQUESTED THE EPA OFFICE OF GENERAL COUNSEL TO ASSIST US IN THIS ACTION.			<u>OAM Cost Advisory and Financial Analysis Division</u> <u>Cost Review and Rate Negotiation Branch</u>		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			P9BGL1-02-0155-5100122 ECOLOGY & ENVIR NY 12/23/94		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			*Summary: WITH THE EXCEPTION OF SELLING, GENERAL AND ADMINISTRATIVE RATES, NO EXCEPTION TO THE CONTRACTOR'S PROPOSED INDIRECT COST RATES WERE NOTED.		
D8BML5-04-0143-5100467 RESEARCH & EVALUATION ASSOC.NC 8/22/95			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES A NUMBER OF COMPLEX ISSUES WHICH WILL REQUIRE ADDITIONAL TIME TO RESOLVE. ANTICIPATE NEGOTIATIONS TO BE CONCLUDED SHORTLY AFTER APRIL 30, 1996.		
*Summary:			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: SHORTLY AFTER APRIL 30, 1996.		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE PROGRAM OFFICE AND THE OIG HAVE REACHED RESOLUTION.			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: THIS			P9DGL1-02-0154-5100125 ECOLOGY & ENVIR NY 12/28/94		
			*Summary: WITH THE EXCEPTION OF SELLING, GENERAL AND ADMINISTRATIVE RATES, NO EXCEPTION TO THE CONTRACTOR'S PROPOSED INDIRECT COST RATES WERE NOTED.		

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- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT INVOLVES A NUMBER OF COMPLEX ISSUES WHICH WILL REQUIRE ADDITIONAL TIME TO RESOLVE. NEGOTIATIONS ANTICIPATED TO BE COMPLETED SHORTLY AFTER APRIL 30, 1996.			D9BKL3-04-0034-3100010	EHRT NY 10/ 9/92	
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: SHORTLY AFTER APRIL 30, 1996.			*Summary:		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THERE ARE MANY COMPLEX ISSUES TO BE RESOLVED AND THE CONTRACTOR HAS FILED BANKRUPTCY AND IS NOW OUT-OF-BUSINESS. THO ALL CONTACT AND CORRESPONDENCE IS THROUGH THE CONTRACTOR'S ATTORNEY, A NEGOTIATED SETTLEMENT CAN BE REACHED BETWEEN THE CONTRACTOR AND EPA.		
E9EFP4-02-0158-5400064	ECOLOGY & ENVIR NY	4/10/95	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION ANTICIPATED BY SEPTEMBER 30, 1996.		
*Summary: THE KTR HAS SUBMITTED ADEQUATE DATA TO NEGOTIATE THE COST IMPACT DUE TO TWO VOLUNTARY ACCOUNTING CHARGES.			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ANTICIPATED TO BE COMPLETED SHORTLY AFTER APRIL 30, 1996.			D9BKL5-04-0077-5100193	MANTECH TECHNOLOGY NC	2/24/95
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: SHORTLY AFTER APRIL 30, 1996.			*Summary:		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT RESULTS CONTAIN COMPLEX ISSUES WHICH REQUIRE EXTENSIVE DISCUSSIONS. HOWEVER, A NEGOTIATED SETTLEMENT IS POSSIBLE.		
E9EGP5-02-0505-5400075	ECOLOGY & ENVIR NY	6/19/95	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION SHORTLY AFTER APRIL 30, 1996.		
*Summary: OUR REVIEW DISCLOSED NO INSTANCES OF NONCOMPLIANCE WITH CAS.			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ANTICIPATED TO BE COMPLETED SHORTLY AFTER APRIL 30, 1996.			D9BKL5-04-0078-5100194	MANTECH TECHNOLOGY NC	2/24/95
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: SHORTLY AFTER APRIL 30, 1996.			*Summary:		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: AUDIT RESULTS CONTAIN COMPLEX ISSUES WHICH REQUIRES EXTENSIVE DISCUSSION. HOWEVER, A NEGOTIATED SETTLEMENT IS POSSIBLE.		
D9BFL4-03-0172-5100380	TECHLAW, INC. VA	6/26/95	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION SHORTLY AFTER APRIL 30, 1996.		
Summary: THE QUESTIONED DIRECT COSTS OF \$110,558 PRIMARILY REPRESENTED LEASE COSTS IN EXCESS OF OWNERSHIP FOR COMPUTERS. INDIRECT COSTS OF \$163,445 WERE QUESTIONED DUE TO AUDIT DETERMINED RATES AND UNALLOWABLE COSTS ACCORDING TO FAR.			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ANTICIPATED TO BE COMPLETED BY MAY 31, 1996.			D9BJL3-07-0100-5100531	DPRA, INC KS	9/29/95
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: MAY 31, 1996.			*Summary:		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ANTICIPATED TO BE COMPLETED BY MAY 31, 1996.		
E8DML3-04-0260-4100357	EHRT KY	6/ 2/94	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: MAY 31 1996.		
*Summary:			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THERE ARE MANY COMPLEX ISSUES TO BE RESOLVED AND THE CONTRACTOR HAS FILED BANKRUPTCY AND IS OUT-OF-BUSINESS. THOUGH ALL CONTACT AND CORRESPONDENCE IS GOING THROUGH THE CONTRACTOR'S ATTORNEY, A NEGOTIATED SETTLEMENT CAN BE REACHED BETWEEN THE CONTRACTOR AND EPA.			D9CJL3-07-0162-5100532	DPRA, INC KS	9/29/95
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION ANTICIPATED BY SEPTEMBER 30, 1996.			*Summary:		
IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ANTICIPATED TO BE COMPLETED BY MAY 31, 1996.		
			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: MAY 31, 1996.		
			IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
			S5DGN2-09-0047-4300033	CA DEPT OF HLTH ICRP	CA 3/31/

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
<p>*Summary:</p> <p>- 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.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION SHORTLY AFTER APRIL 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>D8FMN5-09-0028-5300007 EERC FL CA 1/18/95</p> <p>*Summary: DCAA FOUND EERC'S TIMEKEEPING PRACTICES, INTERNAL CONTROLS AND WRITTEN POLICIES AND PROCEDURES INADEQUATE IN SOME RESPECTS.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE DEFENSE CONTRACT AUDIT AGENCY WILL ISSUE A FOLLOW-UP REPORT TO SEE IF CONTRACTOR CORRECTED THE PROBLEMS THAT IT ACKNOWLEDGED AND AGREED TO CORRECT. THE OIG WILL CLOSE THIS REPORT UPON ISSUANCE OF THE DEFENSE CONTRACT AUDIT AGENCY'S FY 1996 FOLLOW-UP FLOORCHECK AUDIT REPORT.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>D9FGP5-09-0019-5400003 CET MS CA 10/ 4/94</p> <p>*Summary: CET'S POLICIES, PROCEDURES, AND PRACTICES WERE NOT IN COMPLIANCE WITH GAAP: NO INVENTORY CONTROL SYSTEM OVER PURCHASES, NO SEPARATION OF DUTIES FOR PURCHASING AND RECEIVING FUNCTIONS.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ANTICIPATED TO BE COMPLETED BY MAY 31, 1996.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: MAY 31, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>D9FGP5-09-0020-5400004 CET FL CA 10/ 4/94</p> <p>*Summary: CET'S LABOR CHARGING AND TIMEKEEPING PRACTICES ARE DEFICIENT. SOME EMPLOYEES WERE NOT IN COMPLIANCE WITH GAAP AND CET ESTABLISHED POLICIES AND PROCEDURES.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS ANTICIPATED TO BE COMPLETED BY MAY 31, 1996.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: MAY 31, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>P8BMP0-23-0422-2400046 PEI ASSOC FY 90 OH 6/ 2/92</p> <p>*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.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS</p>			<p>ARE CLOSED OUT. THE OIG WILL PERFORM CLOSE-OUT AUDITS. THE CONTRACT CLOSE-OUTS ARE IN PROGRESS. FY 1990 INDIRECT RATES HAVE BEEN NEGOTIATED.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>P8BMP1-23-0335-2400073 PEI ASSOC FY 85 OH 9/ 9/92</p> <p>Summary: THE REVIEW FOUND \$224,781 OF INELIGIBLE AND \$195,886 OF UNSUPPORTED COSTS.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT. THE OIG WILL PERFORM CLOSE-OUT AUDITS. THE CONTRACT CLOSE-OUTS ARE IN PROGRESS.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>P8BMP1-23-0339-3400050 PEI ASSOC FY 89 OH 5/13/93</p> <p>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.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT. THE OIG WILL PERFORM CLOSE-OUT AUDITS. THE CONTRACT CLOSE-OUTS ARE IN PROGRESS.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>P8BMP0-23-0175-3400053 PEI ASSOC FY 86 OH 5/14/93</p> <p>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.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT. THE OIG WILL PERFORM CLOSE-OUT AUDITS. THE CONTRACT CLOSE-OUTS ARE IN PROGRESS.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>		

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P8BMP0-23-0177-3400062	PEI ASSOC FY 87/88	OH 6/14/93	IG FOLLOWUP STATUS AS OF	3/31/96	[1]
<p>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.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: QUESTIONED DIRECT COSTS HAVE BEEN REFERRED TO THE APPROPRIATE CONTRACTING OFFICERS. THE QUESTIONED DIRECT COSTS WILL BE RESOLVED ON A CASE-BY-CASE BASIS AS THE INDIVIDUAL CONTRACTS ARE CLOSED OUT. THE OIG WILL PERFORM CLOSE-OUT AUDITS. THE CONTRACT CLOSE-OUTS ARE IN PROGRESS. UNSUPPORTED COST IN THE AMOUNT OF \$626,555 HAVE BEEN RESOLVED UNDER CONTRACT NO. 68-01-7084.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [2]</p> <p><u>OAM Cost Advisory Financial Analysis Division</u> <u>Financial Analysis Branch</u></p>			<p>D9EFL5-03-0108-5100162 NUS MD 2/ 9/95</p> <p>*Summary: IN DCAA'S OPINION, THE CONTRACTOR IS NOT ALTOGETHER COMPLIANT WITH THE SPECIAL PROVISIONS OF THE CONTRACT.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: DUE TO THE COMPLEX CONTRACT COMPLIANCE ISSUES, THE CONTRACTING OFFICER IS CONSULTING WITH REGIONAL LEGAL COUNSEL AND THE AUDITOR IN ORDER TO DEVELOP A POSITION PAPER FOR NEGOTIATION EXTENDED DISCUSSIONS ONGOING WITH THE CONTRACTOR INCLUDING 4 LETT IN THE PAST 3 MONTHS.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION DATE IS JUNE 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>		
P9DGL2-01-0237-5100135	TRC ENVIRONMENTAL CONSULT. CT	1/ 9/95	E9CHN4-04-0227-5300020	EHRT KY	7/ 5/95
<p>*Summary: WE QUESTIONED COSTS OF \$635,019 (FEDERAL SHARE = \$72,048).</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: RATE AGREEMENT HAS BEEN ISSUED FOR INDIRECT COSTS. DIRECT COST ISSUES ARE BEING PROCESSED.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED SHORTLY AFTER APRIL 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>			<p>Summary: THE CONTRACTOR CLAIMED INELIGIBLE COSTS TOTALING \$175, RELATED TO A 24 HOUR CALL CENTER AND QUALITY ASSURANCE AND QUALI CONTROL PROGRAM. THE CONTRACTOR ALSO CLAIMED UNSUPPORTED COSTS TOTALING \$75,000.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: DISCUSSIONS ARE UNDERWAY WITH CONTRACTOR'S ATTORNEY. CONTRACTING OFFICER PREPARED TO ISSUE FINAL DECISION. OIG ASSISTING CONTRACTING OFFICER TO RESPOND TO ATTORNEY'S QUESTIONS EXPECT MANAGEMENT DECISION BY APRIL 30, 1996.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION EXPECTED SOON AFTER APRIL 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>		
P8BMN1-03-0146-2300014	O&R MANAGEMENT CORPORATION MD	11/ 5/91	P9BGL4-10-0107-4100398	CH2M REM/FIT 87-89 C.I. OR	6/10/94
<p>Summary: WE QUESTIONED \$557,442 OF OTHER DIRECT COSTS. ONE HUNDRED PERCENT OF THE CONTRACT WAS QUESTIONED BECAUSE O&amp;R DID NOT MAINTAIN RECORDS.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACTING OFFICER IS WRITING A NEW FINAL DECISION WHICH SHOULD BE COMPLETE BY MAY 1996 BASED ON AN AUGUST 1995 OIG REPORT. THE COMPANY IS OUT OF BUSINESS. RECOVERY OF ANY COSTS IS DOUBTFUL.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>			<p>Summary: NET COSTS QUESTIONED OF \$173,335 CONSIST OF INELIGIBLE OVERTIME COSTS OF \$20,178 INELIGIBLE MOVING COSTS OF \$8,323 INELIGIBLE PUBLICATIONS COST OF \$128, AND INELIGIBLE OVERHEAD CREDIT OF \$3,045. UNSUPPORTED COSTS INCLUDED TRAVEL COSTS OF \$16,027 AND COMPUTER COSTS OF \$131,724.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A PRE-NEGOTIATION POSITION WHICH IS TO BE COMPLETED BY MAY 31, 1996. NEGOTIATIONS EXPECTED TO BE COMPLETE BY SEPTEMBER 30, 1996.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: SEPTEMBER 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>		
D9BKL2-03-0599-4100295	KEYDATA SYSTEMS INC VA	5/18/94	P9BGL4-10-0117-4100417	CH2M TECH 1 C.I. 1987-88 OR	6/22/94
<p>Summary: DCAA QUESTIONED 233,278 OF COSTS INCURRED. DCAA ALSO CONSIDERS \$431,395 TO BE EXCESS COSTS BILLED TO EPA.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THE CONTRACTING OFFICER AND EPA ATTORNEY ARE IN DISCUSSIONS WITH THE CONTRACTOR REGARDING RESOLUTION OF THE ISSUES. EXPECTED COMPLETION DATE IS SHORTLY AFTER APRIL 30, 1996.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: SHORTLY AFTER APRIL 30, 1996.</p>			<p>Summary: NET COSTS QUESTIONED OF \$212,587 CONSIST OF INELIGIBLE OVERTIME LABOR OF \$7,754 AND INELIGIBLE OVERHEAD CREDIT OF \$19,177. UNSUPPORTED COST CONSIST OF TRAVEL COSTS OF \$108,035 A COMPUTER COST OF \$115,975.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A PRE-NEGOTIATION POSITION WHICH IS TO BE COMPLETED BY MAY 31, 1996. NEGOTIATIONS ANTICIPATED TO BE COMPLETE BY SEPTEMBER 30, 1996.</p>		

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<p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: SEPTEMBER 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>D9BGL3-10-0088-4100471 URS FY 1989 AC WA 8/ 2/94</p> <p>*Summary: DCAA QUESTIONED \$15,725 OF DIRECT COSTS ON TWO EPA CONTRACTS. THE QUESTIONED COSTS ARE DUE TO AUDIT EXCEPTIONS TO THE ALLOCATION OF INTERNAL SERVICES COSTS.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: SETTLEMENT OF INDIRECT COST ISSUES WILL BE HANDLED BY THE DEPARTMENT OF DEFENSE ADMINISTRATIVE CONTRACTING OFFICER. THE EPA CONTRACTING OFFICERS WILL RESOLVE THE DIRECT COST ISSUES BY OBTAINING CREDITS ON THE CONTRACTS. THE CREDIT ON ONE OF THE TWO CONTRACTS HAS BEEN NEGOTIATED.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [2]</p> <p>P9BGL4-10-0129-4100489 CH2M TECH II C.I. 1988-89 OR 8/16/94</p> <p>Summary: NET COSTS QUESTIONED OF \$92,160 CONSIST OF INELIGIBLE OVERTIME LABOR OF \$2,507 AND INELIGIBLE OVERHEAD CREDIT OF \$20,817. UNSUPPORTED COSTS INCLUDE TRAVEL COSTS OF \$40,650 AND COMPUTER COSTS OF \$69,820.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A PRE-NEGOTIATION POSITION WHICH IS TO BE COMPLETED BY MAY 31, 1996.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS ANTICIPATED TO BE COMPLETE BY SEPTEMBER 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>P9BGL4-10-0132-4100512 CH2M ARCS WEST 1989 COSTS OR 8/30/94</p> <p>*Summary:</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN PROCESS OF DEVELOPING A PRE-NEGOTIATION POSITION WHICH IS TO BE COMPLETED BY MAY 31, 1996.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS ANTICIPATED TO BE COMPLETE BY SEPTEMBER 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>P9BGL4-10-0147-4100566 CH2M ARCS III 1988-89 COSTS OR 9/28/94</p> <p>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.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: CONTRACTING OFFICER IN THE PROCESS OF DEVELOPING A PRE-NEGOTIATION POSITION WHICH IS TO BE COMPLETED BY MAY 31, 1996.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS ANTICIPATED TO BE COMPLETE BY SEPTEMBER 30, 1996.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p>			<p>E9BHP4-23-0002-5400015 OHM REM FY 87 OH 11/18/94</p> <p>*Summary: WE QUESTIONED \$61,773 RELATED TO: (1) EXCESSIVE PROFIT OF AFFILIATES' COSTS; (2) INELIGIBLE AND UNSUPPORTED TRAVEL; AND (3) UNSUPPORTED SUBCONTRACTOR CHARGES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCE PROBLEMS, AND WAS CITED FOR A CAS 401 VIOLATION.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: BOTH CONTRACTING OFFICERS HAVE PREPARED THEIR POSITIONS AND ARE IN PROCESS OF NEGOTIATIONS WITH THE CONTRACTOR WHICH ARE EXPECTED TO BE CONCLUDED BY JUNE 30, 1996. FINANCIAL ADMINISTRATIVE CONTRACTING OFFICER HAS FORWARDED HIS REPORT OF ACTION DATED AUGUST 24, 1995 TO THE OIG ON COST ACCOUNTING STANDARDS NONCOMPLIANCE.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>E9BHP4-23-0003-5400020 OHM REM FY 88 OH 12/ 6/94</p> <p>Summary: WE QUESTIONED \$2,209,975 RELATED TO: (1) EXCESSIVE PROFIT OF AFFILIATES COSTS, (2) UNSUPPORTED SUBCONTRACTOR CHARGES, AND (3) INELIGIBLE OVERHEAD RATES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCE PROBLEMS AND CAS 401 VIOLATION.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: BOTH CONTRACTING OFFICERS HAVE PREPARED THEIR POSITIONS AND ARE IN PROCESS OF NEGOTIATIONS WITH THE CONTRACTOR AND ARE EXPECTED TO BE CONCLUDED BY JUNE 30, 1996. FINANCIAL ADMINISTRATIVE CONTRACTING OFFICER HAS FORWARDED HIS REPORT OF ACTION DATED AUGUST 24, 1995 TO THE OIG ON THE COST ACCOUNTING STANDARDS NONCOMPLIANCE.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>E9BHP4-23-0004-5400025 OHM REM FY 89 OH 12/14/94</p> <p>Summary: WE QUESTIONED \$646,574 RELATED TO: (1) EXCESSIVE PROFIT OF AFFILIATES COSTS, (2) UNSUPPORTED SUBCONTRACTOR CHARGES, AND (3) INELIGIBLE OVERHEAD RATES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCE PROBLEMS AND CAS 401 VIOLATION.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: BOTH CONTRACTING OFFICERS HAVE PREPARED THEIR POSITIONS AND ARE IN THE PROCESS OF NEGOTIATIONS WITH THE CONTRACTOR AND ARE EXPECTED TO BE CONCLUDED BY JUNE 30, 1996. THE FINANCIAL ADMINISTRATIVE CONTRACTING OFFICER FORWARDED HIS REPORT OF ACTION DATED AUGUST 24, 1995 TO THE OIG ON THE COST ACCOUNTING STANDARDS NONCOMPLIANCE.</p> <p>= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.</p> <p>IG FOLLOWUP STATUS AS OF 3/31/96 [1]</p> <p>E9BHP4-23-0005-5400027 OHM REM FY 90 OH 12/22/94</p> <p>Summary: WE QUESTIONED \$259,289 RELATED TO (1) EXCESSIVE PROFIT AFFILIATES' COSTS; (2) UNALLOWABLE GENERAL AND ADMINISTRATIVE COSTS, AND (3) UNSUPPORTED SUBCONTRACTOR CHARGES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCE AND CAS 401 VIOLATION.</p> <p>- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE:</p>		

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
	BOTH CONTRACTING OFFICERS HAVE PREPARED THEIR POSITIONS AND ARE IN THE PROCESS OF NEGOTIATIONS WITH THE CONTRACTOR AND EXPECT TO BE CONCLUDED BY JUNE 30, 1996. THE FINANCIAL ADMINISTRATIVE CONTRACTING OFFICER FORWARDED HIS REPORT OF ACTION DATED AUGUST 24, 1996 TO THE OIG ON THE COST ACCOUNTING STANDARDS NONCOMPLIANCE.			TONS OF MATERIAL.	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			IG FOLLOWUP STATUS AS OF 3/31/96 [1]	
E9BHP4-23-0006-5400031	OHM REM FY 91	OH 1/13/95	D9EKN5-10-0033-5300016	MK FIN CAP	ID 5/24/95
	Summary: WE QUESTIONED \$482,217 RELATED TO: (1) EXCESSIVE PROFIT OF AFFILIATES' COSTS; (2) UNALLOWABLE GENERAL AND ADMINISTRATIVE COSTS, AND (3) UNSUPPORTED SUBCONTRACTOR CHARGES. CONTRACTOR ALSO HAD MAJOR CONTRACT NONCOMPLIANCE AND CAS 401 VIOLATIONS.			*Summary: THE CONTRACTOR'S FINANCIAL CONDITION IS HIGHLY UNFAVORABLE. THE CONTRACTOR IS HAVING DIFFICULTY MEETING ITS FINANCIAL OBLIGATIONS AND MAY NOT HAVE THE FINANCIAL RESOURCES TO CONTINUE PERFORMING ON GOVERNMENT CONTRACTS UNLESS IT TAKES DRAS MANAGEMENT ACTIONS.	
	- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: BOTH CONTRACTING OFFICERS HAVE PREPARED THEIR POSITIONS AND ARE IN THE PROCESS OF NEGOTIATIONS WITH THE CONTRACTOR AND EXPECT TO BE CONCLUDED BY JUNE 30, 1996. THE FINANCIAL ADMINISTRATIVE CONTRACTING OFFICER HAS FORWARDED HIS REPORT OF ACTION DATED AUGUST 24, 1995 TO THE OIG ON THE COST ACCOUNTING STANDARDS NONCOMPLIANCE.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THIS REPORT WILL BE RESOLVED WHEN THE PREWARD REPORT IS RESOLVED. THIS REPORT WAS THE RESULT OF A FINDING IN THE PREAWARD REPORT.	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			IG FOLLOWUP STATUS AS OF 3/31/96 [1]	
	<u>OAM Cost Advisory and Financial Analysis Division</u> <u>Washington Cost Advisory Board</u>			TOTAL AUDITS EXCLUDING PREAWARDS ISSUED BEFORE REPORTING PERIOD WHICH NO MANAGEMENT DECISION WAS MADE DURING THE REPORTING PERIOD 97	
D8BML4-03-0345-4100343	PRC, INC. VA	6/ 1/94		<u>Contracts Management Division - RTP</u>	
	*Summary:			D8AML5-03-0345-5100525	UNIVERSAL SYSTEMS & TECH. VA 9/29/95
	- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.			*Summary: IN CONTRACT NEGOTIATION PROCESS	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: AGREEMENT COULD NOT BE REACHED BETWEEN THE CONTRACTING OFFICER AND PRC. THE CONTRACTING OFFICER HAS REQUESTED A REVISED SUBMISSION.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY MAY 31, 1996.	
D9EGL5-04-0094-5100218	COMMUNITY RELATIONS PLUS	GA 3/21/95		IG FOLLOWUP STATUS AS OF 3/31/96 [1]	
	*Summary:			<u>OAM Cost Advisory and Financial Analysis Division</u> <u>Financial Analysis Branch</u>	
	- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: THIS REPORT WILL BE RESOLVED WHEN THE PREWARD REPORT IS RESOLVED. THIS REPORT WAS THE RESULT OF A FINDING IN THE PREAWARD REPORT.			P9AHN9-23-0347-0300036	OH MATERIALS (PR EQ RATES) OH 3/27/96
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.			*Summary: IN CONTRACT NEGOTIATION PROCESS	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS AND DEFINITIZATION OF THE CONTRACT PROVISIONAL EQUIPMENT RATES TO FIXED RATES HAVE BEEN CONCLUDED. A CONTRACT MODIFICATION IS OUT FOR SIGNATURE.	
D9BGL5-06-0020-5100287	VERTAC-VSC	TX 4/17/95		= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECT RESOLUTION DATE FOR BILLING REPAYMENTS IS ANTICIPATED SHORTLY AFTER APRIL 30, 1996.	
	Summary: THE REPORT QUESTIONED \$9,453,222 OF DEPRECIATION AND LOSS ASSOCIATED WITH THE ON-SITE INCINERATOR. THE CONTRACTOR BASED LOSS COMPUTATIONS ON NOT RECEIVING 18,000 TONS OF MATERIAL TO BURN. CONTRACTUAL REQUIREMENTS WITH EPA ONLY INCLUDED 5,023			IG FOLLOWUP STATUS AS OF 3/31/96 [1]	

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
P9AHN1-23-0143-2300024	OHM REM ERCS2 Z1 FY 89	OH 12/27/91	D9AGL5-01-0058-5100245	ARTHUR D. LITTLE MA	3/30/95
*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS AND DEFINITIZATION OF THE CONTRACT PROVISIONAL EQUIPMENT RATES TO FIXED RATES HAVE BEEN CONCLUDED. A CONTRACT MODIFICATION IS OUT FOR SIGNATURE.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: EXPECTED RESOLUTION DATE FOR BILLING REPAYMENTS IS ANTICIPATED SHORTLY AFTER APRIL 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]			*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
P9AHP2-23-0021-4400002	OHM REM ERCS2 Z1 FY 90 EQ	OH 10/ 7/93	D9AGL5-02-0092-5100236	LOUIS BERGER & ASSOCIATES NJ	3/30
*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS HAVE CONCLUDED. CONTRACT MODIFICATION IS OUT FOR SIGNATURE. EXPECTED DATE FOR BILLING REPAYMENTS IS ANTICIPATED BY APRIL 30, 1996.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: ANTICIPATED BY APRIL 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]			*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
<u>OAM Cost Advisory and Financial Analysis Division</u> <u>Washington Cost Advisory Board</u>			D9AGL5-02-0091-5100242 URS CONSULTANT CORP. NJ 3/30/95		
D8AAL5-01-0080-5100406 NATIONAL ECONOMIC RESEARCH MA 7/10/95  *Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]			*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
D8AML5-01-0170-5100507 DALE W JORGENSON ASSOCIATES MA 9/27/95  *Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]			D8AML5-03-0308-5100495 EASTERN LABORATORY SERVICE PA 9/22/  *Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA CONTRACT AWARD PUT ON HOLD DUE TO BUDGET CONSTRAINTS.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
D8AML5-01-0167-5100508 INDUSTRIAL ECONOMICS INC. MA 9/27/95  *Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]			D8AML5-03-0351-5100523 BOOZ ALLEN 9/29/95  *Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY MAY 31, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
D8AML5-03-0338-5100524 INTERNATIONAL RESOURCES GRP.DC 9/29/9			*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION:		

OCTOBER 1, 1995 THROUGH MARCH 31, 1996

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
	NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA NEGOTIATIONS HAVE BEEN PUT ON HOLD DUE TO BUDGET CONSTRAINTS.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.	
D9AFL5-03-0093-5100205	S. COHEN & ASSOCIATES	VA 3/10/95		IG FOLLOWUP STATUS AS OF 3/31/96 [1]	
	*Summary: IN CONTRACT NEGOTIATION PROCESS		D9AGL4-05-0295-5100049	OHM REM OH 11/ 2/94	
	- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.			*Summary: IN CONTRACT NEGOTIATION PROCESS	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY MAY 31, 1996.	
D9AFL5-03-0089-5100290	DELON HAMPTON & ASSOCIATES	DC 4/19/95		IG FOLLOWUP STATUS AS OF 3/31/96 [1] (Report closed 4/3/96.	
	*Summary: IN CONTRACT NEGOTIATION PROCESS		D9AGL5-08-0030-5100282	WESTERN TECHNOLOGY & ENGINEEMT 4/17/	
	- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.			*Summary: IN CONTRACT NEGOTIATION PROCESS	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.	
D9AGL5-04-0065-5100259	VIROGROUP INC.	FL 4/ 5/95		IG FOLLOWUP STATUS AS OF 3/31/96 [1]	
	*Summary: IN CONTRACT NEGOTIATION PROCESS		D9AGL5-08-0029-5100283	MSE, INC MT 4/17/95	
	- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.			*Summary: IN CONTRACT NEGOTIATION PROCESS	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.	
D9AGL5-04-0068-5100286	HAZCLEAN CORPORATION	MS 4/17/95		IG FOLLOWUP STATUS AS OF 3/31/96 [1]	
	*Summary: IN CONTRACT NEGOTIATION PROCESS		D9AGL5-08-0028-5100355	MORRISON KNUDSEN CORP. ENVIRCO 6/ 9/9	
	- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.			*Summary: IN CONTRACT NEGOTIATION PROCESS	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.	
D8AWP5-05-0081-5400058	GRACE ANALYTICAL LAB	IL 3/29/95		IG FOLLOWUP STATUS AS OF 3/31/96 [1]	
	*Summary: IN CONTRACT NEGOTIATION PROCESS		D9AGL5-08-0028-5100387	MORRISON KNUDSEN CORP. ENVIRCO 6/27/95	
	- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: NEGOTIATIONS HAVE BEEN PUT ON HOLD DUE TO BUDGET CONSTRAINTS.			*Summary: IN CONTRACT NEGOTIATION PROCESS	
	= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: RESOLUTION CANNOT BE DETERMINED AT THIS TIME.			- EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MA PREAWARD UNDER NEGOTIATION.	
	IG FOLLOWUP STATUS AS OF 3/31/96 [1]			= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.	
D8AWP5-05-0126-5400071	GRACE ANALYTICAL LAB	IL 5/22/95		IG FOLLOWUP STATUS AS OF 3/31/96 [1]	
	*Summary: IN CONTRACT NEGOTIATION PROCESS				

ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED	ASSIGNMENT CONTROL NUMBER	TITLE	FINAL REPORT ISSUED
D9AGL5-08-0028-5100427	MORRISON KNUDSEN CORP. ENVIRCO	7/21/95	D9AKL5-09-0070-5100374	SAIC PA CA	6/20/95
*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]			*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY MAY 31, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
D8AAL5-09-0055-5100285	RESOURCE DECISION PA CA	4/17/95	D8AAN5-10-0040-5300014	PTI ENVT'L PA WA	4/17/95
*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY JUNE 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]			*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY MAY 31, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]		
P9AGL2-10-0089-4100225	CH2M ARCS IV TERM STLMT OR	3/28/94			
*Summary: IN CONTRACT NEGOTIATION PROCESS  - EXPLANATION OF THE REASONS MANAGEMENT DECISION HAS NOT BEEN MADE: PREAWARD UNDER NEGOTIATION.  = DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY MAY 31, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]					
= DESIRED TIMETABLE FOR ACHIEVING A MANAGEMENT DECISION: NEGOTIATIONS TO BE CONCLUDED BY SEPTEMBER 30, 1996.  IG FOLLOWUP STATUS AS OF 3/31/96 [1]					
TOTAL PREAWARD AUDITS ISSUED BEFORE REPORTING PERIOD FOR WHICH NO MANAGEMENT DECISION WAS MADE DURING THE PERIOD: 29			REPORTING		
TOTAL AUDITS ISSUED BEFORE REPORTING PERIOD FOR WHICH NO MANAGEMENT DECISION WAS MADE DURING THE REPORTING PERIOD: 126					
* = Agency procedures do not require the IG's approval on Agency's Management Decision on an audit (other than aprearward 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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Investigations: (312) 353-2507

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Office of Inspector General  
4411 Montgomery (MS Norwood)  
Cincinnati, OH 45268-7001  
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1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733  
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Investigations: (404) 347-2398 (Atlanta)

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Office of Inspector General  
999 18th Street, Suite 500  
Denver, CO 80202-2405  
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Investigations: (312) 353-2507 (Chicago)

#### Kansas City

Environmental Protection Agency  
Office of Inspector General  
726 Minnesota Avenue  
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Kansas City, KS 66101  
Audit: (913) 551-7878  
Investigations: (312) 353-2507 (Chicago)

#### New York

Environmental Protection Agency  
Office of Inspector General  
290 Broadway, Room 1520  
New York, NY 10007-1866  
Audit: (212) 637-3071  
Investigations: (212) 637-3041

#### Philadelphia

Environmental Protection Agency  
Office of Inspector General  
841 Chestnut Street, 13th Floor  
Philadelphia, PA 19107  
Audit: (215) 597-0497  
Investigations: (215) 597-9421

#### Research Triangle Park, NC

Environmental Protection Agency  
Office of Inspector General  
Catawba Building  
Highway 54, Mail Drop 53  
Research Triangle Park, NC 27711  
Audit: (919) 541-2204  
Investigations: (919) 541-1027

#### Sacramento

Environmental Protection Agency  
Office of Inspector General  
650 Capitol Mall, Suite 6309  
Sacramento, CA 95814  
Audit: (916) 551-1076  
Investigations: (415) 744-2465 (SF)

#### San Francisco

Environmental Protection Agency  
Office of Inspector General  
75 Hawthorne St (I-1)  
19th Floor  
San Francisco, CA 94105  
Audit: (415) 744-2445  
Investigations: (415) 744-2465

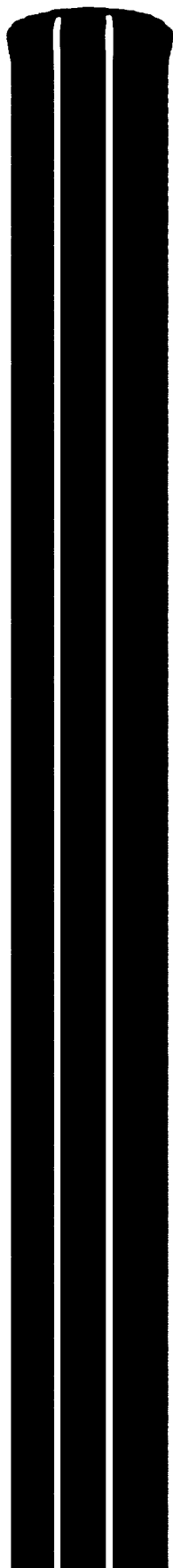
#### Seattle

Environmental Protection Agency  
Office of Inspector General  
1111 3rd Avenue, Suite 1460  
Seattle, WA 98101  
Audit: (206) 553-4403  
Investigations: (206) 553-1273



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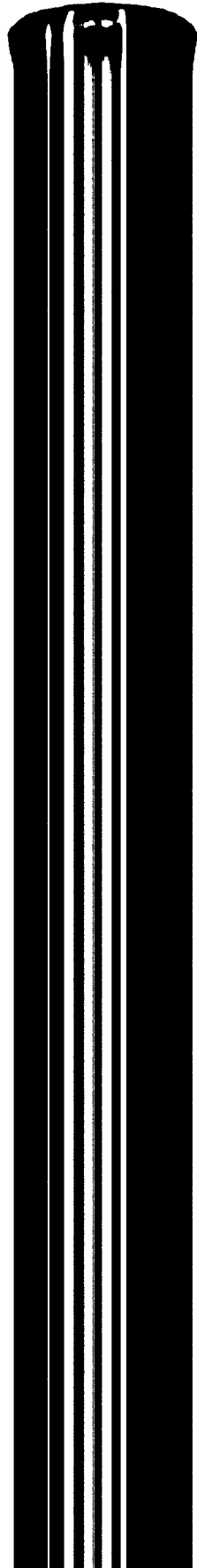


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