Message

From: O'Connor, John [OConnor.John@epa.gov]
Sent: 9/10/2018 7:43:54 PM
To: Terris, Carol [Terris.Carol@epa.gov]; Jones-Peeler, Meshell [Jones-Peeler.Meshell@epa.gov]; Doucette, Judi [Doucette.Judi@epa.gov]; Washington, Lorna [Washington.Lorna@epa.gov]; Humes, Hamilton [Humes.Hamilton@epa.gov]; Sheeran, Andrew [Sheeran.Andrew@epa.gov]; Williams, Maria [Williams.Maria@epa.gov]
Subject: FYI - ADA Note to Holly - FW: ADA in AFR
Attachments: excerpt Note 37 - EPA FY2017 AFR.PDF; Note 37 ADA FY18 v 1.0 9-10-18 version.docx

FYI

From: O'Connor, John
Sent: Monday, September 10, 2018 3:42 PM
To: Greaves, Holly <greaves.holly@epa.gov>
Cc: Jeanne Conklin <Conklin.Jeanne@epa.gov>
Subject: FW: ADA in AFR

Holly:
As requested, attached please find the pro forma language for the FY-18 ADA disclosures, Note 37, for the FY 2018-2017 Consolidated financial statements.

I've also included an excerpt from the FY 2017 AFR for Note 37 to assist you in reviewing the FY 18 ADA Note.

A summary of the changes for FY 18 from FY 17 for Note 37 is as follows:

- We are only including Potential FY ADA's including the Voluntary Services carried over from last year and the April 2018 GAO report on the soundproof room.
- The actual ADA on use of funds from Superfund State partners disclosed in FY 17 is dropped since required notifications (e.g. the President) occurred in FY 17.
- We are also no longer disclosing the FIFRA Miscellaneous Receipts Act violation since related activity concluded in FY 16.

We coordinated the drafting of this pro forma note with OB and received input from OGC.

Please let me know if you need additional information.
Regards,
John

John T. O'Connor, CPA, CGFM, PMP
Director, Accounting and Cost Analysis Division
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From: Greaves, Holly
Sent: Tuesday, August 28, 2018 9:04 PM
To: O'Connor, John <OConnor.John@epa.gov>

Cc: Conklin, Jeanne <Conklin.Jeanne@epa.gov>
Subject: Re: ADA in AFR

Thank you John. I think an earlier date for this note makes sense, though I am sorry to disrupt your schedule.

Sent from my iPhone

On Aug 28, 2018, at 5:08 PM, O'Connor, John <OConnor.John@epa.gov> wrote:

Holly:
We will have the pro forma note disclosure on ADA's to you for review by September 11th.

Our usual production schedule for the notes is the end of September.
Regards,
John

From: Greaves, Holly
Sent: Monday, August 27, 2018 10:16 PM
To: O'Connor, John <OConnor.John@epa.gov>
Cc: Conklin, Jeanne <Conklin.Jeanne@epa.gov>
Subject: Re: ADA in AFR

Thanks so much John. When might you have the pro forma note disclosure for 2018 for review?

Best,
Holly
Sent from my iPhone

From: O'Connor, John
Sent: Monday, August 27, 2018 5:19 PM
To: Greaves, Holly <greaves.holly@epa.gov>
Cc: Jeanne Conklin <Conklin.Jeanne@epa.gov>
Subject: FW: ADA in AFR

Holly:
Jeanne asked me to respond to you on your questions regarding Anti-Deficiency Act violations in the Annual Financial Report.
Please see below and attached.

Please let me know if you have questions or would like additional information.
Regards,
John

Ex. 5 AC/AWP/DP

Instead, EPA provided the potential and actual Anti-Deficiency Act (ADA) violations in the notes to the financial statements. Please see Note 37 in EPA's FY 2017 AFR for an example (excerpt attached). However, If EPA did not agree to disclose these matters in the notes it is our expectation that it would be included in the OIG's audit letter. Further, OMB reviews the draft financial statements in October; we expect that OMB would also insist that we include actual or potential ADAs in the notes to the financial statements.

Looking ahead to the FY 2018 AFR, EPA will likely present two potential ADA Violations carried forward from the FY 17 (see below expected draft); the additional and actual primary reporting is also explained below.

In addition, we expect GAO letter B-329603 dtd April 16,2018 on the Sound Proof Both will be included in the note on ADAs.

Potential Anti-Deficiency Act Violations

In FY 2016 the EPA determined that the Agency had experienced two separate Anti-Deficiency Act Voluntary Services Prohibition violations. 31 U.S.C. § 1342 prohibits the EPA from accepting voluntary services for the United States, or employing personal services not authorized by law, except in the cases of emergency involving the safety of human life or the protection of property.

The first violation occurred from January through April 2014 when the EPA accepted unpaid peer reviews for environmental education grants. At least one of the peer reviewers did not sign a written agreement in advance that states that the services are offered without the expectation of payment, and expressly waives any future pay claims against the government which constitutes a violation of the Voluntary Services Prohibition. The Agency was also unable to determine if there were any more peer reviewers who only had oral agreements.

The second violations occurred in the Honors Law Clerk Program where at least seven post-graduates provided services to the Agency at varying points between 2011 and 2015. Written and signed waivers were unable to be located but are ineffective under 5 U.S.C. §§ 5331-5338 which the principle of equal pay for substantially equal work applies.

In FY 2017, the Agency reviewed whether other voluntary and intern programs might also have had similar issues and included language in its budgetary and supervisory guidance reminding Agency managers to pay close attention to all Federal requirements when accepting voluntary services on behalf of the Agency.

As of the date of the audit report, the EPA is reviewing the proposed transmission of, as required by OMB circular A-11, Section 145, written notifications to the (1) President, (2) President of the Senate, (3) Speaker of the House of Representatives, (4) Comptroller General, and (5) the Director of OMB for Anti-Deficiency Act violation related to the Voluntary Services Provision.

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From: Conklin, Jeanne
Sent: Monday, August 27, 2018 1:11 PM
To: O'Connor, John <OConnor.John@epa.gov>
Subject: ADA in AFR

John can you answer the below for Holly please. Cc me on the response.

Jeanne Conklin
Controller, Office of the Controller
OCFO
202-564-5342

Begin forwarded message:

> **From:** "Conklin, Jeanne" <Conklin.Jeanne@epa.gov>
> **Date:** August 24, 2018 at 11:03:33 AM EDT
> **To:** "Greaves, Holly" <greaves.holly@epa.gov>
> **Cc:** "Jones-Peeler, Meshell" <Jones-Peeler.Meshell@epa.gov>, "Bloom, David" <Bloom.David@epa.gov>, "Osborne, Howard" <Osborne.Howard@epa.gov>
> **Subject: Re: ADA in AFR**
>
> We will check.
>
> Jeanne Conklin
> Controller, Office of the Controller
> OCFO
> 202-564-5342
>
> On Aug 24, 2018, at 11:02 AM, Greaves, Holly <greaves.holly@epa.gov> wrote:
>
>> Hi Jeanne/Meshell,
>>
>> How and which potential ADAs does the OIG plan to include in its audit report? Will there be any separate reporting other than in their report?
>>
>> Thanks,
>>
>> Holly W. Greaves
>> Chief Financial Officer
>> Office of the Chief Financial Officer
>> Environmental Protection Agency
>> (202) 564-1151