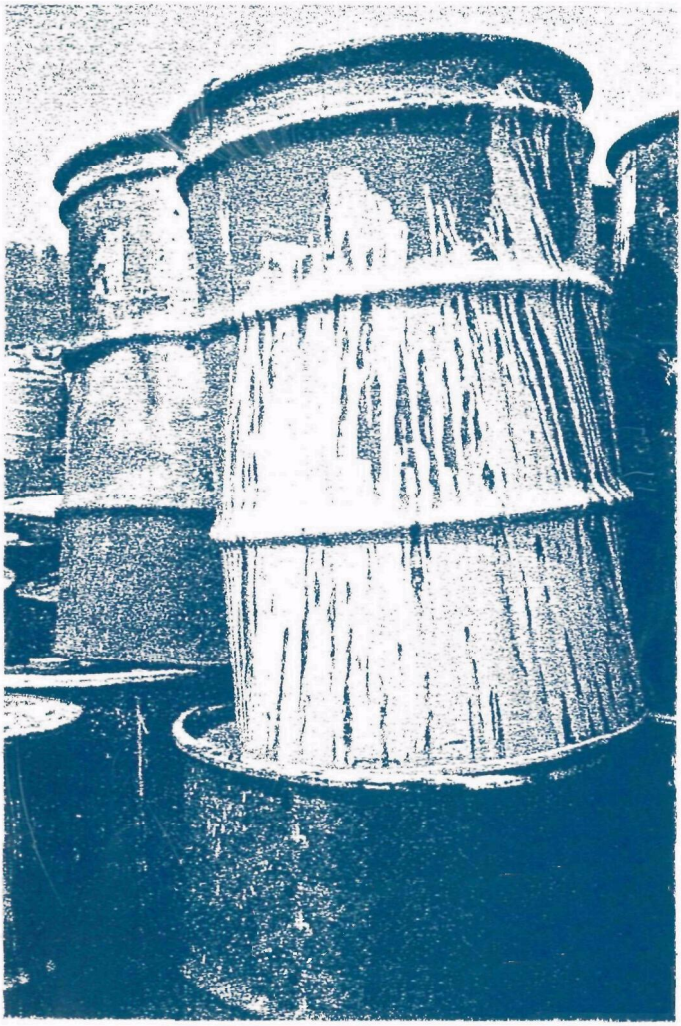
EPA Office of Inspector General Report to Congress

HIGHLIGHTS

Fiscal 1988



Office of Inspector General

The Inspector General Act of 1978 (P.L. 95-452) created the Office of Inspector General to consolidate existing investigative and audit resources in independent organizations headed by Inspectors General.

The OIG's role is to review EPA's financial transactions, program, and administrative activities; investigate allegations or evidence of possible criminal and civil violations; and promote economic, efficient, and effective operations within the Agency.

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, 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 and allows it to function as the Agency's fiscal and operational watchdog.

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Profile of Activities and Results

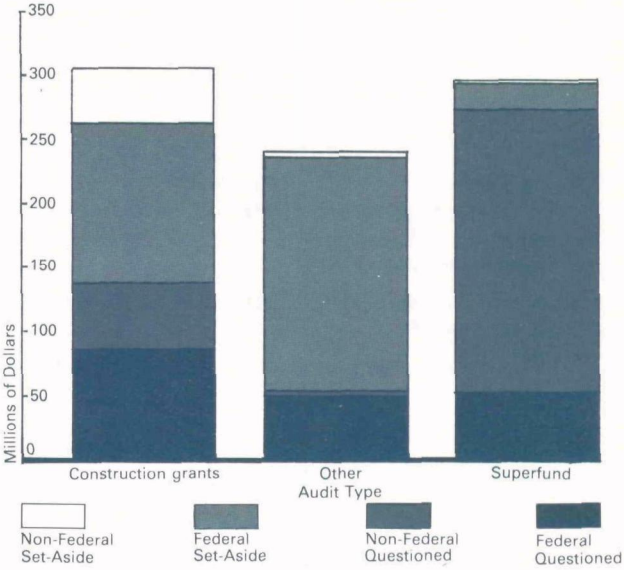
Environmental Protection Agency
Office of Inspector General

	Fiscal 1988	FY83 thru 88
Audit Operations		
• Questioned Costs*—Total	$484 2 million	$ 1 05 billion
—Federal Share	$211.5 million	
(expenditures found not allowable by OIG)		
• Set-Aside Costs*—Total	$558 5 million	$ 1 62 billion
—Federal Share	$526 3 million	
(expenditures which are insufficiently supported to determine their allowability)		
• Sustained Costs for Recovery and Savings—Fed Share (costs which EPA management agrees are unallowable and is committed to recover or offset against future payments)	$ 53.0 million	$ 282 4 million
• Cost Efficiencies or Deobligations (funds made available by EPA management's commitment to implement recommendations in OIG audits)	$ 47.7 million	$ 89 7 million
• Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments)**	$ 42 9 million	$ 126 4 million
• EPA Audits Performed/Issued by the OIG	1,929	7,913
• Audit Reports Resolved (agreement by Agency officials to take satisfactory corrective action)	2,031	7,625
Investigative Operations		
• Fines and Recoveries (including civil)	$1,655,026	$10,202,961
• Indictments/Convictions	67	323
• Administrative Actions Taken Against EPA Employees	20	206
Fraud Detection and Prevention Operations		
• Debarments, Suspensions, Voluntary Exclusions, and Settlement Agreements (actions to deny persons or firms from participating in EPA programs or operations because of misconduct or poor performance)	150	517
• Hotline Complaints Received	56	403
• Proposed Legislative and Regulatory Items Reviewed	165	1,038
• Personnel Security Investigations Adjudicated	605	2,937

* Questioned and set-aside costs are subject to change pending further review in the audit resolution process

**Information was provided by the EPA Financial Management Division and is unaudited

Questioned and Set-Aside by Type of Audit - FY 88



Examples of Significant Audits

The following represents examples of some of our most significant types of findings. They should not be considered representative of the overall adequacy of EPA management.

EPA Is Not Effectively Controlling Importation of Unapproved Pesticides

EPA has not implemented oversight and control procedures for monitoring the 6,000 pesticide products imported each year, greatly increasing the risk that illegal foreign pesticide products will expose the environment and the general public to unnecessary dangers. Specifically, EPA and the U.S. Customs Service have not executed a written interagency agreement even though the responsibilities for controlling the import of pesticide products have been shared since 1970. The Assistant Administrator for Pesticides and Toxic Substances responded to our draft report that he will continue to prioritize pesticide issues based on potential risk. As a result, other activities will continue to receive higher priority than control of imports. He will consider our recommendations as program guidance is revised or updated.

Region 4 Spent $5.4 Million of Superfund on Unsuccessful Hazardous Waste Cleanups

EPA Region 4 spent $5.3 million of the Superfund on prototype cleanup technologies at two hazardous waste sites, General Refining in Georgia, and Peak Oil in Florida that remained contaminated. It also discouraged the State's involvement in the cleanup of the Peak site while not properly pursuing the responsible party's participation in the cleanup costs of General Refining. Region 4 continued unwarranted immediate removal activities after stabilizing the two sites that no longer constituted emergencies. However, the Region misrepresented the sites as having emergency conditions to obtain Headquarters approval for exemptions from the statutory $1 million and 6-month limitations for removal actions. The Region spent an additional $5.3 million from the Superfund on unwarranted removal actions, supporting commercial testing and development of two unproven prototype technologies to the benefit of their manufacturers. Yet, the sites remained contaminated with lead and PCBs—the hazardous materials that initially attracted EPA's attention to the site.

Ineffective Oversight Delays Cleanup of Chesapeake Bay

In December 1983, EPA entered into an agreement with Pennsylvania, Maryland, Virginia, and the District of Columbia to implement a coordinated plan for restoring and protecting the waters and living resources of the Chesapeake Bay. In fiscal years 1985 through 1987, EPA awarded $23.7 million in matching grants, about 31 percent to each State and 7 percent to the District of Columbia, to reduce the amount of pollutants reaching the Bay.

A requirement was established that 75 percent of the grant and matching funds be used to control agricultural runoff, which was determined to be a major source of nutrient pollutants such as nitrogen and phosphorus.

Region 3 was not adequately monitoring the grantees' performance or restricting grants for nonperformance. As a result, State agencies violated EPA procurement regulations, letter-of-credit procedures, and cost sharing requirements. While 41 percent of the 263 cleanup projects funded were not completed as required by the grant, no action was taken for failure to complete a project and each State was awarded new grants despite the significant amount of incomplete work. We also found that the allocation and management of funds did not ensure that the pollution abatement goals were being efficiently achieved.

The Regional Administrator, Region 3, generally agreed with the findings of our draft report.

Money Due EPA Not Recorded or Collected

Our auditors found that Agency accounts receivable balances were frequently incorrect. We estimated that 25 percent of all recorded receivables were understated by $5.4 million and 14 percent were overstated by about $3 million. The most common error was the failure to compute and record additional charges, such as interest on delinquent debts. Other errors included mismatching accounting entries, multiple accounting entries on the same transaction, and lack of documentation to support the validity of receivables.We also found that the Agency was not aggressively or quickly acting to collect money it was owed, nor were all debts owed the Agency such as penalties for environmental violations recorded as accounts receivables.

PCB Fires Could Threaten Public

Because EPA did not conduct an effective awareness program for firefighters and commercial building owners describing the danger of fires involving polychlorinated biphenyls (PCBs), the public is at risk to exposure from the highly toxic byproducts of such fires. EPA published a Transformer Fires Rule in July 1985 designed to prevent fires and limit exposure during PCB transformer fires. But EPA's monitoring compliance and programs to promote awareness of the rule's requirements were not comprehensive enough to make the rule effective. In response to our recommendations, the Agency agreed to develop an enhanced PCB awareness program.

EPA Not Policing Export of Hazardous Wastes

Agency officials did not know the extent of noncompliance with EPA's requirements that exporters submit notification of intent to export hazardous wastes, as well as annual reports stating the actual amount of hazardous waste exported. Also, Agency officials had not coordinated with the Customs Service to establish an effective program of spot checks at ports of export. Part of the problem was unclear regulations concerning the amount of information exporters should provide. Another problem was that the hazardous waste export program did not receive enough attention from Agency management officials.

In response to our draft report, the Agency issued an enforcement strategy for hazardous waste exports which focuses on enforcement of the hazardous waste export regulations, methods for improving compliance, and information management. The Agency has identified ports of exit with frequent hazardous waste shipments and provided this information to the Customs Service.

Plan to Ship Philadelphia Municipal Incinerator Ash to Panama Halted

The city of Philadelphia planned to export up to 250,000 tons of incinerator ash to Panama, where it was to be used as a road bed through a wetlands. The ash presented a potential danger to human health and the environment due to high concentrations of dioxin. Samples of the ash have also been shown to contain levels of lead and cadmium which exceeded hazardous waste thresholds. Significant amounts of these substances in the ash would have very likely washed directly into the wetlands and aquatic environments, possibly damaging or killing aquatic life and entering the human food chain.

We recommended EPA involvement even though most municipal incinerator ash is not currently regulated by EPA because it is not classified as a hazardous waste. We also recommended that EPA ensure that the most complete, current analyses of the ash be provided to the appropriate Panamanian officials so a fully informed decision would be made regarding acceptance and use of the ash.

EPA agreed, upon request, to provide any accepting country with all available data on the ash.

Asbestos Removal/Renovation Projects Faulted

EPA, State and local agencies were not effectively enforcing the National Emission Standards for Hazardous Air Pollutants for asbestos. We found that delegated State and local agencies in Regions 4, 5, and 9 were not inspecting asbestos demolition/renovation projects in accordance with EPA's enforcement policy and inspections were inadequate. For example, at one local agency telephone inquiries were counted as inspections; it was estimated that 50 percent of asbestos removals were being conducted without prior notification of the appropriate Federal or State agency, penalties were not always or consistently assessed and were short of the $25,000 per day allowed by the Clean Air Act; inspectors' safety equipment was insufficient because EPA had not issued clear guidelines; and the regions' reports to EPA Headquarters were inaccurate or misleading.

EPA officials have taken action to improve management of the asbestos removal program.

Grantee Claims Millions of Dollars of Unnecessary Costs

EPA awarded grants to assist the city of Stockton, California, construct a main water quality control plant and tertiary additions. The Stockton Record reported that the grantee was intentionally delaying the EPA's audit of its records and contracts on the project and that millions of dollars may have been spent inappropriately. We found

that the grantee claimed over $12 million on unnecessary construction, services that were unreasonable or unauthorized, and unallowable arbitration costs. We also set aside over $15 million pending certification by the California State Water Resources Control Board that operational problems were corrected. The grantee's response to the audit consistently demonstrated a lack of understanding or agreement with the EPA grant regulations.

As a result of the audit recommendations, the Agency sustained for recovery the entire $18,357,974 federal share of the costs we questioned and set-aside.

Hawaiian County Claims Over $9 Million for Unused, Uncompleted Facilities

EPA awarded five grants to Kauai County, Hawaii, to plan, design and construct interceptor sewers to transport wastes and expand the existing sewage treatment plants to accommodate flow from cesspools. Three of the project were underused because they were operating significantly below project flow levels. We questioned $6.6 million and set aside another $3.1 million. By not accomplishing its grant objectives, the grantee failed to eliminate potential health hazards from failing cesspools, protect the underground water, streams, and near shore waters of Kauai.

As a result of our recommendations, the Agency sustained for recovery $4,926,024 of the federal share that we questioned and set aside.

San Jose Claims $6.6 Million of Ineligible Costs

EPA awarded grants to the city of San Jose, California for upgrading and expanding its existing treatment facility and other equipment, and for design improvements. We questioned $6.6 million of costs claimed including $4.2 million received by the grantee from a settlement but not offset against the grant, $2 million of engineering costs in excess of the approved amounts, ineligible, or incurred after the authorized completion date, and $.4 million of unapproved or unsupported costs.

As a result of our recommendations, the Agency sustained for recovery $2,809,340, of the $5 million federal share we questioned.

Region 3 Is Not Enforcing Safe Drinking Water Standards for Non-Community Water Systems (NCWS)

In Region 3, drinking water suppliers did not test their water supply or did not test with the frequency

established by both State and Federal regulations. When tests revealed that the drinking water was contaminated, suppliers did not comply with Federal regulations by properly retesting or notifying the public of the contamination. Four States did not take required enforcement actions against violators. Two States were not reporting violations and a third State was reporting erroneous information. EPA was not enforcing water quality standards for drinking water served by commercial carriers (planes, trains, and buses) The Agency agreed to take action to ensure appropriate monitoring and reporting.

Audit Resolution

During fiscal 1988, the Office of Inspector General issued 1,989 new audit reports and closed 2,031. The 443 audit reports remaining in the Agency followup system are scheduled for resolution within the next 6 months.

Of the audits closed, $100.6 million of questioned costs were sustained, including $53 million to be recovered, and $47.6 million in cost efficiencies. In addition, cost recoveries from current and prior periods included $7.7 million in cash collections, and at least $35.2 million in offsets against billing.

EPA formed a Task Force to develop quality training materials and an approach called, "Strengthening the Audit Management Ability of EPA Managers," to help managers improve their audit management skills and the performance of their programs.

The Task Force has produced several outstanding products to strengthen EPA managers' understanding of the importance of audits, enhance their ability to respond to audits, work with auditors, and resolve audits promptly and properly, including:

- An Audit Handbook for EPA Managers involved in audits and the audit process;
- A Model Audit Management System highlighting the process for audit resolution and tracking corrective action; and
- A Videotaped Training Session for managers about their roles and responsibilities regarding audits.

Investigative Activities

During this fiscal year, our investigative efforts resulted in 67 indictments and convictions and over $1.6 million of fines and recoveries from persons or firms who defrauded the Agency. Most of these recoveries involved bid rigging and other fraud on competitively awarded contracts. Since 1983, a total of 42 indictments and 38 convictions have been obtained for bid rigging.

Three Plead Guilty in New York Asbestos Bribery Case

Twenty-five asbestos removal contractors in the New York metropolitan area were arrested January 5, 1988, and charged with bribing an EPA inspector. Subsequently, 18 contractors were indicted, charged with paying a bribe to induce the EPA inspector to overlook violations of Federal rules and regulations with regard to asbestos removal conducted by the defendants, and to stay away from job sites being worked by their companies. To date three contractors pled guilty to the charges and one contractor was found guilty after a jury trial.

EPA regulations require that specific work practices be used during demolition and renovation of structures involving asbestos. Asbestos is a toxic substance regulated through the Clean Air Act.

Two Michigan Pipe Companies Guilty of Bid Rigging fined $400,000

National Concrete Products Company, of Plymouth, Michigan, pled guilty August 31, 1988, to a charge of conspiracy and unreasonable restraint of trade in violation of the Sherman Antitrust Act. The company, which manufactures and sells concrete pipe and related materials in Michigan, was fined $250,000. National Concrete company was charged with conspiracy to suppress and eliminate competition on contracts to provide concrete pipe and related products for several EPA projects in Michigan.

Northern Concrete Pipe, Inc., of Bay City, Michigan, pled guilty September 1, 1988, to a charge of conspiracy to suppress and eliminate competition on a contract to provide concrete pipe and related projects for the Grand River Drive drain extension project of the Kent County, Michigan, Drain Commission. The company was fined $150,000.

EPA Receives $600,000 from Chattanooga's Bid Rigging Suit

The City of Chattanooga paid EPA $532,000 from the proceeds of its settlement of an antitrust suit against several contractors who rigged bids on EPA funded sewer projects in that city. The city will pay EPA about $100,000

more as it receives future payments from those contractors. Chattanooga agreed to share its settlement with EPA based on the conviction of several contractors who conspired to rig bids on the $6 million Hixson interceptor sewer contract. During the course of the litigation, Chattanooga uncovered evidence of bid rigging on a number of contracts as well.

EPA Wins $156,000 from Antitrust Defendants

EPA has won settlements totalling $156,325 from two defendants in a case alleging bid rigging on a wastewater treatment project in Chattanooga, Tenn. Both defendants worked for Commonwealth Electric, which was convicted of rigging the bid for the electrical subcontract on the Moccasin Bend project. One defendant, who was the controlling shareholder and chief executive officer of Commonwealth, will pay EPA $125,000, plus interest, over six years. The other defendant, Commonwealth's chief estimator, who was convicted of perjury in connection with grand jury testimony about the bid rigging testimony, has paid EPA $31,325.

There are three remaining defendants in the $2.7 million lawsuit, which seeks triple damages plus forfeitures under the False Claims Act: Fischbach & Moore, which was also convicted of bid rigging on the project, and two former employees of Fischbach, one was recently convicted of perjury. Under the False Claims Act, all participants in a scheme to defraud the government are jointly and individually liable.

Manager of EPA Contractor Convicted and Sentenced

A field manager for Y & M Steel Contractors Inc., of Detroit, Michigan, was given a three-year suspended sentence and three year probation, ordered to undergo counseling, and ordered to file an amended tax return with the Internal Revenue Service within 60 days of the January 8, 1988, sentencing. The defendant pleaded guilty on November 20, 1987, to fraudulent use of Social Security numbers to add fictitious employees to the payrolls claimed on an EPA funded construction project in Westwood, Massachusetts.

The defendant submitted certified payrolls to a prime contractor containing 15 fictitious names and Social Security numbers claiming exempt status so no taxes would be taken out. Several of the workers were paid under the pseudonyms while receiving unemployment benefits under their real names. The investigation was conducted jointly between EPA's OIG, the FBI and the Department of Labor's Office of Racketeering.

"Gray Market" Importers and Labs Probed

We continued working jointly with Federal and State agencies investigating "gray market" auto dealers and emissions modification and testing facilities who sell, modify, or test imported cars that have been falsely certified to meet Federal emission standards. In one case, Import Certification Laboratory of Orange, California and the company's president were each fined $50,000. The president was also sentenced to one year in prison. In another case, Sunbelt Auto Imports of Houston was fined $10,000. Its vice president was placed on probation for 2 years and fined $500 for submitting photos of properly modified vehicles and falsely claiming they were the vehicles in question. Another importer, of Vennep, Holland, falsified import documents to show other individuals were the owners of vehicles he actually owned. EPA regulations allow a one-time exemption from Clean Air Act regulations for individuals to import one car, 5 years and older. The importer faces up to 5 years in prison and $10,000 in fines.

Former EPA Purchasing Agent Imprisoned for Violating Probation

A former purchasing agent with EPA, Gulf Breeze, Florida, was convicted for creating his own scientific supply company under his stepdaughter's name, from which he used his official position to purchase almost $40,000 in materials for EPA. The defendant was fined $3,000 sentenced to suspended prison term and placed on five years probation. However, on November 5, 1987, a judgment commitment order, citing violations of his probation, sentenced him to 15 months in prison.

Timecard Fraud Uncovered

During an OIG investigation, an EPA headquarters employee admitted altering her timecards by adding 222 hours of unworked overtime and deleting 81 hours of leave, at a cost to the government of $5,002. In lieu of prosecution, the employee was entered into a pretrial diversion program, requiring her to perform 80 hours of community service. The matter has been referred to EPA officials for restitution and other possible administrative action.

Fraud Prevention Activities

Suspension and Debarment Activities

EPA's policy is to do business only with contractors, grantees, and persons who are responsible, honest, and who comply with applicable rules and regulations. EPA enforces this policy by suspending or debarring any organization or person for acting improperly, having a history of substandard work, or willfully failing to perform on EPA or other Federally funded activities. Suspensions and debarments deny participation in Agency programs and activities to those who represent a risk of abuse to the Government.

A new system, required by Executive Order 12549, for implementation on October 1, 1988, provides that a nonprocurement debarment or suspension by one Agency is effective in all and requires GSA to publish a "List of Parties Excluded from Federal Procurement or Nonprocurement Programs."

In fiscal 1988, 150 debarment or suspension actions were taken. Examples include:

- The president of Polymer Chemicals, Inc., Atlanta, Georgia, was sentenced on November 5, 1987, to a five year suspended term, six months in a halfway house, fined $10,000 and along with several co-conspirators entered a lifetime settlement of exclusion from doing grout related business on any federally funded projects. The defendant and his company pled guilty to conspiring to defraud the United States by selling underweight bags of chemical grout to sewer contractors and falsifying the origin of the grout. Underweight bags of grout used on EPA and other federally funded sewer projects compromises the sealant's effectiveness and the structural integrity of the projects.

- The largest contractor of the Chicago Metropolitan Sanitary District's billion dollar Tunnel and Reservoir Project entered an innovative and precedent-setting debarment/suspension settlement following the contractors indictment on charges of violating Occupational Safety and Health Administration standards The contractor failed to monitor underground air quality level leading to the suffocation death of a worker. The contractor was required to implement detailed worker safety procedures for the existing and future EPA funded contract work.

- Julius Mastriana of New York, New York, was debarred for 3 years on May 20, 1988. Thomas DiMicelli and Eugene Riccardelli, both of Brooklyn, New York, were debarred for 3 years on May 25, 1988. These debarments followed their conviction for extortion and mail fraud in their official duties as EPA electrical inspectors relating to work performed for EPA by electrical contractors in New York City.

- On December 2, 1987, Robert Cummins and James Payne of Enid, Oklahoma, were debarred for 6-months and 10-months, respectively. Their debarments followed the conviction of *Cummins Construction Co., Inc.*, for bid rigging on road construction projects in the State of Oklahoma. The debarred individuals were officials of Cummins Construction Co., Inc.

Personnel Security Program Increases Productivity and Timeliness of Integrity Reviews

The Personnel Security Program is one of the Agency's first line defenses against fraud, using background investigations to review the integrity of EPA employees and contractors. During fiscal 1988, 605 investigations were reviewed, resulting in:

- Fourteen EPA employees were required to submit corrected SF-171s after falsely claiming college degrees not earned, failing to disclose terminations from previous jobs, or not listing previous convictions.

- Two employees resigned, pending administrative removal, one after admitting to the theft of $5,000 in EPA lab equipment, the other for failing to disclose previous convictions.

- Two employees were suspended, one for 7 days for substance abuse and the other for 14 days for embezzlement from the EPA imprest fund.

Employee and Public Awareness

A major goal of the Office of Inspector General is to make EPA employees, grantees, firms participating in EPA operations, and the public aware of their responsibility to prevent, detect, and report instances of fraud, waste, and mismanagement. To provide this information and encourage participation in fulfilling the objectives of the OIG we have used a variety of mediums. Several examples are discussed below:

- **EPA Celebrates Second Annual "OIG Week"**

The OIG held its second OIG Week in EPA to stimulate interest in the mission of the OIG to the employees and managers of EPA through the theme "working together to promote efficiency, effectiveness, and integrity in EPA." OIG Week featured a reception for Agency managers and the presentation of OIG Recognition Awards to three Agency managers whose work exemplifies the theme, an exhibit in Waterside Mall, and a luncheon for OIG staff. OIG Week was also celebrated in our field offices by the showing of "A Force for Sound Government," to EPA regional employees and management.

- **Presentation of Fraud Detection and Awareness Course to Agency Auditors and Managers.**

This fiscal year, we gave 12 presentations of a course entitled "Detecting and Preventing Fraud in EPA." The course was developed for presentation to independent public accountants who perform audits for the OIG on a contract basis, to increase their awareness of and ability to detect and refer indicators of fraud to our Office of Investigations. The course was also presented to OIG auditors and to about 150 Agency managers through the EPA Institute and by special request to individual office components.

- **Publications**

During this period we also issued an updated version of a popular publication, "What to do Before and After the Auditors Arrive." We also distributed a new publication, "What an Investigation Means to You" to all EPA and contract employees.

Committee on Integrity and Management Improvement (CIMI)

The Committee on Integrity and Management Improvement, established in 1984 by EPA Order 1130.1, coordinates the Agency's efforts to minimize the opportunities for fraud, waste, and mismanagement and advises the Administrator on policies to improve the efficiency and effectiveness of EPA's programs and operations. Chaired by the Inspector General, CIMI completed several projects including an Awareness Bulletin on new antifraud legislation, a pamphlet called How to Avoid Wasteful Spending, special events during Public Service Recognition Week, and a booklet titled Ethics in a Nutshell.

Human Resources Council (HRC)

The OIG HRC, composed of 16 employees representing all grades and OIG locations, advises and assists the Inspector General in developing policies, strategies, and programs for employee development and workforce management. As a result of an HRC project the OIG began an experimental 5/4-9 compressed workweek, which after initial evaluation has proven to be successful. This project has served a model for other Agency components. Other HRC projects include a secretarial workshop, and programs on employee orientation, retention, recruitment, and wellness.

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Hotline Activities

The OIG Hotline Center received 56 new complaints and closed 55 cases during fiscal 1988. Of these, 17 resulted in environmental, administrative, or prosecutive action. We also received 709 calls in which callers were referred to the appropriate program office, State agency, or other Federal agency for assistance.

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

- A complaint alleged that a theft from an imprest fund had occurred. A review of this complaint disclosed that a fiscal assistant in charge of the fund was guilty of the theft of Government money. As a result, the employee received a suspension and was assigned to perform work which does not involve any responsibility associated with the imprest fund.

- A complaint alleged that an EPA subcontractor was simultaneously representing the Agency and a private company on a related issue. A review of the complaint disclosed that a subcontractor employee made remarks at a public meeting which gave the appearance of a conflict of interest. The employee also used a draft EPA manual not available to the public, which was in direct violation of contractual terms with the prime contractor. As a result, the prime contractor issued written instructions to its subcontractors clarifying contractual agreements, reprimanded the employee, and took steps to prevent any such recurrence.

- A complaint alleged that an EPA project officer improperly influenced the Agency to award a contract because of a financial relationship with an employee of the contractor. A review disclosed that the EPA project officer failed to file a complete financial disclosure statement, and also created the appearance of a conflict of interest. As a result, several administrative actions were taken, including issuance of a formal letter of reprimand and prohibiting the employee from serving as a project officer or task manager for one year.

If you are aware of any fraud, waste, or mismanagement, please contact the EPA Inspector General Hotline or the appropriate Divisional Inspector General listed on the second panel of this brochure.

- Information is confidential.

- Caller may be anonymous.

- Call can be made from anywhere toll free.800-424-4000 and 202 (or 8 if FTS) 382-4977

Remember, Act Like It's Your Money—It Is!