



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We performed this review to determine whether the U.S. Environmental Protection Agency (EPA) has adequate controls for safeguarding personal computers. Specifically, we sought to determine (1) whether EPA has adequate controls in place for tracking and disposing of personal computers, and (2) the status of EPA-owned personal computers replaced under the Customer Technology Solutions (CTS) service contract.

Background

EPA's Office of Administration and Resources Management manages the Agency's personal property. During fiscal year 2009, EPA contracted its desktop computer services with the CTS service contract. The Office of Environmental Information has primary oversight of the contract.

For further information, contact our Office of Congressional and Public Affairs at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2011/20110926-11-P-0705.pdf

EPA's Contract Oversight and Controls Over Personal Computers Need Improvement

What We Found

EPA paid the CTS contractor a total of \$489,734 over an 11-month period for 3,343 seats—a standard seat includes a leased computer with accessories and technical support—not ordered by the Agency during the period. In addition, EPA did not accept the contractor's monthly asset management performance self-rating for over a year because of its nonperformance in properly accounting for and tracking assets. As a result, EPA should take action to reduce the minimum number of seats requirement in the CTS contract. If EPA does not make changes to the CTS contract, EPA may pay as much as \$1.4 million more through September 2012 for personal computer standard seats that it did not order, for a total potential payment of \$1.9 million for seats not ordered.

Because EPA did not safeguard and track personal computers to ensure proper replacement and disposal in accordance with property regulations, it cannot account for 638 personal computers valued at over \$1 million. EPA did not know the status of these personal computers, some of which may have been replaced under the CTS contract. *EPA's Personal Property Policy and Procedures Manual* outlines requirements for property staff to ensure the effective accountability, utilization, and disposal of personal property. EPA should improve controls for updating data in the fixed assets database, and should retain property acquisition documentation in accordance with retention requirements. In addition, the Agency should have a separation of duties in its property staff positions and consider assigning permanent property positions.

What We Recommend

We recommend that the Assistant Administrator for Environmental Information and Chief Information Officer review and/or modify the CTS contract to adjust the minimum standard seat requirement to eliminate monthly payments for CTS computers that EPA will not need. We recommend that the Assistant Administrator for Administration and Resources Management update the property manual to require the separation of duties in property staff positions and consider assigning permanent property positions throughout the Agency to ensure that there are safeguards over EPA's assets. We also recommend that the Assistant Administrator for Administration and Resources Management develop and implement processes that would (1) require property staff to routinely review and update the Fixed Assets Subsystem database, and (2) ensure that property staff adhere to records retention requirements. EPA disagreed with our first recommendation and we consider it unresolved and are working toward a resolution. EPA agreed with the remaining three recommendations.