AL-14-001-0235

THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

MAY 30 2014

The Honorable John Boehner
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am submitting the Environmental Protection Agency (EPA) Office of Inspector General (OIG) report entitled *Semiannual Report to Congress*, as required by the Inspector General Act of 1978 (Public Law 95-452). This report provides a summary of the OIG's work for the prior six month period ending March 31, 2014. Also included is the OIG's *Compendium of Unimplemented Recommendations* that details significant recommendations in which corrective actions have not been completed as of March 31, 2014.

In addition to the OIG report and compendium, I am also attaching a copy of my recent letter to the OIG which provides comments on some aspects of this report.

I hope you find these reports useful and informative. If you have any questions or concerns, please contact me or have your staff contact Christina Moody in the EPA's Office of Congressional and Intergovernmental Relations at moody.christina@epa.gov or (202) 564-0260.

Sincerely,

Gina McCarthy
Administrator

Enclosures

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THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

MAY 3 0 2014

MEMORANDUM

SUBJECT: Semi-Annual Report to Congress

FROM: Gina McCarthy

TO: Arthur A. Elkins Jr., Inspector General

Thank you for providing me with your Semi-Annual Report to Congress covering the period of October 1, 2013, through March 31, 2014. On the whole the report accurately details the considerable work that the Office of the Inspector General and the U.S. Environmental Protection Agency have done to strengthen the management of the EPA and improve our ability to protect human health and the environment.

I was surprised, however, to read the new section titled "Impediments." I do realize that you have had concerns about the role of the EPA's Office of Homeland Security and how best to ensure that national-security issues are supported while still maintaining your ability to perform your duties. Fortunately, our recent efforts to engage directly on these issues seems to have us back on track, and I am confident we will have a path forward soon.

I was also caught off-guard by the matters raised in the report related to your work with the Office of Chief Financial Officer. While I do not question that you view these matters as an area of needed improvement, to characterize them as impediments is disconcerting to me. If they were as serious a problem as you indicate, I wish that you would have alerted either Deputy Administrator Bob Perciasepe or me in a timely manner so that we could have properly addressed them, rather than read about these issues for the first time in this report.

As you know, Bob and I very much appreciate and value the OIG's mission. But unless we are apprised of your concerns, we cannot properly support you or effectively do our jobs.

Rest assured that when I read your report, I and my staff did inquire into the matters discussed in your report. Staff within the EPA, in particular the OCFO staff who work side-by-side with auditors from your office every day, was caught by surprise. As I understand it, at the agency's request, senior leaders from every EPA office involved in the John Beale matter, including senior leaders from OCFO, have been meeting biweekly with OIG auditors assigned to the Beale matter. One of the primary purposes of these meetings has been to ensure OIG auditors are provided as much assistance as possible to complete their work. It strikes me that there was a rather strong commitment made on the behalf of EPA staff to assist your team with this effort, not to impede its progress.

In addition, this report could more effectively explain the complexities involved in many of the described matters. For example, in pointing out that OCFO provided the OIG with "four different reports on pay issues," the report fails to explain that the OIG modified its requests throughout the

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process, causing the agency to provide multiple reports in an effort to accommodate the evolving requests. The generation of multiple reports by OCFO demonstrates a serious commitment by agency staff and leadership to assist the OIG.

Further, the report also discusses a change in the information provided to the OIG in support of the OIG's FIFRA/PRIA audits but omits key factors that led to the change. In an effort to streamline financial processes, as called for by the Office of Management and Budget, OCFO alerted members of your staff of this approach. During this discussion members of the OIG staff did not indicate or signal that this approach was an impediment; they indicated only the potential impacts this approach might have on OIG resources. Throughout this process the agency staff continually asked the OIG what additional information was needed to assist with their audit.

Finally, I want to thank you again for your report and the work of OIG employees. That work is crucial to ensuring the EPA has an effective and efficient workforce that is free from waste, fraud and abuse. You and I have agreed in our very recent conversations to work together toward that goal, and I look forward to our collaborative efforts toward that goal. My desire to continue with this collaboration is reinforced after reading this report. I think the information presented provides an opportunity for us to get staff together from various programs and discuss concerns raised here and in the future.

OFFICE OF INSPECTOR GENERAL

Semiannual Report to Congress

EPA-350-R-14-001
May 2014

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Inspector General Act of 1978, as amended

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Abbreviations

CIA	Central Intelligence Agency
CSB	U.S. Chemical Safety and Hazard Investigation Board
DCAA	Defense Contract Audit Agency
EPA	U.S. Environmental Protection Agency
FBI	Federal Bureau of Investigation
FY	Fiscal Year
OHS	Office of Homeland Security
OIG	Office of Inspector General
OMB	Office of Management and Budget
ROI	Return on Investment
SES	Senior Executive Service

Hotline

To report fraud, waste or abuse, contact us through one of the following methods:

email: OIG_Hotline@epa.gov
phone: 1-888-546-8740
fax: 1-202-566-2599
online: http://www.epa.gov/oig/hotline.htm

write: EPA Inspector General Hotline
1200 Pennsylvania Avenue, NW
Mailcode 2431T
Washington, DC 20460

Suggestions for Audits or Evaluations

To make suggestions for audits or evaluations, contact us through one of the following methods:

email: OIG_WEBCOMMENTS@epa.gov
phone: 1-202-566-2391
fax: 1-202-566-2599
online: http://www.epa.gov/oig/contact.html#Full_Info

write: EPA Inspector General
1200 Pennsylvania Avenue, NW
Mailcode 2410T
Washington, DC 20460

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Message to Congress

Arthur A. Elkins Jr.

During this semiannual reporting period, in the course of our work, the Office of Inspector General (OIG) encountered unique circumstances that led us in some unforeseen directions.

Sometimes one path of inquiry sent us down another. For instance, our earlier investigation of the various frauds committed by John C. Beale, a former U.S. Environmental Protection Agency (EPA) Senior Policy Advisor, exposed internal control weaknesses within the agency. As a result, this period we performed a pair of audits examining pay and travel issues—the first in a series with more to come. As another example, as part of a broader audit of warehouse spaces, we discovered that an EPA facility in Blue Ash, Ohio, was being used to store more than 6 years' worth of excess paper-based publications. Consequently, we issued an early warning report suggesting that the EPA could put to better use the $1.5 million in annual costs.

Sometimes our efforts to root out fraud, waste and abuse were thwarted by impediments from the agency. The most significant of these, which is ongoing, was the refusal of the EPA's Office of Homeland Security, a unit established by the Office of the Administrator to handle national security issues, to cede or share jurisdiction on allegations of employee misconduct and other matters for which the OIG is charged responsibility under the Inspector General Act. On other fronts, an Office of General Counsel attorney refused to speak with the auditors examining agencywide pay issues, creating a potential gap in information. And auditors who requested financial statements for two pesticide funds did not receive sufficient and timely information.

But even absent a change in direction or unexpected hurdles, every OIG review is a journey to the unknown. We adhere to specified professional standards for all audits, evaluations and investigations to reach conclusions. During this period, we looked at issues requested by Congress; areas where the agency can potentially achieve cost savings and improve its business practices; and those in which the EPA can improve human health, safety and the environment.

Congressionally Requested Reviews

As a result of a congressional request, we looked at how the EPA conducts research that involves human subjects. We found that the agency followed applicable regulations when it exposed 81 human study subjects to concentrated airborne particles or diesel exhaust emissions. Still, we concluded that the EPA can enhance its human studies by improving how it obtains approval for studies, communicates risk to people who participate in those studies, and addresses adverse events in agency guidance.

Pursuant to another congressional request, we looked into a complaint from a homeowner in Texas regarding the drinking water well associated with his home becoming contaminated with natural gas. We concluded that the EPA Region 6's issuance of a Safe Drinking Water Act emergency order to the Range Resources Gas Drilling Company, instructing it to investigate the groundwater and soil near its gas well

and the complainant's home, conformed to agency guidelines, regulations and policy. We recommended that Region 6 collect and evaluate the testing results provided by Range Resources and determine whether an "imminent and substantial endangerment" still existed.

Potential Cost Savings and Areas for Improved Business Practices

In addition to our finding regarding the EPA's inventory of excess publications at its warehouse in Blue Ash, we identified other opportunities for costs savings and improved business practices, such as:

- The EPA collected $94,109 in ineligible costs paid to the California Air Resources Board under a grant and may be able to recover an additional $8.77 million.
- The EPA did not provide effective oversight to ensure that purchase card holders and approving officials complied with internal control procedures, resulting in $79,254 of prohibited, improper and erroneous payments.
- Our review of classified documents found that the EPA's national security information could be improperly classified without improved procedures.
- The EPA has not created formal policies and procedures for several processes that contribute to safeguarding Personally Identifiable Information.

Human Health, Safety and the Environment

The U.S. Virgin Islands did not monitor beaches on St. Thomas and St. John for pathogens for the 2-week period of February 3–16, 2014, due to contract issues. Based on a request from the EPA's Region 2, the OIG evaluated the U.S. Virgin Islands' performance under a $303,000 EPA grant. As a result of our review, the U.S. Virgin Islands restarted beach sampling on February 17, 2014, and EPA Region 2 has begun working with the U.S. territory to address beach monitoring program deficiencies.

As a result of another investigation, a New York state laboratory that performed chemical analysis of water and soil samples was fined $150,000 for falsifying more than 3,300 results. In another case, a North Carolina laboratory employee entered into a $38,500 civil settlement to settle allegations related to improperly conducting air sampling tests.

The OIG's mission, and our promise, is to ensure that the EPA and OIG remain responsible stewards of taxpayer dollars, striving to add value, transparency and assistance to the agency in safeguarding the health of the American people and protecting the environment.

To learn more about our accomplishments during this reporting period, read on.

Arthur A. Elkins Jr.
Inspector General

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About EPA and Its Office of Inspector General

U.S. Environmental Protection Agency

The mission of the U.S. Environmental Protection Agency (EPA) is to protect human health and the environment. As America's steward for the environment since 1970, the EPA has endeavored to ensure that the public has air that is safe to breathe, water that is clean and safe to drink, food that is free from dangerous pesticide residues, and communities that are protected from toxic chemicals.

EPA Office of Inspector General

The Office of Inspector General (OIG), established by the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3, is an independent office of the EPA that detects and prevents fraud, waste and abuse to help the agency protect human health and the environment more efficiently and cost effectively. OIG staff are located at headquarters in Washington, D.C.; at the EPA's 10 regional offices; and at other EPA locations, including Research Triangle Park, North Carolina, and Cincinnati, Ohio. The EPA Inspector General also serves as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB).

Our vision, mission and goals are as follows:

Vision

Be the best in public service and oversight for a better environment tomorrow.

Mission

Promote economy, efficiency, effectiveness, and prevent and detect fraud, waste, and abuse through independent oversight of the programs and operations of the EPA and CSB.

Goals

1. Contribute to improved human health, safety, and environment.
2. Contribute to improved EPA and CSB business practices and accountability.
3. Be responsible stewards of taxpayer dollars.
4. Be the best in government service.

Furthering EPA's Themes

When conducting our audit and evaluation work during the first half of fiscal year (FY) 2014, we took into account the EPA's seven themes for meeting the challenges ahead. The table below show how our audit and evaluation reports aligned with each of the agency's themes so that we could better enable the EPA to carry out its mission of protecting human health and the environment. These themes were set by EPA Administrator Gina McCarthy. Some reports addressed more than one theme.

OIG-Issued Reports Issued During Semiannual Reporting Period by Theme

OIG Report	Report Number	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Theme 6	Theme 7
Environmental Benefits Being Considered in Award of Great Lakes Grants	14-P-0004				X			
EPA Does Not Adequately Follow National Security Information Classification Standards	14-P-0017						X	
The State of Colorado Did Not Fully Assure That Funds Intended to Treat Mining Wastes and Remove Contaminants from Water Were Effectively Spent	14-R-0032	X			X	X		
Fiscal Year 2013 Federal Information Security Management Act Report: Status of EPA's Computer Security Program	14-P-0033						X	
Early Warning Report: Internal Controls and Management Actions Concerning John C. Beale Pay Issues	14-P-0036						X	
Early Warning Report: Internal Controls and Management Actions Concerning John C. Beale's Travel	14-P-0037						X	
Audit of EPA's Fiscal 2013 and 2012 Consolidated Financial Statements	14-1-0039						X	
Dozier Technologies, Inc. Failed to Comply With Financial and Management Requirements of Its Support Services Contract	14-4-0040						X	
Fiscal Years 2012 and 2011 (Restated) Financial Statements for the Pesticides Reregistration and Expedited Processing Fund	14-1-0041						X	
Fiscal Years 2012 and 2011 (Restated) Financial Statements for the Pesticide Registration Fund	14-1-0042						X	
Response to Congressional Inquiry Regarding the EPA's Emergency Order to the Range Resources Gas Drilling Company	14-P-0044	X		X	X			

Audit of American Recovery and Reinvestment Act Cooperative Agreement 2A-00E85701 Awarded to the Greater Lansing Area Clean Cities	14-R-0088	X	X			X		
Internal Controls Needed to Control Costs of Emergency and Rapid Response Services Contracts, as Exemplified in Region 6	14-P-0109						X	
EPA Needs to Improve Safeguards for Personally Identifiable Information	[illegible]						X	
Complaints Regarding Debris Management at the West, Texas, Fertilizer Plant Explosion Have Been Addressed	[illegible]			X				
Ineffective Oversight of Purchase Cards Results in Inappropriate Purchases at EPA	14-P-0128						X	
EPA Did Not Conduct Thorough Biennial User Fee Reviews	14-P-0129						X	
Unless California Air Resources Board Fully Complies With Laws and Regulations, Emission Reductions and Human Health Benefits Are Unknown	14-R-0130	X	X					
National Association of State Departments of Agriculture Research Foundation Needs to Comply With Certain Federal Requirements and EPA Award Conditions to Ensure the Success of Pesticide Safety Education Programs	14-P-0131			X			X	
Early Warning Report: National Service Center for Environmental Publications in Blue Ash, Ohio, Spent $1.5 Million to Store Excess Publications	14-P-0132						X	
EPA's Information Systems and Data Are at Risk Due to Insufficient Training of Personnel With Significant Information Security Responsibilities	14-P-0142						X	
EPA Needs to Improve Management of the Cross-Media Electronic Reporting Regulation Program in Order to Strengthen Protection of Human Health and the Environment	14-P-0143						X	X
Improvements to EPA Policies and Guidance Could Enhance Protection of Human Study Subjects	14-P-0154		X					
Quick Reaction Report: EPA Oversight Needed to Ensure Beach Safety in U.S. Virgin Islands	14-P-0155	X			X			

Scoreboard of Results

Scoreboard of OIG FY 2014 Performance Results (First Half) Compared to FY 2014 Annual Performance Goal Targets

Our work is designed to help the EPA reduce risk, improve practices and program operations, and save taxpayer dollars so that the agency can better protect the environment. The information below shows the taxpayers' return on investment for the work performed by the EPA OIG during the first half of FY 2014. All results reported in FY 2014, from current and prior years' work, are based on the annual performance goals and plans established through implementation of the Government Performance and Results Act.

[illegible]	
Target: 248 (adjusted) **Reported: 92** (37.10% of goal)	***Supporting measures*** 84 Environmental and management actions implemented or improvements made 7 Critical congressional and public concerns addressed 1 Legislative or regulatory change made
Annual Performance Goal 2: **OIG environmental and business [illegible] recommendations, awareness [illegible] testimony [illegible] actions**	
Target: 687 (adjusted) **Reported: 369** (53.71% of goal)	***Supporting measures*** 296 Environmental and management recommendations or referrals for action 11 Environmental and management certifications, verifications and validations 6 Environmental and management risks and vulnerabilities identified 56 External awareness briefings, training or testimony given
Annual Performance Goal 3: **Monetary return on investment (ROI) – potential monetary ROI as percentage [illegible] of budget**	
Target: 125% ROI **Reported: $69.8 million*** (102% ROI)	***Supporting measures (dollars in millions)*** $39.31 Questioned costs $28.11 Recommended efficiencies, costs saved $2.44 Fines, penalties, settlements and restitutions
Annual Performance Goal 4: **Criminal, civil and administrative actions reducing risk of loss/operational [illegible]**	
Target: 125 **Reported: 86** (68.80% of goal)	***Supporting measures*** 10 Criminal convictions 24 Indictments, informations and complaints 1 Civil action 27 Administrative actions (other than debarments or suspensions) 18 Suspension of debarment actions 6 Allegations disproved

Other (no targets established)

Savings and recommendations sustained from current and prior periods:

- $6.4 million in questioned costs sustained (17% of costs questioned)
- $0.18 million in cost efficiencies sustained or realized (21% of cost efficiencies claimed)
- 138 recommendations sustained (65% of recommendations issued)

Total reports issued: 156

- 26 reports issued by OIG
- 130 issued by Single Auditors

[illegible]

- 59 Recovery Act reports issued
- 176 Recovery Act awareness briefings/outreach sessions
- 97 Recovery Act complaints received
- $61.846 million in potential monetary benefits (e.g., questioned costs, fines, savings, etc.)

Sources: OIG Performance Measurement and Results System and Inspector General Enterprise Management System.

Impediments to OIG Efforts

In August 2009, then EPA Administrator Lisa P. Jackson issued an all-hands memorandum stressing the need for agency employees to give full cooperation to the OIG. In July 2013, the Inspector General asked EPA senior leadership to issue a new all-hands memorandum stressing the need for employees to cooperate with the OIG. The OIG was assured that this new memorandum would soon be issued. To date, a new memorandum has not been issued, and instances of agency failure to cooperate with the OIG continue to occur. Examples follow.

Office of Homeland Security

The OIG has made numerous attempts to work collaboratively on matters of mutual concern with the EPA's Office of Homeland Security (OHS) on employee misconduct, threats and intrusions into EPA computer networks and systems. As highlighted below, however, the OIG has encountered resistance and a lack of cooperation from OHS.

- In 2012, OHS entered into an agreement with the Federal Bureau of Investigation (FBI) whereby OHS is designated as the agency's single point of contact on certain EPA investigations. The agreement was made without OIG input or knowledge. As a consequence, OHS has not informed the OIG of certain employee misconduct cases that fall within OIG investigative jurisdiction. For example, we learned in one case in mid-2013 that OHS had been conducting an investigation in coordination with the FBI concerning alleged misconduct of an EPA employee. OHS failed to notify or coordinate with the OIG about it, and the OIG only became aware of the case through its own contact with the FBI.

- OHS has attempted to prevent agency employees from communicating with the OIG by employing nondisclosure agreements. In one case, the OIG learned that OHS had certain agency employees sign "nondisclosure agreements" in June 2013 that directed the employees not to disclose information to anyone, including the OIG.

- The OIG learned of a potential threat to the EPA from a report shared by the U.S. Secret Service. The report apparently had been prepared by the Secret Service at the request of OHS in July 2013. The potential threat information came from an individual with an extensive and violent criminal history, including weapons and drug charges. OHS had not shared this important information with the OIG or with agency security officials. Once the information was brought to the OIG's attention, the OIG immediately notified the Security Management Division and the Administrator's protective detail, and interviewed the subject.

As recent tragic events demonstrate, it is imperative that the OIG and OHS work collaboratively on threat-related information. The failure to collaborate could not only result in the failure to thwart a potential attack on an EPA employee or facility, but could place OIG agents in high risk and hazardous situations.

Office of the Chief Financial Officer

During the financial statement audits of the FYs 2013 and 2012 Pesticide Reregistration and Expedited Processing Fund and Pesticide Registration Fund, the OIG encountered several impediments to obtaining information from the agency and completing audits in a timely manner. The Office of the Chief Financial Officer's Office of Financial Management made a decision at the start of the audit, in February 2014, not to provide the OIG with financial statements. Officials said their purpose was to streamline the financial statement preparation process by eliminating separate financial statements for the two funds. In lieu of the statements, they provided a financial summary with no support explaining how the figures were derived. The OIG made several inquiries with the Office of Financial Management regarding the information provided, including requests for further information, and questioning whether additional information was forthcoming. Subsequently, the Office of Financial Management started to provide information on a piecemeal basis. However, most of that information provided no value to the audits and did not support the financial summaries for the two funds. The OIG also experienced delays regarding the Office of Financial Management's responses to our inquiries throughout the audit.

During our review of internal controls subsequent to the investigation of the John C. Beale matter, it took approximately 3 months to obtain information on time and attendance as well as computer usage. This wait delayed the completion of various audits undertaken in response to congressional requests. In particular, the Office of the Chief Financial Officer provided four different reports on pay issues, each of which the OIG found to have problems regarding accuracy and completeness.

Office of Chemical Safety and Pollution Prevention

During the financial statement audits of the FYs 2013 and 2012 Pesticide Reregistration and Expedited Processing Fund and Pesticide Registration Fund, the OIG also experienced significant delays in obtaining supporting documentation and responses to our inquiries from the Office of Chemical Safety and Pollution Prevention's Office of Pesticide Programs. The Office of Pesticide Programs did not have documentation readily available for us to complete our collection sample testing. Further, there were disagreements between the Office of Financial Management and the Office of Pesticide Programs regarding who should provide information to us for various matters, which caused delays in the OIG obtaining the information.

Office of General Counsel

During our review of internal controls subsequent to the John C. Beale investigation, an EPA Office of General Counsel staff attorney involved with the Beale matter declined to be interviewed, as is required under Section 6(a) of the Inspector General Act. To our knowledge, the agency has not taken any action with respect to this attorney.

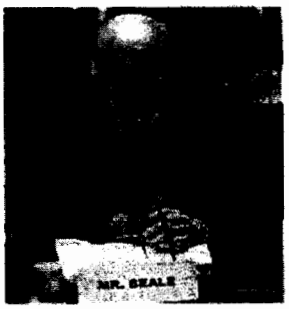
As a result of this refusal, we were limited in our ability to determine the Office of General Counsel's involvement in, knowledge of, and actions taken related to the Beale matter. For example, the timing and extent of the Office of General Counsel's involvement in contacting the EPA's OHS is unknown.

Significant OIG Activity

Beale Gets Prison Term; Additional Reviews Conducted

John C. Beale Sentenced to 32 Months in Prison for Multiple Frauds

John C. Beale, a former Senior Policy Advisor for the EPA, was sentenced on December 18, 2013, to serve 32 months in prison following a plea agreement in which he admitted perpetrating multiple frauds to avoid performing his EPA job while still being paid. Beale also was sentenced to pay $886,186 in restitution and a forfeiture judgment of $507,207. He will serve 2 years of probation upon release from prison.


John C. Beale

"Today's sentencing closes the sordid chapter of John Beale's numerous and egregious fraudulent activities perpetrated against the federal government over a very long period of time," said EPA Inspector General Arthur A. Elkins Jr. on the day of the sentencing. "While this chapter has ended, we have started a new one in which the Office of Inspector General is actively looking at the EPA's sloppy internal controls and management actions that enabled Mr. Beale's frauds to occur."

Beale was employed by the EPA from 1989 until April 30, 2013. He was assigned to the Office of Air and Radiation. For much of his time at the EPA, Beale was a Senior Policy Advisor. His duties included assisting in the planning, policy implementation, direction and control of EPA programs, and he attended international conferences in foreign countries. In August 2000, Beale was promoted to a senior-level employee, making him among the highest-paid, non-elected federal government employees. For more than a dozen years, Beale collected pay from the EPA while claiming he was out of the office working on a project for the Central Intelligence Agency (CIA) as well as other efforts. In fact, Beale was not working for the CIA or the EPA but was at home attending to personal business. Over a 13-year period, Beale was absent from his EPA duties for about 2½ years but drew a salary and benefits.

Beale continued to receive a 25-percent retention bonus for 10 years after the bonus expired. In September 2011, a retirement party was held for Beale, but a year later an EPA manager discovered that Beale was still receiving a paycheck. Beale also claimed he needed a reserved parking space at the EPA, at a total cost of about $8,000, due to the malaria he said he contracted while serving in the U.S. Army in Vietnam, but Beale never served in Vietnam or contracted malaria. Beale also received travel expenses for research that could have been done at his EPA office, and he inappropriately traveled first class and stayed at hotels that far exceeded allowed government lodging rates.

OIG Leaders Testify Before Congress on John C. Beale Matter

EPA OIG Inspector General Elkins and Patrick Sullivan, the Assistant Inspector General for Investigations, both testified on October 1, 2013, before the U.S. House of Representatives' Committee on Oversight and Government Reform regarding the Beale case.

"Once my office learned about the serious allegations made against Mr. Beale, the OIG's Office of Investigations immediately launched and quickly completed a successful investigation of what you will certainly agree to be an egregious and almost unbelievable case," Elkins told the committee members.

Sullivan told the committee that the OIG investigation had included interviews of more than 40 individuals and the examination of thousands of documents. He went into extensive detail on the various improprieties that occurred, and noted that "The Office of Investigations continues to determine the extent of potential administrative misconduct of other senior EPA employees whose failure to exercise due diligence allowed this fraud scheme to occur and continue unchecked for as long as it did."

In addition, both Sullivan and Elkins pointed out that the OIG had started audit work to research underlying causes and internal control weaknesses at the EPA that enabled Beale to perpetuate his fraud for an extended period of time. "As a result of this investigation, the OIG's Office of Audit has mobilized to aggressively assess the various internal control issues at the EPA that allowed this highly troubling scenario to occur," Elkins told the committee members. During the semiannual reporting period, the OIG issued two early warning reports addressing internal control weaknesses, as discussed below.

Audit Report Notes Internal Control Issues Concerning John C. Beale's Pay

An OIG early warning report issued in December 2013 at the request of a member of the U.S. Senate's Committee on Environment and Public Works found that the fraud committed by Beale was enabled by ineffective internal controls and a lack of management attention at the EPA.

Internal controls that the EPA had in place did not identify and/or prevent abuses related to:

- Retention bonuses.
- Pay in excess of statutory limits.
- Time and attendance.

Agency managers did not take timely, effective action to address Beale's retention bonus and pay in excess of statutory limits even though the managers were presented with these

issues in July 2010. Management said they had believed that Beale's pay issues were an administrative matter they did not consider a priority to address. The EPA's insufficient internal controls over timekeeping facilitated Beale's time and attendance abuses.

In response to our report, the agency identified internal control improvements that could be made. These improvements included modification to the time-and-attendance system to ensure managers approve individual employee timecards, quarterly review of time-and-attendance records to confirm time is being entered and approved properly, and a quarterly review to determine whether an employee is receiving a retention bonus or has been paid over the statutory pay cap.

(Report No. 14-P-0036, Early Warning Report: Internal Controls and Management Actions Concerning John C. Beale's Pay Issues, December 11, 2013)

Audit Report Notes Issues Related to John C. Beale's Travel

Another OIG early warning report issued at the request of a member of the U.S. Senate's Committee on Environment and Public Works noted that a lack of management oversight and weak internal controls enabled Beale's travel abuse.

Beale's travel abuse included using premium (first) class travel, incurring expenses above per diem amounts, and charging questionable travel and transportation costs. Contributing factors to the abuse were limited review of vouchers or receipts, questions raised about Beale's travel being dismissed, expenses not being questioned because Beale's reviewing official was a peer, and concern that Beale's behavior and travel expenses were supported by another senior executive.

In response to our report, the agency identified internal control improvements that could be made to prevent or detect travel-related abuses. The agency noted that, since 2012, vouchers for travel other than coach must include an approved waiver and 100-percent review before payment. Effective November 2013, the EPA indicated that eligibility regarding medical documentation supporting premium class travel waivers is to be confirmed. Starting in the second quarter of FY 2014, the agency said second line supervisors are to approve lodging amounts that exceed a designated percentage. Also, management indicated that by February 2014 internal control assessments would be completed for travel in the areas of premium class travel above the government rate travel reimbursement and executive travel approvals.

(Report No. 14-P-0037, Early Warning Report: Internal Controls and Management Actions Concerning John C. Beale's Travel, December 11, 2013)

Congressionally Requested Reviews Conducted

In addition to the two reports regarding John C. Beale, the OIG issued two other reports in response to congressional requests during the semiannual reporting period.

Improvements Could Enhance Protection of Human Study Subjects

The EPA can enhance its human studies by improving how it obtains approval for studies, communicates risk to people who participate in EPA studies, and addresses adverse events in EPA guidance.

An EPA human subjects air pollution test chamber. (EPA OIG photo)

The EPA must follow applicable regulations and obtain approval— including from a biomedical Institutional Review Board and the EPA Human Studies Research Review Official—to conduct human research studies. The EPA needs to obtain informed consent from human study subjects before exposing them to pollutants. The agency is also required to address adverse events and report them. These measures are intended to properly protect study subjects.

During our review conducted as a result of a congressional request, we found that the EPA followed applicable regulations when it exposed 81 human study subjects to concentrated airborne particles or diesel exhaust emissions in five EPA studies conducted during 2010 and 2011. However, we identified improvements that could be made. For example, the EPA's policies and guidance do not address when the EPA Human Studies Research Review Official's approval is needed for significant study modifications. Also, while the EPA's consent forms met regulatory requirements, exposure risks were not always consistently represented, and the EPA did not include information on long-term cancer risks in its diesel exhaust studies' consent forms. The EPA's policy, guidance and consent forms do not establish the agency's clinical follow-up responsibilities for adverse events. Further, the policy and guidance of the EPA's National Health and Environmental Effects Laboratory did not state that it was using the University of North Carolina at Chapel Hill's Institutional Review Board's adverse event definitions and reporting timeframes.

We recommended that the EPA establish procedures for obtaining approval of significant study modifications, ensure consent forms consistently address pollutant risks and include any known or likely carcinogenic effects, update its guidance to include EPA clinical follow-up responsibilities, clearly state adopted adverse event definitions and reporting timeframes, and address a number of other recommendations. The EPA's planned corrective actions and completion dates meet the intent of the recommendations.

(Report No. 14-P-0154, Improvements to EPA Policies and Guidance Could Enhance Protection of Human Study Subjects, March 31, 2014)

EPA Acted Properly in Issuing Emergency Order to Drilling Company

We concluded that EPA Region 6's issuance of a Safe Drinking Water Act emergency order to the Range Resources Gas Drilling Company, instructing it to investigate the groundwater and soil near its gas well in Texas, conformed to agency guidelines, regulations and policy.

In August 2010, a homeowner in Parker County, Texas, complained to Region 6 that the drinking water well associated with his home had become contaminated with natural gas and requested assistance. The homeowner indicated that he had contacted the Texas Railroad Commission but the commission had not been able to resolve his issues. Region 6, in consultation with the Railroad Commission, conducted testing. Test results showed levels of methane that presented a potential explosion hazard and benzene levels above the EPA's published maximum contamination levels. The research identified two hydraulic fracturing gas wells operated by Range Resources as the likely sources for contamination based on their location, timing of operation and gas characteristics. However, the Texas Railroad Commission did not share the EPA's conclusion that the gas wells caused the well contamination.

Outside the Range Resources' Butler and Teal hydraulic fracturing well sites. (EPA OIG photo)

On December 7, 2010, Region 6 issued an emergency order under a provision of the Safe Drinking Water Act. The order required Range Resources to conduct additional research on the source and extent of contamination, provide drinking water to affected residents, and develop a plan to mitigate aquifer contamination. Range Resources did not fully comply with the order and legal actions ensued. After reaching a nonbinding agreement with the company for additional testing, the EPA withdrew the order in March 2012.

Our review, conducted as a result of a congressional request, found that EPA Region 6's issuance of the emergency order conformed to agency guidelines, regulations and policy. We recommended that Region 6 collect and evaluate the testing results provided by Range Resources and determine whether an "imminent and substantial endangerment" still existed. We also recommended that Region 6 inform affected residents about the present status of the contamination and any Region 6 planned actions. The agency agreed with our recommendations and noted corrective actions taken or planned.

(Report No. 14-P-0044, Response to Congressional Inquiry Regarding the EPA's Emergency Order to the Range Resources Gas Drilling Company, December 20, 2013)

Potential Cost Savings Identified

EPA Warehouse in Ohio Spent $1.5 Million to Store Excess Publications

During our review of EPA warehouses, we found that the EPA's National Service Center for Environmental Publications in Blue Ash, Ohio, stored an extensive amount of excess publications, resulting in our issuing an early warning report to have the agency take immediate action.

The Blue Ash warehouse maintains and distributes the EPA's environmental publications in hard copy, CD ROM and other multimedia formats. However, we found that the EPA was storing more than 6 years' worth of publications at the warehouse. In December 2013, the warehouse had an inventory of more than 18 million publications but averaged only about 3 million publications shipped on a yearly basis. Consequently, the EPA is tying up funds by storing and caring for excess stock, and we believe that the agency can put as much as $1.5 million to better use by reducing its inventory of excess publications.

Rows of boxed publications at the EPA warehouse operated by a contractor in Blue Ash, Ohio. (EPA OIG photo)

Following EPA OIG visits to the Blue Ash warehouse and several follow-up discussions with staff, the warehouse reported that it recycled almost 2 million items, consisting of more than 140 tons of material, between June and October 2013.

(Report No. 14-P-0132, Early Warning Report: National Service Center for Environmental Publications in Blue Ash, Ohio, Spent $1.5 Million to Store Excess Publications, March 11, 2014)

California Air Board Faces Potential $8.86 Million Repayment

The California Air Resources Board claimed costs under an EPA cooperative agreement that did not comply with the agreement's terms and conditions. The EPA already has collected $94,109 for ineligible costs paid, and may recover an additional $8.77 million.

The board received an American Recovery and Reinvestment Act grant from the EPA to repower eight existing switch-yard locomotives with new engines. During our review, we found material weaknesses in the board's compliance with laws, regulations, and terms

and conditions of the cooperative agreement. Specifically, the board did not comply with the requirement of the cooperative agreement and the Energy Policy Act of 2005 to scrap or remanufacture old engines. The board also did not accurately report jobs created or retained, or provide actual emissions reduction calculations as required. Further, the board paid contract costs that were not in accordance with contract terms.

An example of a switch-yard locomotive. (EPA photo)

We recommended that EPA Region 9 disallow and recover ineligible costs of $94,109 claimed under the cooperative agreement and require the board to establish internal controls prior to any future awards. The grantee repaid the $94,109 to the EPA. Further, the board's contractor—BNSF Railway Company—also signed an agreement to scrap or remanufacture the replaced engines. We recommended that the region verify that the board and BNSF comply with the agreement and document the scrap or remanufacture, and recover the federal share of $8,771,891 claimed if the board violates the November 2013 agreement.

(Report No. 14-R-0130, Unless California Air Resources Board Fully Complies With Laws and Regulations, Emission Reductions and Human Health Benefits Are Unknown, March 6, 2014)

Colorado Grant Has Questioned Costs Totaling $2,593,495

The Colorado Department of Public Health and Environment generally complied with state and federal procurement policies and procedures regarding an American Recovery and Reinvestment Act grant received from the EPA. However, the grantee did not always complete analysis and bid proposal requirements, resulting in $2,593,495 in questioned costs.

EPA Region 8 awarded Colorado $18,888,888 for remediation of the Summitville Mine Superfund site, including construction of a water treatment facility. An audit conducted by an independent accounting firm on behalf of the EPA OIG found that the grantee generally complied with policies and procedures. However, the review found that Colorado did not always comply with cost or price analysis requirements, and did not include all required language in bid proposals.

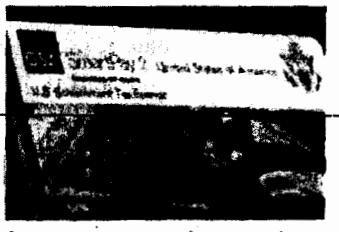
The report recommended that the EPA have the grantee take various corrective actions, and that the EPA recover questioned costs of $2,593,495 or have the grantee provide documentation to support grantee actions. The grantee only agreed that it had omitted some required contract language and did not propose any corrective actions.

(Report No. 14-R-0032, The State of Colorado Did Not Fully Assure That Funds Intended to Treat Mining Wastes and Remove Contaminants From Water Were Effectively Spent, November 19, 2013)

Inappropriate Charge Card Purchases of $79,254 Noted

The EPA did not provide effective oversight to ensure that purchase card holders and approving officials complied with internal control procedures, resulting in $79,254 of prohibited, improper and erroneous purchases.

For FY 2012, the EPA's 1,370 active cardholders transacted more than $29 million in purchases. Of $152,602 in transactions sampled, we found $79,254 of prohibited, improper and erroneous purchases that had not been detected. These included the purchase of gym memberships, meals for an awards recognition ceremony, and gift cards.



A government purchase card. (General Services Administration photo)

We recommended that the EPA implement regular transaction reviews, provide additional training, and revise the Contracts Management Manual to more specifically address erroneous and illegal purchases. The EPA's planned corrective actions addressed all of our recommendations. The EPA began taking action to improve the oversight of purchase cards and is considering other improvements.

(Report No. 14-R-0128, Ineffective Oversight of Purchase Cards Results in Inappropriate Purchases at EPA, March 4, 2014)

EPA Asked to Recover $571,626 in Grant Funds From Association

The financial management and procurement system of the National Association of State Departments of Agriculture Research Foundation did not meet certain federal requirements and conditions pertaining to a $3.6 million EPA cooperative agreement award. As a result, we asked the EPA to recover $571,626 of potentially unallowable costs.

The association received an EPA grant to support national and international pesticide safety education programs for agricultural workers. However, the association's financial management system did not meet certain federal requirements and conditions of the EPA award. As a result, we questioned $275,650. The association did not document its procurement selection process or provide documentation to support any cost or price analysis performed on its project management subcontract as required by the Code of Federal Regulations. In addition, the association's written procurement policy lacked procedures to ensure compliance with the Code of Federal Regulations. As a result, we questioned $295,976. We also

Pesticides being applied to a field. (EPA photo)

identified an unresolved issue pertaining to potentially unallowable costs of $118,324 drawn under a prior EPA award. The costs, recorded as a refundable advance, represent funds received as of year-end but not yet earned.

We recommended that the EPA disallow and recover $571,626. We also recommended that the EPA require the association to recalculate its indirect cost rates, and establish controls to ensure that its financial management and procurement systems comply with requirements. In addition, we recommended that certain special conditions be included for all active and future EPA awards to the association until the association meets all applicable federal requirements. The association did not agree with the OIG findings and recommendations, but the association did modify its subcontract for project management services and its written procurement procedures. The EPA agreed with the OIG recommendations and said it would work with the association to resolve the issues.

(Report No. 14-P-0131, National Association of State Departments of Agriculture Research Foundation Needs to Comply With Certain Federal Requirements and EPA Award Conditions to Ensure the Success of Pesticide Safety Programs, March 10, 2014)

Costs Claimed for Greater Lansing Grant Generally Not Allowable

A review found that grant costs claimed by the Greater Lansing Area Clean Cities were generally not allowable. Two contracts with conflicts of interest were awarded, resulting in $805,769 in claimed costs being questioned.

The EPA awarded the grantee $1,670,325 under the American Recovery and Reinvestment Act to retrofit 364 public school buses with emission reduction equipment and replace 10 public school buses with lower-emission vehicles. An audit conducted by an independent accounting firm on behalf of the EPA OIG found that the grantee complied with procurement procedures and Recovery Act requirements, and met all grant objectives. However, the review found two contracts with conflicts of interest that resulted in the questioning of $805,759 in claimed costs. The report also indicated the grantee's accounting system needed to better identify costs by project.

The report recommended that Region 5 require the grantee to recover questioned costs of $805,759. The report also recommended that Region 5 verify that the grantee's accounting system was adequate for providing accurate and complete disclosure of financial results prior to any future award. The grantee disagreed with the findings and recommendations. Region 5 disagreed with the accounting system issue and stated that the region did not have sufficient information to comment on the conflict of interest issue.

(Report No. 14-R-0088, Audit of American Recovery and Reinvestment Act Cooperative Agreement 2A-00E85701 Awarded to the Greater Lansing Area Clean Cities, January 9, 2014)

EPA Did Not Conduct Thorough Biennial User Fee Reviews

The EPA did not conduct thorough biennial user fee reviews for FYs 2008–2009 and 2010–2011, and did not review all agency programs to determine whether they should assess fees for government services they provide. Consequently, the EPA may not have recovered all program costs.

The Chief Financial Officers Act of 1990 directs agencies to review, on a biennial basis, the agency's fees and other charges for services provided to determine whether additional fees should be assessed. The EPA did not sufficiently conduct cost reviews, report biennial review results to the Office of Management and Budget (OMB), request user fee exceptions by letter to OMB, or review all programs for fee potential. We identified an EPA program—the Office of Water's National Pollutant Discharge Elimination System permit program—with the potential to charge fees up to $8.9 million per year to recover its costs of providing a service.

We recommended that the Chief Financial Officer discuss biennial user fee results in the Agency Financial Report, coordinate requests for an exception to charging fees, and request fee exception programs to provide complete fee and cost information. We also recommended that the Office of Water conduct an analysis to determine the EPA's full cost of issuing National Pollutant Discharge Elimination System permit fees and determine whether it should charge fees for the permits or request an exception to fees. The agency agreed with our initial and revised recommendations.

(Report No. 14-P-0129, EPA Did Not Conduct Thorough Biennial User Fee Reviews, March 4, 2014)

Other Human Health and Environment Issues

Beaches in U.S. Virgin Islands Not Monitored for 2 Weeks

The U.S. Virgin Islands did not monitor beaches on St. Thomas and St. John for pathogens for the 2-week period of February 3–16, 2014, due to contract issues.

Based on a request from the EPA Region 2 Regional Administrator, the OIG evaluated the U.S. Virgin Islands performance under the Beaches Environmental Assessment and Coastal Health Act of 2000. The U.S. Virgin Islands accepted an EPA grant of $303,000 for FYs 2013 and 2014 for the weekly monitoring of 43 beaches on the islands of St. Croix, St. John and St. Thomas. Under the grant, the U.S. Virgin Islands is responsible for analyzing monitoring results and informing the public of any beach contamination.

From February 3–16, 2014, the U.S. Virgin Islands did not have 23 beaches on St. Thomas and St. John monitored to identify any harmful levels of contamination in the water. The lapse in sampling created risk that the public was exposed to unsafe levels of bacteria and the environment may have been endangered. Region 2 was unaware that the U.S. Virgin Islands' contract with the company collecting beach monitoring samples had lapsed, or that the U.S. Virgin Islands had not paid the company for sampling work since July 2012. Although the U.S. Virgin Islands provided public notice by issuing press releases to two local newspapers regarding the lack of monitoring, those notices may not have been adequate notice for tourists who may not read the local newspapers.

A view of Magen's Bay in St. Thomas. (EPA OIG photo)

The U.S. Virgin Islands restarted beach sampling on February 17, 2014. We recommended that the EPA Region 2 immediately take steps to ensure that beach monitoring and public notification meet EPA guidelines and that the U.S. Virgin Islands has a sustainable beach monitoring program in place. The agency agreed with our recommendations and has begun working with the U.S. Virgin Islands to address beach monitoring program deficiencies.

(Report No. 14-P-0155, Quick Reaction Report: EPA Oversight Needed to Ensure Beach Safety in U.S. Virgin Islands, March 31, 2014)

Environmental Benefits Being Considered for Great Lakes Grants

Spurred by the OIG's audit findings alerting it to potentially misdirected grants, EPA Region 5 took prompt action to ensure that Great Lakes Shoreline Cities Green Infrastructure grants will support lakewide management plan activities and result in the reduction of discharges to the Great Lakes, although the grant announcement could have been more specific.

The EPA invited 22 cities to submit applications for Great Lakes infrastructure grants to fund projects to reduce urban runoff and sewer overflows, and gave out $8.5 million in grants. The EPA OIG received a hotline complaint that the grants were only being awarded based on population and potential environmental benefits was not the primary factor.

View of Chicago, a Great Lakes shoreline city. (EPA photo)

While the grant announcement did not specifically require proposed projects to support lakewide management plan activities as identified in the competition exemption, Region 5 management agreed that the announcement should have been more specific. To address the issue, Region 5 developed criteria for staff to use when reviewing grant applications, including how each proposed project will support lakewide management plan goals and result in reducing discharges. Since Region 5 took action to address the issue noted, the report contained no recommendations.

(Report No. 14-P-0004, Environmental Benefits Being Considered in Award of Great Lakes Grants, November 5, 2013)

Complaints Regarding Debris at Texas Explosion Site Addressed

Although debris was removed from a Texas explosion site and "dumped" nearby without state or EPA knowledge, as alleged in a hotline complaint, the debris was identified as non-hazardous and was appropriately managed by the state.

On April 17, 2013, an explosion occurred at the Adair Grain Inc. Fertilizer Plant site in West, Texas, killing 14 people and injuring about 200. EPA Region 6 staff provided oversight of responsible party removal actions to address environmental threats.

The complaint alleged that possibly hazardous debris was removed from the site and "dumped" onto two private properties across the road. Although we substantiated that there were two debris piles, they were not found to be hazardous. EPA and state staff said the debris was removed and put at the two properties without their knowledge by another

federal agency. The complaint also alleged that there was a leaking water main below the two debris piles that could have contained contamination, and although we substantiated the allegation, the water main was disconnected after the explosion.

We noted that the EPA Region 6 report of its response oversight activities incorrectly stated that the city of West rather than a water supply company managed the water main, and EPA Region 6 corrected the report reference.

According to state staff, debris removal at the two properties is complete. The debris removed was tested, found to be non-hazardous, and appropriately recycled or disposed.

(Report No. 14-P-0123, Complaints Regarding Debris Management at the West, Texas, Fertilizer Plant Explosion Have Been Addressed, February 24, 2014)

Damaged volumetric tanks and equipment at the Adair Grain Inc. Fertilizer Plant in West, Texas. (EPA photo)

Agency Business Practices and Accountability

EPA Needs to Better Follow National Security Information Classification Standards

Our review of both originally and derivatively classified documents generated by three offices found that the EPA's national security information could be improperly classified without improved procedures.

We reviewed the EPA's classified national security information practices as required by the Reducing Over-Classification Act. Of the two originally classified documents reviewed, portions of one needed different classification levels and the other contained numerical data that were incorrectly transferred from another document. Also, three proposed guides were in the approval process for 12 months when it must take no more than 30 days. In addition, the declassification process needs clarity since one pending declassification request also had been in the approval process for almost a year when it should take no more than 60 days. Regarding derivatively classified documents, none of the 19 such documents reviewed completely met requirements.

Original Classification: The initial determination to classify is made by an original classification authority; in the EPA, the Administrator is the sole original classification authority.

Derivative Classification: Others in the EPA can classify information derivatively on the basis of source documents already classified or classification guides.

We recommended that EPA organizations correct originally and derivatively classified documents as needed, improve training, and develop a process to address declassification requests. We also recommended that the EPA submit a single, unclassified classification guide for approval. The agency agreed with our recommendations except for the one to develop a process for approving classification guides.

(Report No. 14-P-0017, EPA Does Not Adequately Follow National Security Information Classification Standards, November 15, 2013)

EPA Needs to Improve Personally Identifiable Information Safeguards

The EPA has not created formal policies and procedures for several processes that contribute to the safeguarding of Personally Identifiable Information. Without proper controls, the information is vulnerable to unauthorized access and misuse.

The EPA must safeguard individuals' privacy in a manner consistent with the Privacy Act, the E-Government Act of 2002 and other federal requirements. However, we found

that the EPA did not have sufficient policies and procedures or sufficient management oversight. Consequently, the agency did not ensure that employees were aware of their responsibilities for protecting sensitive information. The EPA was using an inaccurate list of systems with Personally Identifiable Information. Also, EPA training only covered a portion of the necessary topics.

We recommended that the EPA implement a "rules and consequences" procedure for safeguarding Personally Identifiable Information, develop and implement a process for maintaining an accurate and current listing of systems that contain sensitive Personally Identifiable Information, and implement a process to train individuals who access Personally Identifiable Information. The agency concurred with our recommendations and provided corrective action plans.

(Report No. 14-P-0122, EPA Needs to Improve Safeguards for Personally Identifiable Information, February 24, 2014)

Controls for Emergency Contracts Need Improvement

Review of task order files and invoices for Region 6 Emergency and Rapid Response contracts disclosed that infrequent internal control reviews and inadequate staffing hamper the region's ability to prevent and detect many contract management shortcomings, resulting in higher contract costs.

Region 6 had two Emergency and Rapid Response Services contracts that provide cleanup personnel, equipment and materials to contain, recover or dispose of hazardous substances; analyze samples; and conduct site restoration. As of October 2012, Region 6 issued 174 task orders under the two contracts totaling $77.6 million in expenditures. We identified two conditions that resulted in higher costs to the government:

- One prime contractor was applying a general and administrative indirect rate to its team subcontractors' other direct costs, which went against the prime contractor's proposal and indirect cost rate letter.
- Both prime contractors were receiving additional profit because the fixed labor rates negotiated between the EPA and prime contractors were based solely on the prime's labor rates.

We recommended that Region 6 require procurement personnel to conduct internal control reviews twice a year, address issues related to subcontract other direct costs in the existing contracts, and require that proposals for future contracts include subcontractor rates as required. Region 6 concurred with some but not all of our recommendations.

(Report No. 14-P-0109, Internal Controls Needed to Control Costs of Emergency and Rapid Response Service Contracts, as Exemplified in Region 6, February 4, 2014)

EPA Earns Unqualified Opinion on Financial Statements

We rendered an unqualified opinion on the EPA's Consolidated Financial Statements for FYs 2013 and 2012, meaning that the statements were fairly presented and free of material misstatements. However, we noted several significant deficiencies:

- The EPA overstated Superfund State Contract credits.
- The EPA's high number of accounting corrections indicates an internal control weakness.
- Internal controls over the EPA's accountable personal property inventory process need improvements.
- Software was improperly recorded in the Compass Financials accounting system.
- The EPA needs to improve access control procedures for key financial systems.
- The EPA needs to improve processes for following up on identified network vulnerabilities.

We also noted a noncompliance issue with the Federal Financial Management Improvement Act. We found that the agency had a high number of accounting corrections due to posting model and other system errors at the transaction level. The high number of accounting corrections indicates an internal control weakness.

The agency agreed with most of our findings and recommendations. However, the agency did not agree that the number of accounting corrections was high. The agency posted more than 100 journal entries to correct posting model errors; just one of those entries involved 206 transactions. Thus, while we do not believe the noncompliance rose to the level of substantial noncompliance, we consider the number of errors at the transaction level to be high and an internal control weakness.

(Report No. 14-1-0039, Audit of EPA's Fiscal 2013 and 2012 Consolidated Financial Statements, December 16, 2013)

Pesticide Funds Earn Unqualified Opinions

We rendered unqualified, or clean, opinions on the FYs 2012 and 2011 financial statements (restated) for two funds the EPA uses to collect pesticide fees.

The Pesticide Registration Improvement Act authorized the EPA to assess and collect pesticide registration fees to expedite registering certain pesticides; the fees are deposited into the Pesticide Registration Fund. In our opinion, the financial statements for the fund were fairly presented and free of material misstatement. However, we noted two material weaknesses in internal controls. The EPA materially overstated the expenses from other appropriations that support the fund because the agency does not have an effective system to accurately accumulate such costs. The EPA also materially understated fund payroll

liabilities covered by budgetary resources as well as related payroll expenses included in gross costs. The agency agreed with our recommendations and initiated or agreed to initiate sufficient corrective actions. *(Report No. 14-1-0042, Fiscal Years 2012 and 2011 (Restated) Financial Statements for the Pesticide Registration Fund, December 17, 2013)*

To expedite reregistering older pesticides and assessing them against modern health and environmental testing standards, Congress authorized the EPA to collect fees from pesticide manufacturers; the fees are deposited into the Pesticides Reregistration and Expedited Processing Fund. In our opinion, the financial statements for the fund were fairly presented and free of material misstatement. However, we noted the same two material weaknesses in internal controls that we had noted regarding the Pesticide Registration Fund (see above). The agency agreed with our recommendations and initiated or agreed to initiate sufficient corrective actions. *(Report No. 14-1-0041, Fiscal Years 2012 and 2011 [Restated] Financial Statements for the Pesticides Reregistration and Expedited Processing Fund, December 17, 2013)*

EPA Needs to Improve Electronic Reporting Procedures

The EPA lacked documented procedures that reflect current operations of the Cross-Media Electronic Reporting Regulation program. An absence in management controls could lead the EPA to receive electronic documents that are unacceptable in administrative or judicial enforcement proceedings.

The EPA information systems receiving electronic reports for programs that states, tribes or local governments are authorized to manage must meet Cross-Media Electronic Reporting Regulation standards. This requirement is intended to reduce the cost and burden of electronic reporting while maintaining corporate and individual responsibility.

The EPA has neither implemented monitoring activities to verify an electronic reporting system's functionality before and after approval nor implemented processes to ensure the system's applications are completed, reviewed and approved within required timeframes. The EPA also lacked formal written processes to ensure consistency in making determinations for submitted applications. We found that 20 percent of reviewed applications lacked explicit support for determinations.

We recommended that the EPA create a process to verify a state's compliance with the electronic reporting program, and implement a completeness review process consistent with the program and develop internal guidance. The EPA's planned corrective actions addressed all of the recommendations and are also developing a new management system that will allow electronic reporting stakeholders to monitor their applications through the review process.

(Report No. 14-P-0143, EPA Needs to Improve Management of the Cross-Media Electronic Reporting Regulation Program in Order to Strengthen Protection of Human Health and the Environment, March 21, 2014)

Information Systems and Data at Risk Due to Insufficient Training

The EPA lacks an information security role-based training program that defines specific training requirements for personnel with significant information security responsibilities.

The E-Government Act of 2002 requires federal agency information technology security personnel to maintain sufficient training and knowledge to conduct their duties. An audit conducted by an independent accounting firm on behalf of the EPA OIG found that implementation of the EPA's information security training program is hindered by inconsistent assignment of information security roles across various EPA offices. The current training program does not consider specific needs of technical and managerial personnel responsibilities for implementing information security. As a result, training may be insufficient to ensure personnel are trained on key information security roles.

The report recommended that the agency define key information security aspects and duties for each security role, provide additional training options, standardize terminology and definition of responsibilities, and provide clearer delineation of responsibilities. The EPA agreed with the recommendations and is taking corrective action.

(Report No. 14-P-0142, EPA's Information Systems and Data Are at Risk Due to Insufficient Training of Personnel With Significant Information Security Responsibilities, March 21, 2014)

EPA's Computer Security Program Should Be Improved

Our annual review of the EPA's implementation of the Federal Information Security Management Act for FY 2013, submitted to OMB, disclosed that improvements should be made.

The EPA has established an agencywide information security program that assesses the security state of information systems that is consistent with requirements. However, the EPA should improve processes for timely remediation of scan result deviations; address risks from an organizational, mission and business, and information system perspective; and obtain sufficient assurance that security controls for contractor systems are effectively implemented and comply with guidelines. We briefed the agency on our results.

(Report No. 14-P-0033, Fiscal Year 2013 Federal Information Security Management Act Report: Status of EPA's Computer Security Program, November 26, 2013)

Investigations

Significant Investigations

Man Gets 14 Years in Prison for Part in New Jersey Kickback Scheme

On March 3, 2014, Gordon D. McDonald, of Berlin, New Jersey, was sentenced in the U.S. District Court of New Jersey to 14 years in prison, followed by 1 year of supervised release, for his involvement in a kickback and bid rigging scheme related to two Superfund sites. In addition, McDonald was ordered to pay a $50,000 fine. The amount of restitution is pending.

On September 30, 2013, following a 2-week trial, a jury found McDonald—a project manager with Sevenson Environmental Services Inc.—guilty of engaging in bid rigging, kickback and fraud conspiracies with three subcontractors at two New Jersey Superfund sites—Federal Creosote in Manville and Diamond Alkali in Newark. He also was convicted of engaging in an international money laundering scheme, major fraud against the United States, accepting illegal kickbacks, committing two tax violations and obstruction of justice.

The various conspiracies took place from about December 2000 to April 2007. As part of the conspiracies, McDonald and co-conspirators accepted kickbacks from subcontractors in exchange for the award of subcontracts for the two sites. McDonald provided co-conspirators with bid prices of their competitors, which allowed them to submit higher prices and still be awarded the subcontracts. In exchange for his assistance, McDonald was paid more than $1.5 million in kickback payments. McDonald also accepted kickbacks in exchange for the award of subcontracts at the Federal Creosote site where he conspired to rig bids and allocate subcontracts at inflated prices for supplies and services.

In a related matter, another person involved in the case was given additional jail time. On October 16, 2013, James E. Haas Jr., a former representative of a New Jersey subcontractor, was sentenced to 6 months in prison to be followed by 24 months of supervised release. He also was ordered to pay his outstanding restitution of $48,732. Haas already had served 33 months in jail following a February 2010 sentencing, and was given the additional prison time due to parole violations.

To date, nine individuals and three companies have been convicted or pleaded guilty in the ongoing investigation related to the two Superfund sites, and more than $6 million in criminal fines and restitution have been imposed. The clean-up for the two sites was partly funded by the EPA. Under an interagency agreement between the EPA and the

U.S. Army Corps of Engineers, prime contractors oversaw the removal, treatment and disposal of contaminated soil, as well as other operations, at the sites.

This case is being conducted with the Internal Revenue Service Criminal Investigation Division.

Professor Sentenced to 33 Months in Jail for Grant Fraud

On November 26, 2013, Ademola L. Ejire, a professor at Shaw University in Raleigh, North Carolina, was sentenced in the U.S. District Court for the Eastern District of North Carolina to 33 months in jail to be followed by 24 months of supervised release after pleading guilty to mail fraud. He also was ordered to pay $470,139 in restitution to the EPA.

From 2001 to 2012, Ejire managed the EPA Research Apprenticeship Program at Shaw University. An EPA grant provided funding for high school students who have an interest in science and math. At the end of the application process, students who meet the academic and attendance criteria in the eighth grade can apply for entry in the program, and 10 to 12 students are chosen to enter the program in the ninth grade.

From 2001 to July 2012, by submitting falsified timesheets, Ejire fraudulently represented that his wife was an employee of Shaw University working as the EPA program coordinator for the EPA grant and that his children were participants in the EPA grant. The scheme enabled Ejire to fraudulently obtain about $470,000. This misappropriation of the funds provided for the Research Apprenticeship Program not only violated the trust of the American taxpayer, it deprived students an opportunity to receive all of the benefits of the program.

This case was conducted jointly with the FBI and the U.S. Postal Inspection Service.

Florida Contractor Sentenced to Jail for Kickback Scheme

Faustin Denis entered a guilty plea to four counts of conflict of interest/solicitation of a gift and was sentenced to 30 days in jail to be followed by 2 years of probation. The plea was made November 26, 2013, in a Florida court. Denis also was ordered to pay $25,000 for the costs of the investigation and prosecution.

From 2004 to 2008, Denis, through his company APAC Group, received more than $22 million in contracts from the city of Opa-Locka, Florida, to do street and sidewalk repairs and maintenance. Some of the funding came from EPA grant funds. APAC allegedly received its contracts through a bribery and money laundering scheme concocted by Opa-Locka's public works director and a city engineering consultant, who demanded kickbacks from Denis. APAC would win contracts from the city because it would put in

unreasonably low bids that did not accurately reflect prices. After the contract started, Denis would put in change orders to increase prices from 150 to 200 percent. That extra money allegedly went into the pockets of Denis and other fraud participants.

Additionally, on February 3, 2014, two other participants entered pleas of nolo contendere to charges of conflict of interest and solicitation of a gift. Each was sentenced to 24 months of probation and ordered to pay $2,500 to cover the cost of the investigation.

This case is being conducted jointly with the FBI, the Miami-Dade Police Department, and the Miami Dade County Commission on Ethics and Public Trust.

Alaska Tribal Official and Brother Get Jail Terms for Theft

Lori Ann Clum, of Anchorage, Alaska, was sentenced to 18 months in jail, to be followed by 3 years of probation, after pleading guilty to theft from a tribal organization. She also was ordered to pay $150,000 in restitution. Further, Clum's brother, James Kramer, was sentenced to 8 months in prison, followed by 1 year of probation, and was ordered to pay a $2,000 fine.

On January 6, 2014, Clum was sentenced in the U.S. District Court of Alaska for theft from the Native Village of Tatitlek. In April 2008, Clum was voted out of office as the President of the village but refused to acknowledge the election. She continued to maintain control over the village bank accounts until April 2009. During this time, she paid herself duplicate paychecks, took significant cash withdrawals, and wrote checks to herself totaling more than $200,000. This amount included a $20,000 cash withdrawal that she gave to her brother, James Kramer, which he used for personal expenses. Kramer pleaded guilty on January 17, 2014, to failure to file an income tax return.

The Native Village of Tatitlek receives the majority of its funding from federal sources, including the EPA.

This case was conducted jointly with the FBI and Internal Revenue Service Criminal Investigation Division.

New York Laboratory Fined $150,000 for Mailing False Results

Upstate Laboratories Inc. of East Syracuse, New York, was fined $150,000 for falsifying more than 3,300 laboratory results from 2008 through 2010.

After pleading guilty, Upstate Laboratories was sentenced on January 8, 2014, in the U.S. District Court for the Northern District of New York, for committing mail fraud related to the falsification of laboratory results from 2008 through 2010. In addition to the $150,000 fine, the lab was placed on 5 years' probation. Although Upstate Laboratories

has gone out of business, the court ordered it to prepare an environmental compliance plan and permit government inspections, should it ever resume business operations.

Upstate Laboratories performed chemical analysis of water and soil samples supplied by public and private clients. Certain analyses were required to be performed within specified timeframes ("holding times") after the samples were obtained due to the potential for chemical degradation. Upstate Laboratories further promised to use required procedures to ensure that the samples did not degrade. However, from 2008 through 2010, Upstate Laboratories engaged in the routine "backdating" of sample results where employees changed the dates when the samples were analyzed to make it appear that analysis had occurred within the required time periods when in fact they had not. Upstate Laboratories thereafter prepared false and fraudulent analysis reports representing that the samples were properly analyzed within required time frames and that the results were valid when they were not.

This case was conducted jointly with the EPA Criminal Investigation Division.

Probation Ordered in Gulf Oil Spill Case for Destroying Evidence

On January 21, 2014, Anthony Badalamenti, of Katy, Texas, was sentenced in the U.S. District Court for the Eastern District of Louisiana to 1 year of probation, 100 hours of community service and a $1,000 fine for destroying evidence related to the 2010 Gulf of Mexico oil spill.

Badalamenti, a former manager for Halliburton Energy Services Inc., was convicted of destroying evidence in the aftermath of the BP Exploration and Production Inc.'s massive 2010 Deepwater Horizon oil spill in the Gulf of Mexico. Badalamenti was the cementing technology director for Halliburton, BP's cement contractor on the Deepwater Horizon drilling rig. Badalamenti instructed two Halliburton employees to delete data from separate runs of computer simulations on centralizers, which were used to keep the casing centered in the wellbore. The data could have supported BP's decision to use six centralizers instead of 21. Halliburton notified the Justice Department about the deletion of the data, which could not be recovered.

The investigation was conducted by the Deepwater Horizon Task Force, which includes investigators from a number of federal and state organizations, including the EPA OIG.

Civil Settlement Reached in Air Sampling Case

A former contractor analyst entered into a $38,500 civil settlement with the U.S. Attorney's Office, Eastern District of North Carolina, to settle allegations that he improperly conducted laboratory tests.

From June 2006 until January 2010, the analyst was employed by a laboratory that had been contracted by the EPA to analyze air-monitoring samples collected under the Air Toxic Monitoring Initiative. The air samples originated from air monitors located nationwide, including around schools. The laboratory discovered the analyst was manually integrating continuing calibration verifications so that the scientific instruments used to conduct the analysis would pass the quality control requirements. The improper manual integrations allowed the Gas Chromatograph/Mass Spectrometer instruments to pass the quality control requirements while analyzing the air samples. When this situation was discovered, the laboratory fired the analyst and voluntarily reported the discovery to the EPA. Previously, the laboratory reached a $97,508 civil settlement.

EPA Employee Suspended for Letting Relative Use Laptop

An EPA employee was suspended for 14 days as a result of an investigation into administrative misconduct. The investigation did not disclose evidence to substantiate the allegation that the employee engaged in private business during duty hours or used government resources in furtherance of a private business. However, the investigation did disclose a deliberate computer security violation in that the employee allowed a relative to use his government-issued laptop for personal use. The employee admitted to providing his logon ID and password to his relative and permitted the relative to use his government-issued laptop during off-duty hours to search the Internet.

Significant Reports of Investigation Issued for Action

SES Employee Uses EPA Resources to Conduct Private Business

An OIG Report of Investigation disclosed that a Senior Executive Service (SES)-level employee used EPA resources to operate three private businesses, sold products to EPA colleagues and subordinates, and recommended a friend for employment to a company that had contracted with the EPA. We also noted that a relative of the SES employee, who is also an EPA employee, received cash awards from the subject's operating budget rather than the operating budget of the program office for which the relative was working.

The OIG conducted the investigation of the SES-level employee based on allegations of administrative misconduct. Six allegations were investigated, of which four were substantiated and two were unsubstantiated. On December 20, 2013, the OIG provided a

Report of Investigation to the employee's manager. On February 6, 2014, the manager notified the OIG in writing that she was reviewing the Report of Investigation, working with the Office of General Counsel and OIG investigators, and conducting independent fact finding. Additional investigative material was provided to the manager on February 7 to assist the manager in her decision regarding what action may be appropriate.

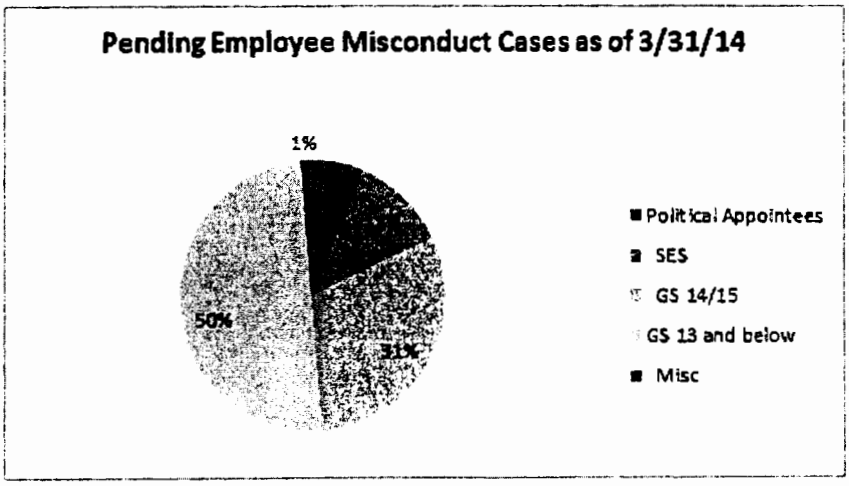
EPA Employee Uses Government Purchase Card to Purchase iPad

An OIG investigation determined that an employee used a government purchase card to purchase an Apple iPad for personal use at a cost of $805. The investigation concluded that the employee acted alone in this activity and it was an isolated incident, as no additional evidence of malfeasance was discovered. On December 16, 2013, the employee's supervisor was briefed on the facts and circumstances pertaining to the investigation. A Report of Investigation also was provided to the manager, who is considering this matter for possible administrative action.

Closed Employee Integrity Cases

Statistics on employee integrity investigation cases closed during the semiannual reporting period follow.

	Political appointees	SES	GS-14/15	GS-13 and below	Misc	Total
Pending 10/1/13	6	6	18	36	5	**71**
Open	1	3	7	12	0	**23**
Closed	2	0	1	9	4	**16**
Pending 3/31/14	5	9	24	39	1	**78**



"Misc" includes unknown subjects and contractor employees.

Legislation and Regulations Reviewed

Section 4(a) of the Inspector General Act requires the Inspector General to review existing and proposed legislation and regulations relating to the program and operation of the EPA and to make recommendations concerning their impact. We also review drafts of OMB circulars, memorandums, executive orders, program operations manuals, directives and reorganizations. The primary basis for our comments are the audit, evaluation, investigation and legislative experiences of the OIG, as well as our participation on the Council of the Inspectors General on Integrity and Efficiency. During the reporting period, we reviewed 20 proposed changes to legislation, regulations, policy, procedures or other documents that could affect the EPA or the Inspector General, and provided comments on one.

U.S. Chemical Safety and Hazard Investigation Board

The U.S. Chemical Safety and Hazard Investigation Board (CSB) was created by the Clean Air Act Amendments of 1990. The CSB's mission is to investigate accidental chemical releases at facilities, report to the public on the root causes, and recommend measures to prevent future occurrences.

In FY 2004, Congress designated the EPA Inspector General to serve as the Inspector General for the CSB. As a result, the EPA OIG has the responsibility to audit, evaluate, inspect and investigate the CSB's programs, and to review proposed laws and regulations to determine their potential impact on the CSB's programs and operations. Details on our work involving the CSB are available at http://www.csb.gov/inspector-general.

CSB Earns Unmodified Opinion on Financial Statements

The firm that audited the CSB's financial statement for FYs 2013 and 2012 on behalf of the EPA OIG rendered an unmodified opinion on the statements, meaning that they were fairly presented and free of material misstatements. The auditing firm found no matters involving CSB internal controls that it considered to be a material weakness, and the firm found no instances of noncompliance. Thus, the report made no recommendations. (*Report No. 14-1-0038, Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2013 and 2012 Financial Statements, December 16, 2013)*

Statistical Data

Profile of Activities and Results

Audit and evaluation operations	October 1, 2013 – March 31, 2014 ($ in millions)
Questioned costs *	$30.1
Recommended efficiencies *	$28.1
Costs disallowed to be recovered	$0.1
Costs disallowed as cost efficiency	$0.18
Reports issued by OIG	26
Reports resolved (Agreement by agency officials to take satisfactory corrective actions) **	99

Audit and evaluation operations Reviews performed by Single Audit Act auditors	October 1, 2013– March 31, 2014 ($ in millions)
Questioned costs *	$9.2
Recommended efficiencies *	$0.0
Costs disallowed to be recovered	$6.3
Costs disallowed as cost efficiency	$0.0
Single Audit Act reviews	130
Agency recoveries Recoveries from audit resolutions of current and prior periods (cash collections or offsets to future payments) ***	$0.7

Investigative Operations	October 1, 2013– March 31, 2013 ($ in millions)
Total Fines and Recoveries ****	$2.293
Cost Savings	$0.232
Cases Opened During Period	56
Cases Closed During Period	51
Indictments/Informations of Persons or Firms	24
Convictions of Persons or Firms	10
Civil Judgments/Settlements/Filings	1

* Questioned costs and recommended efficiencies are subject to change pending further review in the audit resolution process.

** Reports resolved are subject to change pending further review.

*** Information on recoveries from audit resolutions is provided by the EPA's Office of Financial Management and is unaudited.

**** Fines and recoveries resulting from joint investigations.

Audit, Inspection and Evaluation Report Resolution

Status report on perpetual inventory of reports in resolution process for semiannual period ending March 31, 2014

Report category	No. of reports	Questioned costs	[illegible]	[illegible]	[illegible]
A. For which no management decision was made by October 1, 2013*	145	$40,481	$13,425	$6,510	$8,822
B. Which were issued during the reporting period	156	39,310	28,110	6,414	177
C. Which were issued during the reporting period that required no resolution	99	0	0	0	0
Subtotals (A + B - C)	244	79,791	41,535	612,958	8,999
D. For which a management decision was made during the reporting period	156	28,201	3,314	6,414	177
E. For which no management decision was made by March 31, 2014	88	51,590	38,221	6,544	8,822
F. Reports for which no management decision was made within 6 months of issuance	109	27,923	10,111	0	0

* 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.

Table 1: Inspector General-issued reports with questioned costs for semiannual period ending March 31, 2014 ($ in thousands)

Report Category	Number	Questioned Costs*	Unsupported Costs
A. For which no management decision was made by October 1, 2013**	31	$40,481	$28,238
B. New reports issued during period	10	39,310	9,398
Subtotals (A + B)	41	79,791	37,636
C. For which a management decision was made during the reporting period:	9	28,201	13,466
(i) Dollar value of disallowed costs	4	6,414	6,313
(ii) Dollar value of costs not disallowed	5	21,787	7,513
D. For which no management decision was made by March 31, 2014	24	51,590	24,170
Reports for which no management decision was made within 6 months of issuance	16	27,923	14,771

* Questioned costs include unsupported costs.

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

Table 2: Inspector General-issued reports with recommendations that funds be put to better use for semiannual period ending March 31, 2014 ($ in thousands)

Report Category	No. of Reports	Dollar Value
A. For which no management decision was made by October 1, 2013*	17	$13,425
B. Which were issued during the reporting period	4	28,110
Subtotals (A + B)	21	41,535
C. For which a management decision was made during the reporting period:	5	12,958
(i) Dollar value of recommendations from reports that were agreed to by management	3	6.414
(ii) Dollar value of recommendations from reports that were not agreed to by management	2	6,544
(iii) Dollar value of nonawards or unsuccessful bidders	0	0
D. For which no management decision was made by March 31, 2014	10	38,221
Reports for which no management decision was made within 6 months of issuance	8	10,111

* Any difference in number of reports and amounts of funds put to better use between this report and our previous semiannual report results from corrections made to data in our audit, inspection and evaluation tracking system.

Audits, inspections, and evaluations with no final action as of March 31, 2014, over 365 days past the date of the accepted management decision (including audits, inspections and evaluations in appeal)

Audits, Inspections and Evaluations	Total	Percentage
Program	45	58
Assistance agreements	10	13
Contract audits	0	0
Single audits	19	25
Financial statement audits	3	4
Total	**77**	**100**

Hotline Activity

The following table shows EPA OIG hotline activity regarding complaints of fraud, waste and abuse in EPA programs and operations during the semiannual reporting period ending March 31, 2014.

[illegible]	[illegible]
Issues open at the beginning of the period	132
Inquiries received during the period	119
Inquiries closed during the period	95
Inquiries pending at the end of the period	156
Issues referred to others	
OIG offices	86
EPA program offices	22
Other federal agencies	4
State/local agencies/other	7

To report fraud, waste and abuse, contact us through one of the following methods:

Email: OIG_Hotline@epa.gov

Phone: 1-888-546-8740

Fax: 1-202-566-2599

Online: http://www.epa.gov/oig/hotline.htm

Write: EPA Inspector General
1200 Pennsylvania Avenue, NW
Mailcode 2431T
Washington, DC 20460

Summary of Investigative Results

Summary of investigative activity during reporting period

Cases open as of October 1, 2013 *	216
Cases opened during period	56
Cases closed during period	51
Cases pending as of March 31, 2014	221

* Adjusted from prior period.

Investigations pending by type as of March 31, 2014

	Superfund	[illegible]	Other [illegible]	Recovery [illegible]	CSB	Total
Contract fraud	10	14	12	5	0	41
Assistance agreement fraud	0	17	6	10	0	33
Employee integrity	3	30	43	0	2	78
Program integrity	4	16	9	4	0	33
Computer crimes	0	2	6	0	0	8
Threat	0	1	5	0	0	6
Retaliation	0	1	0	0	0	1
Other	3	10	7	1	0	21
Total	**20**	**91**	**88**	**20**	**2**	**221**

Results of prosecutive actions

	EPA OIG only	Joint *	Total
Criminal indictments/informations/complaints	3	21	24
Convictions	1	9	10
Civil judgments/settlements/filings	1	0	1
Deportations	0	0	0
Fines and recoveries (including civil)	$1,431,993	$860,202	$2,292,195
Prison time	32 months	234 months	266 months
Prison time suspended	0 months	0 months	0 months
Home detention	0 months	0 months	0 months
Probation	24 months	252 months	276 months
Community service	200 hours	100 hours	300 hours

* With another federal agency.

Administrative actions

	EPA OIG only	Joint *	Total
Suspensions	7	3	10
Debarments	8	0	8
Other administrative actions	25	2	27
Total	**40**	**5**	**45**
Administrative recoveries	**$2,311**	**$148,342**	**$150,653**
Cost avoidance	**$0**	**$232,104**	**$232,104**

* With another federal agency.

Appendices

Appendix 1—Reports Issued

The Inspector General Act of 1978, as amended, requires a listing, subdivided according to subject matter, of each report issued by the OIG during the reporting period. For each report, where applicable, the Inspector General Act also requires a listing of the dollar value of questioned costs and the dollar value of recommendations that funds be put to better use.

Report No.	Report Title	Date	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Federal Recommended Efficiencies
PERFORMANCE REPORTS						
14-P-0004	Environmental Benefits in Award of Great Lakes Grants	Nov. 05, 2013	$0	$0	$0	$0
14-P-0017	Following National Security Information Classification Standards	Nov. 15, 2013	0	0	0	0
14-P-0033	FY 2013 Federal Information Security Management Act Report	Nov. 26, 2013	0	0	0	0
14-P-0036	Controls and Actions Concerning John C. Beale Pay Issues	Dec. 11, 2013	0	0	0	0
14-P-0037	Controls and Actions Concerning John C. Beale Travel	Dec. 11, 2013	0	0	0	0
14-P-0044	Congressional Inquiry on Range Resources Gas Drilling Company	Dec. 20, 2013	0	0	0	0
14-P-0109	Emergency and Rapid Response Service Contracts in Region 6	Feb. 04, 2014	0	0	0	0
14-P-0122	Safeguards for Personally Identifiable Information	Feb. 24, 2014	0	0	0	0
14-P-0123	Complaints Regarding Debris at West, Texas, Plant Explosion Site	Feb. 24, 2014	0	0	0	0
14-P-0128	Oversight of Purchase Cards	Mar. 04, 2014	0	0	0	79,000
14-P-0129	Biennial User Fee Reviews	Mar. 04, 2014	0	0	0	17,800,000
14-P-0131	NASDARF Compliance Related to Pesticide Education Programs	Mar. 10, 2014	689,950	0	0	0
14-P-0132	National Service Center Environmental Publications, Blue Ash, Ohio	Mar. 11, 2014	0	0	0	0
14-P-0142	EPA's Information Systems and Data and Security Responsibilities	Mar. 21, 2014	0	0	0	0
14-P-0143	Cross-Media Electronic Reporting Regulation Program	Mar. 21, 2014	0	0	0	0
14-P-0154	Policies and Guidance for Protecting Human Study Subjects	Mar. 31, 2014	0	0	0	0
14-P-0155	EPA Oversight of Beach Safety in U.S. Virgin Islands	Mar. 31, 2014	0	0	0	0
	TOTAL PERFORMANCE REPORTS = 17		$689,950	$0	$0	$17,879,000
SINGLE AUDIT REPORTS						
14-3-0001	Delbarton, West Virginia, Municipality of - FY 2012	Nov. 05, 2013	$0	$0	$0	$0
14-3-0002	Moundsville, West Virginia, Municipality of - FY 2012	Nov. 05, 2013	0	0	0	0
14-3-0003	Sun Valley Public Service District, West Virginia - FY 2012	Nov. 05, 2013	0	0	0	0
14-3-0005	Puerto Rico Aqueduct and Sewer Authority - FY 2012	Nov. 06, 2013	0	0	0	0
14-3-0006	Northern Mariana Islands, Commonwealth of the - FY 2011	Nov. 06, 2013	48,670	0	0	0
14-3-0007	Bloomington, Illinois, City of - FY 2012	Nov. 12, 2013	0	0	0	0
14-3-0008	Ironton, Ohio, City of - FY 2011	Nov. 12, 2013	0	0	0	0
14-3-0009	Ottawa, Illinois, City of - FY 2012	Nov. 12, 2013	0	0	0	0
14-3-0010	Dayton, Ohio, University of - FY 2012	Nov. 12, 2013	0	0	0	0
14-3-0011	Benton Harbor, Michigan, City of - FY 2012	Nov. 12, 2013	0	0	0	0
14-3-0012	Lansing, Michigan, City of - FY 2012	Nov. 12, 2013	0	0	0	0
14-3-0013	Great Lakes Commission, Michigan - FY 2012	Nov. 12, 2013	0	0	0	0
14-3-0014	Blue Island, Illinois, City of - FY 2012	Nov. 13, 2013	0	0	0	0
14-3-0015	Southfield, Michigan, City of - FY 2012	Nov. 14, 2013	0	0	0	0
14-3-0018	Southwest Detroit Environmental Project, Michigan - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0019	Park Forest, Illinois, Village of - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0020	Cass County, Missouri, Public Water Supply District #10 of	Nov. 18, 2013	0	0	0	0
14-3-0021	Marquette, Michigan, City of - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0022	Clean Fuels Ohio, Ohio - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0023	Grand Valley Metropolitan Council, Michigan - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0024	Downriver Community Conference, Michigan - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0025	Oconto Falls, Wisconsin, City of - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0026	Machias, Maine, Town of - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0027	Winchester, Connecticut, Town of - FY 2011	Nov. 18, 2013	0	0	0	0
14-3-0028	Leominster, Massachusetts, City of - FY 2011	Nov. 18, 2013	0	0	0	0
14-3-0029	Chattahoochee Valley Water Supply District, Alabama - FY 2012	Nov. 18, 2013	0	0	0	0
14-3-0030	Taunton, Massachusetts, City of - FY 2012	Nov. 19, 2013	32,273	0	0	0
14-3-0031	Clayton-Camp Point Water Commission, Illinois - FY 2012	Nov. 19, 2013	0	0	0	0
14-3-0034	New Haven, West Virginia, Municipality of - FY 2012	Dec. 10, 2013	0	0	0	0
14-3-0035	New Bedford Harbor Develop. Commission, Massachusetts - FY 2012	Dec. 10, 2013	0	0	0	0
14-3-0043	Cape Charles, Virginia, Municipal Corporation of - FY 2012	Dec. 17, 2013	0	0	0	0

Report No.	Report Title	Date	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Federal Recommended Efficiencies
14-3-0045	Brawley, California, City of - FY 2012	Dec. 20, 2013	0	0	0	0
14-3-0046	Fort Bend Fresh Water Supply District No. 1, Texas - FY 2012	Dec. 20, 2013	0	0	0	0
14-3-0047	Neosho, Missouri, City of - FY 2012	Dec. 20, 2013	0	0	0	0
14-3-0048	Missouri System, Missouri, University of - FY 2012	Dec. 20, 2013	0	0	0	0
14-3-0049	Gardner, Kansas, City of - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0050	Pearl River, Louisiana, Town of - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0051	Stockton, Missouri, City of - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0052	Trenton, New Jersey, City of - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0053	Boston Redevelopment Authority, Massachusetts - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0054	Los Angeles Department of Water and Power, California - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0055	Titusville, Florida, City of - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0056	Jackson County Commission, Alabama - FY 2011	Dec. 30, 2013	0	0	0	0
14-3-0057	Portland, Indiana, City of - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0058	Saint Paul Regional Water Services, Minnesota - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0059	Central Iron Range Sanitary Sewer District, Minnesota - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0060	Unadilla, New York, Village of - FY 2011	Dec. 30, 2013	0	0	0	0
14-3-0061	Cayuga County Water and Sewer Authority, New York - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0062	Paynesville, Minnesota, City of - FY 2012	Dec. 30, 2013	0	0	0	0
14-3-0063	Montville, Connecticut, City of - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0064	Conservation Law Foundation Inc., Massachusetts - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0065	St. Croix Chippewa Indians of Wisconsin, Wisconsin - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0066	Alexander City, Alabama, City of - FY 2011	Dec. 31, 2013	0	0	0	0
14-3-0067	Valley, Alabama, City of - FY 2011	Dec. 31, 2013	0	0	0	0
14-3-0068	Houghton-Keweenaw Conservation District, Michigan - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0069	Howey-In-The-Hills, Florida, Town of - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0070	Moultrie, Georgia, City of - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0071	Two Harbors, Minnesota, City of - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0072	Jones County, Georgia - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0073	Somerset, Kentucky, City of - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0074	Western Mason Water District, Kentucky - FY 2010	Dec. 31, 2013	0	0	0	0
14-3-0075	Wadena, Minnesota, City of - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0076	Bayfield, Wisconsin, City of - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0077	Freeport, Illinois, City of - FY 2012	Dec. 31, 2013	0	0	0	0
14-3-0078	Lewisburg, West Virginia, Municipality of - FY 2012	Jan. 03, 2014	0	0	0	0
14-3-0079	Southwestern Water District, West Virginia - FY 2012	Jan. 03, 2014	0	0	0	0
14-3-0080	Branch County, Michigan	Jan. 06, 2014	0	0	0	0
14-3-0081	Tulare, California, City of - FY 2012	Jan. 06, 2014	0	0	0	0
14-3-0082	Allegan, Michigan, City of - FY 2012	Jan. 06, 2014	0	0	0	0
14-3-0083	Greater Portland Council of Governments, Maine - FY 2011	Jan. 06, 2014	0	0	0	0
14-3-0084	Leelanau County, Michigan FY 2012	Jan. 06, 2014	0	0	0	0
14-3-0085	Emory University, Georgia - FY 2012	Jan. 06, 2014	0	0	0	0
14-3-0086	Barrackville, West Virginia, Town of - FY 2012	Jan. 07, 2014	0	0	0	0
14-3-0087	Southwestern Pennsylvania Water Authority, Pennsylvania - FY 2012	Jan. 07, 2014	0	0	0	0
14-3-0089	Oakdale, Louisiana, City of - FY 2012	Jan. 14, 2014	0	0	0	0
14-3-0090	Pleasant Point Passamaquoddy Tribal Council, Maine - FY 2011	Jan. 14, 2014	18,000	0	0	0
14-3-0091	Melbourne, Florida, City of - FY 2012	Jan. 14, 2014	0	0	0	0
14-3-0092	Cullman, Alabama, City of - FY 2012	Jan. 14, 2014	0	0	0	0
14-3-0093	Partners Healthcare Systems and Affiliates, Massachusetts - FY 2012	Jan. 15, 2014	0	0	0	0
14-3-0094	Duluth, Minnesota, City of - FY 2012	Jan. 27, 2014	0	0	0	0
14-3-0095	Madison Lake, Minnesota, City of - FY 2012	Jan. 27, 2014	0	0	0	0
14-3-0096	Mountain Lake, Minnesota, City of - FY 2012	Jan. 27, 2014	0	0	0	0
14-3-0097	New Richland, Minnesota, City of - FY 2012	Jan. 27, 2014	0	0	0	0
14-3-0098	Newfolden, Minnesota, City of - FY 2012	Jan. 27, 2014	0	0	0	0
14-3-0099	Puerto Rico, Environmental Quality Board, Commonwealth of	Jan. 27, 2014	493,099	8,592,959	0	0
14-3-0100	Commonwealth Utilities Corporation, MP - FY 2012	Jan. 27, 2014	0	0	0	0
14-3-0101	U.S. Virgin Islands - FY 2011	Jan. 27, 2014	0	0	0	0
14-3-0102	New Albany, Indiana, Civil City of - FY 2011	Jan. 28, 2014	0	0	0	0
14-3-0103	Allegan County, Michigan - FY 2012	Jan. 28, 2014	0	0	0	0
14-3-0104	Bogalusa, Louisiana, City of - FY 2012	Jan. 29, 2014	0	0	0	0
14-3-0105	Canby, Minnesota, City of - FY 2012	Jan. 29, 2014	0	0	0	0
14-3-0106	Clinton, Iowa, City of - FY 2012	Jan. 29, 2014	0	0	0	0
14-3-0107	Huntingdon, Pennsylvania, Borough of - FY 2012	Jan. 31, 2014	0	0	0	0
14-3-0108	Passenger Vessel Association Inc. - FY 2014	Jan. 31, 2014	0	0	0	0
14-3-0110	Maryland Coastal Bays Foundation Inc., Maryland - FY 2012	Feb. 07, 2014	0	0	0	0
14-3-0111	Smyrna, Delaware, Town of - FY 2012	Feb. 07, 2014	0	0	0	0
14-3-0112	Stewart, Minnesota, City of - FY 2012	Feb. 14, 2014	0	0	0	0

Report No.	Report Title	Date	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Federal Recommended Efficiencies
14-3-0113	Virginia, Minnesota, City of - FY 2012	Feb. 14, 2014	0	0	0	0
14-3-0114	Community Action Duluth, Minnesota - FY 2012	Feb. 14, 2014	0	0	0	0
14-3-0115	Brooke County Public Service District-Sewer, West Virginia - FY 2012	Feb. 14, 2014	0	0	0	0
14-3-0116	Friends of the Cheat Inc., West Virginia - FY 2012	Feb. 14, 2014	0	0	0	0
14-3-0117	Whitemarsh Township, Pennsylvania - FY 2010	Feb. 18, 2014	0	0	0	0
14-3-0118	Winnebago, Minnesota, City of - FY 2012	Feb. 18, 2014	0	0	0	0
14-3-0119	Austin, Texas, City of - FY 2012	Feb. 19, 2014	0	0	0	0
14-3-0120	Cornell, Wisconsin, City of - FY 2012	Feb. 19, 2014	0	0	0	0
14-3-0121	Illinois, Illinois, University of - FY 2012	Feb. 20, 2014	0	0	0	0
14-3-0124	Caddo Mills, Texas, City of - FY 2012	Feb. 26, 2014	0	0	0	0
14-3-0125	Lake Livingston Water Supply/Sewer Service Corp., Texas - FY 2012	Feb. 26, 2014	0	0	0	0
14-3-0126	Baxter, Iowa, City of FY 2012	Feb. 26, 2014	0	0	0	0
14-3-0127	Topeka, Kansas, City of - FY 2011	Feb. 26, 2014	0	0	0	0
14-3-0133	UNO Research and Technology Foundation, Inc., Louisiana - FY 2012	Mar. 17, 2014	0	0	0	0
14-3-0134	Oconto County, Wisconsin - FY 2012	Mar. 17, 2014	0	0	0	0
14-3-0135	Necedah, Wisconsin, Village of - FY 2012	Mar. 17, 2014	0	0	0	0
14-3-0136	Grand Portage Band of Chippewa Indians, Minnesota - FY 2012	Mar. 19, 2014	0	0	0	0
14-3-0137	Lower Sioux Indian Community, Minnesota - FY 2012	Mar. 19, 2014	0	0	0	0
14-3-0138	Highland County, Ohio - FY 2012	Mar. 19, 2014	0	0	0	0
14-3-0139	New Lisbon, Wisconsin, City of - FY 2012	Mar. 19, 2014	0	0	0	0
14-3-0140	Forest County Potawatomi Community, Wisconsin - FY 2012	Mar. 19, 2014	5,243	0	0	0
14-3-0141	Questa, New Mexico, Village of - FY 2012	Mar. 19, 2014	0	0	0	0
14-3-0144	Logansport, Louisiana, City of - FY 2012	Mar. 24, 2014	0	0	0	0
14-3-0145	Rensselaer, Indiana, City of - FY 2012	Mar. 24, 2014	0	0	0	0
14-3-0146	Redevelop. Authority Montgomery County, Pennsylvania - FY 2012	Mar. 25, 2014	0	0	0	0
14-3-0147	Marysville, Pennsylvania, Borough of - FY 2012	Mar. 25, 2014	0	0	0	0
14-3-0148	Freedom Township Water/Sewer Authority, Pennsylvania - FY 2012	Mar. 25, 2014	0	0	0	0
14-3-0149	Loyalsock Township, Pennsylvania - FY 2012	Mar. 25, 2014	0	0	0	0
14-3-0150	Mansfield, Louisiana, City of - FY 2012	Mar. 26, 2014	0	0	0	0
14-3-0151	Minneapolis Park and Recreation Board, Minnesota - FY 2012	Mar. 26, 2014	0	0	0	0
14-3-0152	North Koochiching Area Sanitary District, Minnesota - FY 2012	Mar. 26, 2014	0	0	0	0
14-3-0153	Batesville, Arkansas, City of - FY 2012	Mar. 28, 2014	0	0	0	0
14-3-0156	Mid-Atlantic Regional Air Management Assoc., Maryland - FY 2012	Mar. 31, 2014	0	0	0	0
	TOTAL SINGLE AUDIT REPORTS = 130		$597,285	$8,592,959	$0	$0
FINANCIAL STATEMENT REPORTS						
14-1-0038	CSB Fiscal Years 2013 and 2012 Financial Statements	Dec. 16, 2013	$0	$0	$0	$0
14-1-0039	EPA Fiscal Years 2013 and 2012 Financial Statements	Dec. 16, 2013	0	0	0	0
14-1-0041	FY 2012 Pesticides Reregistration and Expedited Processing Fund	Dec. 17, 2013	0	0	0	0
14-1-0042	FY 2012 Pesticides Registration Fund	Dec. 17, 2013	0	0	0	0
	TOTAL FINANCIAL STATEMENT REPORTS = 4		$0	$0	$0	$0
ATTESTATION REPORTS						
14-4-0040	Dozier Technologies Inc. Support Services Contract	Dec. 17, 2013	$0	$0	$0	$0
	TOTAL ATTESTATION REPORTS = 1		$0	$0	$0	$0
NON-AUDIT REPORTS						
14-N-0016	Compendium of Unimplemented Recommendations as 9/30/13	Nov. 15, 2013	$0	$0	$0	$0
	TOTAL NON-AUDIT REPORTS = 1		$0	$0	$0	$0
AMERICAN REINVESTMENT AND RECOVERY ACT OF 2009 REPORTS						
14-R-0032	Colorado Treating Mining Wastes and Removing Water Contaminants	Nov. 19, 2013	$2,593,495	$0	$0	$0
14-R-0088	Grant Awarded to Greater Lansing Area Clean Cities	Jan. 09, 2014	0	805,759	0	0
14-R-0130	Grant Awarded to California Air Resources Board	Mar. 06, 2014	8,866,000	0	0	0
	TOTAL AMERICAN REINVESTMENT AND RECOVERY ACT OF 2009 REPORTS = 3		$11,459,495	$805,759	$0	$0
	TOTAL REPORTS ISSUED = 156		$12,746,730	$9,398,718	$0	$17,879,000

Appendix 2—Reports Issued Without Management Decisions

For Reporting Period Ended March 31, 2014

The Inspector General Act of 1978, as amended, requires a summary of each audit report issued before the commencement of the reporting period for which no management decision had been made by the end of the reporting period, an explanation of the reasons such management decision had not been made, and a statement concerning the desired timetable for achieving a management decision on each such report. OMB Circular A-50 requires resolution within 6 months of a final report being issued. In this section, we report on audits with no management decision or resolution within 6 months of final report issuance. In the summaries below, we note the agency's explanation of the reasons a management decision has not been made, the agency's desired timetable for achieving a management decision, and the OIG follow-up status as of March 31, 2014.

Report No. 10-P-0112, Results of Hotline Complaint Review of EPA Region 9 Hiring Under the Federal Career Intern Program, April 26, 2010

Summary: The hotline allegations against EPA Region 9 were unsubstantiated. We identified that the region engaged in a prohibited personnel practice. Neither the Office of Personnel Management nor the EPA prohibits the use of a job fair and registration code as recruiting and hiring methods. However, Region 9 engaged in a prohibited personnel practice by giving four Federal Career Intern Program job fair participants improper advantages not provided to others attending the job fair.

Agency Explanation: A revised corrective action plan has been created by the Office of Administration and Resources Management to address the outstanding recommendations. The memo was sent to the OIG on April 1, 2014. The revised corrective action plan addressed both corrective actions (2-1 completed February 19, 2014, and 3-1 completed September 30, 2013). The memo thus certifies that all actions have been completed. Upon acceptance by the OIG, the Office of Administration and Resources Management will send a formal certification memo to the Chief Financial Officer.

OIG Follow-Up Status: None provided.

Report No. 11-P-0722, EPA Should Prepare and Distribute Security Classification Guides, September 29, 2011

Summary: This report evaluated the scope and nature of the EPA's classified national security information infrastructure and its ability to provide information to those who need it. The OIG found that the EPA has not established any official classification guides even though EPA Administrators have taken original classification actions. The EPA's National Security Information Handbook requires that a classification guide be developed for each system, plan, program or project that involves classified information. The OIG recommended that the Administrator ensure the preparation, review and approval of appropriate security classification guides that conform to the requirements of Executive Order 13526, *Classified National Security Information*, and the EPA's National Security Information Handbook. We also recommended that the Administrator ensure the distribution of classification guides to users of the EPA's originally classified information and to program offices that work in related subject areas. The Office of Administration and Resources Management, which responded on behalf of the agency, did not agree with the report's conclusions and the recommendations are unresolved.

Agency Explanation: This audit is currently on hold per the OIG in order for the National Homeland Security Research Center to determine what classification guides should be used.

OIG Follow-Up Status: Resolution on hold – beyond agency control.

Report No. 13-P-0398, Improved Contract Administration Needed for Customer Technology Solutions Contract, September 16, 2013

Summary: This review found that the EPA did not use performance standards to measure cost outcomes, as stated by OMB, Federal Acquisition Regulations and agency guidelines. Also, the EPA did not complete any of the required contractor performance evaluation reports, maintain required contract administration documents, or have policies in place that would require performance metrics and standards to be linked to cost outcomes and procedures to ensure

contract administrators maintain sufficient documents in the official contract files. The EPA's ineffective contract administration may have hindered the ability of EPA staff to ensure that the contractor successfully met agency needs, as well as its ability to determine whether the EPA achieved the best value for the $85 million expended on the Working Capital Fund contract.

Agency Explanation: Due to disagreements between the agency and the OIG on several of the recommendations, audit resolution meetings are continuing to be held to determine whether the sides can come to a mutual agreement on how to proceed. Per information from Office of General Counsel attorneys on March 28, 2014, they have not met with OIG counsel on the outstanding issues, but anticipate reaching out to them in April 2014.

OIG Follow-Up Status: None provided.

Report No. 12-3-0007, Cascade Sierra Solutions, Eugene, Oregon – FY 2010, October 11, 2011

Summary: This review found that internal controls over project/customer file documentation are deficient. It was difficult for the recipient to timely substantiate evidence of compliance for installation of verified technologies for EPA and U.S. Department of Energy grants. The review also found that personnel had limited knowledge of generally accepted accounting principles, specifically as they relate to accounting for financial receivables, loan fees and allowance for losses. Due to the internal control findings reported by the single auditor and the inability of the recipient's accounting system to ensure that federal costs are allowable under its grants, we questioned $2,767,077 in reported EPA federal expenditures.

Agency Explanation: Resolution is on hold and beyond agency control.

OIG Follow-Up Status: Resolution is on hold and beyond agency control.

Report No. 12-4-0224, Examination of Costs Claimed Under Cooperative Agreement X7-83325501 Awarded to Kathleen S. Hill, January 23, 2012

Summary: We found that the recipient did not have a financial management system that met federal standards. The recipient did not have adequate controls to ensure that costs claimed were in accordance with Code of Federal Regulations requirements. The recipient's cash draws did not comply with 40 Part 30 requirements or the terms and conditions of the cooperative agreement. As a result, we questioned $80,721 of the $726,587 claimed under the cooperative agreement.

Agency Explanation: The National Policy, Training and Compliance Division Deputy Director issued the Office of Grants and Debarment's management decision on March 31, 2014. Of the questioned $80,721 in costs, $46,940 were determined to be allowable and the remaining $33,781 to be disallowed. The recipient will have 30 days to appeal the decision.

OIG Follow-Up Status: No response.

Report No. 12-R-0749, Examination of Costs Claimed Under EPA Cooperative Agreement 2A-83440701 Awarded Under the Recovery Act to Cascade Sierra Solutions, Eugene, Oregon, September 4, 2012

Summary: Cascade Sierra Solutions' financial management system did not support that funds drawn are reasonable and allocable in accordance with applicable laws and regulations. In particular, the grantee's financial management system pertaining to cash draws, revolving fund accounting, project costs and progress reporting did not meet the requirements of the Code of Federal Regulations, and procurements did not meet competition cost and price analysis requirements. Reporting of the number of jobs created or retained with Recovery Act funds did not comply with the OMB guidance. As a result, we were unable to provide an opinion on the financial resources, related liabilities, revenue, expenses and residual balances. Therefore, we questioned the $9 million drawn as unallowable costs.

Agency Explanation: Resolution on hold.

OIG Follow-Up Status: Resolution is on hold and beyond agency control.

Report No. 13-3-0121, Cascade Sierra Solutions, Eugene, Oregon – FY 2011, January 29, 2013

Summary: The single auditor reported growing concern regarding issues with the recipient. We continue to recommend that the recipient maintain high risk status. We also questioned all EPA expenditures, totaling almost $3 million, due to significant compliance issues, including the recipient's ability to account for its Clean Diesel Revolving Loan expenditures.

Agency Explanation: Resolution is suspended as of July 10, 2013, due to the OIG's ongoing investigation of Cascade Sierra Solutions.

OIG Follow-Up Status: Resolution is on hold and beyond agency control.

Report No. 13-P-0341, Lead Remediation Association of America, August 6, 2013

Summary: The OIG found that the Lead Remediation Association of America's financial management system did not meet the standards established under the Code of Federal Regulations. The association's accounting system data were not updated timely. The association also made cash draws and submitted its final federal financial report using the grant budget amounts rather than actual costs incurred. In addition, the association did not maintain source documentation to support the costs incurred or claimed as required. We also found that the association did not meet the grant objectives as outlined in the approved workplan. As of the date of OIG's report—2 years after the grant period end date of June 30, 2011—the association had not produced the required DVDs, provided evidence of brochure distribution, or completed the required training and workshops. As a result of the issues noted, the OIG questioned the $249,870 claimed and recommended recovery of the $249,882 drawn under the grant.

Agency Explanation: Resolution on hold. The OIG contacted the Office of Grants and Debarment and requested that it suspend work on this audit due to an OIG investigation of the Lead Remediation Association of America.

OIG Follow-Up Status: Resolution is on hold and beyond agency control.

Report No. 06-4-00165, National Academy of Sciences—FY 2006 Indirect/Other Direct Costs System, September 27, 2006

Summary: In the Defense Contract Audit Agency's (DCAA's) opinion, the contractor's service centers cost system and related internal control policies and procedures were inadequate in part. DCAA's examination noted certain significant deficiencies in the design or operation of the Indirect/Other Direct Costs system process.

Agency Explanation: Resolution on hold. Resolution of audit results is not the EPA's responsibility but the responsibility of the Department of Defense. Therefore, an expected resolution date cannot be determined at this time.

OIG Follow-Up Status: Resolution on hold pending receipt of additional information.

Report No. 07-1-00061, Lockheed Martin Services Group—FY 12/31/2004 I/C, April 10, 2007

Summary: DCAA questioned $34,708,911 in claimed direct costs and proposed indirect costs. Further, DCAA did not audit $338,864,655 in claimed direct and indirect costs for assist audits not yet received or for received assist audit reports, the impact of which on the contractor's cost objectives has not yet been calculated. Additionally, DCAA upwardly adjusted $48,224,805 in claimed base costs. The EPA's share of the questioned costs totals $694,178. DCAA did not provide any Cumulative Allowable Cost Work Sheet or Schedule of Allowable Costs by Cost Element by Contract because the most current year with negotiated indirect rates is calendar year 1998. DCAA will issue a supplemental audit report upon completion of its analysis of the assist audit results, and as the outstanding fiscal years' indirect rates are negotiated, the requested Cumulative Allowable Cost Work Sheet and Schedule of Allowable Costs by Cost Element by Contract will be provided.

Agency Explanation: Resolution on hold. Resolution of audit results is not the EPA's responsibility but the responsibility of the Department of Defense. Therefore, an expected resolution date cannot be determined at this time.

OIG Follow-Up Status: Resolution on hold pending receipt of additional information.

Report No. 07-1-00080, Lockheed Martin Services Inc.—FY 2005 Incurred Cost, August 6, 2007

Summary: DCAA questioned $595,792,539 in claimed direct costs and $10,982,460 in proposed indirect costs and rates. None of the questioned direct costs are chargeable to any of the EPA contracts. A number of the EPA contracts have indirect ceiling rates that are lower than the contractor's proposed indirect rates, and are not impacted by the questioned indirect expenses and rates. However, there are EPA contracts/subcontracts that do not have indirect ceiling rates and are impacted by the questioned indirect rates. EPA's share of questioned indirect costs totals $133,069.

Agency Explanation: Resolution on hold. Resolution of audit results is not the EPA's responsibility but the responsibility of the Department of Defense. Therefore, an expected resolution date cannot be determined at this time.

OIG Follow-Up Status: Resolution on hold pending receipt of additional information.

Report No. 09-1-0034, Lockheed Martin Services Group—FY 2006 Incurred Cost, November 24, 2008

Summary: DCAA questioned $23,672,344 in claimed direct and proposed indirect costs and rates. Of this, $381,582 is claimed direct costs and $23,290,762 is proposed indirect costs and rates. DCAA also did not audit $159,778,286 in claimed subsidiary and subcontracts costs. The EPA's share of the questioned costs is 3 percent, or $11,448 in claimed direct costs and $698,722 in proposed indirect costs, a total of $710,170.

Agency Explanation: Resolution on hold. Resolution of audit results is not the EPA's responsibility but the responsibility of the Department of Defense. Therefore, an expected resolution date cannot be determined at this time.

OIG Follow-Up Status: Resolution on hold pending receipt of additional information.

Report No. 13-3-0360, Malden, Massachusetts, City of – FY 2012, August 23, 2013

Summary: This review found significant deficiencies in payroll processing. There were many instances of employees assigned to federal and state grants that were initially charged to incorrect accounts in the general ledger, requiring significant allocation adjustments to properly charge the grant funds. Also, the city submitted the same vendor invoices for reimbursement on two separate federal awards. The auditors questioned $970,000.

Agency Explanation: Region 1's Audit Follow-up Coordinator worked with the Region 1 State Revolving Fund program to acquire and review the financial records pertaining to the $970,000 questioned costs. Costs have been reconciled. Region 1 is working with the recipient to ensure it has written procedures in place so that this scenario will not occur in the future. This audit should be closed out no later than April 30, 2014.

OIG Follow-Up Status: None provided.

Report No. 13-3-0362, Gloucester, Massachusetts, City of – FY 2012, August 28, 2013

Summary: This review found that the city of Gloucester did not obtain debarment certifications or check the excluded parties list system for the vendor contracted with in excess of $25,000. The equipment purchased with the congressionally mandated project funds do not contain federal identification tags to segregate them from the equipment purchased with state or local funds. Additionally, the city's federal grant equipment records do not contain all of the required information as prescribed in OMB Circular A-102.

Agency Explanation: Region 1 is working with the recipient to ensure all that corrective actions have been implemented. Region 1 anticipates that this item will be closed by May 30, 2014.

OIG Follow-Up Status: None provided.

Report No. 13-3-0369, State of Rhode Island and Providence Plantation – FY 2012, August 30, 2013

Summary: The University of Rhode Island had two contracts that did not meet the cost-sharing requirements by the end of the contract term. The total amount of cost-sharing not met during FY 2012 was $31,873. Many of the intended benefits for improved efficiency, enhanced management information, and reduced incompatibility and redundancy of accounting applications throughout state government have not been achieved. Also, the state did not have adequate segregation of duties over cash receipts and disbursements, and the state needed to improve its

internal controls over recording federal revenue. Controls over capital assets can be enhanced. Although the development of a comprehensive information systems security plan was a significant accomplishment, the state is still deficient in ensuring that all of its critical information systems are compliant with formalized policies and procedures. Strong change management controls are needed to ensure that standardized methods and procedures are used for efficient handling of all application-specific changes.

Agency Explanation: The recipient has complied with all corrective actions and Region 1 said that it expects this item will be closed out by April 2014.

OIG Follow-Up Status: None provided.

Report No. 12-4-0499, Costs Claimed by the North Carolina Rural Economic Center Inc. Under EPA Grant No. X96418405, May 23, 2012

Summary: This review found that the grantee did not comply with the Code of Federal Regulations regarding financial management. The grantee did not properly allocate direct costs between state and federal funding sources. Therefore, the EPA should recover $1,192,500 in costs questioned under the grant. The grantee failed to properly allocate the questioned costs primarily because the EPA provided incorrect guidance and inadequately monitored the grant. The region must recognize that the $178,556 budget revision it directed is not allocable to the EPA grant because it shifted subcontract costs allocable to state funding sources to the EPA grant. Additionally, the grantee was unfamiliar with federal grant regulations. We recommended that Region 4 disallow all costs paid under the grant and recover $1,192,500. Region 4 and the grantee disagreed with our draft findings and recommendation. We evaluated the information contained in their responses to our draft report, but did not modify our findings or recommendation. The recommendation is unresolved with resolution efforts in progress.

Agency Explanation: Two of the three corrective actions have been completed. The third corrective action required Region 4 to request the grantee to submit the methodology for accounting for the allocation of costs among state and federal funding sources for the full project costs. The region has reviewed the revised allocations and determined that the costs charged to the EPA were reasonable, allowable, supported by appropriate documentation and allocable to the EPA. On September 5, 2013, Region 4 responded to the OIG with this additional information. Region 4 is awaiting its review by the OIG. Region 4 expects resolution by June 30, 2014.

OIG Follow-Up Status: Response received and under review.

Report No. 13-R-0321, Projected Emission Reductions Overstated and Buy American Requirements Not Met Under EPA Award to the Tennessee Department of Transportation, July 19, 2013

Summary: This review found that the Tennessee Department of Transportation followed most applicable laws, regulations, and terms and conditions of the cooperative agreement in the procurement and monitoring of contracts with the exception of the Buy American requirements of the American Recovery and Reinvestment Act. Tennessee did not determine whether trusses used in construction of facilities by one contractor qualify as substantial transformation. The state complied with the cooperative agreement requirements and satisfied EPA Region 4 requirements for projecting results, but the state overstated its results because it used significantly overestimated usage assumptions in its projections rather than current usage.

Agency Explanation: Resolution on hold.

OIG Follow-Up Status: Resolution on hold awaiting additional information.

Report No. 13-4-0296, Labor-Charging Practices at the New Mexico Environment Department, June 17, 2013

Summary: This review found that three of the four New Mexico Environment Department bureaus did not always comply with requirements found in the Code of Federal Regulations. The Air Quality Bureau and Drinking Water Bureau charged labor, fringe benefits and indirect costs to federal grants based upon budget allocations instead of actual activities performed. Personnel activity reports received from the Surface Water Quality Bureau to support charges for labor costs incurred prior to July 2006 did not meet requirements. New Mexico personnel stated that they charged labor based upon budget allocations because they thought the practice was acceptable. EPA OIG questioned $298,159 in labor, fringe benefits and related indirect costs claimed by the Air Quality Bureau; $2,974,318

claimed by Drinking Water Bureau; and $2,733,798 claimed by Surface Water Quality Bureau. The OIG also identified an additional $486,305 charged to a Drinking Water Bureau-administered grant which has not yet been reported to the EPA.

Agency Explanation: A management decision was issued to the New Mexico Environment Department on February 7, 2014. The issuance was delayed due to the complexity of the labor-charging finding. The expected resolution date is December 31, 2014.

OIG Follow-Up Status: None provided.

Report No. 13-R-0367, American Recovery and Reinvestment Act Award to Grace Hill Settlement House, August 30, 2013

Summary: This review found that Grace Hill's financial management system did not meet federal standards. In particular, procurements did not meet the competition or cost and price analysis requirements of the Code of Federal Regulations. The contract administration system also did not meet the code's requirements. Unallowable costs were not segregated and financial management data were not properly supported, labor charges did not comply with requirements, and cash draws did not meet the immediate cash needs requirements and were not properly documented. As a result of the issues noted, the OIG questioned $1,615,353 of the $2,250,031 claimed under the cooperative agreement. In addition, due to a lack of adequate documentation from Grace Hill, we were unable to determine whether Grace Hill accomplished the objective of the cooperative agreement or met the job reporting requirements of the American Recovery and Reinvestment Act's Section 1512.

Agency Explanation: As of March 31, 2014, EPA Region 7 continues to work through the numerous findings with personnel from the OIG, and continues to assess the vast quantity of documentation provided by the grantee in response to the draft and final reports. Due to the complex nature of the findings, as evidenced by the 22 months the OIG worked on the audit, a final determination has not yet been reached. Region 7 anticipates a final determination, with OIG concurrence, to be issued by June 30, 2014.

OIG Follow-Up Status: None provided.

Report No. 2007-4-00078, Cheyenne River Sioux Tribe, September 24, 2007

Summary: The tribe did not comply with the financial and program management standards under the Code of Federal Regulations and OMB Circular A-87. We questioned $3,101,827 of the $3,736,560 in outlays reported. The tribe's internal controls were not sufficient to ensure that outlays reported complied with federal cost principles, regulations and grant conditions. In some instances, the tribe also was not able to demonstrate that it had completed all work under the agreements and had achieved the intended results.

Agency Explanation: The Office of Grants and Debarment and the region are discussing contents of the proposed final determination letter. Projected completion date is September 30, 2014.

OIG Follow-Up Status: No response received.

Report No. 13-3-0159, Summit Lake Paiute Tribe, Nevada – FY 2010, February 19, 2013

Summary: The tribe did not file or maintain documentation of compliance for annual reports. Also, the required SF 425 report did not cover the correct period. A similar finding was noted in the prior year audit report. The tribe recorded deferred revenues in the amount of $804,104 and only $150,416 in available cash. The single auditor questioned $653,688. A similar finding was noted in the prior year audit report. The tribe's operating practices did not reflect the processes described in the approved policies and procedures manual. The tribe did not properly reconcile its SF 425 report to the general ledger for certain awards and the single auditor questioned $20,556. The single auditor also questioned $76,216 involving amounts paid to the General Assistance Program Director.

Agency Explanation: Region 9 indicated it will be issuing a final decision letter on the agreed-upon procedures by March 31, 2014. The target date for issuing the management decision letter will be by the end of the third quarter 2014.

OIG Follow-Up Status: None provided.

Report No. 13-3-0160, Summit Lake Paiute Tribe, Nevada – FY 2011, February 19, 2013

Summary: The tribe did not file the quarterly narratives for the General Assistance Program. Furthermore, the tribe was unable to locate documentation for two quarterly SF 425 reports. There were no formalized controls regarding the security of the payroll stamp. Also, the single auditor noted issues related to pay rates. A similar finding was noted in the prior year audit report. Budgets prepared excluded the carry-forward amounts from prior periods. Several transactions were not supported by a purchase order or other type of approval prior to the expenditure being made. One transaction charged to travel in the amount of $2,877 did not appear to be valid and appropriate for the granting requirements, and the single auditors questioned that amount.

Agency Explanation: Region 9 indicated it will be issuing a final decision letter on the agreed-upon procedures by March 31, 2014. The target date for issuing the management decision letter will be the end of the third quarter 2014.

OIG Follow-Up Status: None provided.

Report No. 13-3-0350, Wells Band Council, Nevada – FYs 2008, 2011 and 2012, August 21, 2013

Summary: This review found numerous financial statement and major program compliance findings. As a result of significant cash management issues, we questioned as unsupported $361,027 and recommended that the council be considered high risk, in accordance with the Code of Federal Regulations.

Agency Explanation: Resolution on hold.

OIG Follow-Up Status: None provided.

Report No. 13-P-0209, Opportunities for EPA-Wide Improvements Identified During Review of a Regional Time and Materials Contract, April 4, 2013

Summary: This review found that EPA Region 9 did not require its contracting personnel to verify that personnel for the contractor had the qualifications necessary to execute contract EPS90804. This may be an EPA-wide problem in managing time and materials contracts. In addition, Region 9 contracting personnel did not consistently update the statement of work that identifies the work it expects the contractor to perform so the EPA can use the statement of work to monitor performance; document the review of the qualifications of contractor personnel performing the contract tasks; document the reviews of monthly progress, contractor performance and quality of deliverables; become familiar with the contract; and issue memorandums appointing contract officer representatives. These practices put the EPA at risk of not receiving the level or quality of service for which it paid. Also, EPA Region 9 negotiated a prohibited profit clause in the contract, resulting in the EPA improperly paying the contractor more than $1.5 million in additional profit.

Agency Explanation: Region 9 disagreed with the OIG on recommendations 3a and b and recommendations 4a and b. This audit is being resolved through the agency's dispute resolution process.

OIG Follow-Up Status: None provided.

Total reports issued before reporting period for which no management decision had been made as of March 31, 2014 = 24

Appendix 3—Reports With Corrective Action Not Completed

In compliance with reporting requirements of Section 5(a)(3) of the Inspector General Act of 1978, as amended, "Identification of Reports Containing Significant Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed," and to help EPA and CSB managers gain greater awareness of outstanding commitments for action, we developed a *Compendium of Unimplemented Recommendations*. This separate document provides the information required in appendix 3 to this Semiannual Report to Congress. This compendium (available upon request or at http://www.epa.gov/oig/reports/2014/20140430-14-N-0242.pdf) is produced semiannually for agency leadership and Congress based on agency reports on the status of actions taken on OIG recommendations and OIG selective verification of reported status.

Appendix 4—Peer Reviews Conducted

The most recent peer review report on the EPA OIG was issued on May 9, 2012, by the U.S. Department of Health and Human Services OIG. That review, covering the 3-year period ending September 30, 2011, found that the EPA OIG system of quality control was suitably designed and complied with applicable *Government Auditing Standards*. That report had given the EPA OIG a peer review rating of *pass* with no deficiencies cited.

Appendix 5—OIG Mailing Addresses and Telephone Numbers

Headquarters

U.S. Environmental Protection Agency
Office of Inspector General
1200 Pennsylvania Ave., NW (2410T)
Washington, DC 20460
(202) 566-0847

Offices

Atlanta
U.S. Environmental Protection Agency
Office of Inspector General
61 Forsyth Street, SW
Atlanta, GA 30303
Audit/Evaluation: (404) 562-9830
Investigations: (404) 562-9857

Boston
U.S. Environmental Protection Agency
Office of Inspector General
5 Post Office Square, Suite 100 (OIG15-1)
Boston, MA 02109-3912
Audit/Evaluation: (617) 918-1470
Investigations: (703) 347-8740

Chicago
U.S. Environmental Protection Agency
Office of Inspector General
77 West Jackson Boulevard
13th Floor (IA-13J)
Chicago, IL 60604
Audit/Evaluation: (312) 353-2486
Investigations: (312) 353-2507

Cincinnati
U.S. Environmental Protection Agency
Office of Inspector General
26 West Martin Luther King Drive
Cincinnati, OH 45268-7001
Audit/Evaluation: (513) 487-2360
Investigations: (513) 487-2364

Dallas
U.S. Environmental Protection Agency
Office of Inspector General (6OIG)
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733
Audit/Evaluation: (214) 665-6621
Investigations: (214) 665-2790

Denver
U.S. Environmental Protection Agency
Office of Inspector General
1595 Wynkoop Street, 4th Floor
Denver, CO 80202
Audit/Evaluation: (303) 312-6969
Investigations: (303) 312-6868

Kansas City
U.S. Environmental Protection Agency
Office of Inspector General
11201 Renner Boulevard
Lenexa, KS 66219
Audit/Evaluation: (913) 551-7878
Investigations: (312) 353-2507

New York
U.S. Environmental Protection Agency
Office of Inspector General
290 Broadway, Room 1520
New York, NY 10007
Audit/Evaluation: (212) 637-3049
Investigations: (212) 637-3041

Philadelphia
U.S. Environmental Protection Agency
Office of Inspector General
1650 Arch Street, 3rd Floor
Philadelphia, PA 19103-2029
Audit/Evaluation: (215) 814-5800
Investigations: (215) 814-2367

Research Triangle Park
U.S. Environmental Protection Agency
Office of Inspector General
Mail Drop N283-01
Research Triangle Park, NC 27711
Audit/Evaluation: (919) 541-2204
Investigations: (919) 541-1027

San Francisco
U.S. Environmental Protection Agency
Office of Inspector General
75 Hawthorne Street (IGA-1)
7th Floor
San Francisco, CA 94105
Audit/Evaluation: (415) 947-4521
Investigations: (415) 947-8711

Seattle
U.S. Environmental Protection Agency
Office of Inspector General
Mail Code OIG-173
1200 Sixth Avenue, Suite 900
Seattle, WA 98101
Audit/Evaluation: (206) 553-6906
Investigations: (206) 553-1273

Washington
U.S. Environmental Protection Agency
Office of Inspector General
Potomac Yard
2733 Crystal Drive
Arlington, VA 22202
Investigations: (703) 347-8740

Winchester
U.S. Environmental Protection Agency
Office of Inspector General
200 S. Jefferson Street, Room 314
P.O. Box 497
Winchester, TN 37398
Investigations: (423) 240-7735

Report fraud, waste or abuse

e-mail: OIG_Hotline@epa.gov
write: EPA Inspector General Hotline
1200 Pennsylvania Avenue NW
Mailcode 2431T
Washington DC 20460
fax: 202-566-2599 · phone: 1-888-546-8740
www.epa.gov/oig/hotline.htm

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U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

Compendium of Unimplemented Recommendations

as of March 31, 2014

Report No. 14-N-0242 April 30, 2014

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

April 30, 2014

MEMORANDUM

SUBJECT: Compendium of Unimplemented Recommendations as of March 31, 2014
Report No. 14-N-0242

FROM: Arthur A. Elkins Jr.

TO: Deputy Administrator
Assistant Administrators
General Counsel
Chief Financial Officer
Associate Administrators
Regional Administrators

Attached is the semiannual *Compendium of Unimplemented Recommendations as of March 31, 2014,* prepared by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). By law, the OIG serves as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB) as well as the EPA. As such, this report includes information pertaining to the EPA and the CSB. This Compendium fulfills the Inspector General Act of 1978, as amended, requirement to include an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed. It is included as a part of the semiannual reports summarizing the activities of the OIG. The information included in part 1 of the report identifies those significant recommendations with corrective actions that have not been implemented 1 year or more past the agreed-to completion date and are past due. The information in part 2 identifies those recommendations with corrective actions that have not been completed less than 1 year past the agreed-to date or have agreed-to dates that are in the future. Corrective actions are being reported as past due if they have not been completed within 1 year of the original agreed-to date.

This Compendium is issued in conjunction with the *Semiannual Report to Congress, October 1, 2013–March 31, 2014,* and as a separate report to the EPA's leadership. As part of the OIG's results-oriented culture, we perform follow-up assessments to determine whether planned actions by the EPA in response to OIG recommendations were taken. Follow-up is done in collaboration with the EPA's Office of the Chief Financial Officer and the EPA's audit follow-up coordinators. The goal is to improve overall audit management by increasing the EPA's managers' awareness of outstanding agreed-to commitments for action on OIG report recommendations. Implementing these recommendations will correct weaknesses, reduce vulnerabilities to risk, and leverage opportunities for improved performance.

According to Office of Management and Budget (OMB) Circular A-50, audit follow-up is a shared responsibility between the agencies and the OIG. The significance of audit follow-up, as described by the OMB Circular A-50, is enhanced by the public's expectation for greater transparency and a

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

April 30, 2014

The Honorable Rafael Moure-Eraso, Ph.D.
Chairperson and Chief Executive Officer
U.S. Chemical Safety and Hazard Investigation Board
2175 K Street, NW, Suite 400
Washington, D.C. 20037-1809

Dear Dr. Moure-Eraso:

Enclosed is the semiannual *Compendium of Unimplemented Recommendations as of March 31, 2014,* prepared by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). By law, the OIG serves as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB) as well as the EPA. As such, this report includes information pertaining to the EPA and the CSB. This Compendium fulfills the requirement of the Inspector General Act of 1978, as amended, to prepare semiannual reports summarizing the activities of the OIG that include an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed. The information included in part 3 of the report identifies those significant CSB recommendations with corrective actions that have not been implemented 1 year or more past the agreed-to completion date and are past due. The information in part 4 identifies those CSB recommendations with corrective actions that have not been completed less than 1 year past the agreed-to date or have agreed-to dates that are in the future. Corrective actions are being reported as past due if they have not been completed within 1 year of the original agreed-to completion date.

This Compendium is issued in conjunction with the *Semiannual Report to Congress, October 1, 2013–March 31, 2014,* and as a separate report to the CSB's leadership. As part of the OIG's results-oriented culture, we perform follow-up assessments to determine whether planned actions by the CSB in response to OIG recommendations were taken. Follow-up is done in collaboration with the CSB Managing Director. The goal is to improve overall audit management by increasing the CSB managers' awareness of outstanding agreed-to commitments for action on OIG report recommendations. Implementing these recommendations will correct weaknesses, reduce vulnerabilities to risk, and leverage opportunities for improved performance. It also fulfills the OIG statutory authority to inform Congress, consistent with the semiannual reporting requirement of the Inspector General Act, as amended.

According to Office of Management and Budget (OMB) Circular A-50, audit follow-up is a shared responsibility between the CSB and the OIG. The significance of audit follow-up, as described by the OMB Circular A-50, is enhanced by the public's expectation for greater transparency and a heightened interest by Congress in realizing potential opportunities for improvement in the federal government. This Compendium report should help increase the CSB's awareness of and action on unimplemented OIG recommendations.

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self certifies that corrective actions are completed. Section 5(b)(4) of the Inspector General Act of 1978, as amended (5 U.S.C. App. 3), also requires the agency to report audit reports for which final corrective action has not been taken 1 year or more after the agency's management decision (agreement with the OIG on planned corrective actions).

While CSB does not have a formal internal operating procedure or electronic tracking system to implement OMB Circular A-50, the CSB's managing director tracks information on the CSB's implementation of the OIG's recommendations in a spreadsheet. The CSB updates and provides the spreadsheet to the OIG on a semiannual basis. When all corrective actions for recommendations in a report have been completed, the CSB removes it from the spreadsheet.

Scope and Methodology

The work performed in this review does not constitute an audit conducted in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Although MATS and the spreadsheet provided by the CSB were our primary sources for identifying unimplemented recommendations, we did perform additional steps to search for unimplemented recommendations that may not have been identified in MATS or the spreadsheet. We analyzed the MATS data in the system as of April 3, 2014. We did not verify the accuracy of the information reported in MATS.

We reviewed selected audit and evaluation reports issued to the EPA by the OIG from October 1, 2000, through September 30, 2013, to identify significant unimplemented recommendations for inclusion in the Compendium. However, we did not identify any significant unimplemented recommendations from fiscal years (FYs) 2002 and 2003. We reviewed reports issued to the CSB by the OIG from October 1, 2010, to September 30, 2013. We did not review recommendations from reports without an OIG agreement on the agency's proposed corrective actions. A list of the reports without a management decision can be found in Appendix 2 of the Semiannual Report to Congress.

We limited the consideration of unimplemented recommendations to those we believe were significant because they could have a material impact on the economy, efficiency, effectiveness or integrity of the EPA's and the CSB's programs and operations. For this purpose, we define significant recommendations in the following terms:

- **Economy:** Opportunity to save, prevent loss or recover at least $500,000 in monetary costs or value.
- **Efficiency:** Improvement in the process, capacity, accessibility or delivery of program objectives and the elimination of unnecessary or unproductive actions or expenses.
- **Effectiveness:** Improvement in the quality of, or reduction in the risk to, public health and the environment.
- **Integrity:** Improvement in operational accountability, enforcement of and compliance with laws and regulations, and security of resources for public confidence.

The Compendium consists of four sections: (1) unimplemented recommendations for the EPA with past due completion dates; (2) unimplemented recommendations for the EPA with future

Part One
Unimplemented EPA Recommendations With Agreed-to Completion Dates

Action Office: OARM
Report Title: Improvements Needed in EPA's Smartcard Program to Ensure Consistent Physical Access Procedures and Cost Reasonableness
Report No.: 13-P-0200
Date Issued: 03/27/2013

Report Summary

In EPA Order 3200, *EPA Personal Identity Verification and Smartcard Program*, the EPA stated that it would upgrade facilities in an order that would protect its most critical and valued assets first. Contrary to its plans, the EPA upgraded some less critical facilities prior to its most important facilities (including EPA headquarters). The EPA stated it was more efficient to upgrade facilities based on geographic location rather than importance, but provided no quantitative data to support that position. In addition, the EPA indicated it did not want to make mistakes upgrading headquarters buildings so it upgraded others first. As a result, some lower valued facilities required a higher level of authentication for access than EPA headquarters facilities. The processes used to gain access are inconsistent and not yet inter-operable (can be used by all federal employees including those outside the EPA) or intra-operable (can be used by any EPA employee). This occurred because the EPA had not developed national physical access procedures to foster consistency. As a result, the EPA is not realizing potential benefits associated with a standardized process.

Unimplemented Recommendation

Recommendation 1: We recommend that the Assistant Administrator for Administration and Resources re-prioritize the remaining facility upgrades by security level from highest to lowest, complete all remaining upgrades according to security level, and require the Security Management Division Director to provide written justification for upgrading Level 1 facilities.

> ***Status***: OARM agreed to initiate the Physical Access Control System upgrades for all remaining Facility Security Level 3 and 4 facilities. OARM is reevaluating the remaining Physical Access Control System upgrades and modifying the implementation schedule. OARM is taking these steps due to the recent significant updates to Homeland Security Presidential Directive-12 technical standards. The updates have resulted in there being a limited number of approved and/or proven vendor products on the Federal Identity, Credential, and Access Monitoring Testing Program's Approved Product List. OARM will look for fully deployed systems that have a record of stability before it moves ahead with the majority of the remaining Physical Access Control Systems. OARM will pilot newly approved systems as they become available enabling OARM to follow federal best practices for procuring and implementing emerging technologies incrementally to reduce associated risk. The original agreed-to completion date was March 31, 2013.

Action Office:	**OCSPP**
Report Title:	**Review of Hotline Complaint Concerning Cost and Benefit Estimates for EPA's Lead-Based Paint Rule**
Report No.:	**12-P-0600**
Date Issued:	**07/25/2012**

Report Summary

Although the EPA stated that its economic analysis underwent extensive intra-agency review and was approved by the Office of Management Budget prior to publication, the EPA used limited data to develop its cost and benefit estimates for the Lead Rule. We did not conclude that the EPA violated policies or failed to follow requirements in conducting its analysis. Rather, the EPA conducted its economic analysis under time pressures and subsequently used its discretion to complete its analysis using some limited data and approaches. The EPA's economic analyses were limited in that:

- The estimated cleaning and containment work practice costs to comply with the rule were not based on a statistically valid survey.
- The EPA did not quantitatively analyze or include other costs outlined in agency guidance, such as costs due to increased consumer prices, costs of unemployment, and costs to markets indirectly affected by the rule.
- The EPA did not include the cost to renovation businesses of securing additional liability insurance.
- The EPA recommended additional work practices in a training program that, while not required by the rule, would likely result in additional cost because the regulated community would view these practices as required.

Further, an EPA science advisory committee reported that limitations in the agency's data for estimating intelligence quotient changes in children exposed to lead dust during renovations would not adequately support a rigorous cost benefit analysis. In our opinion, the data limitations in the EPA's analyses limit the reliability of the rule's stated cost and benefits. In public rulemaking documents, the EPA acknowledged several of the limitations. The EPA's obligation under terms of a settlement agreement to issue the Lead Rule by March 2008, the use of discretion in conducting the economic analysis, and the EPA's subsequent assumption that the costs of the rule were low, limited the EPA's approach in estimating the cost and benefits of the rule.

Unimplemented Recommendation

Recommendation 1: We recommend that the Assistant Administrator for Chemical Safety and Pollution Prevention, consistent with a retrospective and flexible regulatory culture, reexamine the estimated costs and benefits of the 2008 Lead Rule and the 2010 amendment to determine whether the rule should be modified, streamlined, expanded, or repealed.

Status: OCSPP will create an information gathering work plan. It will submit an Information Collection Request to OMB for clearance by April 30, 2014. The original agreed-to completion date was March 31, 2013.

Action Office: OCFO
Report Title: EPA Needs Workload Data to Better Justify Future Workforce Levels
Report No.: 11-P-0630
Date Issued: 09/14/2011

Report Summary

The EPA has not collected comprehensive workload data or conducted workload analysis in about 20 years. The EPA does not require program offices to collect and maintain workload data, and the programs do not have databases or cost accounting systems in place to collect data on time spent on specific mission-related outputs. Federal guidance and standards emphasize the importance of planning work to determine staffing needs. OMB guidance states that agencies should identify their workloads to help determine the proper workforce size, and federal accounting standards require that agencies establish cost accounting systems to allow them to determine resources consumed for work performed. Without sufficient workload data, program offices are limited in their ability to analyze their workloads and justify resource needs, and the EPA's Office of Budget must base budget decisions primarily on subjective justifications at a time when budgets continue to tighten and data-driven decisions are needed. Organizations of varying sizes and missions have used workload models for years to justify resource needs. During our audit, we identified some basic concepts of workload modeling from which the EPA could benefit. The EPA would need to tailor such concepts to its own mission, structure and culture.

Unimplemented Recommendations

Recommendation 1: We recommend that the Chief Financial Officer conduct a pilot project requiring EPA organizations to collect and analyze workload data on key project activities.

> ***Status***: OCFO is working closely with the EPA's air and water programs and their lead regions to refine and expand on FY 2011 pilot projects. OCFO is working to determine the specifics of how the EPA organizations should collect and analyze workload data on key project activities. OCFO created a workload analysis model for air and water permitting programs and is conducting analyses of grant and Superfund cost recovery. The EPA has added analyses of grants project officer work to its analyses of grants specialist workloads. Analyses have updated the workload estimates developed by Logistics Management Institute in their grants analyses and have further refined some critical grants management steps. OCFO plans to complete this phase of grants analysis by June 30, 2014. The original agreed-to completion date was September 30, 2012.

Recommendation 2: We recommend that the Chief Financial Officer use information learned from the pilot and the ongoing contracted workload study to issue guidance to the EPA's program offices on:

a. How to collect and analyze workload data.
b. The benefits of workload analysis.
c. How this information should be used to prepare budget requests.

Action Office:	**OARM**
Report Title:	**EPA Has Not Fully Implemented a National Emergency Equipment Tracking System**
Report No.:	**11-P-0616**
Date Issued:	**09/13/2011**

Report Summary

Although the EPA spent $2.8 million as of October 2010 to develop and implement an Emergency Management Portal (EMP) emergency equipment tracking module, the EPA has not fully implemented the module, and the module suffers from operational issues. Our review of allegations in a Hotline complaint found that:

- The EPA does not fully use the EMP equipment tracking module because no EPA office with overall authority has mandated its use.
- The EPA has made no formal effort to assess functionality and cost effectiveness due to its decision to perform such assessments only after fully implementing the EMP equipment module.
- The EMP equipment module is cumbersome and slow, and may not be the most efficient and effective emergency equipment tracking alternative.

The EPA has guidance and policies that require the agency to develop and implement a plan for a national equipment tracking system. Both the OMB and EPA require performance measurement of such systems. However, the EPA has not fulfilled this requirement. In addition to the $2.8 million it has already spent, the EPA plans to spend another $5.5 million over the next 15 years on the EMP equipment module's maintenance. Further, the regions that are using the module continue to maintain their own tracking systems, resulting in wasted resources. Because the EPA has not fully implemented the EMP equipment module and the module is cumbersome and slow, the EPA's ability to protect public health and the environment in the event of a nationally significant incident may be impaired.

Unimplemented Recommendation

Recommendation 3: We recommend that the Deputy Administrator mandate that regions and response teams employ the national tracking system the EPA decides to use for emergency response equipment.

Status: The new system has been developed but it is not yet fully implemented. OARM has been actively working toward acquiring an agency asset management system to achieve the federal government "industry" standard since June 2010. A commercial off-the-shelf software package with asset management functionality was purchased in February 2012, with the intention of hosting it on the local Office of Administration Services Information System. As a result of shifting priorities and reduced funding, the corrective action completion date committed to in the previous audit response is no longer achievable. OARM continues to be fully committed to implementing the developed property system, but will not achieve deployment of the system until January 31, 2015. The original agreed to completion date was May 31, 2012.

Status: The EPA is proposing regulatory revisions to the NCP's Subpart J testing requirements. The Subpart J rule is currently awaiting transmittal to OMB. The proposed rule incorporating NCP testing requirements is expected to appear in the *Federal Register*. The original agreed-to completion date was August 30, 2012.

Recommendation 3: We recommend that the Assistant Administrator for Solid Waste and Emergency Response modify the NCP Product Schedule and contingency plans to include additional information (such as testing on crude oil, subsurface dispersants application, volume and duration limits, etc.) learned from the Deepwater Horizon oil spill response and use such information to revise and update Area and Regional Contingency Plans.

Status: The EPA is proposing regulatory revisions to the Subpart J requirements for the NCP Product Schedule and contingency planning elements. The revisions will address chemical agent tests (such as dispersants) using crude oil; subsurface use of dispersants; and quantity, location and duration of chemical agent use criteria. The Subpart J rule is currently awaiting transmittal to OMB. The proposed rule incorporating NCP testing requirements is expected to appear in the *Federal Register*. The original agreed-to completion date was August 30, 2012.

Recommendation 6: We recommend that the Assistant Administrator for Solid Waste and Emergency Response review and analyze NCP Subpart J toxicity testing protocols to ensure that emergency responders have the information necessary for appropriate subsurface dispersant use for future oil spills.

Status: This issue is currently being addressed as part of the action to revise the requirements for Subpart J toxicity testing and criteria for listing dispersants on the NCP Product Schedule. When revisions to the Product Schedule requirements are complete, OSWER's Office of Emergency Management (OEM) will work on revisions to the Selection Guide and Technical Notebooks, which are made available to emergency responders, to ensure the necessary information is available for subsurface dispersant use on future oil spills. The Subpart J rule is currently awaiting transmittal to OMB. The proposed rule incorporating NCP testing requirements is expected to appear in the *Federal Register*. The original agreed-to completion date was August 30, 2012.

Recommendation 7: We recommend that the Assistant Administrator for Solid Waste and Emergency Response, as part of the action to review NCP Subpart J requirements, address the need to capture and maintain dispersant manufacturer production capacities, equipment requirements, and other necessary information to better prepare for future oil spills. Make this information widely available to the response community.

Status: OEM is in the process of developing amendments to the requirements in Subpart J of the NCP associated with the testing, listing and use of chemical agents, including dispersants, on oil spills on the waters of the United States. The proposed rulemaking containing the amendments has cleared Options Selection and is in the workgroup package development state under the agency's Action Develop Process, in compliance with the Administrative Procedures Act. One set of elements under development in the package is proposed regulatory language that would require product manufacturers to include information on their

Action Office:	**OECA**
Report Title:	**Agency-Wide Application of Region 7 NPDES Program Process Improvements Could Increase EPA Efficiency**
Report No.:	**11-P-0315**
Date Issued:	**07/06/2011**

Report Summary

Although participants in the Kaizen event for Region 7's National Pollutant Discharge Elimination System (NPDES) program continued to follow up on the commitments and action items identified, no single authority was responsible for tracking the process improvement outcomes. Also, the EPA did not have a process to develop and track quantifiable results and outcomes from the event. Further, the EPA encountered barriers involving scope, performance measures, implementation and accountability when planning the Kaizen event. While the states and the EPA collaborated to create guidance for Kaizen events, such as the lean starter kit and primer, the EPA did not, nor was it required to, use them to assure that barriers were overcome in the execution of the Region 7 event.

The Administrator's January 2010 memorandum, "Our Top Priorities," as well as the EPA's other recent and state initiatives, discusses the need to improve internal operations and/or conduct more Kaizen events with the states to more efficiently protect the environment and public health. The Region 7 Kaizen event for the NPDES program identified three process improvements (resolution of technical issues and communication, permitting and enforcement oversight reviews of states, and annual strategic planning) and one implementation action (data collection and reporting) that can potentially be implemented in other regions. Agency-wide permitting process changes could result in better communication; time and cost savings in the states; and avoidance of duplicate inspections, reviews and data reporting. Using lessons learned from the Region 7 Kaizen event can increase the potential benefits achieved in future process improvement efforts.

Unimplemented Recommendation

Recommendation 1: We recommend that the Deputy Administrator direct the Office of Water and the Office of Enforcement and Compliance Assurance to identify Region 7 process improvements that can be applied elsewhere, considering the cost and benefit of implementation. These actions include:

a. Earlier resolution of technical issues and communication;
b. Combining permitting and enforcement oversight reviews of the states;
c. Implementing coordinated and integrated strategic planning nationwide for the NPDES program, including consideration of the new approaches under the Clean Water Act of 1972 action plan; and
d. Fully implementing burden reduction initiatives identified during the event.

Status: OW has completed corrective actions to address items a, b and c. To address item d, OECA published the proposed NPDES electronic reporting rule in the *Federal Register* on July 30, 2013. A significant amount of work was required to develop the proposed rule, as was extensive coordination with the water community both within and outside of the agency.

Action Office:	**OAR**
Report Title:	**EPA Needs to Better Document Project Delays for Recovery Act Diesel Emissions Reduction Act Grants**
Report No:	**11-R-0179**
Date Issued:	**03/28/2011**

Report Summary

While the Diesel Emission Reduction Act project officers were aware of Recovery Act grant project delays, they did not always document delays in the EPA's grants management system or, in some cases, take action to reduce the impact of project delays. To prompt quicker action from recipients on Recovery Act grants, the EPA had stated to OMB in March 2009 that all grants would have an initial project period through September 30, 2010. The EPA's goal was to have 40 percent of the Recovery Act grant funds expended by September 30, 2010, which was met. However, as of June 30, 2010, 49 grants, with a value of $101,437,442, had less than 10 percent of the funds expended. Eighty-five percent of the grantees did not finish projects by the completion date, and the EPA granted no-cost time extensions for all those grantees. In granting the extensions, 3 of 15 grants we reviewed did not contain new timeframes for completing the projects. The EPA guidance requires timeframes to be established, and timeframes can be used to assess progress and reduce the impact of project delays. Even though grant recipients reported project delays to the EPA in progress reports, in 10 of 15 cases reviewed, project officers did not document these delays in programmatic baseline monitoring reports. Diesel Emission Reduction Act staff believed the delays were outside the control of the recipients and that no-cost time extensions were the appropriate corrective action. However, the EPA did not take sufficient action in some cases by establishing new milestone dates and instituting corrective actions when approving grant extensions. Delayed projects may result in recipients not completing projects within specified timeframes and delayed achievement of Recovery Act objectives.

Unimplemented Recommendations

Recommendation 3: We recommend that the Assistant Administrator for Air and Radiation ensure that project officers continuously document delays in baseline and advanced monitoring reports for Recovery Act EPA Diesel Emissions Reduction Program grants. Update milestones and institute corrective action plans when delays occur.

> ***Status:*** Once the baseline monitoring programmatic report has been revised by OARM, OAR will train project officers and grant specialists to use the form correctly to document delays. OAR will work with the regions to update milestones when delays occur; plans for corrective action will be used when avoidable delays occur. OAR is continuing to perform baseline and advance monitoring for Recovery Act EPA Diesel Emissions Reduction Program grants and documenting those activities in project officer files and grants databases. As necessary, OAR is initiating corrective action plans through consultation and coordination between the Office of Grants and Debarment, the Office of General Counsel and OAR's regional partners. The anticipated completion date for these actions is September 30, 2014. The original agreed-to completion date was December 31, 2011.

Recommendation 5: We recommend that the Assistant Administrator for Air and Radiation ensure that project officers, using the information in the recipient monitoring database, regularly

Action Office: OSWER
Report Title: EPA Needs an Agency-Wide Plan to Provide Tribal Solid Waste Management Capacity Assistance
Report No.: 11-P-0171
Date Issued: 03/21/2011

Report Summary

This evaluation found that the EPA cannot determine whether its efforts are assisting tribal governments in developing the capacity to manage solid waste or reduce the risks of open dumps in Indian country. The EPA's performance measures do not assess whether the agency's efforts are effective in building solid waste management capacity in Indian country. The EPA also lacks internal data controls to track the status of open dumps.

Further, the EPA does not have an agency-wide plan that defines the roles and responsibilities of the EPA program offices and regions. The EPA also lacks internal controls that hold these offices accountable for providing consistent solid waste management assistance to tribes. The lack of a single, agency-wide plan results in poor coordination and limited oversight, and may lead to an ineffective use of resources. As a result, the EPA cannot (1) ensure that consistent solid waste management assistance is provided, (2) accurately determine the risks of open dumps, or (3) determine whether efforts are effective nationwide.

Unimplemented Recommendation

Recommendation 2: We recommend that the Deputy Administrator require the agency-specific plan include:

a. Descriptions of the roles and responsibilities for the EPA program offices and the EPA regions conducting solid waste management capacity assistance activities in Indian country;
b. Identification of the agency resources required for providing solid waste management assistance activities;
c. Performance measures, including both output and outcome measures, to track whether its assistance is consistent and effective in developing solid waste management capacity and reducing risks from open dumps in Indian country;
d. Internal controls to ensure consistent data collection and consistent provision of waste management capacity assistance to tribal clients nationwide;
e. A process to ensure coordination between the EPA program offices and regions; and
f. A timeline specifying when the activities and outcomes outlined in the plan are expected to be accomplished.

Status: OSWER has completed corrective actions to address items a, b, d, e and f. To address item c, EPA's agency-wide plan will propose new performance measures for consideration in the next EPA Strategic Plan. The EPA intends to focus on outcome oriented measures and ensure that internal controls are a significant factor in selecting new proposed measures. The EPA will also attempt to align the proposed measures with the Tribal Decision Maker's Guide and the Guidebook for Building Tribal Environmental Capacity (currently in draft form). The EPA has created a national workgroup, comprised of headquarters and regional

Action Office: OARM
Report Title: EPA Needs Better Agency-Wide Controls Over Staff Resources
Report No.: 11-P-0136
Date Issued: 02/22/2011

Report Summary

The EPA does not enforce a coherent program of position management to assure the efficient and effective use of its workforce. While some organizational elements have independently established programs to control their resources, there is no agency-wide effort to ensure that personnel are put to the best use. Prior to April 2010, the EPA had the *Position Management and Control Manual,* which required an agency-wide program. However this manual was not enforced and in April 2010 it was cancelled without replacement. According to the cancellation memorandum, the manual was eliminated because OARM officials believed the EPA had other mechanisms in place to appropriately manage and control its positions. However, the other mechanisms do not provide similar effects, controls, or documentation. Without an agency-wide position management program, the EPA leadership lacks reasonable assurance that it is using personnel in an effective and efficient manner to achieve mission results.

Unimplemented Recommendation

Recommendation 1: We recommend that the Assistant Administrator for Administration and Resources Management establish an agency-wide workforce program that includes controls to ensure regular reviews of positions for efficiency, effectiveness, and mission accomplishment.

> ***Status***: OARM will submit the directive for final approval by June 1, 2014. The original agreed-to completion date was September 15, 2012. Also, OARM will issue the position management directive by June 1, 2014. The original agreed-to completion date was September 30, 2012.

Action Office: OARM
Report Title: Audit of EPA's Fiscal 2010 and 2009 Consolidated Financial Statements
Report No.: 11-1-0015
Date Issued: 11/15/2010

Report Summary

We rendered an unqualified opinion on the EPA's Consolidated Financial Statements for fiscal 2010 and 2009, meaning that they were fairly presented and free of material misstatement. The OIG noted the following four significant deficiencies:

- Further improvements are needed in reviewing the Superfund state contract unearned revenue spreadsheets.
- The EPA should assess collectability of federal receivables and record allowances for doubtful accounts as needed.
- The EPA needs to improve its controls for headquarters personal property.
- The EPA needs to properly close the Fund Balance with Treasury when cancelling treasury symbols.

The OIG also noted one noncompliance issue involving the EPA's need to continue efforts to reconcile intragovernmental transactions.

Unimplemented Recommendation

Recommendation 9: We recommend that the Assistant Administrator for Administration and Resources Management require the Director, Facilities Management and Services Division, to adequately address and resolve the issue and determine why personal property items are missing.

Status: OARM agreed to take several actions to address the personal property issue including the Financial Management Services Division developing a new property tracking system. The new system will include individual as well as location tracking features. This system will also include contract property tracking features. The Financial Management Services Division expects to have the tracking system completed by January 31, 2015. The original completion date for this corrective action was May 30, 2012.

Action Office: OAR
Report Title: Key Activities in EPA's Integrated Urban Air Toxics Strategy Remain Unimplemented
Report No.: 10-P-0154
Date Issued: 06/23/2010

Report Summary

This report evaluated the public health risk from exposure to air toxics which is a concern in many urban areas. Accordingly, we conducted this evaluation to assess how the EPA tracks progress toward the goals of its 1999 Integrated Urban Air Toxics Strategy. The Clean Air Act Amendments of 1990 required the EPA to develop this strategy to reduce public health risks from air toxics emissions in urban areas.

We found that the EPA has not implemented key requirements of Clean Air Act Section 112(k), including developing emission standards for all area (smaller) source categories and submitting a second report to Congress (due in 2002) identifying urban areas that continue to experience significant public health risks from air toxics exposures. In addition, 10 years after issuing the 1999 Integrated Urban Air Toxics Strategy, the EPA has still not implemented key activities outlined in the Strategy. For example, the EPA has not established baseline risk data to measure progress in reducing air toxics risks. As a result, the EPA has not tracked progress in meeting the strategy's goals.

Further, although the EPA determined in 2001 that a risk-based program is necessary to meet the goals of the strategy, the EPA has not yet determined whether it has the statutory authority to require state and local agencies to implement such a program. Many state and local agencies do not have their own risk-based programs, and about half of the states and several local agencies have laws preventing them from implementing environmental regulations stricter than the EPA's regulations. Without the establishment of a minimum, federally required risk-based program, we do not believe that all state and local agencies will implement programs to adequately address the health risks from urban air toxics.

The EPA's last risk assessment, based on 2002 data, estimated that 1 in every 28,000 people could develop cancer from air toxics exposure, and that 2 million Americans live in areas with lifetime cancer risks from air toxics in excess of 1 in 10,000. Given the length of time since the Integrated Urban Air Toxics Strategy was developed and the problems the EPA has encountered in its implementation, the EPA should reassess and update its approach to addressing urban air toxics.

Unimplemented Recommendations

Recommendation 2-1: We recommend that the Assistant Administrator for Air and Radiation develop and submit the required second Urban Air Toxics Report to Congress by the end of FY 2010. This report should:

- Disclose the current status and progress made in meeting Section 112(k) of the Clean Air Act.

Action Office:	**OCSPP**
Report Title:	**EPA Needs a Coordinated Plan to Oversee Its Toxic Substances Control Act Responsibilities**
Report No.:	**10-P-0066**
Date Issued:	**02/17/2010**

Report Summary

The EPA does not have integrated procedures and measures in place to ensure that new chemicals entering commerce do not pose an unreasonable risk to human health and the environment. We found that the EPA's New Chemicals Program had limitations in three processes intended to identify and mitigate new risks – assessment, oversight and transparency. The program is limited by an absence of test data and a reliance on modeling because the Toxic Substances Control Act does not require upfront testing as part of a Premanufacture Notice submission. Premanufacture Notice submitters are required to submit health and safety data in their possession and a description of data known to or reasonably ascertainable by the submitter at the time of its submission. Nonetheless, the majority of Premanufacture Notice submissions do not include chemical toxicity or environmental fate data. Oversight of regulatory actions designed to reduce known risks is a low priority, and the resources allocated by the EPA is not commensurate with the scope of monitoring and oversight work. In addition, the EPA's procedures for handling confidential business information requests are predisposed to protect industry information rather than to provide public access to health and safety studies.

The EPA's Office of Pollution Prevention and Toxics and OECA's respective performance measures for managing risks from new chemicals do not accurately reflect program performance in preventing risk, nor do they assure compliance. In cases where full information does not exist or analyses are limited, the Office of Pollution Prevention and Toxics reports the new chemicals as not having risk, while the limitations in the measure are not disclosed. OECA's performance measure is not outcome based; rather, the measure tracks program activities.

Unimplemented Recommendations

Recommendation 2-4: We recommend that the Assistant Administrator for Chemical Safety and Pollution Prevention establish criteria and procedures outlining what chemicals or classes of chemicals will undergo risk assessments for low-level and cumulative exposure. Periodically update and revise risk assessment tools and models with latest research and technology developments.

> ***Status* (CA 2):** OCSPP agreed to initiate cumulative assessments of eight phthalates and the EPA intends to lay the groundwork to consider initiating rulemaking under Toxic Substances Control Act section 6(a) to regulate the eight phthalates. In preparation for the rulemaking, the EPA intends, in cooperation with the U.S. Consumer Product Safety Commission and the U.S. Food and Drug Administration, to continue to work to fully assess the use, exposure and substitutes for these chemicals. OCSPP has been unable to complete the assessments and rulemaking because the work to be done requires the use of data from the Consumer Product Safety Commission and Food and Drug Administration's report tentatively titled, "Report to the U.S. Consumer Product Safety Commission by the Chronic Hazard Advisory Panel on Phthalates Alternatives." This report was to be issued in 2012 but as of October 21, 2013, had

Action Office: OSWER
Report Title: Lack of Final Guidance on Vapor Intrusion Impedes Efforts to Address Indoor Air Risks
Report No.: 10-P-0042
Date Issued: 12/14/2009

Report Summary

The EPA's efforts to protect human health at sites where vapor intrusion risks may occur have been impeded by the lack of final agency guidance on vapor intrusion risks. The EPA's 2002 draft vapor intrusion guidance has limited purpose and scope, and the science and technology associated with evaluating and addressing risk from vapor intrusion is evolving. The EPA's draft also contains outdated toxicity values for assessing risk to humans from chemical vapors in indoor air.

The EPA's draft guidance does not address mitigating vapor intrusion risks or monitoring the effectiveness of mitigation efforts. The draft guidance also does not clearly recommend that multiple lines of evidence be used in evaluating and making decisions about risks from vapor intrusion. The draft guidance is not recommended for assessing vapor intrusion risks associated with petroleum releases at Underground Storage Tank sites. The EPA's outdated toxicity values allow for the use of widely different, nonfederal toxicity values and have caused delays in work to address possible risks.

The EPA has not finalized its guidance, according to EPA managers and staff, because the 2007 Interstate Technology Regulatory Council guidance addressed many issues that the EPA would have addressed in a final guidance, and because finalizing the EPA's guidance would take a long time in light of the emerging scientific issues in the field. Also, previous administrative review requirements for agency guidance were perceived as barriers to issuing timely guidance in a rapidly changing environment. These requirements were revoked by the current Administration, but significant guidance remains subject to some administrative review.

Seven years later, the EPA is developing a roadmap of technical documents that will update its draft guidance. However, technical documents may not be effective for conveying and representing agency policy. The EPA has also made some progress in updating toxicity values for some contaminants most frequently associated with vapor intrusion.

Unimplemented Recommendation

Recommendation 2: We recommend the Assistant Administrator for Solid Waste and Emergency Response issue final vapor intrusion guidance(s) that incorporates information on:

a. Updated toxicity values.
b. A recommendation(s) to use multiple lines of evidence in evaluating and making decisions about risks from vapor intrusion.
c. How risks from petroleum hydrocarbon vapors should be addressed.
d. How the guidance applies to Superfund Five-Year Reviews.
e. When or whether preemptive mitigation is appropriate.

Action Office:	**OCFO**
Report Title:	**Audit of EPA's Fiscal 2009 and 2008 (Restated) Consolidated Financial Statements**
Report No.:	**10-1-0029**
Date Issued:	**11/16/2009**

Report Summary

We rendered an unqualified opinion on the EPA's consolidated financial statements for FYs 2009 and 2008 (restated), meaning that they were fairly presented and free of material ~~misstatement. The OIG noted the following three material weaknesses:~~

- The EPA understated accounts receivable for FY 2008.
- The EPA understated unearned revenue.
- Improvement is needed in billing costs and reconciling unearned revenue for Superfund state contract costs.

We also noted the following eight significant deficiencies:

- The EPA misstated uncollectible debt and other related accounts.
- The EPA needs to improve billing and accounting for accounts receivable.
- Headquarters property items were not inventoried.
- The EPA should improve its financial statement preparation process.
- Unneeded funds were not deobligated timely.
- Improvement is needed in managing data system user accounts.
- Las Vegas Finance Center needs improved physical access controls.
- Customer Technology Solutions equipment needs improved planning.

We noted one noncompliance issue, involving the EPA's need to continue efforts to reconcile intra-governmental transactions.

Unimplemented Recommendations

Recommendation 27: We recommend that the Office of the Chief Financial Officer ensure that all new financial management systems (including the Integrated Financial Management System replacement system) and those undergoing upgrades include a system requirement that the fielded system include an automated control to enforce separation of duties.

Status: OCFO's Office of Financial Management and Office of Technology Solutions planned to take action to develop and implement a procedure, linked to OEI's System Life Cycle Management procedures, that ensures all new financial management systems and those undergoing upgrades include a system requirement for the fielded system to include an automated control to enforce separation of duties. OCFO has made significant strides to complete corrective actions associated with the segregation of duties issue noted during the FY 2009 financial statement audit. The agency has implemented a segregation of duties policy, and detective system controls do exist. However, the EPA has not implemented automated separation of duties controls throughout the entire Compass financial management

Action Office: OECA
Report Title: EPA Oversight and Policy for High Priority Violations of Clean Air Act Need Improvement
Report No.: 10-P-0007
Date Issued: 10/14/2009

Report Summary

High Priority Violations (HPVs) were not being addressed in a timely manner because regions and states did not follow the HPV policy, the EPA headquarters did not oversee regional and state HPV performance, and regions did not oversee state HPV performance. According to EPA data, about 30 percent of state-led HPVs and about 46 percent of EPA-led HPVs were unaddressed after 270 days. This can result in significant environmental and public health impacts.

Regions are not ensuring that sources receive notices of violation within 60 days. None of the regions reviewed held meetings with their states after HPVs had been unaddressed for 150 days to discuss case strategy. Several states addressed HPVs with informal rather than formal enforcement actions. EPA headquarters did not use the "Watch List" and trend reports to assess performance of regions and states in addressing HPVs. The regions did not ensure that state-led HPVs are addressed in a timely manner by taking over delinquent state HPV cases. Regions also did not always ensure that states entered accurate data into the Air Facility System database. Although the EPA noted some of these deficiencies, it has not developed a plan to correct them.

The EPA regions reviewed generally conducted status meetings with states to discuss HPVs. Also, the EPA implemented the State Review Framework as a means to better evaluate the performance of its Clean Air Act compliance and enforcement programs.

Unimplemented Recommendations

Recommendation 1: We recommend that the Assistant Administrator for Enforcement and Compliance Assurance direct the EPA regions to comply with the HPV policy, and monitor and report on regions' compliance.

Recommendation 3: We recommend that the Assistant Administrator for Enforcement and Compliance Assurance implement proper management controls over HPV by (1) following the watch list standard operating procedures, including generating trend reports and conducting national annual reviews; and (2) ensuring that Air Facility System data is accurate by documenting data inaccuracies and their disposition in regular meeting notes.

> **Status:** OECA is working with a number of state partners and completed work on a revised policy on August 30, 2013. OECA completed its effort to allow partners to review/comment on the new policy and will work to complete the HPV management report in June 2014. The EPA plans to formally issue the revised policy in March 2014. Once the HPV Policy revision is final, OECA will work with regions and states on an HPV management report that adapts to the new policy and that will serve as the tool for the EPA and states to use to manage the HPV process. The HPV management report will be provided no later than June 30, 2014. The

Action Office:	**OARM**
Report Title:	**Review of Hotline Complaint on Employee Granted Full-Time Work-at-Home Privilege**
Report No.:	**10-P-0002**
Date Issued:	**10/07/2009**

Report Summary

We found an unauthorized, full-time work-at-home arrangement that has existed for 9 years and allows a National Enforcement Training Institute employee to work from home in Ohio instead of an office in Washington, D.C. The employee and position were originally located in the Washington area and the employee later moved as the result of a spouse transfer. In our opinion, the National Enforcement Training Institute's actions are for the benefit of a single employee as opposed to being primarily in the interest of the government, and this action was not equitably provided within the institute. The EPA has no established or consistent policy, procedure or criteria for granting full-time work-at-home privilege, and appears to be preferentially available to only a few employees. Neither OARM nor the National Enforcement Training Institute has any written documentation showing the government interest in or appropriateness of making this arrangement, or that senior OARM officials approved this action.

Office of Human Resources personnel (Associate Deputy Director of Program Management and Communications and the agency telework coordinator) stated that the EPA became aware of similar arrangements due to research it performed for an unrelated court case. OARM raised concerns about equity in such arrangements, and believes this must be brought under control. To date, OARM has not corrected this situation.

Unimplemented Recommendations

Recommendation 1: We recommend that the Deputy Administrator assign responsibility for authorizing all non-OARM geographically separate duty station changes to the Assistant Administrator for OARM.

Recommendation 2a: We recommend that the Assistant Administrator for Administration and Resources Management establish and implement agency policy for all of the EPA's employees, clearly articulating the process and procedures for changing an employee's duty station to a location geographically separate from the position of record. This policy should include eligibility criteria for positions and personnel, records management requirements, periodic review and reauthorization, verification of correct pay rate (locality and grade), and specific approvals required from initial submission to final approval to ensure equity. The policy should require the Assistant Administrator for OARM to be the final decision authority for all geographically separate duty station locations authorizations except those duty station location changes initiated within OARM.

> ***Status:*** OARM has been working to address the official worksite designation issue for situations where employees are assigned to geographically separate locations. As OARM anticipated, it has taken time to build the considerable cross program and regional support that it believes is needed to effectively implement the final policy. OARM informed the OIG that it continues to aggressively coordinate across the agency's program and regional offices

Action Office: Region 9
Report Title: Making Better Use of Stringfellow Superfund Special Accounts
Report No.: 08-P-0196
Date Issued: 07/09/2008

Report Summary

By Fiscal Year 2010, EPA Region 9 could reclassify, or transfer to the Trust Fund, up to $47.8 million in special account funds for the Stringfellow Superfund site, located near Glen Avon, California. Reclassifying or transferring is consistent with EPA guidance and would potentially allow $47.8 million to be available for better use in Region 9's Superfund program or elsewhere in the Nation.

In response to our draft report, Region 9 agreed to reclassify $20 million of the $47.8 million by the end of Fiscal Year 2008. It also stated it would review the remaining amount ($27.8 million) in annual reviews and when it achieves a record of decision and settlement for the remaining site work in Fiscal Year 2010.

The Stringfellow special accounts had a balance of approximately $117.8 million as of June 11, 2008. The $70 million remaining in the accounts are to cover potential EPA cleanup costs if the responsible party (the State of California) is unable to pay. The OIG will address the EPA's management of funds held back for these purposes in a future report.

Unimplemented Recommendation

Recommendation 2: We recommend that the Region 9 Administrator reclassify or transfer to the Trust Fund, as appropriate, up to $27.8 million (plus any earned interest less oversight costs) of the Stringfellow special accounts in annual reviews, and at other milestones including the end of FY 2010, when the record of decision is signed and the final settlement is achieved.

> ***Status***: Region 9 will reclassify or transfer to the EPA Hazardous Substance Superfund Trust Fund, as appropriate, up to $27.8 million of the Stringfellow special accounts in annual reviews, and at other milestones, when the record of decision is signed and the final settlement is achieved. In 2012, a new area of groundwater contamination was identified that is commingling with and will directly impact the cleanup of existing Stringfellow contamination. An EPA lead remedial investigation/feasibility study is currently underway to characterize and develop remedial alternatives for the newly identified contamination. Due to the additional investigations at the site, the current anticipated date to complete the site-wide record of decision is December 31, 2015. The original agreed-to completion date was December 31, 2012.

Action Office: OSWER
Report Title: EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup
Report No.: 2007-P-00002
Date Issued: 12/05/2006

Report Summary

In our limited review, we identified the following significant issues that we believe are critical to a successful cleanup in Libby, Montana.

- The EPA has not completed a toxicity assessment of amphibole asbestos necessary to determine the safe level for human exposure; therefore, the EPA cannot be sure that the Libby cleanup sufficiently reduces the risk that humans may become ill or, if ill already, get worse.
- The EPA's public information documents *Living with Vermiculite* and *Asbestos in Your Home* are inconsistent about safety concerns.

Unimplemented Recommendation

Recommendation 1: We recommend that the EPA fund and execute a comprehensive amphibole asbestos toxicity assessment to determine (1) the effectiveness of the Libby removal actions, and (2) to determine whether more actions are necessary. The toxicity assessment should include the effects of asbestos exposure on children. The EPA Science Advisory Board should review the toxicity assessment and report to the OA and the Libby Community Advisory Group whether the proposed toxicity assessment can sufficiently protect human health.

Status: OSWER is completing revisions to the draft Toxicological Review for Libby Amphibole Asbestos, based on comments from the EPA's Science Advisory Board. Before the final posting of the Integrated Risk Information System assessment, the revised document will undergo internal agency review and Inter-Agency Science Consultation. Stakeholders are expecting the toxicity review in June 2014. The agency received an Information Quality Act Request for Correction regarding the Libby Amphibole Asbestos Integrated Risk Information System Assessment, dated February 26, 2014. It also received two letters from industry trade organizations requesting an additional peer review of the document before finalization. The agency is in the process of reviewing these requests as well as addressing peer review comments and other public comments. The site-specific risk assessment will be released for public comment within 6 months after the posting of the final Toxicological Review for Libby Amphibole asbestos. The original agreed-to completion date was September 30, 2012.

Action Office: OECA
Report Title: Limited Knowledge of the Universe of Regulated Entities Impedes EPA's Ability to Demonstrate Changes in Regulatory Compliance
Report No.: 2005-P-00024
Date Issued: 09/19/2005

Report Summary

We found that OECA has limited knowledge of the diverse regulated universe for which it maintains responsibility. OECA has not updated its universe table since generating it in 2001, even though some universe figures for reviewed program areas have changed substantially. The EPA has used the 2001 table as a source for describing the size of its regulated universe in public documents. Various data quality issues impact OECA's ability to adequately identify the size of its regulated universe and associated compliance information. OECA concentrates most of its regulatory activities on large entities and knows little about the identities or cumulative impact of small entities. OECA cannot effectively use universe figures to assist with its regulatory activities. OECA does not develop programmatic compliance information, adequately report on the size of the universe for which it maintains responsibility, or rely on universe figures to assist with planning.

OECA's limited universe knowledge prevents it from determining overall compliance levels in five of the six regulatory program areas we reviewed. This hinders OECA's ability to generate valid programmatic compliance information and effectively determine program success. In addition, OECA lacks adequate transparency in publicly reporting some currently available compliance information.

Unimplemented Recommendation

Recommendation 2-4: We recommend that the Assistant Administrator for Enforcement and Compliance Assurance develop an objective of having the most up-to-date and reliable data on all entities that fall under its regulatory responsibility. OECA should adopt the goals of requiring states to track, record, and report data for entities over which the states have regulatory responsibility. To achieve this goal, OECA should develop a multi-state, multi-program pilot program of collecting data that states track, record, verify, and report.

> ***Status***: OECA published the proposed NPDES electronic reporting rule in the *Federal Register* on July 30, 2013. A 90-day public comment period began with the publication of the rule. During this time period, OECA has been engaging in outreach presentations and webinars for interested parties. Should there be significant comments on the rule, OECA is committed to issuing a supplemental notice, which will require additional OMB review and a subsequent public comment period. Should a supplemental rule be required, OECA anticipates the final rule would be published in May 2015. The original completion date for the corrective action was September 30, 2012.

applicability determinations, explanations of any conditions from previously issued permits that are not being transferred to the Title V permit, discussions of streamlining requirements, and other factual information, where advisable, including a listing of prior Title V permits issued to the same applicant at the plant, attainment status, and construction, permitting, and compliance history of the plant.

Status: OAR will work with the regions to disseminate information about the positions the EPA has taken on statements of basis in response to citizen program and permit petitions. OAR will also develop a plan for identifying and sharing with permitting agencies those statements of basis that represent "best practices." This effort will be included in guidance documentation for recommendation 2-1. The guidance document is delayed because of the limited resources being focused on Title V Permit Petitions, New Source Review rulemaking, and Greenhouse Gas-related rulemaking. OAR plans to have the actions completed by April 30, 2014. The original agreed-to completion date was August 30, 2011.

Part Two
Unimplemented EPA Recommendations With Past Planned Completion Dates

Action Office: OECA
Report Title: The EPA Should Assess the Utility of the Watch List as a Management Tool
Report No.: 13-P-0435
Date Issued: 09/30/2013

Recommendation

Recommendation 1: We recommend that the Assistant Administrator for Enforcement and Compliance Assurance, assess the Watch List's utility as a management tool in assisting the agency in monitoring long-standing alleged significant violators. If the agency determines that the tool is useful, it should:

a. Ensure that Watch List criteria are consistent with relevant enforcement response policies and reassess the criteria to determine relevance.
b. Develop an approach for identifying and/or removing facilities on the list that have been referred to other offices/programs or are under a consent decree.
c. Improve transparency of the publicly available Watch List to allow users to query and receive information similar to what is available through internal data systems.
d. Identify and implement other improvements to the Watch List identified in the EPA's assessment.

Planned Corrective Action: OECA will assess the Watch List's utility as a management tool. Once assessed, if OECA decides to retain the Watch List, it will implement the remainder of the recommendations by December 31, 2014.

Agreed-to Completion Date: *September 30, 2014*

when possible. This will alert the staff with specific records management responsibilities to aid separating staff in capturing their records.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Planned Corrective Action b: The EPA's National Records Management Program and OARM will include steps in the separation process and procedures for employees to search for potential records residing within the secondary or group email accounts that the employee manages. A checklist will also be provided which will include all possible locations where records (paper and electronic) might be found.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Planned Corrective Action c: The EPA's National Records Management Program and OARM will include safeguards in the separation procedure to ensure that separating employees' information is captured during the holiday season and other times of limited staffing.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Planned Corrective Action d: The EPA's National Records Management Program and OARM will include in the separation process and procedures an out-processing checklist to ensure an area exists for records managers to certify as required by policy.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

develop policy recommendations. After review by various governing bodies and approval by the Associate Administrator for External Affairs and Environmental Education and the Assistant Administrator for Environmental Information, policies are formally implemented by the Chief Information Officer.

To ensure that information about all customer service lines is consistently provided on the EPA's website, and reviewed regularly, the National Web Managers will work with their staffs and agency web leads to address issues including:

- ~~Identifying the information about customer service lines that must be provided on the~~ website.
- Identifying who will manage information about each customer service line. To clarify, this refers to information about the customer service line itself, not information that the customer service line distributes about its subject matter.
- Determining how information about customer service lines will be provided on the website.

Agreed-to Completion Date: September 30, 2014

Action Office: OITA
Report Title: EPA's International Program Office Needs Improved Strategic Planning Guidance
Report No.: 13-P-0386
Date Issued: 09/09/2013

Recommendation

Recommendation 1: We recommend that the Assistant Administrator for the Office of International and Tribal Affairs develop strategic planning guidance to document:

- How OITA links its achieved outcomes for international and foreign grant activities to the goals of its strategic plan.
- The process used by OITA to allocate resources for its international and foreign grant activities.
- How OITA's international and foreign grant activities align with the EPA's goals in advancing public health and environmental improvement.

Planned Corrective Action: OITA will update and supplement planning guidance to document:

- How OITA links its achieved outcomes for international and foreign grant activities to the goals of its strategic plan.
- The process used by OITA to allocate resources for its international and foreign grant activities.
- How OITA's international and foreign grant activities align with the EPA's goals in advancing public health and environmental improvement.

Agreed-to Completion Date: June 30, 2014

Action Office: OCFO
Report Title: The EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions
Report No.: 13-P-0366
Date Issued: 08/30/2013

Recommendations

Recommendation 1: We recommend that the Chief Financial Officer notify all the EPA's action officials that when they extend planned completion dates for corrective actions by more than 6 months they must provide the OIG with written notification that includes the new milestone dates.

Planned Corrective Action 2: OCFO will develop training for audit follow-up coordinators on using MATS to ensure that they notify OIG when planned completion dates are extended more than six months.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Planned Corrective Action 3: OCFO will conduct Management Accountability Reviews to review audit follow-up documentation and quality assurance/quality control data in MATS every three years.

Agreed-to Completion Date: September 30, 2015

Recommendation 2: We recommend that the Chief Financial Officer ensure that training provided on EPA Manual 2750 emphasizes that:

a. Audit follow-up coordinators should update all fields in MATS, and
b. Program staff and managers should provide timely information to audit follow-up coordinators to ensure that they can update all fields within MATS.

Planned Corrective Action: OCFO will develop training for audit follow-up coordinators on using MATS to ensure that they update all fields in MATS and that program staff and managers provide timely information for thorough MATS updates.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Action Office: OARM
Report Title: EPA Needs to Improve STAR Grant Oversight
Report No.: 13-P-0361
Date Issued: 08/27/2013

Recommendation

Recommendation 7: We recommend that the Assistant Administrator for Administration and Resources Management follow up on unallowable costs identified in the finding. If grant recipients cannot provide documentation, require repayment of the funds.

Planned Corrective Action: OARM will follow up on unallowable costs and require repayment of costs, as appropriate.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Action Office:	**ORD**
Report Title:	**Public May Be Making Indoor Mold Cleanup Decisions Based on EPA Tool Developed Only for Research Applications**
Report No.:	**13-P-0356**
Date Issued:	**08/22/2013**

Recommendation

Recommendation 1: We recommend that Assistant Administrator for the Office of Research and Development periodically review licensee advertising to determine whether licensees have violated the terms of their agreement by implying the EPA's endorsement of Mold Specific Quantitative Polymerase Chain Reaction and take appropriate action based on the results of this review.

Planned Corrective Action: The Federal Technology Transfer Act staff will institute a more comprehensive, annual review of all active Federal Technology Transfer Act licensees to look for language that suggests endorsement or validation by the EPA. Federal Technology Transfer Act staff will work with the Office of General Counsel to address any such issues with licensees.

Agreed-to Completion Date: September 30, 2014

Planned Corrective Action: The agency's Grants Compliance Officer will work with Chelsea Collaborative Inc. to address this recommendation.

Agreed-to Completion Date: March 31, 2014 (corrective action will be considered past due as of March 31, 2015)

Recommendation 7: We recommend that the Regional Administrator, Region 1, report the finding in the Grantee Compliance Findings database.

Planned Corrective Action: Region 1 agreed to report the finding in the Grantee Compliance Findings database, as required by the EPA's Audit Management Procedures (Manual 2750).

Agreed-to Completion Date: June 30, 2014

b. Developing and utilizing annual and long-term outcome measures.

Planned Corrective Actions: OW has committed that, if additional authority for the water program is granted, it will work with OMB and water sector partners to collect the necessary information and develop a baseline.

Agreed-to Completion Date: March 31, 2016

Action Office:	**OSWER**
Report Title:	**Improved Information Could Better Enable EPA to Manage Electronic Waste and Enforce Regulations**
Report No.:	**13-P-0298**
Date Issued:	**06/21/2013**

Recommendations

Recommendation 1: We recommend that the Assistant Administrator for Solid Waste and Emergency Response develop a consistent approach for defining E-waste to set the conditions for goal setting and tracking. Identify and gather information to manage the goals and, if necessary, submit an Information Collection Request to OMB.

Planned Corrective Action 1: The agency will define and document each new activity it develops prior to initiating or implementing the activity.

Agreed-to Completion Date: July 31, 2014

Planned Corrective Action 2: The Municipal Solid Waste Characterization Report, which includes E-waste information and data, is completed annually. New information is incorporated into the program activities, as appropriate. If necessary, an Information Collection Request to OMB will be submitted.

Agreed-to Completion Date: February 28, 2014 (corrective actions will be considered past due as of February 28, 2015)

Recommendation 2: We recommend that Assistant Administrator for Administration Solid Waste and Emergency Response develop a more practical process to address the hazards of non-cathode ray tube electronic waste that ensures that this waste is managed in an environmentally sustainable manner.

Planned Corrective Action: The EPA's focus in implementing the National Strategy for Electronics Stewardship is to ensure that electronic devices are reused where possible and when no longer functional or reusable, are recycled by a certified recycler. As such, the EPA believes that this approach will help address hazards associated with used electronics, and ensure that used electronics are managed in an environmentally-sustainable manner. For used electronics, the EPA works with electronics stakeholders to collect used electronics and direct them to recycling at certified recycling facilities (certification includes a requirement to facilitate reuse of devices whenever possible). The EPA continues to encourage the use of and actively participate in the development and revisions of electronics recycling certification programs to prevent environmental releases and ensure public safety. For new electronics products, the EPA is working to expand the Electronic Product Environmental Assessment Tool registry which offers electronics designed to use potentially less hazardous chemicals or materials and to prevent environmental damage now and in the future.

Agreed-to Completion Date: July 31, 2014

Action Office:	**Region 6**
Report Title:	**Air Quality Objectives for the Baton Rouge Ozone Nonattainment Area Not Met under EPA Agreement 2A-96694301 Awarded to the Railroad Research Foundation**
Report No.:	**13-R-0297**
Date Issued:	**06/20/2013**

Recommendation

Recommendation 1: We recommend that the Regional Administrator, Region 6, recover federal funds of $2,904,578 unless the foundation provides a verifiable and enforceable remedy to reduce diesel emissions in the Baton Rouge ozone nonattainment area, as required by the cooperative agreement.

Planned Corrective: Region 6 will monitor the Railroad Research Foundation's compliance with the proposed compliance schedule that it developed with them. The cooperative agreement amount is therefore considered allowable, except for individual questioned items. Should the Railroad Research Foundation fail to comply with the schedule, Region 6 will assess monetary penalties.

Agreed-to Completion Date: September 30, 2020

Recommendation 3: In the event that all federal funds are not recovered under recommendation 1, we recommend that the Regional Administrator, Region 6, recover the excess indirect cost of $16,512, or consider funding the foundation's indirect costs for the entire project period.

Planned Corrective Action: Region 6's intention was to allow for funding of indirect costs for the entire project period of the grant. Therefore, Region 6 will fund the Railroad Research Foundation's indirect costs for the entire project period. Region 6 will prepare an amendment to fund indirect costs for the entire project period and incorporate the Railroad Research Foundation's amended sub agreement

Agreed-to Completion Date: One month from the Railroad Research Foundation's finalized subagreement.

Action Office: OEI
Report Title: Improvements Needed in EPA's Information Security Program
Report No.: 13-P-0257
Date Issued: 05/13/2013

Recommendations

Recommendation 3: We recommend that the Assistant Administrator for Environmental Information update the configuration management process to verify program offices remediate Federal Desktop Core Configurations / U.S. Government Configuration Baseline deviations in a timely manner.

Planned Corrective Actions: OEI's Office of Technology Operations and Planning's Technology and Information Security Staff will generate periodic reports depicting compliance status of assets shown in BigFix. As this is an ongoing effort, the planned completion date references the date in which the first compliance report will be generated from BigFix and in which noncompliance tickets will be inserted into the REMEDY software suite.

The Enterprise Desktop Solutions Division, with input from the Senior Agency Information Security Officer, will provide training and procedures for the Tivoli Endpoint Administrators to run compliance reports that will show Federal Desktop Core Configurations/U.S. Government Configuration Baseline deviations for their respective program or regional office.

The deviations from the standards will be reported via tools to the Senior Agency Information Security Officer and risk management and compliancy processes will apply – that is, recommendations will be provided to the chief information officer and the Risk Executive Group by the Senior Agency Information Security Officer, reports will be provided to the senior information officers and chief information officer, and Plans of Actions and Milestones will be monitored and validated by the Senior Agency Information Security Officer. The Office of Technology Operations and Planning may implement network isolation etc., as a result of chief information officer /risk management decisions.

Agreed-to Completion Date: September 30, 2013 (corrective action will be considered past due as of September 30, 2014)

Recommendation 7: We recommend that the Assistant Administrator for Environmental Information implement a strategic plan for the EPA's risk management framework.

Planned Corrective Action: The chief information officer's office will finalize and begin implementing a Risk Management Strategic Plan.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Recommendation 8: We recommend that the Assistant Administrator for Environmental Information work with the Risk Executive Group to:

Action Office:	**ORD**
Report Title:	**Improvements Needed to Secure IT Assets at EPA-Owned Research Facilities**
Report No.:	**13-P-0252**
Date Issued:	**05/08/2013**

Recommendations

Recommendation 4: We recommend that the Principal Deputy Assistant Administrator for Research and Development require all ORD facilities to perform and document semiannual workstation audits to assess staff compliance with agency IT security requirements.

Planned Corrective Action: A draft informational message to educate users on securing workstations and portable devices is currently under development. ORD's Office of Science Information Management will help coordinate semi-annual workstation audits at all ORD facilities to assess staff compliance with agency IT security requirements.

Agreed-to Completion Date: November 1, 2013 (corrective action will be considered past due as of November 1, 2014)

Recommendation 10: We recommend that the Principal Deputy Assistant Administrator for Research and Development require all ORD facilities to formalize a process that restricts access to ORD server rooms based upon job responsibility and need.

Planned Corrective Action: The Office of Science Information Management site-maintained documentation will be reviewed to determine and identify which sites and which groups are named as responsible for maintaining access to server rooms. These documents will be updated with additional details of responsibility, as needed. Additional procedures and processes will be written where none exist.

Agreed-to Completion Date: December 15, 2013 (corrective action will be considered past due as of December 15, 2014)

Recommendation 14: We recommend that the Principal Deputy Assistant Administrator for Research and Development require the Gulf Ecology Division, Atlantic Ecology Division, and Ecosystems Research Division to update contingency plans to include:

a. A list of required IT equipment provisions for essential staff in the event of an emergency.
b. A list of local stores and vendors from which to procure IT equipment in order to maintain operations in an emergency.
c. Procurement procedures and the names of authorized purchase cardholders in Continuity of Operations Plans for each ORD facility.

Additionally, require management personnel at all other ORD facilities to provide operational resources and facilities in the event of an emergency.

Planned Corrective Action: As EPA Order 2030.1A does not require Continuity of Operations Plans for ORD remote locations, all laboratory continuity documents will be

Action Office: OARM and OSWER
Report Title: EPA Should Increase Fixed-Price Contracting for Remedial Actions
Report No.: 13-P-0208
Date Issued: 03/28/2013

Reco

Recommendation 1: We recommend that the Assistant Administrator for the Office of Administration and Resources Management:

a. Require that written acquisition plans for future cost-reimbursement Remedial Action Contract contracts be approved by the Head of the Contracting Activity.

b. For current cost reimbursement Remedial Action Contract contracts, at the end of the base period, require written acquisition plans be prepared and approved by the Head of the Contracting Activity.

Planned Corrective Action: Once the governance structure is in place, strategy development with regard to existing contract off-ramps and transitions to any new vehicles is anticipated to commence.

Agreed-to Completion Date: March 31, 2014 (corrective action will be considered past due as of March 31, 2015)

Recommendation 2: We recommend the Assistant Administrators for Administration and Resources Management and the Assistant Administrator for Solid Waste and Emergency Response develop performance measures for each region for the use of fixed-price contracts and task orders for remedial actions. The performance measures should be implemented in a way that holds the regions accountable (both the Superfund program staff and contracting staff) for decreasing the use of high risk contracts and task orders.

Planned Corrective Actions: OARM and OSWER plan to award Superfund Multiple Award Contracts on September 30, 2014. Metrics for evaluating and tracking Remedial Action Contract requirements in terms of competition, contract type, etc. will be developed as part of the implementation of the Remedial Action Contract, and collection of data will commence.

Agreed-to Completion Date: September 30, 2014

Recommendation 3: We recommend the Assistant Administrators for Administration and Resources Management and the Assistant Administrator for Solid Waste and Emergency Response, as part of the implementation of the Contracts 2010 Strategy, provide training to both Superfund program and contracting staff on how and when less risky contracts and task orders should be used in the Superfund remedial program.

Planned Corrective Action: OARM and OSWER will provide training to both Superfund program and contracting staff. The training will include how to document the analysis leading up to the contract type selection.

Action Office:	**Region 10**
Report Title:	**Audit of American Recovery and Reinvestment Act-Funded Cooperative Agreement 2S-96099601 Awarded to the Idaho Department of Environmental Quality**
Report No.:	**13-R-0206**
Date Issued:	**03/28/2013**

Recommendations

Recommendation 3: We recommend that the Regional Administrator, Region 10, require Idaho Department of Environmental Quality to ensure that current and future contractors are covered by accident and catastrophic loss insurance as required by Title 40 CFR 35.6590 (b).

Recommendation 4: We recommend that the Regional Administrator, Region 10, require Idaho Department of Environmental Quality to update its policies and procedures to ensure that they address:

a. Bid proposal certification of independent price determination language as required by 40 CFR 35.6550(b) (3).
b. 10 year record retention period as required by 40 CFR 35.6705.
c. Accident and catastrophic loss insurance as required by 40 CFR 35.6590 (b).

Planned Corrective Actions: Region 10 does not believe it is feasible or necessary for contractors to acquire accident and catastrophic loss insurance. Therefore Region 10 has agreed to pursue a cooperative agreement-specific waiver from the requirement for the insurance under 40 CFR Part 35.6590(b). Once approved, it will provide a copy of the waiver to the OIG and Idaho Department of Environmental Quality. Region 10 will instruct the Idaho Department of Environmental Quality in writing to not require their contractors to acquire accident and catastrophic loss insurance, pending the waiver determination. This corrective action is for 3 and 4.

Agreed-to Completion Date: January 1, 2014 (corrective action will be considered past due as of January 1, 2015)

Action Office:	**OSWER**
Report Title:	**Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections**
Report No.:	**13-P-0178**
Date Issued:	**03/21/2013**

Recommendations

Recommendation 7: We recommend that the Assistant Administrator for Solid Waste and Emergency Response coordinate with the Assistant Administrator for Enforcement and Compliance Assurance to revise inspection guidance to recommend minimum inspection scope for the various types of facilities covered under the program and provide more detailed examples of minimum reporting.

Planned Corrective Action: OSWER will publish final guidance which specifies minimum inspection scope and examples for various types of inspections to assist regions in focusing their limited resources on the most significant issues at facilities.

Agreed-to Completion Date: July 31, 2014

Recommendation 8: We recommend that the Assistant Administrator for Solid Waste and Emergency Response coordinate with the Assistant Administrator for Enforcement and Compliance Assurance to develop and implement an inspection monitoring and oversight program to better manage and assess the quality of program inspections, reports, supervisory oversight, and compliance with inspection guidance.

Planned Corrective Action: OSWER is working with the regions to identify key components of a repository of inspections reports in order to better ensure and assess the quality of Risk Management Program inspections. This repository system will be developed by the end of FY 2014.

Agreed-to Completion Date: September 30, 2014

Action Office: OCSPP
Report Title: EPA is Not Recovering All Its Costs of the Lead-Based Paint Fees Program
Report No.: 13-P-0163
Date Issued: 02/20/2013

Recommendation

Recommendation 1: We recommend that Assistant Administrator for Chemical Safety and Pollution Prevention update the March 20, 2009, fees rule to reflect the amount of fees necessary for the program to recover the costs of implementing and enforcing the program.

Planned Corrective Action: OCSPP will update the 2009 Fees Rule following completion of at least one 5-year cycle of the Renovation, Repair and Painting accreditation and certification program, if findings from at least two consecutive biennial reviews show that the Lead Program costs continue to exceed the amount of fees collected. If necessary, this will be conducted in conjunction with other regulatory changes in the lead program, e.g., rules underway to address renovation activities in other buildings.

Agreed-to Completion Date: January 31, 2017

Action Office:	**ORD and OAR**
Report Title:	**EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector**
Report No.:	**13-P-0161**
Date Issued:	**02/20/2013**

Recommendations

Recommendation 1: We recommend that the Assistant Administrator for Air and Radiation and the Assistant Administrator for Research and Development develop and implement a joint comprehensive cross-office strategy for improving data for the oil and gas production sector. The strategy should:

a. Identify gaps and limitations in (1) existing oil and gas air emissions data, (2) emission factors, and (3) measurement techniques, including direct and remote measurement methods.
b. Prioritize what data limitations are most significant and develop specific action plans for how the EPA will address these gaps and limitations.

Planned Corrective Action 3: ORD and OAR agreed to revise the draft strategy based upon the cross-office review and submit the final draft for review and approval by both OAR and ORD.

Agreed-to Completion Date: March 31, 2014 (corrective action will be considered past due as of March 31, 2015)

Planned Corrective Action 4: ORD and OAR agreed to begin implementation of the approved, final oil and gas sector emissions data improvement strategy in a coordinated cross-office effort.

Agreed-to Completion Date: June 30, 2014

Recommendation 2: We recommend that the Assistant Administrator for Air and Radiation prioritize and update existing oil and gas production emission factors that are in greatest need of improvement and develop emission factors for key oil and gas production processes that do not currently have emission factors.

Planned Corrective Action 1: OAR agreed to finalize the revised emissions factors development procedures for data collected from traditional test methods.

Agreed-to Completion Date: September 30, 2014

Planned Corrective Action 2: OAR agreed to revise Web Factor and Information Retrieval System to include the emissions factors development procedures for data collected using traditional test methods.

Agreed-to Completion Date: December 31, 2014

Action Office:	**OSWER**
Report Title:	**EPA Could Improve Contingency Planning for Oil and Hazardous Substance Response**
Report No.:	**13-P-0152**
Date Issued:	**02/15/2013**

Recommendations

Recommendation 2: We recommend that the Assistant Administrator for Solid Waste and Emergency Response require regions to keep critical planning information up to date using the most effective method available and avoid unnecessary duplication.

Planned Corrective Action: OSWER's Office of Emergency Management will issue guidance and work with the regions on its timely implementation.

Agreed-to Completion Date: September 30, 2016

Recommendation 3: We recommend that the Assistant Administrator for Solid Waste and Emergency Response have the Director of the Office of Emergency Management work through the office's National Response Team capacity to develop a process to regularly incorporate lessons learned from national exercises into contingency plan reviews and updates.

Planned Corrective Action: The National Response Team will continue to incorporate lessons learned from exercises and real world events into its purview.

Agreed-to Completion Date: April 30, 2013 (corrective action will be considered past due as of April 30, 2014)

Recommendation 4: We recommended that the Assistant Administrator for Solid Waste and Emergency Response assess the resources, including on-scene coordinators, necessary to develop and maintain contingency plans. Use the results of this analysis to develop a workforce plan to distribute contingency planning resources.

Planned Corrective Action: Building on the existing workgroup process, OSWER will continue evaluation of on-scene coordinator resources based on needs and responsibilities of the regions to develop the plan to redistribute regional on-scene coordinator allocations.

Agreed-to Completion Date: September 30, 2013 (corrective action will be considered past due as of September 30, 2014)

Action Office:	**OARM**
Report Title:	**EPA Should Improve Management Practices and Security Controls for Its Network Directory Service System and Related Servers**
Report No.:	**12-P-0836**
Date Issued:	**09/20/2012**

Recommendations

Note: The narrative of the recommendations and planned corrective actions for this report are not being included in the Compendium due to the sensitive nature of the report's security findings.

Recommendation 8: This recommendation was made to the Assistant Administrator for Administration and Resources Management.

Agreed-to Completion Date: September 30, 2013 (corrective action will be considered past due as of September 30, 2014)

Recommendation 9: This recommendation was made to the Assistant Administrator for Administration and Resources Management.

Agreed-to Completion Date: April 1, 2015

Action Office:	**OSWER**
Report Title:	**EPA Inaction in Identifying Hazardous Waste Pharmaceuticals May Result in Unsafe Disposal**
Report No.:	**12-P-0508**
Date Issued:	**05/25/2012**

Recommendation

Recommendation 3: We recommend the Assistant Administrator for Solid Waste and Emergency Response develop a nationally consistent outreach and compliance assistance plan to help states address challenges that health care facilities, and others as needed, have in complying with Resource Conservation and Recovery Act regulations for managing hazardous waste pharmaceuticals.

Planned Corrective Actions: OSWER will develop nationally consistent outreach and compliance assistance to help in complying with the Resource Conservation and Recovery Act regulations for managing hazardous waste pharmaceuticals. It will propose a rule designed to facilitate proper management of hazardous waste pharmaceuticals in the health care industry.

Agreed-to Completion Date: August 31, 2013 (corrective action will be considered past due as of August 31, 2014)

Action Office:	**OSWER**
Report Title:	**Controls Over State Underground Storage Tank Inspection Programs in EPA Regions Generally Effective**
Report No.:	**12-P-0289**
Date Issued:	**02/15/2012**

Recommendation

Recommendation 1: We recommend that the Assistant Administrator for Solid Waste and Emergency Response require the EPA and states to enter into memoranda of agreements that reflect program changes from the 2005 Energy Policy Act and address oversight of municipalities conducting inspections.

Planned Corrective Actions: The regulations will be finalized and OSWER will share the specific date on which the memoranda of agreements will be in place.

Agreed-to Completion Date: August 1, 2013 (corrective actions will be considered past due as of August 1, 2014)

Action Office:	**Region 10**
Report Title:	**Region 10 Technical and Computer Room Security Vulnerabilities Increase Risk to EPA's Network**
Report No.:	**12-P-0220**
Date Issued:	**01/20/2012**

Recommendations

Note: The narrative of the recommendations and planned corrective actions for this report are not being included in the Compendium due to the sensitive nature of the report's security findings.

Recommendation 4: This recommendation was made to the senior information official, Region 10.

Agreed-to Completion Date: September 30, 2013 (corrective action will be considered past due as of September 30, 2014)

Recommendation 7: This recommendation was made to the senior information official, Region 10.

Agreed-to Completion Date: September 30, 2013 (corrective action will be considered past due as of September, 2014)

Action Office:	**OAR**
Report Title:	**EPA Should Update Its Fees Rule to Recover More Motor Vehicle and Engine Compliance Program Costs**
Report No.:	**11-P-0701**
Date Issued:	**09/23/2011**

Recommendation

Recommendation 1: We recommend that the Assistant Administrator for Air and Radiation update the 2004 fees rule to increase the amount of the Motor Vehicle and Engine Compliance Program costs it can recover.

Planned Corrective Action: OAR will begin planning for a new fees rule as part of the 2013 program prioritization and budget processes, and initiate formal work on rule making early in calendar year 2014.

Agreed-to Completion Date: December 31, 2017

Action Office:	**Region 8**
Report Title:	**An Overall Strategy Can Improve Communication Efforts at Asbestos Superfund Site in Libby, Montana**
Report No.:	**11-P-0430**
Date Issued:	**08/03/2011**

Recommendation

Recommendation 2: We recommend that the EPA Regional Administrator, Region 8, revise the Libby community engagement plan to serve as the overall communication strategy by including:

a. Key messages that address specific public concerns and site activities.
b. Timelines for community involvement activities and outreach products.
c. Measures for successful communication.
d. Mechanisms for identifying community concerns and collecting feedback.

Planned Corrective Action: Region 8 will seek public comment on the next major revision to the community involvement plan.

Agreed-to Completion Date: December 31, 2015

Action Office:	**OCFO**
Report Title:	**EPA Needs to Strengthen Its Management Controls Over Its Travel Authorization Process**
Report No.:	**11-P-0223**
Date Issued:	**05/10/2011**

Recommendations

Recommendation 2: We recommend that the that the Chief Financial Officer request that the General Services Administration change GovTrip to prevent self-authorization of travel and include audit trails to determine who made changes to routing lists.

Planned Corrective Actions: The contract with GovTrip expired on November 12, 2013. A routing audit trail is one of the requirements under the E-Gov Travel Service 2 contract. OCFO sees updating GovTrip with the addition of a routing list as cost prohibitive. A change to prevent self-authorization is not feasible; however, OCFO believes that this control will be captured when the routing lists are updated.

Agreed-to Completion Date: November 12, 2013 (corrective actions will be considered past due as of November 12, 2014)

Recommendation 4: We recommend that the that the Chief Financial Officer develop scripts to determine whether travelers are in compliance with policy for managing routing lists, run the scripts monthly, and investigate exceptions.

Planned Corrective Actions: The routing list audit table in the Electronic Travel Systems product will allow OCFO to run a list of changes that occurred during the reporting period. OCFO would then be able to compare the list to the requests received for the same period and investigate exceptions. In the meantime, OCFO has developed a report that provides a list of vouchers where the traveler's name and the authorizer are the same. The Cincinnati Financial Management Center will run this report monthly and require additional documentation from any exceptions it produces.

Agreed-to Completion Date: November 12, 2013 (corrective actions will be considered past due as of November 12, 2014)

Action Office:	**OECA and OW**
Report Title:	**EPA Should Revise Outdated or Inconsistent EPA-State Clean Water Act Memoranda of Agreement**
Report No.:	**10-P-0224**
Date Issued:	**09/14/2010**

Recommendation

Recommendation 2-2: We recommend that the Deputy Administrator develop a systematic approach to identify which states have outdated or inconsistent memoranda of agreement; renegotiate and update those memoranda of agreement using the memorandum of agreement template; and secure the active involvement and final, documented concurrence of headquarters to ensure national consistency.

Planned Corrective Action: Using the tracking system, OECA and OW agreed to verify that memoranda of agreement identified during the first 4-year round of integrated permitting and enforcement reviews are updated.

Agreed-to Completion Date: September 30, 2017

Action Office:	**OSWER**
Report Title:	**Lack of Final Guidance on Vapor Intrusion Impedes Efforts to Address Indoor Air Risks**
Report No.:	**10-P-0042**
Date Issued:	**12/14/2009**

Recommendation

Recommendation 3: We recommend the Assistant Administrator for Solid Waste and Emergency Response train the EPA and state staff and managers and other parties on the newly updated, revised and finalized guidance document(s).

Planned Corrective Actions: OSWER will develop training materials and train the EPA and state staff and managers on the finalized guidance document(s).

Agreed-to Completion Date: May 31, 2013 (corrective actions will be considered past due as of May 31, 2014)

Action Office: OAR
Report Title: EPA Does Not Provide Oversight of Radon Testing Accuracy and Reliability
Report No.: 09-P-0151
Date Issued: 05/12/2009

Recommendation

Recommendation 1: We recommend that the Assistant Administrator for Air and Radiation disclose to the public that while radon testing is recommended by the agency and the U.S. Surgeon General, the EPA cannot provide assurance that commercially available radon testing devices or radon testing laboratories are accurate and reliable.

Planned Corrective Action 2: OAR will publish the study results and make them available to the public and to the radon community in general.

Agreed-to Completion Date: June 30, 2014

Planned Corrective Action 3: OAR will update the radon website to show results of the study.

Agreed-to Completion Date: June 30, 2014

Action Office: OAR
Report Title: EPA and States Not Making Sufficient Progress in Reducing Ozone Precursor Emissions in Some Major Metropolitan Areas
Report No.: 2004-P-00033
Date Issued: 09/29/2004

Recommendations

Recommendation 3-1: We recommend that the Assistant Administrator for Air and Radiation develop oversight procedures and guidance that will expedite development, approval, and implementation of rate of progress plans and related emission controls.

Recommendation 3-3: We recommend that the Assistant Administrator for Air and Radiation develop guidance for analyzing and comparing periodic emission inventories to projected emission target levels and evaluating assumptions used in applicable rate of progress plans, in order to: (1) reconcile differences between projected and actual inventories; (2) identify any incorrect assumptions or projections and understatement of needed emission reductions; and (3) establish improvements that may be needed in the rate of progress development process, and ensure training of staff in conducting these analyses.

Recommendation 5-1: We recommend that the Assistant Administrator for Air and Radiation expedite issuance of the milestone compliance guidance, but restrict the use of observed ambient zone levels as a stand-alone indicator of emission reductions. The guidance should also require the use of meteorologically adjusted ozone trends and trends in ambient concentrations of Volatile Organic Compound and Nitrogen Oxide in the weight of evidence approach.

Recommendation 5-2: We recommend that the Assistant Administrator for Air and Radiation instruct States to utilize indicators, as reflected in the draft milestone compliance demonstration guidance, and/or provide annual updates to emissions inventories (one third of sources per year or one third of States per year) to determine potential or actual emission reductions within the Act's 90-day time frame for milestone compliance demonstrations.

Recommendation 5-3: We recommend that the Assistant Administrator for Air and Radiation require that nonattainment areas update baseline inventories and, subsequently, perform more in-depth assessments of actual emission reductions, once the applicable Periodic Emissions Inventories are completed. This subsequent determination of actual emission reductions may not meet the milestone compliance demonstration 90-day time frame but will provide a measure of progress that is not currently available.

Recommendation 5-4: We recommend that the Assistant Administrator for Air and Radiation incorporate the use of updated National Emissions Inventory data and other available measures, where appropriate, into milestone compliance demonstration guidance as top-down indicators or measures of nonattainment area progress in reducing precursor emissions.

Recommendation 6-1: We recommend that the Assistant Administrator for Air and Radiation develop analytical procedures and processes for the EPA and/or States to utilize updated National Emissions Inventory data for measuring the progress of individual 8-hour

[illegible]

Report Title: U.S. Chemical Safety and Hazard Investigation Board Did Not Take Effective Corrective Actions on Prior Audit Recommendations
Report No.: 11-P-0115
Date Issued: 02/15/2011

Report Summary

The CSB did not take timely corrective actions to address a total of 34 audit recommendations from three OIGs and from the Government Accountability Office. In four instances, it took CSB 4 years beyond the agreed-upon corrective actions date (or report date) to implement corrective actions. The CSB's actions to address 13 recommendations were not completely effective and require additional corrective actions, while seven additional recommendations are not yet completed.

The CSB has not established and implemented a management control program to evaluate and report on the effectiveness of controls related to its program operations. The CSB's control environment and control activities do not ensure accountability. Specifically, the CSB's office directors are not accountable for achieving individual and program initiatives leading to chemical accident prevention. Effective control activities, including board orders, have not been developed and implemented. In addition, without a clearly defined statutory mandate, the CSB will face difficulties in developing outcome-related goals for measuring its impact on chemical accident prevention. Without effective controls, the CSB is not timely in carrying out initiatives to achieve the board's goal of chemical accident prevention.

On September 16, 2010, the CSB announced an internal reorganization, appointing a managing director who will oversee all aspects of the CSB operations. A managing director who ensures accountability should provide for more timely and effective resolution of audit recommendations.

Unimplemented Recommendations

Recommendation 1: We recommend that the Chairperson, U.S. Chemical Safety and Hazard Investigation Board, develop and implement a management control plan that documents and addresses the five internal control standards in accordance with OMB Circular A-123 and Government Accountability Office's *Standards for Internal Controls in the Federal Government*. The plan should include an effective monitoring system to track corrective actions to address and implement audit recommendations. The plan is to include:

a. A database to track all prior audit recommendations, planned milestone completion dates, and corrective actions taken.

Status: The CSB agreed to develop a system for periodic reviews of board orders and include the requirement for such a review in the management control plan. The CSB has completed its review of all board orders and a plan for updating board orders will be prepared. The agreed-to completion date for this corrective action was February 28, 2011.

Recommendation 6: We recommend that the Chairperson, U.S. Chemical Safety and Hazard Investigation Board, take corrective actions that will satisfy prior audit recommendations by updating and formalizing board orders that are essential to facilitate and manage effective and efficient control activities. Specifically, update:

a. Board Order 036, "Incident Selection Process," to reflect current changes, such as its data sources, changes due to technology improvements, and the incident selection process decision-making flowchart, to improve the incident screening and deployment decision-making process. In addition, formalize the Incident Screeners Guide (appendix A, audit recommendation 17, 18, 19, 20, and 31).
b. Board Order 040, "Investigation Protocol," to govern employees retaining memberships in societies or organizations to which the CSB issues recommendations (appendix A, audit recommendation 21).
c. Board Order 027, "Roles, Responsibilities, and Standards of Conduct in Procurement Activities," to reflect current procurement practices and processes to ensure consistency in the procurement process (appendix A, audit recommendation 7).
d. Board Order 022, "Recommendation Program," to include new practices adopted for following up on safety recommendations, to include a quality review program to ensure timely follow-up on closed safety recommendations (appendix A, audit recommendations 12 and 15).
e. Board Order 028, "Executive Administrative Functions of the Board," to document the role and responsibility of the managing director position.

Status: The CSB indicated its intention to satisfy prior audit recommendations by updating and formalizing board orders that are essential to facilitate and manage effective and efficient control activities. Specifically, for each of the sub-recommendations:

a. The CSB has completed the corrective actions.
b. The CSB has completed the corrective actions.
c. For those board orders that refer to positions that no longer exist (e.g., chief operating officer), the CSB general counsel has concluded that the delegated position authority references the equivalent position (e.g., managing director). In those instances in which no equivalent position exists, authority is reposed in the next higher ranking official with decision-making authority. In those rare instances in which no equivalent position can be determined, the administrative authority will revert to the chair or the board, as appropriate. The CSB does not have any further action planned. The agreed-to completion date was March 31, 2011.
d. The CSB agreed to consider including a quality review program to ensure timely follow-up on safety recommendations in Board Order 022. The CSB will also update the Recommendations Office "Standards of Practice" document and expects that the board order will contain general guidance and the Standards of Practice will include detailed procedures. The CSB staff proposed a revision of Board Order 22 to address this issue,

[redacted]

Report Title:	**U.S Chemical Safety and Hazard Investigation Board Needs to Complete More Timely Investigations Evaluation**
Report No.:	**13-P-0337**
Date Issued:	**07/30/2013**

Recommendation

Recommendation 1: We recommend that the Chairperson, U.S. Chemical Safety and Hazard Investigation Board, develop and implement performance indicators related to its first strategic performance goal and objective to complete timely investigations. Indicators should track and measure the efficiency of key phases of the investigation process and clarify the definition of a "timely" completed investigation. Also, address the indicators in the investigation protocol policy.

Planned Corrective Action: The CSB is analyzing key investigation metrics such as investigator hours, costs and elapsed days to develop performance indicators for various investigation product types. These indicators will be incorporated in the Investigation Product Development and Review procedure of the investigation protocol, which will provide timelines for key milestones. Given staff resources and the investigation workload we expect to provide the Board with a draft Investigation Product Development and Review procedure for consideration and approval by June 30, 2014.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Recommendation 2: We recommend that the Chairperson, U.S. Chemical Safety and Hazard Investigation Board, revise and publish an annual action plan to comply with GPRA 2010 and update related individual performance plans to ensure that performance indicators are addressed and investigative staff are held accountable for performing key phases in the investigation process.

Planned Corrective Action: The CSB believes that the only reports required for publishing under GPRA are Strategic Plans, Annual Performance Plans and Annual Performance Reports. The CSB has published an up-to-date Strategic Plan, annual performance-based budgets, and annual performance reports, which it believes meet the requirements of GPRA. The CSB considers its "action plans" as internal, evergreen documents that are developed annually and updated periodically through the year to track initiatives as it strives to accomplish the goals set in its Strategic Plan. CSB considers action plans to be living documents that must be changed based on inherently unforeseeable incident deployments. CSB will develop and update its FY 2014 action plan during the upcoming fiscal year.

Planned Corrective Action: The CSB proposed scoping procedures and templates were presented to the Board for comment in September 2013, and will be prepared for Board vote by October 31, 2013. This will be incorporated in the Investigation Product Development and Review procedure of the investigation protocol along with a template for recommendations briefs. As previously stated, we expect to provide the Board with a draft of this procedure for consideration and approval by December 31, 2013. We will then train investigative staff on the procedures within 90 days of Board approval. The October shutdown and other work priorities have delayed the completion of this project. As a result, the CSB believes it can have this section completed by June 30, 2014.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Recommendation 9: We recommend that the Chairperson, U.S. Chemical Safety and Hazard Investigation Board, provide guidelines for staff to determine the type of final product in the beginning of the investigation process to help staff be more efficient in completing investigations.

Planned Corrective Action: The CSB proposed scoping procedures and templates were presented to the Board for comment in September 2013, and will be prepared for Board vote by October 31, 2013 and draft of the Investigation Product Development and Review procedure for consideration and approval by June 30, 2014. The October shutdown and other work priorities have delayed this project.

Agreed-to Completion Date: December 31, 2013 (corrective action will be considered past due as of December 31, 2014)

Report Title: U.S. Chemical Safety and Hazard Investigation Board Should Improve Its Recommendations Process to Further Its Goal of Chemical Accident Prevention
Report No.: 12-P-0724
Date Issued: 08/22/2012

Recommendation

Recommendation 1: We recommend that the Chairperson, U.S. Chemical Safety and Hazard Investigation Board, update board orders to ensure that the CSB achieves its mission of chemical accident prevention through improved recommendations processes, to include:

a. Board Order 022, *CSB Recommendation Program,*

   i. To establish and implement data quality reviews to verify the accuracy, completeness, and reliability of recommendations data entered in TRIM (Total Records and Information Management), such as error checks and inclusion of required supporting documentation.

   ii. To require that the Office of Recommendations director periodically analyze and assess the recommendations process to identify potential process improvements.

b. Board Order 001, *Board Quorum and Voting,* to establish and implement guidelines that define the length of time notation items can be calendared before a vote must be taken.

c. Board Order 040, *Investigation Protocol,* to clearly outline roles and responsibilities of the Office of Investigations with respect to the recommendations process, including a requirement that Office of Recommendations staff participate in accident investigations, and identification of the office responsible for identifying potential recommendation recipients.

Planned Corrective Action for 1.a: The CSB submitted the revised Board Order 22 to the board for consideration and it was calendared by one of the members on November 1, 2012. The CSB will adopt pertinent changes through a management directive.

Agreed-to Completion Date: May 31, 2013 (corrective action will be considered past due as of May 31, 2014)

Planned Corrective Action for 1.c: Due to the CSB's workload to complete several investigations by the beginning of the second quarter of FY 2013, it was not able to meet the previous December 31, 2012, deadline to complete the sections of Board Order 040 related to the OIG's recommendations. The staff task force completed the section on causal analysis and it has been approved by the board. The task force from the Offices of Investigations, Recommendations, and Administration met on January 22, 2013, to create chapter work plans for Product Development and Review and Recommendations. The CSB will revise Board Order 40.

Agreed-to Completion Date: September 30, 2013 (corrective action will be considered past due as of September 30, 2014)

OECA

11-P-0315	Agency-Wide Application of Region 7 NPDES Program Process Improvements Could Increase EPA Efficiency
10-P-0230	ECHO Data Quality Audit—Phase II Results: EPA Could Achieve Data Quality Rate with Additional Improvements
10-P-0007	EPA Oversight and Policy for High Priority Violations of Clean Air Act Need Improvement
2005-P-00024	Limited Knowledge of the Universe of Regulated Entities Impedes EPA's Ability to Demonstrate Changes in Regulatory Compliance
2001-P-00013	State Enforcement of Clean Water Act Discharges Can Be More Effective

OSWER

11-P-0534	Revisions Needed to National Contingency Plan Based on Deepwater Horizon Oil Spill
11-P-0171	EPA Needs an Agency-Wide Plan to Provide Tribal Solid Waste Management Capacity Assistance
10-P-0042	Lack of Final Guidance on Vapor Intrusion Impedes Efforts to Address Indoor Air Risks
2007-P-00002	EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup

Region 2

2007-P-00016	Environmental Justice Concerns and Communication Problems Complicated Cleaning Up Ringwood Mines/Landfill Site

Region 9

12-2-0072	Agreed-Upon Procedures Applied to EPA Grants Awarded To Summit Lake Paiute Tribe, Sparks, Nevada
08-P-0196	Making Better Use of Stringfellow Superfund Special Accounts

Recommendations With Future Planned Completion Dates

OA

13-P-0432	Controls and Oversight Needed to Improve Administration of EPA's Customer Service Lines

OAR

13-P-0373	The EPA Should Improve Monitoring of Controls in the Renewable Fuel Standard Program
13-P-0161	EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector

10-P-0224	EPA Should Revise Outdated or Inconsistent EPA-State Clean Water Act Memoranda of Agreement

OEI

13-P-0433	Congressionally Requested Inquiry Into the EPA's Use of Private and Alias Email Accounts
13-P-0271	Improved Internal Controls Needed in the Gulf of Mexico Program Office
13-P-0257	Improvements Needed in EPA's Information Security Program
10-P-0177	EPA Revised Hiring Process Needs Additional Improvements

OITA

13-P-0386	EPA's International Program Office Needs Improved Strategic Planning Guidance

ORD

13-P-0363	Chemical Fume Hood Testing Improvements Needed to Reduce Health and Safety Risk to EPA Employees
13-P-0356	Public May Be Making Indoor Mold Cleanup Decisions Based on EPA Tool Developed Only for Research Applications
13-P-0252	Improvements Needed to Secure IT Assets at EPA-Owned Research Facilities
13-P-0161	EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector
11-P-0333	Office of Research and Development Needs to Improve Its Method of Measuring Administrative Savings

OSWER

13-P-0298	Improved Information Could Better Enable EPA to Manage Electronic Waste and Enforce Regulations
13-P-0208	EPA Should Increase Fixed-Price Contracting for Remedial Actions
13-P-0178	Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections
13-P-0176	Results and Benefits Information Is Needed to Support Impacts of EPA's Superfund Removal Program
13-P-0152	EPA Could Improve Contingency Planning for Oil and Hazardous Substance Response
12-P-0508	EPA Inaction in Identifying Hazardous Waste Pharmaceuticals May Result in Unsafe Disposal
12-P-0289	Controls Over State Underground Storage Tank Inspection Programs in EPA Regions Generally Effective
12-P-0253	EPA Needs to Further Improve How It Manages Its Oil Pollution Prevention Program

Appendix B

Unimplemented Recommendations: Current EPA Compendium (Past Due Recommendations) Compared to September 30, 2013, Compendium

Continuing Unimplemented Recommendations

12-2-0072	Agreed-Upon Procedures Applied to EPA Grants Awarded To Summit Lake Paiute Tribe, Sparks, Nevada **(Region 9, Recommendation 2)**
11-P-0630	EPA Needs Workload Data to Better Justify Future Workforce Levels **(OCFO, Recommendations 1 and 2)**
11-P-0616	EPA Has Not Fully Implemented a National Emergency Equipment Tracking System **(OARM, Recommendation 3)**
11-P-0534	Revisions Needed to National Contingency Plan Based on Deepwater Horizon Oil Spill **(OSWER, Recommendations 1, 3, 6 and 7)**
11-P-0315	Agency-Wide Application of Region 7 NPDES Program Process Improvements Could Increase EPA Efficiency **(OECA, Recommendation 1)**
11-R-0179	EPA Needs to Better Document Project Delays for Recovery Act Diesel Emissions Reduction Act Grants **(OAR, Recommendations 3 and 5)**
11-P-0171	EPA Needs an Agency-Wide Plan to Provide Tribal Solid Waste Management Capacity Assistance **(OSWER, Recommendation 2)**
11-P-0136	EPA Needs Better Agency-Wide Controls Over Staff Resources **(OARM, Recommendation 1)**
11-P-0031	EPA Needs to Strengthen Internal Controls for Determining Workforce Levels **(OCFO, Recommendations 2-1 and 2-2)**
10-P-0230	ECHO Data Quality Audit—Phase II Results: EPA Could Achieve Data Quality Rate with Additional Improvements **(OECA, Recommendation 5)**
10-P-0154	Key Activities in EPA's Integrated Urban Air Toxics Strategy Remain Unimplemented **(OAR, Recommendations 2-1 and 2-2)**
10-P-0066	EPA Needs a Coordinated Plan to Oversee Its Toxic Substances Control Act Responsibilities **(OCSPP, Recommendation 2-5)**
10-1-0029	Audit of EPA's Fiscal 2009 and 2008 (Restated) Consolidated Financial Statements **(OCFO, Recommendations 27 and 32)**
10-P-0002	Review of Hotline Complaint on Employee Granted Full-Time Work-at-Home Privileges **(OARM, Recommendations 1 and 2a)**

12-1-0073	Audit of EPA's Fiscal 2011 and 2010 Consolidated Financial Statements **(OARM, Recommendations 9)**
11-P-0708	EPA Progress on the 2007 Methamphetamine Remediation Research Act **(OA, Recommendation 3)**
11-P-0705	EPA's Contract Oversight and Controls Over Personal Computers Need Improvement **(OARM, Recommendation 2)**
11-P-0687	EPA Should Improve Timeliness for Resolving Audits Under Appeal **(OARM, Recommendation 2)**
11-P-0386	Office of Research and Development Should Increase Awareness of Scientific Integrity Policies **(ORD, Recommendation 3)**
11-P-0171	EPA Needs an Agency-Wide Plan to Provide Tribal Solid Waste Management Capacity Assistance **(OSWER, Recommendation 1)**
10-P-0007	EPA Oversight and Policy for High Priority Violations of Clean Air Act Need Improvement **(OECA, Recommendation 2)**
09-P-0087	EPA Plans for Managing Counter Terrorism/Emergency Response Equipment and Protecting Critical Assets Not Fully Implemented **(OARM, Recommendation 4-1(b))**

AL-15-000-1063

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 2 4 2014

THE ADMINISTRATOR

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am pleased to submit the enclosed report entitled, "FY 2013 Superfund Five-Year Review Report to Congress," in accordance with the requirements of Section 121(c) of the Comprehensive Environmental Response, Compensation and Liability Act.

If you have questions, please contact me or your staff may contact Nichole Distefano, Deputy Associate Administrator for Congressional Affairs at Distefano.Nichole@epa.gov or (202) 564-1110.

Sincerely,

Gina McCarthy

Enclosure

OSWER # 9200.2-140

FY 2013 REPORT TO CONGRESS
SUPERFUND FIVE-YEAR REVIEWS

PURPOSE:

The U.S. Environmental Protection Agency (EPA) is responsible for reviewing Superfund remedial actions at least every five years where hazardous substances, pollutants, or contaminants will remain on site above levels that allow for unlimited use and unrestricted exposure. EPA is also responsible for preparing a report to Congress on these reviews.

BACKGROUND:

Section 121(c) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended, states:

> *"If the President selects a remedial action that results in any hazardous substances, pollutants, or contaminants remaining at the site, the President shall review such remedial action no less often than each 5 years after the initiation of such remedial action to assure that human health and the environment are being protected by the remedial action being implemented. In addition, if upon such review it is the judgment of the President that action is appropriate at such site in accordance with section 9604 or 9606 of the Title, the President shall take or require such action."*

CERCLA also requires that EPA report to Congress information regarding these sites for which the reviews are required. This report provides a list of sites, information about sites where additional work is required, and contacts for additional information.

FINDINGS:

The attached table presents a list of statutory, policy and discretionary[1] five-year reviews that were conducted for non-Federal sites and Federal National Priorities List (NPL) sites, including the following:

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[1] Statutory reviews are carried out if both of the following conditions are true: 1) Upon completion of the remedial action, hazardous substances, pollutants, or contaminants will remain on site; and 2) The Record of Decision (ROD) for the site was signed on or after October 17, 1986 (effective date of the Superfund Amendments and Reauthorization Act – SARA) and the remedial action was selected under CERCLA §121. Policy reviews are carried out for the following types of actions: 1) a pre- or post-SARA remedial action that, upon completion, will not leave hazardous substances, pollutants, or contaminants on site above levels that allow for unlimited use and unrestricted exposure, but requires five years or more to complete; 2) a pre-SARA remedial action that leaves hazardous substances, pollutants, or contaminants on site above levels that allow for unlimited use and unrestricted exposures; or 3) a removal-only site on the NPL where a removal action leaves hazardous substances, pollutants, or contaminants on site above levels that allow for unlimited use and unrestricted exposure and where no remedial action has or will take place. Regions may also carry out a discretionary review which is not required by the statute but may be completed at the Region's discretion to help ensure the protectiveness of the remedy.

- Non-Federal facility reviews due in FY 2013, currently completed;
- Federal facility reviews due in FY 2013, currently completed;
- Non-Federal and Federal facility reviews due in prior or later fiscal years, completed in FY 2013; and
- Non-Federal facility reviews due in FY 2013 or prior fiscal years, pending completion.

For non-Federal sites, a total of 213 sites required five-year reviews in FY 2013. All but three of the reviews due in FY 2013 are complete. Another four reviews due in prior or later fiscal years were also completed in FY 2013, bringing the total number of non-Federal site five-year reviews completed to 214.

For Federal sites, a total of 30 sites required five-year reviews in FY 2013.[2] Four of the 30 reviews were completed in previous fiscal years but were due in FY 2013. Those reviews are being counted as completed in FY 2013. One additional review due in a later fiscal year also was completed in FY 2013, bringing the total number of Federal NPL site five-year reviews completed to 31.

In all, the total number of five-year reviews completed for both non-Federal and Federal NPL sites was 245. Based on the reviews, EPA has determined that 3 sites (or portions of the sites) were "not protective" and deferred the protectiveness determination at 35 sites. Recommendations to do additional work or study for each of these sites are tracked in the CERCLIS[3] database and, semi-annually, EPA headquarters monitors the progress in implementing these recommendations to resolve protectiveness-related issues at all sites.

For non-Federal and Federal sites, no reviews due in prior fiscal years are pending.

Summary copies of all five-year reviews, including those contained in this report, can be accessed publicly via the national Superfund web page (http://cumulis.epa.gov/fiveyear/). These reports contain detailed information regarding the effectiveness of the site remedy and assess whether human and/or ecological exposures are occurring. The information in these reports includes the protectiveness determinations that are ultimately selected and are reported in the associated table for each site. For additional information on any of the five-year reviews identified in this report, please contact the Office of Superfund Remediation and Technology Innovation at (703) 603-8960, or the Superfund Call Center at (703) 412-9810 or (800) 424-9346.

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[2] For the US Army/NASA Redstone Arsenal site, the Army did not submit a draft five-year review report for EPA's review and concurrence. EPA notified the Army that the five-year review was due in FY 2013 based on the statutory requirement of CERCLA 121(c). In July 2013, the Army submitted a document entitled "Periodic Review Report" but it did not evaluate all of the selected remedies where waste was left in place. In order to meet the statutory deadline in CERCLA 121(c), EPA made an independent assessment on the protectiveness of the remedy and made a "protectiveness deferred" finding. EPA will continue to work with the Army to obtain the information so the Army may make its own protectiveness determination.

[3] In early FY 2014, the Superfund program transitioned its data from the CERCLIS database to the Superfund Enterprise Management System (SEMS). Hereafter, references to CERCLIS will be replaced by SEMS.

FY 2013 Superfund Five-Year Review Report to Congress

Non-Federal Facility Reviews Due in FY 2013, Currently Completed

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
01	BARKHAMSTED-NEW HARTFORD LANDFILL	CT	Statutory	2013	09/30/2013	Short-Term Protective
01	BEACON HEIGHTS LANDFILL	CT	Statutory	2013	09/26/2013	Short-Term Protective
01	CENTRAL LANDFILL	RI	Statutory	2013	09/25/2013	Short-Term Protective
01	IRON HORSE PARK	MA	Statutory	2013	09/25/2013	Will be Protective
01	KEARSARGE METALLURGICAL CORP.	NH	Policy	2013	09/05/2013	Short-Term Protective
01	KEEFE ENVIRONMENTAL SERVICES (KES)	NH	Policy	2013	09/09/2013	Short-Term Protective
01	LAUREL PARK, INC.	CT	Statutory	2013	09/25/2013	Short-Term Protective
01	MCKIN CO.	ME	Statutory	2013	09/30/2013	Short-Term Protective
01	MOTTOLO PIG FARM	NH	Policy	2013	08/12/2013	Short-Term Protective
01	OLD SPRINGFIELD LANDFILL	VT	Statutory	2013	08/01/2013	Protectiveness Deferred
01	PICILLO FARM	RI	Policy	2013	07/30/2013	Short-Term Protective
01	PLYMOUTH HARBOR/CANNON ENGINEERING CORP.	MA	Policy	2013	07/03/2013	Short-Term Protective
01	RE-SOLVE, INC.	MA	Statutory	2013	09/27/2013	Protective
01	SOUTH MUNICIPAL WATER SUPPLY WELL	NH	Statutory	2013	09/30/2013	Protectiveness Deferred
01	SULLIVAN'S LEDGE	MA	Statutory	2013	09/20/2013	Short-Term Protective
01	TIBBETTS ROAD	NH	Policy	2013	08/20/2013	Short-Term Protective
01	WEST SITE/HOWS CORNERS	ME	Statutory	2013	09/30/2013	Short-Term Protective
01	WESTERN SAND & GRAVEL	RI	Policy	2013	09/26/2013	Protective
01	YAWORSKI WASTE LAGOON	CT	Statutory	2013	09/03/2013	Short-Term Protective
02	A. O. POLYMER	NJ	Policy	2013	11/18/2013	Protective
02	AMERICAN THERMOSTAT CO.	NY	Policy	2013	12/05/2013	Short-Term Protective
02	CIBA-GEIGY CORP.	NJ	Statutory	2013	05/01/2013	Short-Term Protective
02	CLAREMONT POLYCHEMICAL	NY	Statutory	2013	03/04/2014	Protective
02	CLOTHIER DISPOSAL	NY	Statutory	2013	03/12/2013	Protective
02	CONKLIN DUMPS	NY	Statutory	2013	01/30/2013	Short-Term Protective
02	GCL TIE AND TREATING INC.	NY	Statutory	2013	09/30/2013	Short-Term Protective
02	GE MOREAU	NY	Statutory	2013	09/30/2013	Short-Term Protective
02	GOLDISC RECORDINGS, INC.	NY	Statutory	2013	09/27/2013	Protective

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
02	GOOSE FARM	NJ	Policy	2013	09/27/2013	Protective
02	HIGGINS FARM	NJ	Policy	2013	02/13/2014	Short-Term Protective
02	HITEMAN LEATHER	NY	Statutory	2013	04/30/2013	Protective
02	ISLIP MUNICIPAL SANITARY LANDFILL	NY	Statutory	2013	09/30/2013	Short-Term Protective
02	LOVE CANAL	NY	Policy	2013	01/15/2014	Protective
02	MARATHON BATTERY CORP.	NY	Statutory	2013	06/25/2013	Short-Term Protective
02	MOHONK ROAD INDUSTRIAL PLANT	NY	Policy	2013	03/25/2014	Protective
02	MYERS PROPERTY	NJ	Statutory	2013	09/27/2013	Short-Term Protective
02	NASCOLITE CORP.	NJ	Policy	2013	03/19/2014	Short-Term Protective
02	NL INDUSTRIES	NJ	Statutory	2013	09/30/2013	Will be Protective
02	NORTH SEA MUNICIPAL LANDFILL	NY	Statutory	2013	09/30/2013	Short-Term Protective
02	PETER COOPER CORPORATION (MARKHAMS)	NY	Statutory	2013	09/24/2013	Protective
02	PJP LANDFILL	NJ	Statutory	2013	09/30/2013	Will be Protective
02	REICH FARMS	NJ	Policy	2013	09/30/2013	Protective
02	ROSEN BROTHERS SCRAP YARD/DUMP	NY	Statutory	2013	09/30/2013	Protectiveness Deferred
02	ROWE INDUSTRIES GROUND WATER CONTAMINATION	NY	Policy	2013	02/19/2013	Protective
02	SCIENTIFIC CHEMICAL PROCESSING	NJ	Statutory	2013	02/28/2013	Protective
02	SEALAND RESTORATION, INC.	NY	Statutory	2013	09/27/2013	Protective
02	UPJOHN FACILITY	PR	Policy	2013	09/26/2013	Protective
02	VESTAL WATER SUPPLY WELL 1-1	NY	Policy	2013	09/26/2013	Short-Term Protective
02	WALDICK AEROSPACE DEVICES, INC.	NJ	Policy	2013	09/27/2013	Short-Term Protective
03	AVTEX FIBERS, INC.	VA	Statutory	2013	03/26/2013	Will be Protective
03	BELL LANDFILL	PA	Statutory	2013	08/23/2013	Protective
03	BLOSENSKI LANDFILL	PA	Policy	2013	09/25/2013	Protectiveness Deferred
03	BUCKINGHAM COUNTY LANDFILL	VA	Statutory	2013	08/26/2013	Short-Term Protective
03	C & R BATTERY CO., INC.	VA	Statutory	2013	09/30/2013	Short-Term Protective
03	CHEM-SOLV, INC.	DE	Policy	2013	07/30/2013	Short-Term Protective
03	CRYOCHEM, INC.	PA	Policy	2013	09/25/2013	Protective
03	DORNEY ROAD LANDFILL	PA	Statutory	2013	05/29/2013	Protective
03	DRAKE CHEMICAL	PA	Policy	2013	09/10/2013	Short-Term Protective
03	EASTERN DIVERSIFIED METALS	PA	Statutory	2013	02/11/2013	Protective

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
03	ELIZABETHTOWN LANDFILL	PA	Statutory	2013	06/19/2013	Short-Term Protective
03	FOOTE MINERAL CO.	PA	Statutory	2011	9/30/2014	Protectiveness Deferred
03	GREENWOOD CHEMICAL CO.	VA	Statutory	2013	09/09/2013	Short-Term Protective
03	HARVEY & KNOTT DRUM, INC.	DE	Statutory	2013	09/25/2013	Protective
03	INDUSTRIAL LANE	PA	Statutory	2013	09/25/2013	Protectiveness Deferred
03	LINDANE DUMP	PA	Statutory	2013	09/19/2013	Protective
03	METAL BANKS	PA	Statutory	2013	08/29/2013	Short-Term Protective
03	MID-ATLANTIC WOOD PRESERVERS, INC.	MD	Statutory	2013	09/12/2013	Protective
03	NORTH PENN - AREA 1	PA	Policy	2013	09/30/2013	Protective
03	OCCIDENTAL CHEMICAL CORP./FIRESTONE TIRE & RUBBER CO.	PA	Policy	2013	08/15/2013	Will be Protective
03	OHIO RIVER PARK	PA	Statutory	2013	03/27/2013	Short-Term Protective
03	RENTOKIL, INC. (VIRGINIA WOOD PRESERVING DIVISION)	VA	Statutory	2013	07/02/2013	Protective
03	RODALE MANUFACTURING CO., INC.	PA	Statutory	2013	09/30/2013	Short-Term Protective
03	SHRIVER'S CORNER	PA	Policy	2013	08/22/2013	Short-Term Protective
03	TAYLOR BOROUGH DUMP	PA	Policy	2013	06/24/2013	Protective
03	TONOLLI CORP.	PA	Statutory	2013	06/10/2013	Short-Term Protective
04	A.L. TAYLOR (VALLEY OF DRUMS)	KY	Statutory	2013	09/26/2013	Short-Term Protective
04	ABC ONE HOUR CLEANERS	NC	Policy	2013	08/26/2013	Protectiveness Deferred
04	ABERDEEN PESTICIDE DUMPS	NC	Policy	2013	09/25/2013	Short-Term Protective
04	ALARIC AREA GW PLUME	FL	Statutory	2013	07/31/2013	Protectiveness Deferred
04	ALPHA CHEMICAL CORP.	FL	Statutory	2013	09/11/2013	Protective
04	BEAUNIT CORP. (CIRCULAR KNIT & DYEING PLANT)	SC	Statutory	2013	09/25/2013	Short-Term Protective
04	BENFIELD INDUSTRIES, INC.	NC	Statutory	2013	09/13/2013	Short-Term Protective
04	BEULAH LANDFILL	FL	Statutory	2013	09/20/2013	Protective
04	CAROLAWN, INC.	SC	Statutory	2013	09/26/2013	Short-Term Protective
04	CHEVRON CHEMICAL CO. (ORTHO DIVISION)	FL	Statutory	2013	09/11/2013	Short-Term Protective
04	DISTLER BRICKYARD	KY	Policy	2013	09/20/2013	Short-Term Protective
04	DISTLER FARM	KY	Policy	2013	09/20/2013	Short-Term Protective
04	ELMORE WASTE DISPOSAL	SC	Policy	2013	09/23/2013	Short-Term Protective

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
04	GEIGY CHEMICAL CORP. (ABERDEEN PLANT)	NC	Policy	2013	09/17/2013	Short-Term Protective
04	GURLEY PESTICIDE BURIAL	NC	Statutory	2013	02/22/2013	Short-Term Protective
04	KALAMA SPECIALTY CHEMICALS	SC	Policy	2013	06/25/2013	Short-Term Protective
04	KOPPERS CO., INC. (CHARLESTON PLANT)	SC	Statutory	2013	07/22/2013	Protectiveness Deferred
04	LEE'S LANE LANDFILL	KY	Statutory	2013	09/25/2013	Protectiveness Deferred
04	MALLORY CAPACITOR CO.	TN	Statutory	2013	07/02/2013	Short-Term Protective
04	MIAMI DRUM SERVICES	FL	Policy	2013	07/31/2013	Short-Term Protective
04	MOWBRAY ENGINEERING CO.	AL	Policy	2013	09/20/2013	Protective
04	NATIONAL ELECTRIC COIL CO./COOPER INDUSTRIES	KY	Policy	2013	09/26/2013	Short-Term Protective
04	NORTH CAROLINA STATE UNIVERSITY (LOT 86, FARM UNIT #1)	NC	Statutory	2013	09/20/2013	Short-Term Protective
04	POWERSVILLE SITE	GA	Statutory	2013	08/26/2013	Short-Term Protective
04	SCRDI BLUFF ROAD	SC	Policy	2013	09/25/2013	Short-Term Protective
04	T.H. AGRICULTURE & NUTRITION CO. (ALBANY PLANT)	GA	Statutory	2013	09/30/2013	Short-Term Protective
04	TAYLOR ROAD LANDFILL	FL	Statutory	2013	09/20/2013	Protective
04	TOWER CHEMICAL CO.	FL	Policy	2013	04/18/2013	Will be Protective
04	TRI-CITY DISPOSAL CO.	KY	Statutory	2013	04/30/2013	Short-Term Protective
05	ADAMS COUNTY QUINCY LANDFILLS 2&3	IL	Statutory	2013	03/01/2013	Protective
05	AIRCRAFT COMPONENTS (D & L SALES)	MI	Statutory	2013	04/10/2013	Short-Term Protective
05	ALLIED PAPER, INC./PORTAGE CREEK/KALAMAZOO RIVER	MI	Statutory	2013	10/18/2012	Will be Protective
05	BELOIT CORP.	IL	Policy	2013	09/27/2013	Protectiveness Deferred
05	BOFORS NOBEL, INC.	MI	Statutory	2013	08/02/2013	Short-Term Protective
05	BURROWS SANITATION	MI	Policy	2013	02/08/2013	Protective
05	BYRON SALVAGE YARD	IL	Statutory	2013	07/29/2013	Protective
05	DIXIE AUTO SALVAGE	IL	Discretionary	2013	02/19/2013	Protective
05	DUPAGE COUNTY LANDFILL/BLACKWELL FOREST PRESERVE	IL	Statutory	2013	05/06/2013	Protective
05	ENVIROCHEM CORP.	IN	Statutory	2013	03/14/2013	Will be Protective
05	FADROWSKI DRUM DISPOSAL	WI	Statutory	2013	05/20/2013	Protective

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
05	JOHNS-MANVILLE CORP.	IL	Statutory	2013	04/30/2013	Will be Protective
05	KUMMER SANITARY LANDFILL	MN	Statutory	2013	03/11/2013	Short-Term Protective
05	LAGRAND SANITARY LANDFILL	MN	Statutory	2013	08/14/2013	Protective
05	LIQUID DISPOSAL, INC.	MI	Statutory	2013	09/23/2013	Short-Term Protective
05	MADISON METROPOLITAN SEWERAGE DISTRICT LAGOONS	WI	Statutory	2013	03/22/2013	Short-Term Protective
05	MUSKEGON CHEMICAL CO.	MI	Policy	2013	04/03/2013	Short-Term Protective
05	NEW LYME LANDFILL	OH	Statutory	2013	03/01/2013	Short-Term Protective
05	ONALASKA MUNICIPAL LANDFILL	WI	Statutory	2013	04/05/2013	Not Protective
05	OTTAWA TOWNSHIP FLAT GLASS SITE	IL	Statutory	2013	09/24/2013	Short-Term Protective
05	POWELL ROAD LANDFILL	OH	Statutory	2013	06/12/2013	Protective
05	REPUBLIC STEEL CORP. QUARRY	OH	Statutory	2013	03/22/2013	Protective
05	RITARI POST & POLE	MN	Statutory	2013	08/15/2013	Short-Term Protective
05	SAUGET AREA 2	IL	Statutory	2013	06/26/2013	Will be Protective
05	SCHMALZ DUMP	WI	Statutory	2013	08/12/2013	Short-Term Protective
05	SOUTHEAST ROCKFORD GROUND WATER CONTAMINATION	IL	Statutory	2013	05/13/2013	Protectiveness Deferred
05	STOUGHTON CITY LANDFILL	WI	Statutory	2013	04/15/2013	Short-Term Protective
05	SUMMIT EQUIPMENT & SUPPLIES INCORPORATION	OH	Statutory	2013	07/31/2013	Short-Term Protective
05	SUMMIT NATIONAL	OH	Statutory	2013	07/16/2013	Protective
05	TORCH LAKE	MI	Statutory	2013	03/27/2013	Short-Term Protective
05	VELSICOL CHEMICAL CORP. (MARSHALL PLANT)	IL	Statutory	2013	09/09/2013	Protective
05	WASTE DISPOSAL ENGINEERING	MN	Statutory	2013	04/26/2013	Protective
06	AGRICULTURE STREET LANDFILL	LA	Policy	2013	09/28/2013	Short-Term Protective
06	AT & SF (CLOVIS)	NM	Statutory	2013	09/18/2013	Short-Term Protective
06	AT&SF (ALBUQUERQUE)	NM	Statutory	2013	09/06/2013	Protective
06	BAYOU SORREL	LA	Statutory	2013	08/13/2013	Protective
06	BLACKWELL ZINC	OK	Statutory	2013	05/03/2013	Protectiveness Deferred
06	BRIO REFINING, INC.	TX	Statutory	2013	09/18/2013	Short-Term Protective
06	CIMARRON MINING CORP.	NM	Statutory	2013	09/18/2013	Protective
06	CITY OF PERRYTON WELL NO. 2	TX	Policy	2013	04/23/2013	Short-Term Protective

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
06	CLEVE REBER	LA	Statutory	2013	09/23/2013	Protective
06	CONROE CREOSOTING CO.	TX	Policy	2013	09/27/2013	Protective
06	D.L. MUD, INC.	LA	Statutory	2013	08/23/2013	Short-Term Protective
06	DELATTE METALS	LA	Statutory	2013	11/19/2012	Protective
06	DIXIE OIL PROCESSORS, INC.	TX	Statutory	2013	09/20/2013	Short-Term Protective
06	GENEVA INDUSTRIES/FUHRMANN ENERGY	TX	Policy	2013	09/26/2013	Short-Term Protective
06	GRANTS CHLORINATED SOLVENTS	NM	Statutory	2013	09/26/2013	Will be Protective
06	GULF COAST VACUUM SERVICES	LA	Statutory	2013	09/03/2013	Short-Term Protective
06	HART CREOSOTING COMPANY	TX	Statutory	2013	08/16/2013	Short-Term Protective
06	HIGHWAY 71/72 REFINERY	LA	Statutory	2013	05/03/2013	Short-Term Protective
06	IMPERIAL REFINING COMPANY	OK	Statutory	2013	02/20/2013	Protective
06	JASPER CREOSOTING COMPANY INC.	TX	Statutory	2013	09/06/2013	Short-Term Protective
06	NORTH CAVALCADE STREET	TX	Statutory	2013	09/27/2013	Short-Term Protective
06	SPRAGUE ROAD GROUND WATER PLUME	TX	Policy	2013	09/25/2013	Short-Term Protective
06	UNITED NUCLEAR CORP.	NM	Statutory	2013	03/27/2013	Will be Protective
07	ACE SERVICES	KS	Policy	2013	09/20/2013	Short-Term Protective
07	CLEBURN STREET WELL	NE	Policy	2013	08/21/2013	Protectiveness Deferred
07	DES MOINES TCE	IA	Statutory	2013	04/09/2013	Protectiveness Deferred
07	JOHN DEERE (DUBUQUE WORKS)	IA	Statutory	2013	07/31/2013	Protectiveness Deferred
07	JOHN DEERE (OTTUMWA WORKS LANDFILLS)	IA	Statutory	2013	04/03/2013	Protectiveness Deferred
07	LINDSAY MANUFACTURING CO.	NE	Statutory	2013	08/22/2013	Short-Term Protective
07	MASON CITY COAL GASIFICATION PLANT	IA	Statutory	2013	04/09/2013	Protective
07	MID-AMERICA TANNING CO.	IA	Statutory	2013	09/10/2013	Protective
07	SHERWOOD MEDICAL CO.	NE	Policy	2013	09/24/2013	Short-Term Protective
07	VALLEY PARK TCE	MO	Policy	2013	09/17/2013	Protectiveness Deferred
07	WATERLOO COAL GASIFICATION PLANT	IA	Statutory	2013	08/29/2013	Protectiveness Deferred
07	WRIGHT GROUND WATER CONTAMINATION	KS	Policy	2013	08/05/2013	Protectiveness Deferred
08	ARSENIC TRIOXIDE SITE	ND	Policy	2013	09/30/2013	Short-Term Protective
08	BASIN MINING AREA	MT	Statutory	2013	06/27/2013	Short-Term Protective
08	BOUNTIFUL/WOODS CROSS 5TH S. PCE PLUME	UT	Statutory	2013	09/27/2013	Short-Term Protective
08	DENVER RADIUM SITE	CO	Statutory	2013	09/24/2013	Short-Term Protective

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
08	EAGLE MINE	CO	Statutory	2013	09/27/2013	Short-Term Protective
08	EUREKA MILLS	UT	Statutory	2013	09/24/2013	Short-Term Protective
08	INTERMOUNTAIN WASTE OIL REFINERY	UT	Statutory	2013	09/12/2013	Protective
08	KENNECOTT (NORTH ZONE)	UT	Discretionary	2013	06/17/2014	Not Protective
08	MOUAT INDUSTRIES	MT	Policy	2013	04/15/2013	Short-Term Protective
08	RICHARDSON FLAT TAILINGS	UT	Statutory	2013	03/14/2013	Short-Term Protective
09	BECKMAN INSTRUMENTS (PORTERVILLE PLANT)	CA	Policy	2013	09/20/2013	Short-Term Protective
09	CARSON RIVER MERCURY SITE	NV	Statutory	2013	09/27/2013	Short-Term Protective
09	IRON MOUNTAIN MINE	CA	Statutory	2013	09/26/2013	Short-Term Protective
09	KOPPERS CO., INC. (OROVILLE PLANT)	CA	Statutory	2013	08/28/2013	Protective
09	MCCORMICK & BAXTER CREOSOTING CO.	CA	Statutory	2013	09/26/2013	Protective
09	MGM BRAKES	CA	Policy	2013	09/26/2013	Protective
09	MODESTO GROUND WATER CONTAMINATION	CA	Statutory	2013	09/30/2013	Short-Term Protective
09	NATIONAL SEMICONDUCTOR CORP.	CA	Policy	2013	09/30/2013	Protectiveness Deferred
09	NEWMARK GROUND WATER CONTAMINATION	CA	Statutory	2013	09/27/2013	Protective
09	SAN FERNANDO VALLEY (AREA 1)	CA	Statutory	2013	09/30/2013	Short-Term Protective
09	SAN FERNANDO VALLEY (AREA 2)	CA	Statutory	2013	09/30/2013	Protectiveness Deferred
09	SAN GABRIEL VALLEY (AREA 1)	CA	Policy	2013	09/11/2013	Protectiveness Deferred
09	T.H. AGRICULTURE & NUTRITION CO.	CA	Statutory	2013	09/26/2013	Protective
09	WESTERN PACIFIC RAILROAD CO.	CA	Statutory	2013	09/19/2013	Short-Term Protective
10	ALLIED PLATING, INC.	OR	Statutory	2013	09/17/2013	Protective
10	BLACKBIRD MINE	ID	Statutory	2013	08/23/2013	Will be Protective
10	BOOMSNUB/AIRCO	WA	Statutory	2013	09/13/2013	Will be Protective
10	COMMENCEMENT BAY, SOUTH TACOMA CHANNEL	WA	Statutory	2013	09/10/2013	Short-Term Protective
10	FMC CORP. (YAKIMA)	WA	Statutory	2013	09/18/2013	Protective
10	FRONTIER HARD CHROME, INC.	WA	Statutory	2013	01/29/2013	Protective
10	JOSEPH FOREST PRODUCTS	OR	Statutory	2013	09/30/2014	Short-Term Protective
10	MONSANTO CHEMICAL CO. (SODA SPRINGS PLANT)	ID	Statutory	2013	09/10/2013	Not Protective
10	PALERMO WELL FIELD GROUND WATER CONTAMINATION	WA	Statutory	2013	09/30/2013	Protectiveness Deferred
10	QUEEN CITY FARMS	WA	Statutory	2013	09/26/2013	Short-Term Protective

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
10	REYNOLDS METALS COMPANY	OR	Statutory	2013	09/25/2013	Short-Term Protective
10	TELEDYNE WAH CHANG	OR	Statutory	2013	01/07/2013	Protectiveness Deferred
10	TULALIP LANDFILL	WA	Statutory	2013	04/24/2013	Protective
10	VANCOUVER WATER STATION #1 CONTAMINATION	WA	Policy	2013	09/11/2013	Protective
10	VANCOUVER WATER STATION #4 CONTAMINATION	WA	Policy	2013	09/11/2013	Protective
10	WESTERN PROCESSING CO., INC.	WA	Statutory	2013	09/27/2013	Protectiveness Deferred

Federal Facility Reviews Due in FY 2013, Currently Completed

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
01	DAVISVILLE NAVAL CONSTRUCTION BATTALION CENTER	RI	Statutory	2013	03/28/2013	Protective
01	OTIS AIR NATIONAL GUARD BASE/CAMP EDWARDS	MA	Statutory	2013	09/30/2013	Short-Term Protective
02	NAVAL WEAPONS STATION EARLE (SITE A)	NJ	Statutory	2013	03/27/2013	Will be Protective
03	ALLEGANY BALLISTICS LABORATORY (USNAVY)	WV	Statutory	2013	09/19/2013	Protectiveness Deferred
03	BRANDYWINE DRMO	MD	Statutory	2013	05/17/2011	Protective
03	DEFENSE GENERAL SUPPLY CENTER (DLA)	VA	Statutory	2013	08/29/2013	Protectiveness Deferred
03	FORT EUSTIS (US ARMY)	VA	Statutory	2013	09/27/2013	Protective
03	LETTERKENNY ARMY DEPOT (SE AREA)	PA	Statutory	2013	09/24/2012	Protective
03	MARINE CORPS COMBAT DEVELOPMENT COMMAND	VA	Statutory	2013	06/05/2013	Will be Protective
03	NAVAL WEAPONS STATION - YORKTOWN	VA	Statutory	2013	02/28/2013	Short-Term Protective
03	WILLOW GROVE NAVAL AIR AND AIR RESERVE STATION	PA	Statutory	2013	09/27/2013	Short-Term Protective
04	ALABAMA ARMY AMMUNITION PLANT	AL	Statutory	2013	09/05/2013	Short-Term Protective
04	CHERRY POINT MARINE CORPS AIR STATION	NC	Statutory	2013	05/16/2013	Short-Term Protective
04	MEMPHIS DEFENSE DEPOT (DLA)	TN	Statutory	2013	01/23/2013	Will be Protective
04	PENSACOLA NAVAL AIR STATION	FL	Statutory	2013	09/26/2013	Protectiveness Deferred
04	USARMY/NASA REDSTONE ARSENAL	AL	Statutory	2013	09/30/2013	Protectiveness Deferred
05	TWIN CITIES AIR FORCE RESERVE BASE (SMALL ARMS RANGE LANDFILL)	MN	Statutory	2013	04/25/2013	Protective
08	ROCKY MOUNTAIN ARSENAL (USARMY)	CO	Statutory	2013	09/30/2011	Will be Protective
08	TOOELE ARMY DEPOT (NORTH AREA)	UT	Statutory	2013	04/04/2013	Short-Term Protective

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
09	BARSTOW MARINE CORPS LOGISTICS BASE	CA	Statutory	2013	02/20/2013	Protective
09	EDWARDS AIR FORCE BASE [OU 4]	CA	Statutory	2013	09/28/2012	Protective
09	EDWARDS AIR FORCE BASE [OU 11]	CA	Statutory	2013	09/27/2013	Protective
09	LAWRENCE LIVERMORE NATL LAB (SITE 300) (USDOE) [OUs 3 & 8]	CA	Statutory	2013	09/10/2013	Will be Protective
09	LAWRENCE LIVERMORE NATL LAB (SITE 300) (USDOE) [OU 4]	CA	Statutory	2013	07/23/2013	Will be Protective
09	TRAVIS AIR FORCE BASE	CA	Statutory	2013	09/27/2013	Short-Term Protective
10	EIELSON AIR FORCE BASE	AK	Statutory	2013	09/30/2013	Protectiveness Deferred
10	FAIRCHILD AIR FORCE BASE (4 WASTE AREAS)	WA	Statutory	2013	09/18/2013	Short-Term Protective
10	FORT RICHARDSON (USARMY)	AK	Statutory	2013	02/22/2013	Protectiveness Deferred
10	PUGET SOUND NAVAL SHIPYARD COMPLEX	WA	Statutory	2013	10/19/2012	Protectiveness Deferred
10	STANDARD STEEL & METAL SALVAGE YARD (USDOT)	AK	Statutory	2013	04/11/2013	Protective

Non-Federal and Federal Facility Reviews Due in Prior or Later Fiscal Years, Completed in FY 2013

Region	Site Name	State	FYR Type	Fiscal Year Due	Date Completed	Protectiveness Determination[1]
04	BRANTLEY LANDFILL	KY	Statutory	2012	02/26/2013	Protective
06	PANTEX PLANT (USDOE)*	TX	Statutory	2014	09/27/2013	Short-Term Protective
07	MADISON COUNTY MINES	MO	Statutory	2014	09/24/2013	Will be Protective
09	TUCSON INTERNATIONAL AIRPORT AREA	AZ	Statutory	2010	09/30/2013	Protectiveness Deferred
10	MARTIN-MARIETTA ALUMINUM CO.	OR	Statutory	2010	05/15/2013	Protectiveness Deferred

* Denotes a Federal facility site where not expressly indicated

Non-Federal Facility Reviews Due in Current or Prior Fiscal Years, Pending Completion

Region	Site Name	State	FYR Type	Fiscal Year Due
03	FISCHER & PORTER CO.	PA	Policy	2013

Region	Site Name	State	FYR Type	Fiscal Year Due
03	RAYMARK	PA	Statutory	2013
08	UPPER TENMILE CREEK MINING AREA	MT	Statutory	2013

1 For all sites that require a five-year review, a separate protectiveness determination is generally made for each portion or operable unit (OU) of the site. The determination that is considered "least protective" is used as the general determination for the review in this report. For example, if one operable unit is protective but another operable unit has protectiveness deferred, the determination for the entire review will be protectiveness deferred.

Protective - The remedy is protective of human health and the environment in the short- and long-term.

Short-Term Protective - The remedy is protective of human health and the environment in the short-term. This statement is generally used when the remedy is currently protective but requires further actions or institutional controls to remain protective in the long-term.

Will Be Protective - The remedy is expected to be protective of human health and the environment upon completion, and in the interim, exposure pathways that could result in unacceptable risks are being controlled. This statement is generally used for remedies that are under construction.

Protectiveness Deferred - The remedy cannot be made until further information is obtained. Generally, reviews that include this determination identify both the actions and timeframe necessary to obtain the information so a protectiveness determination can be made through an addendum to the five-year review report.

Not Protective - The remedy is not protective of human health and/or the environment. For example, a new exposure pathway may be identified or a remedy may not be able to meet a new cleanup level. Generally, reviews that include this determination identify actions that need to be taken to ensure protectiveness.

AC-15-000-7796

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

APR 24 2015

OFFICE OF
CIVIL RIGHTS

The Honorable John Boehner
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am pleased to send you the enclosed copy of the U.S. Environmental Protection Agency's (EPA) Fiscal Year 2014 annual report prepared in accordance with Section 203 of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), Public Law 107-174.

This report provides information regarding the number of cases arising under the respective areas of law cited in the No FEAR Act where discrimination was alleged; the amount of money required to be reimbursed by the EPA to the Judgment Fund in connection with such cases; the number of employees disciplined for discrimination, retaliation, harassment or any other infractions of any provision of law referred to under the Act; an analysis of trends and knowledge gained; and accomplishments.

An identical letter has been sent to each entity designated to receive this report as listed in Section 203 of the No FEAR Act. The U.S. Attorney General, the Chair of the U.S. Equal Employment Opportunity Commission, and the Director of the U.S. Office of Personnel Management will also be sent a copy of the report.

If you have any questions, please contact me, or your staff may contact Thea J. Williams in the EPA's Office of Congressional and Intergovernmental Relations at williams.thea@epa.gov or (202) 564-2064.

Sincerely,

Velveta Golightly-Howell
Director

Enclosure

OFFICE OF CIVIL RIGHTS

U.S. ENVIRONMENTAL PROTECTION AGENCY

Fiscal Year 2014

Annual Report to Congress
Pursuant to the
Notification and Federal Employee
Antidiscrimination and Retaliation
Act of 2002

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I. EXECUTIVE SUMMARY

The U.S. Environmental Protection Agency (EPA or Agency) provides its Annual Report to Congress as required by Section 203 of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), Public Law 107-174. As required, this report includes information related to the number of cases in Federal court pending or resolved in fiscal year (FY) 2014 and, in connection with those cases, their disposition; reimbursement(s) to the Judgment Fund; and the number of employees disciplined and the nature of the disciplinary action taken.

During FY 2014, there were a total of twelve (12) cases pending before Federal courts. Of these, two (2) cases were settled during the reporting period. One settlement involved a payment of $650,000. The other settlement involved a total payment of $670,000, of which $170,000 was designated for the payment of attorney's fees. Both settlement payments will be reimbursed to the Judgment Fund.

Final Agency Actions involving a finding of discrimination may be issued on the record or following an Equal Employment Opportunity Commission (EEOC) Administrative Hearing. The No FEAR Act requires Federal agencies to post the total number of final actions involving a finding of discrimination, along with the issues in and bases for such complaints. In 2014, EPA had one (1) finding of discrimination following an EEOC Administrative Hearing.

During FY 2014, Agency employees were required to complete the No Fear training hosted through Skillport. At the end of FY 2014, 99.7% of EPA's employees had completed this training.

EPA continues to realize many improvements in its complaint processing program, and the Agency was able to decrease the investigation timeframe by twenty-three percent (23%). Additionally, EPA experienced a twenty-one percent (21%) decrease in the number of complaints filed between FY 2013 and FY 2014, a five year low for the Agency.

EPA is dedicated to establishing and maintaining a model Civil Rights Program that serves as an example for all Federal agencies. EPA's commitment to this goal is reflected in the subject report which the Agency respectfully submits for review.

II. BACKGROUND

On May 15, 2002, Congress enacted the "Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002," or, as it is more commonly known, the No FEAR Act. One purpose of the Act is to "require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws." Public Law 107-174, Summary. In support of this purpose, Congress found that "agencies cannot be run effectively, if they practice or tolerate discrimination." Public Law 107-174, Title I, General Provisions, section 101(1).

Section 203 of the No FEAR Act requires that each Federal agency submit an annual Report to Congress not later than 180 days after the end of each fiscal year. Agencies must report on the number of Federal court cases pending or resolved in each fiscal year and arising under each of the respective areas of law specified in the Act in which discrimination or retaliation was alleged. In connection with those cases, agencies must report their status or disposition; the amount of money required to be reimbursed to the Judgment Fund; and the number of employees disciplined. Agencies must also report on any policies implemented related to appropriate disciplinary actions against a Federal employee who discriminated against any individual, or committed a prohibited personnel practice; any employees disciplined under such a policy for conduct inconsistent with Federal Antidiscrimination Laws and Whistleblower Protection Laws; and an analysis of the data collected relative to trends, causal analysis, and other information.

The Act imposes additional duties upon Federal agency employers intended to reinvigorate their longstanding obligation to provide a work environment free of discrimination and retaliation. The additional obligations contained in the No FEAR Act can be broken down into five (5) categories:

- A Federal agency must reimburse the Judgment Fund for payments made to employees, former employees, or applicants for Federal employment because of actual or alleged violations of Federal employment discrimination laws, Federal whistleblower protection laws, and retaliation claims arising from the assertion of rights under those laws.
- An agency must provide annual notice to its employees, former employees, and applicants for Federal employment concerning the rights and remedies applicable to them under the employment discrimination and whistleblower protection laws.
- At least every two years, an agency must provide training to its employees, including managers, regarding the rights and remedies available under the employment discrimination and whistleblower protection laws.
- Quarterly, an agency must post on its public website summary statistical data pertaining to Equal Employment Opportunity (EEO) complaints filed with the agency.

The President delegated responsibility to the Office of Personnel Management (OPM) for issuance of regulations governing implementation of Title II of the No FEAR Act. OPM published final regulations on the reimbursement provisions of the Act on May 10, 2006. Final regulations to carry out the notification and training requirements of the Act were published on July 20, 2006, and OPM published the final regulations to implement the reporting and best practices provisions of the No FEAR Act on December 28, 2006. The EEOC published its final regulations to implement the posting requirements of Title III of the No FEAR Act on August 2, 2006. The EPA has prepared the subject report based on the provisions of the No FEAR Act in accordance with OPM and EEOC's final regulations.

III. DATA

a. Civil Cases

Section 203(a)(1) of the No FEAR Act requires that agencies include in their Annual Report "the number of cases arising under each of the respective provisions of law covered by paragraphs (1) and (2) of section 201(a) in which discrimination on the part of such agency was alleged." Section 724.302 of OPM's final regulations on reporting and best practices clarifies section 203 (1) of the No FEAR Act, stating that agencies report on the "number of cases in Federal Court [district and appellate] pending or resolved...arising under each of the respective provisions of the Federal Antidiscrimination laws and Whistleblower Protection Laws applicable to them...in which an employee, former Federal employee, or applicant alleged a violation(s) of these laws, separating data by the provision(s) of law involved."

During FY 2014, there were a total of twelve (12) cases pending before Federal courts. Among these cases, there were eleven (11) claimed violations of Title VII of the Civil Rights Act of 1964, four (4) claimed violations of the Rehabilitation Act of 1973, six (6) claimed violations of the Age Discrimination in Employment Act, and one (1) claimed violation of 5 United States Code 2302, Prohibited Personnel Practices.

Of the twelve (12) cases referenced above, two (2) were settled during the reporting period. One settlement involved a payment of $650,000. The other settlement involved a total payment of $670,000, of which $170,000 was designated for payment of attorney's fees. Both settlement payments will be reimbursed to the Judgment Fund.

Of the remaining ten (10) cases, one (1) involved an affirmance by a U.S. Court of Appeals of a lower court decision, upholding the Agency's termination of an employee, one (1) is currently pending a decision on a dispositive motion, and the remainder are at the discovery stage in U.S. Federal District Courts.

b. Reimbursement to the Judgment Fund

During FY 2014, the Agency was required to reimburse two (2) settlement payments to the Judgment Fund. As noted, one settlement involved a payment of $650,000, and the other involved a total payment of $670,000, of which $170,000 was designated for the payment of attorney's fees.

c. **Disciplinary Actions** (5 Code of Federal Regulations (C.F.R.) § 724.302 (a)(3) & (5))

There were no employees disciplined in FY 2014, in connection with any cases described in paragraph (a) above, or for any other conduct that is inconsistent with Federal Antidiscrimination Laws and Whistleblower Protection Laws or for conduct that constitutes prohibited personnel practices.

d. Final Year-End Data Posted Under Section 301(c)(1)(B)

The final year-end data posted pursuant to section 301(c)(1)(B) of the No FEAR Act are included in Appendix 1. The final year-end data indicate that during FY 2014, there was a twenty-one percent (21%) reduction in the number of formal complaints filed compared to FY 2013. In FY 2013, sixty-two (62) formal complaints of discrimination were filed with the Agency. During FY 2014, there were only forty-nine (49) new administrative complaints of discrimination filed by forty-six (46) employees or applicants for employment. Three (3) Agency employees filed more than one (1) complaint during the reporting period.

During FY 2014, EPA's Office of Civil Rights (OCR) decreased the investigation timeframe by twenty-three percent (23%) (318.11 days in FY 2013 to 245.08 days in FY 2014). During FY 2014, EPA had one (1) finding of discrimination following an EEOC Administrative Hearing.. FY 2014 complaint totals can be found in their entirety at Appendix 1 of this report.

e. Policy Description on Disciplinary Actions (5 C.F.R. § 724.302(a)(6))

The FY 2014 Agency EEO policy addresses a variety of topics, including prohibition of discrimination in the workplace, and it includes a reminder to all employees that the Agency will review any finding of discrimination and take disciplinary or corrective action, when appropriate. The EEO policy, as well as information on addressing harassment and reasonable accommodation, was discussed in EPA's mandatory Successful Leaders Program for all new Agency supervisors. The FY 2014 EEO Policy can be found in its entirety at Appendix 3 of this report.

Additionally, EPA Order 3110.6B, *Adverse Actions*, EPA Order 3120.1B, *Conduct and Discipline*, EPA Order 3120.2, *Conduct and Discipline, Senior Executive Service,* and applicable collective bargaining agreements, provide guidance to managers about the type of disciplinary actions that may be taken, when appropriate, in response to a finding of discriminatory behavior or conduct. These actions may range from informal corrective actions such as a written warning to more formal disciplinary actions such as a suspension without pay or removal.

EPA has an ongoing commitment to continue to include clear expectations about EEO in performance standards for managers. EPA has maintained revised Senior Executive Service standards that not only focus on preventing discrimination in hiring activities and promoting merit systems principles, but also require senior leaders to be personally involved in leading and implementing EEO and civil rights initiatives consistent with applicable laws. In addition, at the end of every performance cycle, the Director of OCR, Performance Review Board members, and Executive Review Board members evaluate management self-assessments to ensure that the respective rating is an appropriate reflection of the accomplishments listed.

f. No FEAR Act Training Plans (5 C.F.R. § 724.302 (a)(9))

During FY 2014, Agency employees were required to complete the No Fear training hosted through Skillport. At the end of FY 2014, 99.7% of our employees had finished the training.

IV. ANALYSIS OF TRENDS, CAUSAL ANALYSIS AND PRACTICAL KNOWLEDGE GAINED THROUGH EXPERIENCE (5 C.F.R. § 724.302 (a)(7))

At the conclusion of FY 2014, the bases of alleged discrimination most often raised were: (1) retaliation; (2) race; and (3) age. The forty-nine (49) EEO complaints filed in EPA in FY 2014 contained twenty-eight (28) allegations of retaliation, twenty-three (23) allegations of race discrimination, and twenty-one (21) allegations of age discrimination. While retaliation remains the top basis alleged in complaints filed for the fifth year in a row, it should be noted that retaliation is among the top three (3) bases most frequently alleged in discrimination complaints throughout the entire Federal workforce.[1]

The data show that the 0.29% of the Agency workforce of 15, 905 employees that have filed complaints falls well below the last reported government-wide average of 0.51% of the workforce that did.[2] The Agency saw a twenty-one percent (21%) decrease in the number of complaints filed from FY 2013 to FY 2014, a five year low for the Agency. Through training, EPA has begun concentrated focused on improving its EEO Counselors' ability to resolve informal complaints through traditional counseling techniques. EPA's informal Alternative Dispute Resolution (ADR) rates and traditional counseling resolution rates differ by less than one (1) percentage point. In FY 2014, the participation rate was 37.29% which decreased by almost twenty-five percent (25%) from FY 2013 to FY 2014. This slight decrease may be attributed to the fact that fifty percent (50%) of employees declining ADR were frequent filers. In FY 2015, to improve the ADR participation rate, the Agency formed a workgroup to identify and address potential concerns that may impact the ADR participation.

EPA continues to stress training as a method for ultimately reducing the number of Federal court judgments, awards, and formal complaints as managers and supervisors expand their knowledge of their responsibilities to promote equal employment opportunity.

EPA completed investigations for complaints pending during FY 2014 with an average processing time of 245 days, seventy-three (73) days sooner than the Agency FY 2013 average of 318 days. As discussed in the FY 2012 No Fear Report, and implemented effectively during FY 2013 and 2014, the Agency's revamped, streamlined investigative process has significantly improved the proportion of cases adjudicated timely.

During FY 2014, EPA's OCR procedurally dismissed ten (10) complaints. The average time to process a dismissal was 239 days, reflecting an increase from the FY 2013 processing average of 123 days pending prior to dismissal. Contributing factors may be related to the loss of an OCR attorney advisor. Additionally, staff attrition and the learning curve associated with directing new staff may have been contributing factors to these numbers.

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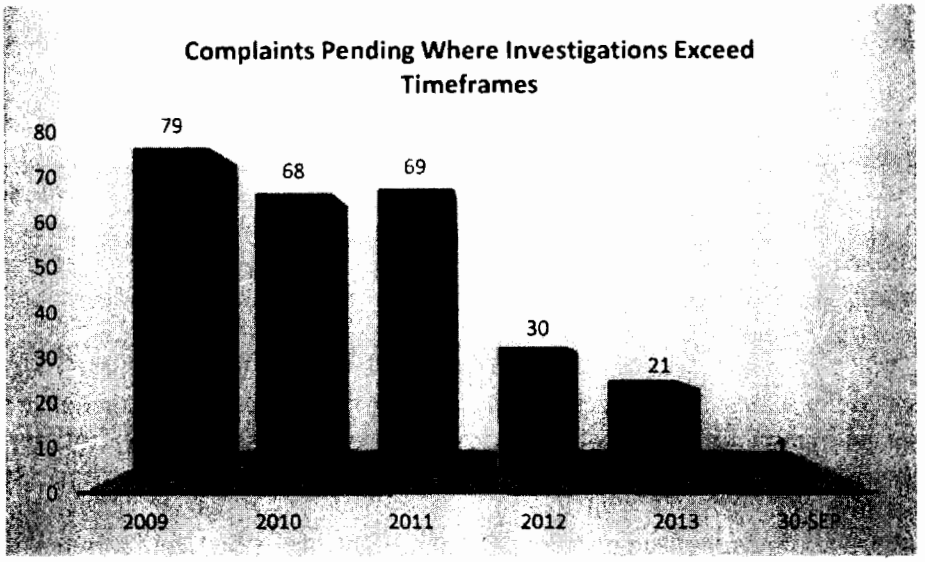
[1] As reported in FY 2011 Report of the Federal Workforce. http://www.eeoc.gov/federal/reports/fsp2012/index.cfm.
[2] As reported in FY 2012 Report of the Federal Workforce. http://www.eeoc.gov/federal/reports/fsp2012/index.cfm.



V. ADJUSTMENTS TO BUDGET (5 C.F.R. § 724.302(a)(2)(ii))

As reported, during FY 2014, the Agency was required to reimburse the Judgment Fund in connection with two (2) settled cases. One settlement involved a payment of $650,000, while the other settlement involved a total payment of $670,000, $170,000 of which was designated for the payment of attorney's fees.

VI. ACTIONS PLANNED OR TAKEN TO IMPROVE COMPLAINT OR CIVIL RIGHTS PROGRAMS (5 C.F.R. § 724.302 (a)(7)(iv))

EPA's Civil Rights program has taken several steps to strengthen EPA's commitment to civil rights, equal employment opportunity and diversity in the workplace:

- In FY 2014, OCR continued to make critical changes to its counseling program by selecting, training and retaining forty-four (44) professional collateral duty EEO Counselors. The EEO Training Committee continues to offer monthly training teleconferences to all EEO Counselors. The training has been presented by the EEO community, internal EPA partners and outside vendors. The timeliness and quality of EEO Counselors' Reports continues to show marked improvement. Counselors' reports are submitted, on average, in 11.7 days from the date the Notice of Right to File issued to aggrieved parties, which is less than the time required by EEOC Management Directive (MD) 110,[3] and the utilization and success rate for ADR have all significantly improved.

[3] 29 C.F.R. § 1614.105(c).requires counselors to submit counselors' reports within fifteen (15) days of being notified that a formal complaint has been filed.

- Promote the use of ADR to resolve Title VII complaints at the informal stages of the EEO complaint process. EPA will increase its efforts to market the program during informal phase of EEO counseling, via centralized EEO intake. OCR anticipates that using ADR in this way will help reduce costs associated with adjudicating formal complaints. OCR will continue using the shared neutrals programs in regions at no cost to EPA. OCR will market and promote ADR as part of overall Agency policy. OCR will continue to develop an ADR program to offer during the formal complaint process to ensure that ADR can be offered at each stage of the process in an effort to resolve any conflict at the lowest possible level.

- The Agency is currently developing a formal ADR program that will focus on increasing its offer rate in the formal complaint process to attain an anticipated increase in its resolution rate. Such program will continue to promote resolution at the lowest possible level by reengaging complainants and managers during a complaint's investigative stage and seek resolution prior to completing the investigation. The Agency will add language to formal acceptance and partial acceptance letters, advising complainants of the opportunity to utilize ADR in the formal stage.

- With regard to formal complaints, at the end of FY 14, OCR had two (2) cases pending investigation.. OCR will continue to monitor and evaluate its current Standard Operation Procedures for investigations and its Statement of Work with the United States Postal Service, its investigative contractor. OCR will make adjustments to promote the efficiency of the investigative process with the goal of completing investigations within in the 180 day requirement.

- To meet delineated goals, OCR will reevaluate its review and routing processes to determine the most efficient methods for obtaining legal sufficiency reviews while aggressively seeking to meet the regulatory requirement.

- Within the EPA, every member of the Senior Executive Service has had a performance standard related to equal employment opportunity and diversity in the workplace for several years. Senior managers must outline the specific related initiatives and actions they have personally undertaken and the results or effectiveness of those actions. At the end of every performance cycle, the Director of the Office of Civil Rights, Performance Review Board members, and Executive Review Board members review these self-assessments to verify that the respective rating for the EEO performance standard is a reflection of the accomplishments listed.

- EPA has taken steps to improve the timeliness of EEO investigations. Of particular note is the new requirement for contractors to deliver investigations on schedule or receive reduced payment and/or terminate the contract.

- All EPA investigators and counselors received the required annual training and/or refresher training in accordance with MD 110.

- EPA works to comply with orders from Administrative Judges in a timely manner, and this is a factor that is included in the performance standard of the Assistant Director, Office of Civil Rights, Employment Complaints Resolution Program (ECRP). In addition, EPA has established systems to ensure that the Agency initiates any monetary or other relief in a timely manner.

- OCR posts all No FEAR statistics on the OCR website on a quarterly basis.

- OCR management members make presentations during the monthly new employee orientations to ensure that all new employees are notified of the rights and remedies applicable to them under the employment discrimination and whistleblower protection laws.

- The Civil Rights Director and EEO Officials across the Agency participate in briefings, listening sessions, and brainstorming sessions to discuss EEO with managers, senior leaders and employees in order to identify and address any potential barriers and specific action items that can continue to improve the Agency's EEO and Civil Rights program.

APPENDIX 1

Equal Employment Opportunity Data Posted Pursuant to the No Fear Act:

EPA (and below)

For 4th Quarter 2014 for period ending September 30, 2014

Complaint Activity	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
	2009	2010	2011	2012	2013	
Number of Complaints Filed	77	70	64	79	62	49
Number of Complainants	71	63	61	77	59	46
Repeat Filers	5	7	3	2	3	3

Complaints by Basis	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints filed.	2009	2010	2011	2012	2013	
Race	33	39	25	40	22	23
Color	9	14	10	13	7	10
Religion	1	5	2	9	4	3
Reprisal	35	47	39	44	31	28
Sex	35	28	29	42	27	15
PDA	0	0	0	0	0	0
National Origin	6	14	10	13	12	10
Equal Pay Act	0	0	2	1	1	1
Age	37	28	21	37	22	22

Complaint Activity	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
	2009	2010	2011	2012	2013	
Disability	25	21	24	25	19	18
Genetics	0	0	0	0	0	0
Non-EEO	0	0	1	8	7	6

Complaints by Issue	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints filed.	**2009**	**2010**	**2011**	**2012**	**2013**	
Appointment/Hire	0	2	1	5	5	7
Assignment of Duties	6	18	12	12	5	5
Awards	2	6	2	5	0	3
Conversion to Full-time	0	0	0	2	0	0
Disciplinary Action						
Demotion	0	0	0	0	0	0
Reprimand	4	3	3	2	3	5
Suspension	0	2	3	4	6	4
Removal	0	0	1	2	0	3
Other	0	3	2	4	2	0
Duty Hours	0	1	3	4	2	0
Evaluation Appraisal	9	14	11	21	9	5
Examination/Test	0	0	1	0	0	0
Harassment						

Complaints by Issue	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints filed.	**2009**	**2010**	**2011**	**2012**	**2013**	
Non-Sexual	38	35	30	32	22	19
Sexual	0	1	1	1	2	1
Medical Examination	0	0	0	0	0	0
Pay (Including Overtime)	2	3	4	4	1	0
Promotion/Non-Selection	24	24	18	26	10	8
Reassignment						
Denied	0	4	3	13	0	2
Directed	2	6	1	8	2	2
Reasonable Accommodation	6	2	8	7	9	3
Reinstatement	0	0	0	0	0	0
Retirement	1	0	0	2	1	2
Termination	7	4	9	5	4	1
Terms/Conditions of Employment	8	16	10	19	12	11
Time and Attendance	7	6	6	18	7	2
Training	7	6	4	11	2	6
Other	0	0	0	7	2	0

Processing Time	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
	2009	**2010**	**2011**	**2012**	**2013**	

Complaints by Issue	Comparative Data					
	Previous Fiscal Year Data					
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints filed.	**2009**	**2010**	**2011**	**2012**	**2013**	**2014Thru09-30**
Complaints pending during fiscal year						
Average number of days in investigation	138.00	285.43	256.62	326.57	311.07	245.08
Average number of days in final action	171.55	255.50	374.57	310.50	103.58	194.07
Complaint pending during fiscal year where hearing was requested						
Average number of days in investigation	0	213.67	263.57	324.42	314.44	249.50
Average number of days in final action	13.50	2.75	11.75	197.64	28.73	25.07
Complaint pending during fiscal year where hearing was not requested						
Average number of days in investigation	138.00	339.25	208.00	328.83	306.58	233.87
Average number of days in final action	206.67	311.67	450.95	468.50	206.50	376.08

Complaints Dismissed by Agency	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
	2009	2010	2011	2012	2013	
Total Complaints Dismissed by Agency	2	5	6	10	6	10
Average days pending prior to dismissal	62	53	441	212	123	239
Complaints Withdrawn by Complainants						
Total Complaints Withdrawn by Complainants	3	2	5	12	19	3

Total Final Agency Actions Finding Discrimination	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Total Number Findings	0		0		1		0		0		1	
Without Hearing	0	0	0	0	0	0	0	0	0	0	0	0
With Hearing	0	0	0	0	1	100	0	0	0	0	1	100

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Total Number Findings	0		0		1		1		0		1	
Race	0	0	0	0	0	0	0	0	0	0	1	100

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Color	0	0	0	0	0	0	0	0	0	0	0	0
Religion	0	0	0	0	0	0	0	0	0	0	0	0
Reprisal	0	0	0	0	1	100	1	100	0	0	0	0
Sex	0	0	0	0	0	0	0	0	0	0	1	100
PDA	0	0	0	0	0	0	0	0	0	0	0	0
National Origin	0	0	0	0	0	0	0	0	0	0	0	0
Equal Pay Act	0	0	0	0	0	0	0	0	0	0	0	0
Age	0	0	0	0	0	0	0	0	0	0	1	100
Disability	0	0	0	0	0	0	0	0	0	0	0	0
Genetics	0	0	0	0	0	0	0	0	0	0	0	0
Non-EEO	0	0	0	0	0	0	0	0	0	0	0	0
Findings After Hearing	0		0		1		0		0		1	
Race	0	0	0	0	0	0	0	0	0	0	1	100
Color	0	0	0	0	0	0	0	0	0	0	0	0
Religion	0	0	0	0	0	0	0	0	0	0	0	0
Reprisal	0	0	0	0	1	100	0	0	0	0	0	0
Sex	0	0	0	0	0	0	0	0	0	0	1	100
PDA	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
National Origin	0	0	0	0	0	0	0	0	0	0	0	0
Equal Pay Act	0	0	0	0	0	0	0	0	0	0	0	0
Age	0	0	0	0	0	0	0	0	0	0	1	100
Disability	0	0	0	0	0	0	0	0	0	0	0	0
Genetics	0	0	0	0	0	0	0	0	0	0	0	0
Non-EEO	0	0	0	0	0	0	0	0	0	0	0	0
Findings Without Hearing	0		0		0		1		0		0	
Race	0	0	0	0	0	0	0	0	0	0	0	0
Color	0	0	0	0	0	0	0	0	0	0	0	0
Religion	0	0	0	0	0	0	0	0	0	0	0	0
Reprisal	0	0	0	0	0	0	1	100	0	0	0	0
Sex	0	0	0	0	0	0	0	0	0	0	0	0
PDA	0	0	0	0	0	0	0	0	0	0	0	0
National Origin	0	0	0	0	0	0	0	0	0	0	0	0
Equal Pay Act	0	0	0	0	0	0	0	0	0	0	0	0
Age	0	0	0	0	0	0	0	0	0	0	0	0
Disability	0	0	0	0	0	0	0	0	0	0	0	0
Genetics	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Non-EEO	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Issue	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Total Number Findings	0		0		1		1		0		1	
Appointment/Hire	0	0	0	0	0	0	0	0	0	0	1	100
Assignment of Duties	0	0	0	0	1	100	0	0	0	0	0	0
Awards	0	0	0	0	0	0	0	0	0	0	0	0
Conversion to Full-time	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary Action												
Demotion	0	0	0	0	0	0	0	0	0	0	0	0
Reprimand	0	0	0	0	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0	0	0	0	0
Removal	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Duty Hours	0	0	0	0	0	0	0	0	0	0	0	0
Evaluation Appraisal	0	0	0	0	0	0	0	0	0	0	0	0
Examination/Test	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Harassment												
Non-Sexual	0	0	0	0	1	100	1	100	0	0	0	0
Sexual	0	0	0	0	0	0	0	0	0	0	0	0
Medical Examination	0	0	0	0	0	0	0	0	0	0	0	0
Pay (Including Overtime)	0	0	0	0	0	0	0	0	0	0	0	0
Promotion/Non-Selection	0	0	0	0	0	0	0	0	0	0	0	0
Reassignment												
Denied	0	0	0	0	0	0	0	0	0	0	0	0
Directed	0	0	0	0	0	0	0	0	0	0	0	0
Reasonable Accommodation	0	0	0	0	0	0	0	0	0	0	0	0
Reinstatement	0	0	0	0	0	0	0	0	0	0	0	0
Retirement	0	0	0	0	0	0	0	0	0	0	0	0
Termination	0	0	0	0	0	0	0	0	0	0	0	0
Terms/Conditions of Employment	0	0	0	0	0	0	0	0	0	0	0	0
Time and Attendance	0	0	0	0	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0	0	0	0	0
Other - User Defined	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Findings After Hearing	0		0		1		0		0		1	
Appointment/Hire	0	0	0	0	0	0	0	0	0	0	1	100
Assignment of Duties	0	0	0	0	1	100	0	0	0	0	0	0
Awards	0	0	0	0	0	0	0	0	0	0	0	0
Conversion to Full-time	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary Action												
Demotion	0	0	0	0	0	0	0	0	0	0	0	0
Reprimand	0	0	0	0	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0	0	0	0	0
Removal	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Duty Hours	0	0	0	0	0	0	0	0	0	0	0	0
Evaluation Appraisal	0	0	0	0	0	0	0	0	0	0	0	0
Examination/Test	0	0	0	0	0	0	0	0	0	0	0	0
Harassment												
Non-Sexual	0	0	0	0	1	100	0	0	0	0	0	0
Sexual	0	0	0	0	0	0	0	0	0	0	0	0
Medical Examination	0	0	0	0	0	0	0	0	0	0	0	0
Pay (Including Overtime)	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Promotion/Non-Selection	0	0	0	0	0	0	0	0	0	0	0	0
Reassignment												
Denied	0	0	0	0	0	0	0	0	0	0	0	0
Directed	0	0	0	0	0	0	0	0	0	0	0	0
Reasonable Accommodation	0	0	0	0	0	0	0	0	0	0	0	0
Reinstatement	0	0	0	0	0	0	0	0	0	0	0	0
Retirement	0	0	0	0	0	0	0	0	0	0	0	0
Termination	0	0	0	0	0	0	0	0	0	0	0	0
Terms/Conditions of Employment	0	0	0	0	0	0	0	0	0	0	0	0
Time and Attendance	0	0	0	0	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0	0	0	0	0
Other - User Defined	0	0	0	0	0	0	0	0	0	0	0	0
Findings Without Hearing	0		0		0		1		0		0	
Appointment/Hire	0	0	0	0	0	0	0	0	0	0	0	0
Assignment of Duties	0	0	0	0	0	0	0	0	0	0	0	0
Awards	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Conversion to Full-time	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary Action												
Demotion	0	0	0	0	0	0	0	0	0	0	0	0
Reprimand	0	0	0	0	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0	0	0	0	0
Removal	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Duty Hours	0	0	0	0	0	0	0	0	0	0	0	0
Evaluation Appraisal	0	0	0	0	0	0	0	0	0	0	0	0
Examination/Test	0	0	0	0	0	0	0	0	0	0	0	0
Harassment												
Non-Sexual	0	0	0	0	0	0	1	100	0	0	0	0
Sexual	0	0	0	0	0	0	0	0	0	0	0	0
Medical Examination	0	0	0	0	0	0	0	0	0	0	0	0
Pay (Including Overtime)	0	0	0	0	0	0	0	0	0	0	0	0
Promotion/Non-Selection	0	0	0	0	0	0	0	0	0	0	0	0
Reassignment												
Denied	0	0	0	0	0	0	0	0	0	0	0	0
Directed	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2014Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2009		2010		2011		2012		2013			
	#	%	#	%	#	%	#	%	#	%	#	%
Reasonable Accommodation	0	0	0	0	0	0	0	0	0	0	0	0
Reinstatement	0	0	0	0	0	0	0	0	0	0	0	0
Retirement	0	0	0	0	0	0	0	0	0	0	0	0
Termination	0	0	0	0	0	0	0	0	0	0	0	0
Terms/Conditions of Employment	0	0	0	0	0	0	0	0	0	0	0	0
Time and Attendance	0	0	0	0	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0	0	0	0	0
Other - User Defined	0	0	0	0	0	0	0	0	0	0	0	0

Pending Complaints Filed in Previous Fiscal Years by Status	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
	2009	2010	2011	2012	2013	
Total complaints from previous Fiscal Years	55	52	59	57	85	85
Total Complainants	49	47	47	51	78	81
Number complaints pending						
Investigation	47	39	50	19	10	2
ROI issued, pending Complainant's action	0	0	0	3	3	0
Hearing	31	25	33	36	56	59

Pending Complaints Filed in Previous Fiscal Years by Status	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
	2009	2010	2011	2012	2013	
Final Agency Action	44	37	19	12	22	20
Appeal with EEOC Office of Federal Operations	6	6	11	16	22	26

Complaint Investigations	Comparative Data					
	Previous Fiscal Year Data					2014Thru09-30
	2009	2010	2011	2012	2013	
Pending Complaints Where Investigations Exceed Required Time Frames	79	68	69	30	21	2

APPENDIX 2

THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY

DEC 15 2014

MEMORANDUM

SUBJECT: Anti-Harassment Policy Statement

FROM: Gina McCarthy

TO: All Employees

I want to reaffirm the U.S. Environmental Protection Agency's commitment to prohibit harassment of any kind, as clearly stated in our agency's anti-harassment policy. Harassment is unlawful when it is directed at an individual because of a lawfully protected basis and is sufficiently severe or pervasive that it creates a hostile work environment or takes the form of a tangible employment action. It is EPA policy to ensure that appropriate measures are implemented to prevent harassment, either sexual or nonsexual, in the workplace and to correct harassing conduct before it becomes severe or pervasive. EPA policy also strictly prohibits any retaliation against an employee who reports a concern about workplace harassment or assists in any inquiry about such a report.

For the purposes of this policy, unlawful harassment is defined as any unwelcome verbal or physical conduct based on race; color; sex, including pregnancy and gender identity/expression; national origin; religion; age; prior protected Equal Employment Opportunity activity; protected genetic information; sexual orientation or status as a parent when:

- the behavior can reasonably be considered to adversely affect the work environment; or
- an employment decision affecting the employee is based upon the employee's acceptance or rejection of such conduct.

Sexual harassment can be either a form of harassment based on a person's sex that need not involve conduct of a sexual nature or harassment involving any unwelcome sexual advance, request for sexual favors or other verbal or physical conduct of a sexual nature when:

- submission to such conduct is made explicitly or implicitly a term or condition of an employee's job, pay or career;
- submission to or rejection of such conduct by an employee is used as a basis for career or employment decisions affecting that employee; or
- such conduct has the purpose or effect of unreasonably interfering with an employee's performance or creates an intimidating, hostile or offensive environment.

Sexual harassment need not involve members of the opposite sex and can be perpetrated by and against members of either sex.

Examples of workplace harassment include:

- Oral or written communications that contain offensive name calling, jokes, slurs, negative stereotyping, hostility or threats. This includes comments or jokes that are distasteful or targeted at individuals or members of the lawfully protected bases set forth above.
- Nonverbal conduct, such as staring, leering and giving inappropriate gifts.
- Physical conduct, such as assault or unwanted touching.
- Visual images, such as derogatory or offensive pictures, cartoons or drawings. Such prohibited images include those in hard copy or electronic form.

The EPA does not permit harassment by or against anyone in the workplace. This includes any employee, applicant for EPA employment, grantee, contractor, Senior Environmental Employment enrollee or Federal Advisory Committee Act member. Workplace harassment should be reported immediately by the affected person to a first-line supervisor, a higher-level supervisor or manager in her or his chain of command, the Office of Inspector General or Labor and Employee Relations staff, as appropriate. Supervisors, in consultation with their human resources or legal offices, must conduct prompt, thorough and impartial inquiries.

If necessary and to the extent possible, measures must be taken to safeguard the anonymity of employees who file complaints. If management, in consultation with legal counsel, determines that harassment has occurred, it must be corrected as soon as possible. Harassing conduct by EPA employees need not rise to the level of unlawful harassment for it to constitute misconduct subject to corrective or disciplinary action.

In addition, EPA employees or applicants for employment may also use the complaint process established by the U.S. Equal Employment Opportunity Commission to file a complaint of harassment based on race, color, sex, religion, national origin, age, disability, prior protected EEO activity and protected genetic information for individual redress. To invoke that process, EPA employees and applicants must contact an EEO counselor within 45 days of an alleged incident of harassment. Reporting harassment to a supervisor in accordance with the previous paragraph does not satisfy this requirement and does not invoke the EEOC's process. EPA employees or applicants for employment may also report harassment based on sexual orientation and status as a parent to the EPA Office of Civil Rights.

Should you have any questions or need additional information about this policy, please contact the EPA Office of Human Resources at (202) 564-4646 or the EPA Office of Civil Rights at (202) 564-7272. Additional resources are available by visiting intranet.epa.gov/civilrights/lawsandstatus.htm.

APPENDIX 3

THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

DEC - 3 2014

MEMORANDUM

SUBJECT: 2014 Equal Employment Opportunity Policy Statement

FROM: Gina McCarthy

TO: All Employees

I am proud to reaffirm the U.S. Environmental Protection Agency's commitment to equal employment opportunity in the workplace. Fostering a diverse and inclusive work environment through equal employment is essential to our work and our service to the American people.

The EPA cannot and will not tolerate discrimination based on race; color; religion; sex, including pregnancy, sex stereotyping, gender identity or gender expression; national origin; sexual orientation; physical or mental disability; age; protected genetic information; status as a parent; marital status; political affiliation; or retaliation based on previous EEO activity. In addition, the EPA will not tolerate any type of harassment – either sexual or nonsexual – of any employee or applicant for employment. Employment decisions, including those related to hiring, training or awards, must be made in accordance with the merit-system principles in 5 U.S.C. § 2301.

I expect our management team to continue to provide first-class leadership in support of equal-employment opportunities. I ask that EPA managers and employees take responsibility for treating each other with dignity and respect, reporting discriminatory conduct and preventing all types of discrimination, including harassment.

The EPA promotes the use of alternative-dispute-resolution methods to resolve workplace disputes or EEO complaints. Managers are reminded that their participation in agency-approved alternative-dispute-resolution efforts to resolve employee EEO complaints is required, absent extraordinary circumstances as determined by the Office of Civil Rights' director or designee.

Any employee, manager or applicant for employment who believes he or she has been subjected to discrimination has a right to seek redress within 45 calendar days of the alleged discriminatory event by contacting the EPA's Office of Civil Rights Employment Complaints Resolution staff at (202) 564-7272 or an EEO officer at the regional or laboratory level. The agency will review any finding of discrimination and, when necessary, take appropriate disciplinary or corrective action.

A professional, productive and inclusive workplace is essential to the EPA's mission to protect human health and the environment. Unlawful discrimination in the workplace, including retaliation and harassment, undermines the achievement of our agency's mission. I appreciate your shared commitment to equal opportunity at the EPA and look forward to continuing our work together.

AL-15-000-7784

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C 20460

MAY - 5 2015

OFFICE OF
ADMINISTRATION
AND RESOURCES
MANAGEMENT

The Honorable John Boehner
Speaker of the House of
Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

In accordance with the reporting requirements of the Federal Vacancies Reform Act of 1998 and the process established by the Government Accountability Office, I am forwarding the following information regarding a change to the status of Presidentially–appointed, Senate confirmed positions with the U.S. Environmental Protection Agency.

Position Title for Vacant Offices	Date of Vacancy
➢ Assistant Administrator for International and Tribal Affairs	07/07/13
➢ Deputy Administrator	08/10/14
➢ Assistant Administrator for Administration and Resources Management	08/31/14

Position Title for Vacancies with Nominees	Date of Vacancy
➢ Assistant Administrator for Research and Development	02/17/12
➢ Chief Financial Officer	03/31/13
➢ Assistant Administrator for Environmental Information	07/07/13
➢ Assistant Administrator for International and Tribal Affairs	07/07/13
➢ Assistant Administrator for Air and Radiation	07/19/13
➢ Deputy Administrator	08/10/14

Position Reporting Action on Nomination	Date of Vacancy
➢ Assistant Administrator for Water	02/12/11
➢ Assistant Administrator for Research and Development	02/17/12
➢ Chief Financial Officer	03/31/13
➢ Assistant Administrator for International and Tribal Affairs	07/07/13

➢ Assistant Administrator for Environmental Information	07/07/13
➢ Assistant Administrator for Air and Radiation	07/19/13

Position Reporting a Change	**Date of Vacancy**
➢ Assistant Administrator for Water	02/12/11
➢ Chief Financial Officer	03/31/13
➢ Deputy Administrator	08/10/14

The prescribed GAO form for reporting such events is enclosed. If you have any questions, please contact me or your staff may contact Christina Moody in the EPA's Office of Congressional and Intergovernmental Relations at moody.christina@epa.gov or at 202-564-0260.

Sincerely,

Susan A. Kantrowitz, Director
Office of Human Resources

Submission Under the Federal Vacancies Reform Act

Addressees

O President of the United States Senate

● Speaker of the U.S. House of Representatives

O Comptroller General of the United States

This Report Provides Notification of:

● Vacancy ● Designation of acting officer O Nomination O Action on nomination

O Change in previously submitted reported information

● Discontinuation of service in acting role (date: 10/06/14)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Deputy Administrator	08/10/14

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Lisa Feldt	08/10/14	

Name of Nominee for Position	Date Nomination Submitted

Action on Nomination: O Confirmed O Rejected, withdrawn, returned

Date of Action

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

1200 Pennsylvania Ave., NW, Washington, DC 20460

Contact's Phone Number	Contact's E-Mail Address
(202) 564-7287	higginbotham.karen@epa.gov

Submitted By

Name and Title	Telephone Number
Susan Kantrowitz, Director, Office of Human Resources	(202) 564-4606

Signature	Date
	MAR 4 2015

For Congressional Use Only

Committee of Jurisdiction

Date Received

For GAO Use Only

GAO Control Number

2/8/00

Submission Under the Federal Vacancies Reform Act

Addressees

O President of the United States Senate ● Speaker of the U.S. House of Representatives O Comptroller General of the United States

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O Vacancy ● Designation of acting officer ● Nomination O Action on nomination

● Change in previously submitted reported information O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Deputy Administrator	08/10/14

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
A. Stanley Meiburg	10/06/14	

Name of Nominee for Position	Date Nomination Submitted
A. Stanley Meiburg	01/27/15

Action on Nomination: O Confirmed O Rejected, withdrawn, returned | Date of Action

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

1200 Pennsylvania Ave., NW, Washington, DC 20460

Contact's Phone Number	Contact's E-Mail Address
(202) 564-7287	higginbotham.karen@epa.gov

Submitted By

Name and Title	Telephone Number
Susan Kantrowitz, Director, Office of Human Resources	(202) 564-4606

Signature	Date
	[illegible]

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Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for Air and Radiation	07/19/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Janet McCabe	07/19/13	

Name of Nominee for Position	Date Nomination Submitted
Janet McCabe	01/07/14

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned Date of Action 12/17/14

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

1200 Pennsylvania Ave., NW, Washington, DC 20460

Contact's Phone Number	Contact's E-Mail Address
(202) 564-7287	higginbotham.karen@epa.gov

Submitted By

Name and Title	Telephone Number
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Signature	Date MAR 1 2015

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● Speaker of the U.S. House of Representatives

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O Change in previously submitted reported information

O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Asst Admin for Administration and Resources Management	08/31/14

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Nanci Gelb	08/31/14	

Name of Nominee for Position	Date Nomination Submitted

Action on Nomination: O Confirmed O Rejected, withdrawn, returned

Date of Action

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

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Signature	Date
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O Vacancy

O Designation of acting officer

● Nomination

● Action on nomination

O Change in previously submitted reported information

O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Chief Financial Officer	03/31/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Maryann Froehlich	04/01/13	

Name of Nominee for Position	Date Nomination Submitted
Victoria Marie Baecher Wassmer	09/11/13

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned

Date of Action 01/03/14

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

1200 Pennsylvania Ave., NW, Washington, DC 20460

Contact's Phone Number	Contact's E-Mail Address
(202) 564-7287	higginbotham.karen@epa.gov

Submitted By

Name and Title	Telephone Number
Susan Kantrowitz, Director, Office of Human Resources	(202) 564-4606

Signature	Date
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This Report Provides Notification of:

O Vacancy O Designation of acting officer ● Nomination ● Action on nomination

O Change in previously submitted reported information O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Chief Financial Officer	03/31/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Maryann Froehlich	04/01/13	

Name of Nominee for Position	Date Nomination Submitted
Victoria Marie Baecher Wassmer	01/06/14

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned Date of Action 12/17/14

Agency Contact

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Karen Higginbotham, Director, Executive Resources Division

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Signature	Date
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O Vacancy
O Designation of acting officer
O Nomination
O Action on nomination
● Change in previously submitted reported information
● Discontinuation of service in acting role (date 09/03/14)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Chief Financial Officer	03/31/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Maryann Froehlich	04/01/13	

Name of Nominee for Position	Date Nomination Submitted
Victoria Marie Baecher Wassmer	01/06/14

Action on Nomination: O Confirmed ● Rejected, withdrawn, returned — Date of Action 12/17/14

Agency Contact

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Karen Higginbotham, Director, Executive Resources Division

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O Nomination

O Action on nomination

● Change in previously submitted reported information

O Discontinuation of service in acting role (date _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Chief Financial Officer	03/31/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
David Bloom	09/04/14	

Name of Nominee for Position	Date Nomination Submitted
Victoria Marie Baecher Wassmer	01/06/14

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned

Date of Action 12/17/14

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

1200 Pennsylvania Ave., NW, Washington, DC 20460

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Submitted By

Name and Title	Telephone Number
Susan Kantrowitz, Director, Office of Human Resources	(202) 564-4606

Signature	Date
	JAN [illegible]

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O Change in previously submitted reported information O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for Environmental Information	07/07/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Renee Wynn	07/07/13	

Name of Nominee for Position	Date Nomination Submitted
Ann Elizabeth Dunkin	01/30/14

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned Date of Action 12/17/14

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

1200 Pennsylvania Ave., NW, Washington, DC 20460

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Name and Title	Telephone Number
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Signature	Date

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O Change in previously submitted reported information O Discontinuation of service in acting role (date _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for Environmental Information	07/07/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Renee Wynn	07/07/13	

Name of Nominee for Position	Date Nomination Submitted
Ann Elizabeth Dunkin	02/12/15

Action on Nomination: O Confirmed O Rejected, withdrawn, returned | Date of Action

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

1200 Pennsylvania Ave., NW, Washington, DC 20460

Contact's Phone Number	Contact's E-Mail Address
(202) 564-7287	higginbotham.karen@epa.gov

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Name and Title	Telephone Number
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● Vacancy ● Designation of acting officer ● Nomination ● Action on nomination

O Change in previously submitted reported information

● Discontinuation of service in acting role (date: 04/15/14)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for International and Tribal Affairs	07/07/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Jane Nishida	10/22/13	

Name of Nominee for Position	Date Nomination Submitted
Jane Nishida	04/07/14

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned

Date of Action 12/17/14

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

1200 Pennsylvania Ave., NW, Washington, DC 20460

Contact's Phone Number	Contact's E-Mail Address
(202) 564-7287	higginbotham.karen@epa.gov

Submitted By

Name and Title	Telephone Number
Susan Kantrowitz, Director, Office of Human Resources	(202) 564-4606

Signature	Date

For Congressional Use Only

Committee of Jurisdiction

Date Received

For GAO Use Only

GAO Control Number

2/8/00

Submission Under the Federal Vacancies Reform Act

Addressees

O President of the United States Senate
● Speaker of the U.S. House of Representatives
O Comptroller General of the United States

This Report Provides Notification of:

O Vacancy
O Designation of acting officer
● Nomination
O Action on nomination
O Change in previously submitted reported information
O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for International and Tribal Affairs	07/07/13

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act

Name of Nominee for Position	Date Nomination Submitted
Jane Nishida	02/12/15

Action on Nomination: O Confirmed O Rejected, withdrawn, returned | Date of Action

Agency Contact

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Karen Higginbotham, Director, Executive Resources Division

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Name and Title	Telephone Number
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Signature	Date
	MAR 4 2015

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This Report Provides Notification of:

O Vacancy

● Designation of acting officer

O Nomination

O Action on nomination

O Change in previously submitted reported information

● Discontinuation of service in acting role (date: 09/16/12)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for Research and Development	02/17/12

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Lek Kadeli	02/19/12	

Name of Nominee for Position	Date Nomination Submitted

Action on Nomination: O Confirmed O Rejected, withdrawn, returned

Date of Action

Agency Contact

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Name and Title	Telephone Number
Susan Kantrowitz, Director, Office of Human Resources	(202) 564-4606

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O Vacancy ● Designation of acting officer ● Nomination ● Action on nomination

O Change in previously submitted reported information O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for Research and Development	02/17/12

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Lek Kadeli	11/12/13	

Name of Nominee for Position	Date Nomination Submitted
Thomas Burke	11/12/13

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned Date of Action 01/03/14

Agency Contact

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O Change in previously submitted reported information O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for Research and Development	02/17/12

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Lek Kadeli	11/12/13	

Name of Nominee for Position	Date Nomination Submitted
Thomas Burke	01/06/14

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned Date of Action 12/17/14

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

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Contact's Phone Number	Contact's E-Mail Address
(202) 564-7287	higginbotham.karen@epa.gov

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Name and Title	Telephone Number
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This Report Provides Notification of:

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● Nomination
● Action on nomination
O Change in previously submitted reported information
● Discontinuation of service in acting role (date 08/01/14)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for Water	02/12/11

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act
Nancy Stoner	02/13/11	

Name of Nominee for Position	Date Nomination Submitted
Kenneth Kopocis	03/13/13

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned

Date of Action 01/03/14

Agency Contact

Name and Title

Karen Higginbotham, Director, Executive Resources Division

Contact's Address

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(202) 564-7287	higginbotham.karen@epa.gov

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Name and Title	Telephone Number
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Signature	Date
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Submission Under the Federal Vacancies Reform Act

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O President of the United States Senate ● Speaker of the U.S. House of Representatives O Comptroller General of the United States

This Report Provides Notification of:

O Vacancy O Designation of acting officer ● Nomination ● Action on nomination

O Change in previously submitted reported information O Discontinuation of service in acting role (date: _____)

Name of Department or Agency and Any Suborganization

Environmental Protection Agency

Vacancy Title	Date Vacancy Began
Assistant Administrator for Water	02/12/11

Name of Acting Officer	Date Service Began	Authority for Acting Designation if Other Than Vacancies Act

Name of Nominee for Position	Date Nomination Submitted
Kenneth Kopocis	01/06/14

Action on Nomination: O Confirmed ●Rejected, withdrawn, returned Date of Action 12/17/14

Agency Contact

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Name and Title	Telephone Number
Susan Kantrowitz, Director, Office of Human Resources	(202) 564-4606

Signature	Date
	MAR [illegible]

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Committee of Jurisdiction

Date Received

For GAO Use Only

GAO Control Number

2/8/00

RS-15-001-1732-C

Congress of the United States
Washington, DC 20515

July 17, 2015

Susan Hedman
Regional Administrator
U.S. EPA Region 5
Ralph Metcalfe Federal Building
77 West Jackson Blvd.
Chicago, Illinois 60604

Dear Administrator Hedman;

We are writing in regards to U.S. EPA's proposed plan to clean up the Tremont City Barrel Fill site located in south-central Ohio. Specifically, we request your attention and urgency in setting up a meeting with Ohio EPA and the Clark County community to discuss the findings from your most recent assessments and the details of your alternative plan.

The Tremont Barrel Fill site is an 8.5 acre site located west of Tremont City and about 3.5 miles northwest of Springfield in Clark County, German Township. The site was a permitted barrel fill site in the 1970s, and currently houses millions of gallons of liquid and solid industrial waste, half of which is estimated to be hazardous. The site is not on U.S. EPA's National Priorities List (NPL), but is being addressed under U.S. EPA Region 5's Superfund Alternative Approach Program.

Our offices have heard the concerns of the Clark County community regarding the clean-up of the site. On June 24, 2015, our staff attended a meeting hosted by the People for Safe Water with several state representatives, county commissioners, and residents in the Springfield and German Township areas. Individuals expressed their frustration with the lack of responsiveness from U.S. EPA, and their support for removing all hazardous material from the site.

As you aware, U.S. EPA issued its Record of Decision (ROD) in September 2011 with alternative plan 9a to clean up the Tremont Barrel Fill site. It is our understanding that due to concerns raised by our offices, Ohio EPA, and the Clark County community regarding the plan's underlying data set and your agency's assessment of the hydrogeological study, plan 9a was reexamined and modified to address health and environmental concerns.

In an effort to move forward and begin clean-up of the site, we are requesting that you organize a briefing with Ohio EPA and the local Clark County community to provide a detailed analysis of your assessments and alternative plan, and to solicit feedback on the modified plan from the community.

Thank you for your consideration of our request. We look forward to your timely response.

Sincerely,

John A. Boehner
Speaker of the House

Rob Portman
U.S. Senator

R5-15-001-1730C

United States Environmental Protection Agency
Regional Administrator
Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3590

AUG 17 2015

The Honorable John A. Boehner
Speaker of the House of
Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Thank you for your July 17, 2015 letter regarding the Tremont City Barrel Fill Site in Tremont City, Ohio.

On August 27, 2015, the U.S. Environmental Protection Agency in cooperation with the Ohio Environmental Protection Agency and Clark County Health Department will hold a public meeting in Springfield, Ohio to follow up on a series of technical workgroup meetings that were convened in response to community concerns about the site. The technical workgroup meetings were held over the past 16 months and were facilitated through EPA's Conflict Prevention and Resolution Center. Community members, Ohio EPA, Clark County, the Potentially Responsible Parties and EPA were all represented at these meetings. The technical workgroup discussed the site hydrogeological setting, preferred engineering methods for on-site containment of waste, disposal of all hazardous wastes off-site and other remediation options.

Again, thank you for your letter. If you have further questions, please contact me or your staff may contact Ronna Beckmann or Denise Fortin, the Region 5 Congressional Liaisons, at (312) 886-3000.

Sincerely,

Susan Hedman
Regional Administrator

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AC-15-000-9359

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MAY 27 2015

THE ADMINISTRATOR

The Honorable John Boehner
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am pleased to submit the Environmental Protection Agency Office of Inspector General (OIG) report entitled *Semiannual Report to Congress*, as required by the Inspector General Act of 1978 (Public Law 95-452). This report provides a summary of the OIG's work for the prior 6-month period ending March 31, 2015. Also included is the OIG's *Compendium of Unimplemented Recommendations* that details significant recommendations in which corrective actions have not been completed as of March 31, 2015.

I hope you find these reports useful and informative. If you have any questions, please contact me or have your staff contact Christina Moody in the EPA's Office of Congressional and Intergovernmental Relations at (202) 564-0260 or moody.christina@epa.gov.

Sincerely,

Gina McCarthy

Enclosure

OFFICE OF INSPECTOR GENERAL

Semiannual Report to Congress

October 1, 2014–March 31, 2015

Scan this mobile code to learn more about the EPA OIG.

EPA-350-R-15-001
May 2015

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Inspector General Act of 1978, as amended

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Section 5(a)(3)	Reports with corrective action not completed	57–78
Section 5(a)(4)	Matters referred to prosecutive authorities	26–37, 44, 48
Section 5(a)(5)	Information or assistance refused	None
Section 5(a)(6)	List of reports issued	49–51
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Section 5(a)(8)	Audit, inspection and evaluation reports—questioned costs	44–46, 49–51
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Section 5(a)(10)	Prior audit, inspection and evaluation reports unresolved	45–46, 52–56
Section 5(a)(11)	Significant revised management decisions	None
Section 5(a)(12)	Significant management decisions with which OIG disagreed	None
Section 5(a)(14-16)	Peer reviews conducted	79

Abbreviations

CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FBI	Federal Bureau of Investigation
FY	Fiscal Year
OHS	Office of Homeland Security
OIG	Office of Inspector General
OMB	Office of Management and Budget
SES	Senior Executive Service

Are you aware of fraud, waste or abuse in an EPA program?

EPA Inspector General Hotline
1200 Pennsylvania Avenue, NW (2431T)
Washington, DC 20460
(888) 546-8740
(202) 566-2599 (fax)
OIG_Hotline@epa.gov

More information at www.epa.gov/oig/hotline.html.

EPA Office of Inspector General
1200 Pennsylvania Avenue, NW (2410T)
Washington, DC 20460
(202) 566-2391
www.epa.gov/oig

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Message to Congress

Arthur A. Elkins Jr.

During this semiannual reporting period, individuals from the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) testified four times before congressional committees and subcommittees, which demonstrates the keen interest Congress has in the EPA OIG's work. I updated a committee on progress made regarding impediments the EPA OIG has faced. Our Director for Contracts and Assistance Agreement Audits briefed a subcommittee on how the EPA needs to improve oversight of its purchase card program. Our Assistant Inspector General for Audit testified on EPA records management practices, including the use of email accounts. And our Assistant Inspector General for Investigations testified on the improper use of private emails by the U.S. Chemical Safety and Hazard Investigation Board, for which we also serve as the Inspector General.

I am pleased to note that an external peer review of the EPA OIG Office of Investigations, completed during the semiannual reporting period by another federal Inspector General, identified no deficiencies and found internal safeguards and management procedures compliant with quality standards. In addition, the EPA OIG's audit organization is currently undergoing an external peer review by a federal Inspector General. A 2012 peer review of our audit function—the last one completed—did not identify any deficiencies.

Spurring the Agency to Action

The OIG is committed to helping improve EPA efficiencies, and several of our past audit and evaluation efforts spurred the agency to take actions that have yielded important health and fiscal management results. For instance, in December 2014, the EPA announced the issuance of its health assessment for the Libby Amphibole Asbestos Superfund Site in Libby, Montana, as a result of our recommendations. In addition, as a result of several OIG reports on EPA warehouses, the Deputy Administrator ordered an agencywide review of all warehouses and storage facilities, which could potentially save as much as $8.9 million.

Protecting Human Health and the Environment

During this reporting period, we continued to propose ways in which the agency could better protect human health and the environment. In our review of the EPA's oversight of state and local Clean Air Act Title V programs' fee-based revenue practices, we found that consistent revenue shortfalls could jeopardize the program and impact compliance monitoring for many of the nation's largest air polluters. For nine of the nation's largest permitting authorities, we noted a $69 million shortfall out of $672 million in expenses incurred by these authorities. Further, as Americans nationwide grappled with issues pertaining to the Ebola virus, the OIG found that the agency could do more to provide complete and consistent information on EPA Web pages on disinfectants for use against the virus. We also issued a quick reaction report to note our concern about how the lack of pesticide inspections in North Dakota might result in exposure to unsafe pesticides and risks to human health and the environment.

Saving Taxpayer Dollars

We provided the EPA Administrator data on eight EPA employees who had recorded significant amounts of administrative leave, some for more than a year, at a cost of more than $1 million. Further, we found that the EPA spent $780,703 in questionable costs related to spending of Coastal Wetlands, Planning, Protection and Restoration Act funds. All $1.2 million drawn by a regional planning commission in Massachusetts was questionable due to federal policies not being followed, and the commission already has agreed to repay $98,891 of that amount. A contractor overbilled the EPA $910,776 for helpdesk services on an Office of Environmental Information contract.

Investigating Fraud and Abuse

As a result of our investigative work, two scientists who obtained research grants were found guilty of falsifying records. Further, a company received a $1.2 million fine for illegally manufacturing paints that contained a pesticide. In addition, a Canadian company agreed to pay $2.7 million in connection with a New Jersey kickback scheme, and several Montana tribal officials were given jail time for fraud. We also noted instances of abuse committed by EPA Senior Executive Service-level employees involving inappropriate use of EPA resources, potential conflict of interest, sexual misconduct, and improper approval of time and attendance records.

Building Bridges

During the semiannual reporting period, I made various trips to EPA regional offices and met with senior agency leaders to get a feel for some of their major concerns. In addition, I made a number of field trips, where I met with state and local officials, business and community leaders, and others. I was generally accompanied by regional staff during these field trips, and the EPA leaders who accompanied me also had an opportunity to learn and converse with people in the communities. As a result, these trips helped build bridges on many levels, enabling the EPA to better serve communities.

Proactive Steps by Agency Help the Most Vulnerable

This report contains numerous examples where the agency could have put funds to better use, done more to improve efficiencies, or improved business practices and accountability. However, I also want to commend the agency on its successes, including helping to protect our most vulnerable neighborhoods from air toxics. Protecting our neighborhoods from air toxics or pollutants known or suspected to cause cancer or other serious health effects is something we all should be concerned about, and the Office of Enforcement and Compliance Assurance has developed several tools to help regions target potentially overburdened environmental justice communities for air toxics inspections.

Arthur A. Elkins Jr.
Inspector General

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About EPA and Its Office of Inspector General

U.S. Environmental Protection Agency

The mission of the U.S. Environmental Protection Agency (EPA) is to protect human health and the environment. As America's steward for the environment since 1970, the EPA has endeavored to ensure that the public has air that is safe to breathe, water that is clean and safe to drink, food that is free from dangerous pesticide residues, and communities that are protected from toxic chemicals.

EPA Office of Inspector General

The Office of Inspector General (OIG), established by the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3, is an independent office of the EPA that detects and prevents fraud, waste and abuse to help the agency protect human health and the environment more efficiently and cost effectively. OIG staff are located at headquarters in Washington, D.C.; at the EPA's 10 regional offices; and at other EPA locations, including Research Triangle Park, North Carolina, and Cincinnati, Ohio. The EPA Inspector General also serves as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB).

Our vision, mission and goals are as follows:

Vision

Be the best in public service and oversight for a better environment tomorrow.

Mission

Promote economy, efficiency, effectiveness, and prevent and detect fraud, waste, and abuse through independent oversight of the programs and operations of the EPA and CSB.

Goals

1. Contribute to improved human health, safety, and environment.
2. Contribute to improved EPA and CSB business practices and accountability.
3. Be responsible stewards of taxpayer dollars.
4. Be the best in government service.

Furthering EPA's Goals and Strategies

When conducting our audit and evaluation work during the first half of fiscal year (FY) 2015, we took into account the EPA's five strategic goals and four cross-agency strategies in the agency's FYs 2014–2018 Strategic Plan. The table below shows how our reports on the EPA aligned with the agency's goals/strategies.

OIG-Issued Reports — Linkage to EPA Goals and Strategies

OIG Report Title/Number	Climate Change/ Air Quality	Protecting America's Waters	Cleaning Communities/ Sustainable Development	Safe Chemicals/ Preventing Pollution	Enforcing Laws/ Ensuring Compliance	Working Toward Sustainable Future	Making Difference in Communities	State, Tribal, Local and International Partnerships	Embracing EPA as High-Performing Organization
EPA's Fleet Management Program Needs Improvement (15-P-0001)									X
EPA Region 6 Mismanaged Coastal Wetlands Planning, Protection and Restoration Act Funds (15-P-0003)		X							X
Enhanced EPA Oversight Needed to Address Risks From Declining Clean Air Act Title V Revenues (15-P-0006)	X				X			X	
No Significant Residual Contamination Found at Deleted Superfund Sites, But Security Fences Were Damaged at Some Sites (15-P-0013)							X		
Fiscal Year 2014 Federal Information Security Management Act Report: Status of EPA's Computer Security Program (15-P-0020)									X
Audit of EPA's Fiscal Years 2014 and 2013 (Restated) Consolidated Financial Statements (15-1-0021)									X
Early Warning Report: Some EPA Employees Found to Be on Paid Administrative Leave for Years (15-N-0025)									X
EPA Needs to Demonstrate Public Health Benefits of Drinking Water State Revolving Fund Projects (15-P-0032)		X			X				
EPA Needs Better Management of Personal Property in Warehouses (15-P-0033)									X
Call Center: Contract Management Needs Improvement to Reduce the Risk of Overbilling (15-P-0042)									X
EPA Needs to Improve Outreach and Communication About the National Pesticide Information Center's Role and Services (15-P-0046)				X					
Quick Reaction Report: Complete and Clear Information on the Effectiveness of Ebola Disinfectants Will Better Inform the Public (15-P-0064)				X					
Costs of $1.2 Million for Brownfields Cooperative Agreement to Pioneer Valley Planning Commission in Massachusetts Questioned (15-4-0072)			X						
Quick Reaction Report: EPA Pesticide Inspections Must Resume in North Dakota to Determine Compliance and Protect Human Health and the Environment (15-P-0099)				X					
EPA Regions Have Considered Environmental Justice When Targeting Facilities for Air Toxics Inspections (15-P-0101)	X				X		X		
EPA Needs to Justify How It Is Using Title 42 Hiring Authority (15-P-0109)									X
To Ensure Greater Use of Scientific Equipment, the Office of Research and Development Should Use an Enterprise Approach to Property Management (15-P-0115)									X

Scoreboard of Results

The information below shows the taxpayers' return on investment for the work performed by the EPA OIG during the first half of FY 2015 compared to FY 2015 annual performance goal targets. All results reported are based on goals and plans established based on the Government Performance and Results Act.

Annual Performance Goal 1: **Environmental and business outcome actions taken or realized by the EPA (based on OIG recommendations)**	
Target: 268 **Reported: 76** (28.35% of goal)	***Supporting measures*** 73 Environmental and management actions implemented or improvements made 2 Critical congressional and public concerns addressed 1 Legislative or regulatory change made
Annual Performance Goal 2: **OIG environmental and business output recommendations, awareness briefing or testimony (for agency action)**	
Target: 967 **Reported: 435** (44.98% of goal)	***Supporting measures*** 397 Environmental and management recommendations or referrals for action 2 Environmental and management certifications, verifications and validations 17 Environmental and management risks and vulnerabilities identified 19 External awareness briefings, training or testimony given
Annual Performance Goal 3: **Monetary return on investment – potential monetary return on investment as percentage of budget**	
Target: 220% return on investment **Reported: $66.2 million** (128% return on investment)	***Supporting measures (dollars in millions)*** $4.66 Questioned costs $61.60 Recommended efficiencies, costs saved $6.01 Fines, penalties, settlements and restitutions
Annual Performance Goal 4: **Criminal, civil and administrative actions reducing risk or loss/operational integrity**	
Target: 175 **Reported: 74** (42% of goal)	***Supporting measures*** 7 Criminal convictions 16 Indictments, informations and complaints 1 Civil action 31 Administrative actions (other than debarments or suspensions) 19 Suspension or debarment actions 0 Allegations disproved

Other (no targets established)

Savings and recommendations sustained from current and prior periods:

- $12.61 million in questioned costs sustained
- $0.15 million in cost efficiencies sustained or realized (21% of cost efficiencies claimed)
- 166 recommendations sustained (70% of recommendations issued)

Reports Issued:

- The OIG issued 27 reports.
- The Single Audit Act requires agencies to resolve findings and recommendations that are reported in single audit reports by independent auditors. Based upon our reviews, we issued 101 memo reports to the agency questioning $2.5 million and identifying 160 findings that required agency action. We track the agency's resolution through the related memo report number.

Sources: OIG Performance Measurement and Results System and Inspector General Enterprise Management System.

Congressional Testimony

Inspector General Updates Committee on Independence Issues

On February 3, 2015, Inspector General Arthur A. Elkins Jr. testified before the Committee on Oversight and Government Reform, U.S. House of Representatives, to update the committee on the progress made regarding impediments to access faced by the EPA OIG since Elkins' last testimony.

Regarding impediments involving the EPA's Office of Homeland Security (OHS), the OIG met with senior agency officials multiple times since the last hearing, and the Inspector General said "we have reached at least a theoretical agreement on a substantial portion of the issues," including access to information so that the OIG investigates threats against EPA employees and facilities, conducts certain misconduct investigations, and investigates computer intrusions. The OIG still has two caveats, regarding:

- The implementation of agreements.
- OHS having a criminal investigator even though it lacks investigative authority.

The OIG and the agency have agreed that there is no category of activity at the EPA—including in OHS—to which the OIG does not have unfettered access, as provided by the Inspector General Act. However, the EPA had unilaterally entered into a memorandum of understanding with the Federal Bureau of Investigation (FBI) that the EPA asserted precluded it from sharing information with the OIG. FBI senior management has since indicated that it does not require withholding information from the OIG. A three-way meeting among the EPA, OIG and FBI is still needed to rescind or substantially modify the memorandum of understanding. Regarding OHS's conducting investigative activities on its own, thereby interfering with—and in some cases fouling—OIG investigations, we still do not know whether OHS continues to conduct investigative activity.

Inspector General Elkins also discussed recent problems with interviewing individuals, which he said represent "big picture challenges that my office, and many other OIGs from across the government, continue to face." Elkins provided several examples:

- An Office of General Counsel attorney refused to cooperate with the OIG even when prompted (although not directed) by the agency to do so. While the agency had the opportunity to take disciplinary action against the attorney for this failure to cooperate with the OIG, it did not do so. Rather, the attorney eventually left the EPA to work for another federal agency.

- Another instance involves a GS-15 program advisor in the Office of Research and Development who refused to cooperate with the OIG as part of an

> administrative investigation regarding violations of security policy. This action is still pending, but to the OIG's knowledge the agency has not taken any action against this EPA employee for not cooperating with the OIG.

Also, Elkins noted that although the Inspector General Act gives the OIG unfettered access to all information "available" to its department or agency, including access to people, the act "provides no remedy for an employee's violation of this obligation." For example, the OIG was investigating allegations that a senior EPA employee engaged in inappropriate behavior with 16 women, violated security procedures, and mishandled classified information. While the OIG had interviewed the senior official during the initial stages of the investigation, the OIG determined that it needed to interview the official again. However, by that time, the employee was on paid administrative leave and refused to cooperate. When the OIG requested the follow-up interview, the employee retired within one day, and the OIG had no further access to the person and the agency had no disciplinary remedies available to it.

"I believe that this committee should look into the 'gap' between what the IG Act requires and OIG's ability to achieve those requirements in such circumstances. Subject to constitutional due process rights, there might be ways to strengthen an agency's ability to discipline an employee for failure to comply with an OIG request," Elkins testified.

Also, Elkins noted during his testimony that there is a "disconnect between what the oversight committees observe and the appropriations that emerge from Congress as a whole." Although he acknowledged he was not testifying before an appropriations committee, Elkins noted that while the EPA OIG returned $7.33 for every dollar given to it in the past year, the budget levels made available to the EPA OIG "are impeding our ability to do our work.... When the OIG is not able to carry out its responsibilities because of inadequate funding, it is a net loss to the federal government and American taxpayers."

Testimony Given on Records Management, Including Emails

On March 26, 2015, Kevin Christensen, the EPA OIG Assistant Inspector General for Audit, testified on EPA records management practices—including the use of email accounts—before the Committee on Science, Space, and Technology, Subcommittees on Oversight and Environment, U.S. House of Representatives.

Christensen noted that an EPA OIG audit on emails, issued in September 2013, did not find any evidence that senior EPA officials used emails to circumvent records management responsibilities, but did note that improvements in email practices are needed.

"We found no evidence that senior EPA officials had used, promoted or encouraged the use of private 'nongovernmental' email accounts to circumvent records management

responsibilities or reprimanded, counseled or took administrative actions against personnel for using private email or alias accounts for conducting official business," Christensen said.

Christensen said that the previous Administrator and subsequent acting Administrator each had two EPA email accounts—one intended for messages from the public and one for communicating with select senior management officials. We found that others in the agency also followed this practice, and Christensen noted that this practice "presents risks to the agency's records management efforts if these additional email accounts are not searched to preserve federal records."

In response to our 2013 audit report recommendations, Christensen said that the EPA published an updated interim records management policy providing guidance on emails, and developed a process to train all EPA employee and contractors on their records management responsibilities. The EPA also reported completing corrective action to implement an electronic content management tool to capture email records with the agency's new email system.

OIG Director Testifies on Need to Improve Purchase Card Program

On October 14, 2014, an OIG Director testified before the U.S. House of Representatives Oversight and Government Reform Committee, Subcommittee on Government Operations, on how the EPA needs to improve oversight of its purchase card program.

Janet Kasper testifies before a congressional subcommittee.

"Overall, we found that the EPA's oversight is not effective—because of inattention to EPA policies by cardholders, approving officials and the purchase card team—to ensure that purchase cardholders and approving officials comply with internal control procedures," noted Janet Kasper, Director, Contracts and Assistance Agreement Audits, in her statement to the subcommittee.

Kasper's testimony was based on a March 2014 EPA OIG report, *Ineffective Oversight of Purchase Cards Results in Inappropriate Purchases at EPA* (14-P-0128), which reviewed 80 of 67,000 purchase card transactions. Of the 80 transactions, valued at $152,602, Kasper said that $79,254 involved prohibited, improper and erroneous purchases. As a result of our report, the agency stopped the purchase of gift cards for employee recognition while it assesses its policies, requires training, and implements an automated system for documenting and approving transactions. "Improved purchase card oversight potentially saves money by reducing prohibited, improper and erroneous purchases, which would be especially helpful in the current budget environment," Kasper said.

The EPA continues to take action to improve oversight of purchase cards. On March 24, 2015, the EPA Office of Acquisition Management issued a memorandum, "Purchase Card Oversight," to all Senior Resource Officials. The memorandum outlines actions the agency is taking as a result of the OIG audit report. The Office of Acquisition Management has created a new business model to significantly improve internal control for how the agency manages and oversees purchase cards and convenience checks. The improvements include reducing the number of rarely used accounts; developing and implementing revised training for all cardholders and approving officials; and revising purchase card policy/guidance to mandate a standard purchase card transaction process, minimum documentation requirements supporting purchase card purchases, and a zero-tolerance disciplinary action policy. In addition, the Office of Acquisition Management has incorporated compliance reviews and oversight into its performance management and quality assurance programs. The improvements undertaken by the agency are good examples of the impact and value of OIG work products.

In addition to our report on the agency's purchase card controls, to improve OIG transparency, the OIG published a report on its own controls for purchase cards. That report, *Ineffective Oversight of Purchase Cards Resulted in Improper Purchases at EPA OIG* (15-B-0014), issued November 10, 2014, found internal control weaknesses for 46 of 48 transactions reviewed. Although we did not find any fraudulent or prohibited transactions, we found that $36,488 in transactions were improper because they were outside the cardholder's authority or should not have been made under the administrative requirements. We made various recommendations for the OIG to improve procedures, and we have initiated corrective actions.

Actions Taken on Prior Reports Result in Improved Efficiencies and Environment

OIG Efforts Contribute to Libby Superfund Site Cleanup

The EPA announced in a December 8, 2014, press release that it has issued its health assessment for the Libby Amphibole Asbestos Superfund site in Libby, Montana, which found that the agency's indoor and outdoor cleanups have been effective in reducing both cancer and non-cancer risks. The OIG had recommended that the agency conduct such an assessment.

"The agency's acceptance and implementation of the OIG's recommendation to execute a comprehensive amphibole toxicity assessment to determine the effectiveness of the Libby removal actions, and the positive outcome of that assessment, represents a good example of the value of OIG work products in helping the agency achieve its mission to protect public health and the environment," noted Inspector General Elkins.

In 2009, the EPA declared the agency's first public health emergency at the Libby Superfund site because of amphibole asbestos contamination, which has cost over $400 million to clean up. The vermiculite mined in Libby was sold as agricultural fertilizer or as household insulation nationwide. It was contaminated with amphibole asbestos, which resulted in contamination in Libby as well as the rest of the country.

The OIG had issued a number of reports on the Libby cleanup effort, including the report *EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup* (2007-P-00002), issued December 5, 2006. In that report, we recommended that the EPA "fund and execute a comprehensive amphibole toxicity assessment" to determine the effectiveness of the Libby removal actions and whether more actions are necessary. A former Senator from Montana was a strong advocate of the OIG report and wrote an open letter to the EPA urging acceptance of the recommendations. The agency subsequently responded that "We recognize the importance of this assessment, and we are working to finalize it while ensuring that it reflects the best possible science."

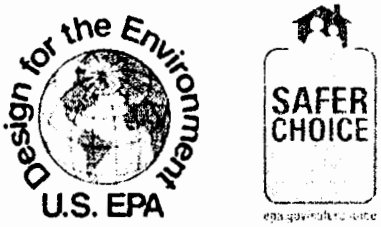
In the December 2014 press release, Region 8 Regional Administrator Shaun McGrath said that "EPA's scientific evaluation shows that our cleanup approach is working and we are reducing health risks for residents in the community." The press release further noted that the assessment—an Integrated Risk Information System health assessment—shows that "the asbestos air concentrations in Libby today are about 100,000 times lower than when mine and processing facilities were in operation, making the air quality in Libby similar to other Montana cities. The information will be used to identify how exposures can be reduced to protect human health now and in the future." The Integrated Risk

Information System values now provide a means to calculate health-based limits of amphibole asbestos exposures for the rest of the country.

EPA Develops New "Safer Choice" Logo Following OIG Report

Subsequent to the EPA OIG issuing a report that recommended the EPA come up with a new Design for the Environment logo "that better conveys the program's objective and eliminates any appearance of an EPA endorsement," the agency developed and implemented a new logo.

For more than 15 years, the EPA's Design for the Environment Safety Product Labeling Program has labeled products that meet the criteria to be considered safer for families and the environment. Products include carpet cleaners, dish and hand soaps, floor care products, laundry detergents, glass cleaners, and car care products. Our report, *EPA Can Help Consumers Identify Household and Other Products with Safer Chemicals by Strengthening Its "Design for the Environment" Program* (14-P-0349, issued September 9, 2014), noted that the logo used "does not adequately communicate to the consumer that the product is a safer product." We also found a risk that an EPA endorsement may be implied by the prior logo, but EPA endorsement is not allowed. The agency concurred with our report, and recently issued a new "Safer Choice" logo.



The old logo (left) and new logo. (EPA images)

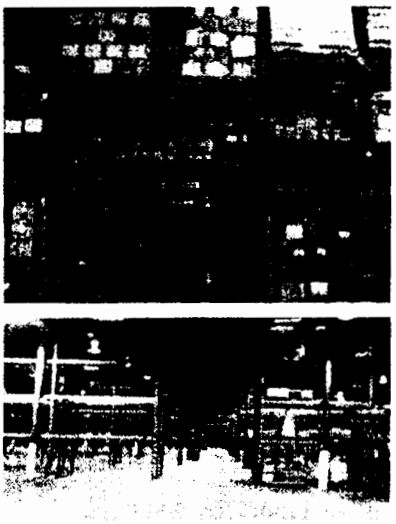
Agency Issues EPA Order in Response to OIG Audit on Passports

In response to our recommendation in a 2014 audit report to develop and implement an agencywide policy for managing official passports issued to EPA employees, the agency on March 12, 2015, issued EPA Order 2656 *No-Fee Passport Application Acceptance Program Policy*, to improve controls for processing and managing passports.

In our *Audit of EPA Passport Controls* (14-P-0243, issued May 1, 2014), we found that the EPA Office of International and Tribal Affairs, which is responsible for obtaining and monitoring EPA passports, was not in compliance with agency guidance over the control and security of sensitive personally identifiable information—specifically, official and diplomatic passports issued to agency employees. We noted that the agency lacked a formal written policy and procedure for issuing, monitoring and securing passports. Of the 417 passports purported to be in the Office of International and Tribal Affairs, 199 could not be located.

EPA Takes Actions to Better Manage Warehouses

As a result of several reports the OIG had issued regarding EPA management of its warehouses, the EPA already has made significant improvements at its warehouses across the country.



Before (top) and after photos at the National Service Center for Environmental Publications in Blue Ash, Ohio. As a result of our report, the center recycled nearly 8 million publications. (EPA OIG photos)

On December 8, 2014, we issued a report, *EPA Needs Better Management of Personal Property in Warehouses* (15-P-0033), which noted some overarching problems at warehouses storing EPA property. This followed an early warning report we issued in May 2013 regarding problems at the EPA's headquarters warehouse in Landover, Maryland, and a March 2014 early warning report regarding the agency's publications warehouse in Blue Ash, Ohio. As a result of our various reports, the Deputy Administrator issued three memorandums that identified corrective actions taken by the agency. At one warehouse, the agency indicated it inventoried and identified the dollar value of furniture, conducted records management training, reviewed and disposed of records, and sold furniture. At another warehouse, the agency recycled nearly 8 million publications. The Deputy Administrator also ordered an agencywide review of all warehouses and storage facilities, including a review of agency employee actions, for potential performance failures and necessary disciplinary actions.

EPA Proposes Rule for Disposal of Pharmaceutical Hazardous Waste

In March 2015, the EPA submitted a proposed rule to the OMB, "Management Standards for Hazardous Waste Pharmaceuticals," based on its outreach efforts with states and health care facilities. This rule addresses the recommendations the OIG made in a 2012 report, *EPA Inaction in Identifying Hazardous Waste Pharmaceuticals May Result in Unsafe Disposal* (12-P-0508), to address EPA's inaction in updating its list of hazardous waste pharmaceuticals.

Specifically, the OIG recommended that the EPA establish a process to review pharmaceuticals for regulation as hazardous waste and develop an outreach and compliance assistance plan for health care facilities in managing hazardous waste pharmaceuticals. In the proposed rule, the EPA asks whether it should develop and promulgate new criteria that treats all discarded pharmaceuticals as hazardous wastes. The agency indicated no regulatory action is being proposed with respect to expanding the number of hazardous waste pharmaceuticals and any action taken will be part of a separate proposed future rulemaking.

OIG Identifies Funds to Put to Better Use and Potential Health and Environment Concerns

During the semiannual reporting period, a number of reports that we issued noted instances of funds that could be put to better use. For example:

- The EPA spent $780,793 in questionable costs related to Region 6 implementation of Coastal Wetlands, Planning, Protection and Restoration Act funds.
- The EPA can achieve up to $8.9 million in monetary benefits by improving the management of property at its warehouses.
- All $1.2 million drawn by a regional planning commission in Massachusetts was questioned due to federal policies not being followed, and the commission already has agreed to repay $94,891 of that amount.
- A contractor overbilled the EPA by $910,776 for helpdesk services on an Office of Environmental Information contract.

In addition, we found instances in which the EPA can better protect human health and the environment. For example:

- Diminishing revenues from fees charged to Title V facilities (the nation's largest stationary sources of air pollution) could jeopardize program implementation and adversely impact compliance monitoring for many of the nation's largest sources of air pollution.
- To better address public concerns about the Ebola virus, the agency can better ensure that relevant EPA Web pages have ongoing, clear information about the effectiveness of disinfectants for use against the virus.
- Individuals in North Dakota and elsewhere may be exposed to unsafe pesticides because EPA Region 8 and the state were not conducting sufficient inspections.
- The EPA needs to obtain more data from states for Drinking Water State Revolving Fund loan projects to demonstrate public health results achieved from the more than $11 billion the EPA has invested in drinking water infrastructure since 2009.

Details on these issues are in the "Significant OIG Activity" section.

Agency Best Practices Noted

During the semiannual reporting period, several reports that we issued highlighted "best practices" of value to other components in the agency. Examples follow.

- Increased charges for call center services had not been communicated with program offices in the headquarters, regions and centers until the end of the fiscal year. To avoid unexpected year-end increases in costs and assist in managing the budget, the EPA's Office of Environmental Information started providing customers with a Monthly Utilization Report to inform them of actual usage. (Report No. 15-P-0042, *Call Center: Contract Management Needs Improvement to Reduce the Risk of Overbilling*, December 23, 2014)

- The EPA Office of Enforcement and Compliance Assurance is beginning to use the agency's GeoPlatform tool in conjunction with environmental justice community data (EJSCREEN) to produce targeting tools that allow EPA regions to more easily factor environmental justice in air toxics facility inspection plans. GeoPlatform allows the EPA to develop and share detailed maps of selected environmental stressors in a given geographical area. The Office of Enforcement and Compliance Assurance recently developed two GeoPlatform targeting tools for air toxics. By using these new tools, EPA Region 1 has produced a regional map view of leaking storage tanks in areas of potential environmental justice concern that would not be available to regions using EJSCREEN alone. *(Report No. 15-P-0101, EPA Regions Have Considered Environmental Justice When Targeting Facilities for Air Toxics Inspections, February 26, 2015)*

- In support of the headquarters program offices and regions and centers, the EPA Office of Administration and Resources Management plans to improve management of the $6 million-per-year fleet program through monthly usage and operator responsibility checks. *(Report No. 15-P-0001, EPA's Fleet Management Program Needs Improvement, October 6, 2014)*

Significant OIG Activity

Human Health and Environment Issues

Clean Air Act Title V Program Expenses Exceeded Permit Revenues

We found significant weaknesses in the EPA's oversight of state and local Title V programs' fee revenue practices. Annual Title V program expenses often exceeded annual revenues from fees charged to Title V facilities. This could jeopardize program implementation and adversely impact compliance monitoring for many of the nation's largest sources of air pollution.

Clean Air Act Title V permit fees are used to implement and enforce the permitting program for the nation's largest stationary sources of air pollution. This includes acting on new permit applications and revisions or renewals, monitoring facility compliance, and taking enforcement actions for noncompliance.

A smokestack at a coal-fired power plant. (EPA photo)

Our survey of nine of the nation's largest permitting authorities (eight states and a regional authority) showed that annual Title V revenues were not sufficient to cover annual Title V expenses 62 percent of the time from 2008 to 2012. We noted a $69 million shortfall out of $672 million in expenses incurred by these authorities during that time. Periodic monitoring of facility compliance, to ensure adequate protection of human health and the environment, could be adversely impacted by insufficient funding.

We recommended that the EPA assess, update and re-issue its 1993 Title V fee guidance as appropriate, establish a fee oversight strategy, and emphasize and require periodic reviews of Title V fee revenue and accounting practices. The agency agreed with all recommendations and provided corrective action plans.

(Report No. 15-P-0006, Enhanced EPA Oversight Needed to Address Risks From Declining Clean Air Act Title V Revenues, October 20, 2014)

EPA Needs to Better Inform Public About Ebola Disinfectants

Our quick reaction report on the completeness and consistency of information provided on the EPA's website concerning disinfectants for use against the Ebola virus found that relevant EPA Web pages should have ongoing, clear information about the effectiveness of disinfectants for use against the Ebola virus.

A training participant with a jug of chlorinated disinfectant prepares to demonstrate a disinfection procedure. (Centers for Disease Control and Prevention photo)

The EPA's Web page http://www.epa.gov/oppad001/list-l-ebola-virus.html, *Disinfectants for Use Against the Ebola Virus*, contains a list (known as List L) of 192 registered disinfectants that meet the Centers for Disease Control and Prevention criteria for hospital disinfectants. Of the 192 products listed, 29 recently registered products (since 2010) have not been tested for effectiveness by the EPA's Antimicrobial Testing Program, and that status is not disclosed on the Web page. In addition, we identified eight products on List L that are not listed on the EPA's Antimicrobial Testing Program Web page.

We recommended that the EPA update its Web pages as needed. The agency agreed with our recommendations and completed necessary actions.

(Report No. 15-P-0064, Quick Reaction Report: Complete and Clear Information on the Effectiveness of Ebola Disinfectants Will Better Inform the Public, January 21, 2015)

Federal Pesticide Inspections Not Being Conducted in North Dakota

EPA Region 8 was not conducting inspections at establishments that produce pesticides and inspections of pesticide imports in North Dakota, and North Dakota did not have a state inspector with qualifications equivalent to a federal inspector to conduct inspections on the EPA's behalf. This may result in exposure to unsafe pesticides and risks to human health and the environment.

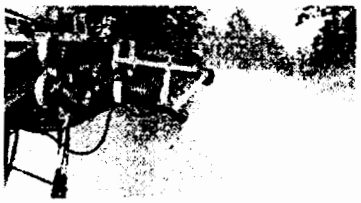
The Federal Insecticide, Fungicide and Rodenticide Act regulates the safe use of pesticides in the United States. An EPA inspector or credentialed state inspector is required to conduct inspections of pesticide establishments and imported pesticides to ensure compliance with the act. While assessing state inspections, we found that federal inspections of pesticide establishments had not occurred in North Dakota for 14 years and the last import inspection was conducted in 2011. EPA staff said this was the case because North Dakota officials did not want federal inspections conducted in their state.

We recommended that the EPA immediately initiate appropriate inspections in North Dakota and take other necessary actions, and the agency agreed with our recommendations.

(Report No. 15-P-0099, Quick Reaction Report: EPA Pesticide Inspections Must Resume in North Dakota to Determine Compliance and Protect Human Health and the Environment, February 23, 2015)

EPA Needs to Better Communicate Pesticide Information Center Role

A lack of outreach and communication with states has resulted in confusion regarding the role of the National Pesticide Information Center, which has led to confusion and dissatisfaction with the center's services.


Pesticide application. (EPA photo)

The mission of the National Pesticide Information Center is to operate a call center that provides information to medical professionals, veterinarians and the public regarding pesticide-related issues, including pesticide product usage, pesticide identification and pesticide health effects. The center, funded by a cooperative agreement between the EPA and Oregon State University, also operates a website. While the center can provide product-specific information to state and local governments if a spill occurs, it does not determine whether an incident constitutes a violation of state or federal law.

The National Pesticide Information Center's role is not well understood, and that has led to confusion and dissatisfaction by some state lead agencies. This confusion stems from the lack of outreach regarding the center's role. Although there is no requirement in the program's statutory basis to engage in proactive outreach or communication with the states, we believe such action would be beneficial. We made recommendations for the center to improve its outreach, and the center agreed with our recommendations and initiated corrective actions.

(Report No. 15-P-0046, EPA Needs to Improve Outreach and Communication About the National Pesticide Information Center's Role and Services, January 7, 2015)

EPA Needs to Obtain Drinking Water Fund Data From States

The EPA did not obtain all required Drinking Water State Revolving Fund loan project data from states. The EPA needs such data to demonstrate public health results of the $11.37 billion it has invested in drinking water infrastructure since 2009.

The 1996 Safe Drinking Water Act Amendments authorize the EPA to provide funding for capitalization grants to states for drinking water projects. The states use these funds to

support low-interest loans and other types of assistance to public water systems. The EPA capitalization grant agreements direct states to inform the EPA about project-level data on a quarterly basis.

The EPA did not always obtain the required Drinking Water State Revolving Fund loan project data from states, and the EPA does not always use annual reviews of state programs to assess project outcomes. Incomplete data hamper the EPA's ability to evaluate program effectiveness and public health outcomes. We recommended that the EPA enforce grant requirements for states to input data and review data completeness as part of the agency's annual review. The agency agreed with our recommendations and provided corrective actions.

(Report No. 15-P-0032, EPA Needs to Demonstrate Public Health Benefits of Drinking Water State Revolving Fund Projects, December 5, 2014)

EPA Considers Environmental Justice When Selecting Air Toxics Facilities to Inspect

All 10 EPA regions have considered environmental justice when targeting facilities for air toxics inspections, and the implementation of new tools should enhance agency efforts.

A podcast on this report on environmental justice is at: http://www.epa.gov/oig/reports/2015/report_15-P-0101_podcast_02-25-2015.mp3.

Air toxics are pollutants known or suspected to cause cancer or other serious health effects. Communities that experience elevated or disproportionate impacts from air toxics may be areas of environmental justice concern. Executive Order 12898 on environmental justice directs federal agencies to identify and address any of their programs, policies and activities that may have disproportionately high and adverse environmental or human health effects on minority and low-income populations.

The EPA Office of Enforcement and Compliance Assurance has developed several tools to help regions select air toxics facilities for inspection. One tool—the High-Risk Facilities list—identifies large facilities in areas with elevated cancer risks associated with air toxics. The office also developed new mapping tools to help regions target potentially overburdened communities for air toxics inspections. Because of the actions being taken, we did not make any recommendations.

A neighborhood in close proximity to an operating power plant. (EPA photo)

(Report No. 15-P-0101, EPA Regions Have Considered Environmental Justice When Targeting Facilities for Air Toxics Inspections, February 26, 2015)

Evidence of Trespassing and Vandalism at Some Superfund Sites Could Pose Health Risks

During the OIG's assessment of whether hyperspectral imaging data can be used to help assess pollutant concentrations at deleted Superfund sites, we found evidence of trespassing and vandalism at two sites in Pennsylvania.

Hyperspectral imaging is a remote sensing tool that can collect and process information from across the electromagnetic spectrum. Imaging identified vegetation stress at three sites but results of soil testing did not confirm that this was due to elevated pollutant concentrations. Further, results of soil testing did not identify any significant residual soil contamination at the 11 Pennsylvania sites reviewed. However, on-site observations found significant amounts of debris at two sites. Further, fences surrounding those two sites were damaged and evidence of trespassing and vandalism were found, thus exposing trespassers to safety or health risks. The EPA agreed to take sufficient corrective actions.

(Report No. 15-P-0013, No Significant Residual Contamination Found at Deleted Superfund Sites, But Security Fences Were Damaged at Some Sites, November 10, 2014)

Left: Hyperspectral image of vegetation stress at the Taylor Borough Dump site, Taylor, Pennsylvania. (U.S. Geological Survey-created image from hyperspectral data)
Right: Aerial photo of the Taylor Borough Dump site. (EPA photo)

Agency Business Practices and Accountability

Employees Found to Be on Administrative Leave for Years

We provided to the EPA Administrator data on eight EPA employees who had recorded significant amounts of administrative leave, some for more than a year, at a cost of more than $1 million.

A podcast on this report on administrative leave is at: http://www.epa.gov/oig/reports/2014/report_15-N-0025_podcast_11-19-2014.mp3.

In reaction to an October 2014 U.S. Government Accountability Office report regarding governmentwide problems with administrative leave, members of Congress requested information from the EPA Administrator concerning administrative leave taken by EPA employees. As a result of that congressional request, we conducted a review and provided an early warning report to the Administrator providing information on administrative leave at the EPA.

The eight employees noted recorded a total of 20,926 hours of administrative leave that cost the government an estimated $1,096,868. Each of these employees was on extended administrative leave for 4 or more months. For four of the eight employees, the administrative leave covered more than a year. According to the Government Accountability Office, there is no general statutory authority for the use of paid administrative leave, which is an excused absence without loss of pay or charge to other leave, such as annual or sick leave.

(Report No. 15-N-0025, Early Warning Report: Some EPA Employees Found to Be on Paid Administrative Leave for Years, November 19, 2014)

Administrative leave information for sampled EPA employees

Employee No.	Administrative leave hours	Period when leave was taken	Total estimated cost
1	1,820	07/28/13 – 09/20/14	$69,593
2	5,883	01/03/10 – 09/20/14	300,671
3	767	01/12/14 – 09/20/14	35,226
4	6,300	05/09/10 – 09/20/14	351,300
5	3,916	01/16/11 – 01/11/14	239,600
6	1,050	03/09/14 – 09/20/14	61,145
7	300	09/08/13 – 01/11/14	15,385
8	890	04/06/14 – 09/20/14	23,948
Total	**20,926**		**$1,096,868**

Sources: OIG analysis and EPA's Compass Financial Data Warehouse.

Title 42 Hiring Authority for Research Positions Needs Improvement

The EPA Office of Research and Development's justification for using its Title 42 special hiring authority to fill positions is ambiguous, which leaves the office vulnerable to misuse and abuse of the authority.

The Title 42 hiring authority under the U.S. Code is a flexible hiring mechanism for obtaining the services of experienced and talented scientists who otherwise may be difficult to hire or retain. Title 42 employees can earn pay within or exceeding pay levels found in the Executive Schedule, which is a pay schedule applicable to the highest-ranking executive appointments in the federal government under Title 5.

The Office of Research and Development did not demonstrate the need to use Title 42 to fill positions once held by Title 5 employees. Four Title 42 appointees who converted from Title 5 positions received salary increases ranging from $6,149 to $17,700 after the conversion. As a result, stakeholders have raised concerns about the agency's use of the Title 42 hiring authority. By articulating its approach, the EPA can show how the remaining 27 authorized Title 42 appointments, with a potential annual salary total between $3.5 million and $6.75 million, could be used to fulfill the agency's mission.

Salary comparison for four converted employees

Example	Title 5 salary	Title 42 salary	Difference
1	$156,973	$171,715	$14,742
2	144,550	153,223	8,673
3	175,695	181,844	6,149
4	165,300	183,000	17,700

Source: Agency Initial Compensation Forms.

The Office of Research and Development did not agree with our recommendation regarding the justification of the use of Title 42 for appointments or reappointments, and this issue needs to be resolved.

(Report No. 15-P-0109, EPA Needs to Justify How It Is Using Title 42 Hiring Authority, March 5, 2015)

Contractor Did Not Justify Increase in Charges to EPA

A contractor overbilled the EPA by $910,776 for helpdesk services on an Office of Environmental Information contract.

Initiated from OIG Hotline

The OIG had received a hotline complaint regarding management of a contract for helpdesk call center and related services, for which the contractor had billed the EPA $11,490,228 through September 2014. The task order does not clearly define the criteria

and methodology to be used to increase or decrease the task order price. Therefore, the EPA does not have assurance that the pricing of the task order is reasonable. Also, as a result of not requesting and periodically reviewing detailed data that support contact volume, the EPA runs the risk of being overcharged for call center services.

We recommended that the EPA require, in negotiation with the contractor, modification of the task order to provide an explicit definition of call volume and explicitly define the basis on future modifications. We also recommended that the EPA eliminate the conflict in the task order and recover $910,776 of unsupported charges. The EPA agreed with our recommendations and provided a corrective action plan.

(Report No. 15-P-0042, Call Center: Contract Management Needs Improvement to Reduce the Risk of Overbilling, December 23, 2014)

EPA Region 6 Mismanaged Coastal Wetlands Funds

Initiated from OIG Hotline

The EPA's Region 6 Water Quality Protection Division mismanaged Coastal Wetlands Planning, Protection and Restoration Act funds, resulting in $780,793 of questioned costs and violations of appropriations law

A hotline complainant alleged that the Region 6 Water Quality Protection Division mismanaged Coastal Wetlands Planning, Protection and Restoration Act funds, as well as EPA travel funds. We conducted an audit to determine whether the funds were used in accordance with applicable federal laws, regulations and other agreements.

A dune restoration of Whiskey Island Back Barrier in Louisiana. (EPA photo)

We found that, from 2010 to 2013, the Region 6 Water Quality Protection Division used Coastal Wetlands Planning, Protection and Restoration Act funds for purposes that were not consistent with the act's authority, appropriations law and principles, and interagency agreements. The division spent $780,793 on questioned costs, augmented the EPA's annual appropriations, and overstated program costs. These questioned costs included misallocated intern and administrative support costs; unapproved equipment costs; travel, training, labor and awards funded from the wrong appropriation; and outreach overspending. This mismanagement resulted in "purpose violations" of appropriations law, and put Region 6 at risk of committing Antideficiency Act violations. The effectiveness of the funds in protecting and restoring coastal wetlands is impaired if the funds are not properly spent and accounted for.

We made various recommendations, including that Region 6 reimburse the U.S. Army Corps of Engineers for questioned costs totaling $780,793 unless Region 6 management

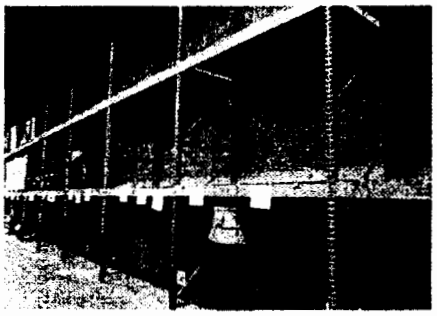
could provide sufficient and appropriate documentation. We also recommended that Region 6 work with the EPA's Chief Financial Officer to perform an internal review of the division's Coastal Wetlands program spending to identify any additional improper spending that occurred. Region 6 agreed with some of our recommendations but disagreed with others.

(Report No. 15-P-0003, EPA Region 6 Mismanaged Coastal Wetlands Planning, Protection and Restoration Act Funds, October 9, 2014)

EPA Can Save Up to $8.9 Million by Better Managing Warehouses

The EPA did not adequately manage personal property at its warehouses, and up to $8.9 million in monetary benefits can be achieved through improved warehouse management.

Following concerns noted during prior reviews at two warehouses, we conducted an audit at eight selected warehouses and storage facilities (including the prior two) to determine the extent to which the EPA's personal property is stored and effectively utilized, accounted for and disposed of by the EPA. In addition to various management and inventory issues at the eight warehouses, for which the EPA contracted for almost $50 million for warehouse management, we found that the EPA:



Empty space at the warehouse in Landover, Maryland. (EPA OIG photo)

- Did not timely excess or dispose of property.
- Did not sufficiently utilize warehouse space to store property.
- Unnecessarily stored items that were readily available locally or did not fulfill an immediate need.
- Did not prevent the unauthorized use of government property.

We recommended that the EPA update inventory policies and make other inventory improvements, optimize space, improve property storage procedures, and address oversight and accountability. The agency agreed with our recommendations and provided corrective actions.

(Report No. 15-P-0033, EPA Needs Better Management of Personal Property in Warehouses, December 8, 2014)

EPA Financial Statements Earn Unqualified Opinion

We rendered an unqualified opinion on the EPA's Consolidated Financial Statements for FYs 2014 and 2013 (restated), meaning that the statements were fairly presented and free of material misstatements. However, we noted a material weakness and several significant deficiencies.

Software costs not being capitalized, leading to the FY 2013 financial statements needing to be restated, represented a material weakness. In addition, we noted the following significant deficiencies:

- Lab renovation costs were not capitalized.
- Controls over accountable personnel inventory needed improvement.
- The property management and accounting systems did not reconcile.
- The Cincinnati Finance Center needed to clear suspense transactions timely.
- An FY 2013 collection was recorded to an incorrect fund.
- Originating offices did not timely forward accounts receivable documents.
- Accounts receivable were not properly reconciled.
- Unliquidated funds were not deobligated timely.
- Restricted entry access to server rooms was not consistently enforced.
- Information technology assets needed to be better monitored and secured.
- Information technology assets needed to be better protected from threats.
- Server room cameras needed to be reconfigured to fully monitor assets.
- Documentation was needed for approval of posting module changes.

EPA OIG One of Few OIGs to Perform Financial Statement Audits

Having qualified staff and being able to offer the taxpayer significant savings, the EPA OIG is one of the few OIGs in the federal government that conducts financial statement audits of its agency. (When the EPA OIG sought to contract out its financial statement auditing in 2007 per OMB Circular A-76, *Performance of Commercial Activities*, the EPA OIG submitted its own bid and came in more than $1 million under the lowest acceptable bid from a Certified Public Accounting firm.) The EPA OIG team that audits financial statements is led by an experienced Certified Public Accountant and many of the team members are also Certified Public Accountants. In addition to conducting the mandated annual audits of the agency's overall consolidated financial statements, the EPA OIG also audits the financial statements for several EPA pesticide funds.

We also noted noncompliance issues in that standards for recording interest were not sufficiently followed, and the EPA's 2014 Financial Managers' Financial Integrity Act Annual Assurance Statement was inaccurate.

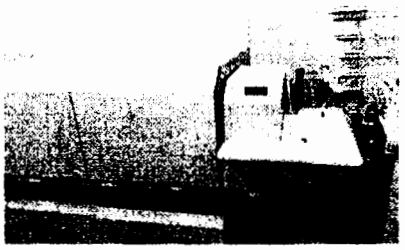
The agency generally agreed with our findings and recommendations. The agency disagreed that the timely forwarding of receivables was a significant internal control deficiency, and also disagreed with certain details of the material weakness cited.

(Report No. 15-1-0021, Audit of EPA's Fiscal Years 2014 and 2013 (Restated) Consolidated Financial Statements, November 17, 2014)

EPA Can Better Manage Scientific Research Equipment

The EPA's Office of Research and Development can better manage its scientific research equipment to ensure that equipment is being used more efficiently and obsolete equipment is not being retained

As the scientific research arm of the EPA, the Office of Research and Development uses sensitive and often expensive equipment. The office's capital equipment list totaled more than $73 million in value. Property management regulations require that agencies identify and reassign any idle equipment and maintain adequate inventory controls and accountability systems.



A plasma mass spectrometer at an EPA laboratory. (EPA OIG photo)

Our review of a sample of 99 pieces of research equipment within three laboratories found that 30 of the pieces had not been used for 2 to 14 years. Further, six of those 99 pieces were obsolete. This occurred because either there was no ongoing research necessitating the specific equipment's use or the item was being kept as backup. We also found that the EPA did not manage its scientific equipment as a business unit or enterprise, managers and staff were not always aware of federal property management requirements, and there were not clear lines of authority for equipment accountability and usage.

We recommended that the Office of Research and Development establish an equipment list, an equipment pool, and regular equipment utilization walkthroughs, among other things. The office agreed with our recommendations and corrective actions are pending.

(Report No. 15-P-0115, To Ensure Greater Use of Scientific Equipment, the Office of Research and Development Should Use an Enterprise Approach to Property Management, March 16, 2015)

Costs of $1,261,665 for Brownfields Agreement Questioned

The Pioneer Valley Planning Commission in Massachusetts did not follow federal requirements when administering a brownfields cooperative agreement with the EPA. We questioned all $1,261,665 drawn by the commission, and the commission has so far agreed to repay $94,891 of that amount

The South Main Street School Brownfields Revolving Loan Fund site, Town of Monson, Massachusetts. (EPA OIG photo)

The Pioneer Valley Planning Commission—which covers a region that encompasses

43 cities and towns in Hampden and Hampshire counties in Massachusetts—received a cooperative agreement from the EPA to clean up brownfields. However, the commission did not adhere to federal requirements when administering the agreement, and its accounting system could not provide an accurate, current or complete disclosure of financial results. Of the funds drawn, $94,891 involved duplicate invoices, unverified costs, costs associated with another federal agreement, and ineligible indirect costs.

We made various recommendations to the EPA to address the conditions noted. This included questioning and recovering the $1,261,665 in federal funds drawn, and the commission agreed to repay $94,891 of that amount.

(Report No. 15-4-0072, Costs of $1.2 Million for Brownfields Cooperative Agreement to Pioneer Valley Planning Commission in Massachusetts Questioned, February 2, 2015)

Agency Can Improve Fleet Management Programs

If oversight of the EPA's fleet is not improved, the $6 million-per-year program could be ineffective and inefficient in supporting the agency's mission and reporting data to the federal system, and could place taxpayer funds at risk.

A podcast on our EPA fleet management report is at: http://www.epa.gov/oig/reports/2014/report_15-P-0001_podcast_10-6-2014.mp3.

An EPA fleet vehicle. (EPA OIG photo)

An audit was conducted to determine whether the EPA's fleet program is in accordance with federal fleet requirements for vehicle operations, acquisitions and utilization. The audit revealed that the agency has not finalized or issued guidance documentation to manage the fleet in over 5 years. Also, fleet managers were not following program requirements and federal regulations for emission testing, tracking vehicle usage, and ensuring operator responsibilities. Further, the agency did not have documentation to support approval of law enforcement vehicles in home-to-work status. The agency agreed with our recommendations and provided corrective actions.

(Report No. 15-P-0001, EPA's Fleet Management Program Needs Improvement, October 6, 2014)

Improvements Can Be Made in Computer Security Program

Our review of the EPA's implementation of the Federal Information Security Management Act during FY 2014 disclosed that improvements could be made

The act requires federal agencies to develop an information security program that protects its operations and assets, and the OIG is required to perform an annual evaluation of the program. Federal information systems are subject to threats, including purposeful attacks.

The EPA had established an agencywide information security program to assess the security state of information systems that was consistent with requirements. However, the EPA should place more emphasis on remediating deficiencies within the agency's Configuration Management program related to addressing deviations identified by scans and for installing patches. Also, the EPA had an outdated Business Impact Analysis. We reported this information to OMB in the required matrix.

(Report No. 15-P-0020, Fiscal Year 2014 Federal Information Security Management Act Report: Status of EPA's Computer Security Program, November 13, 2014)

Investigations

Significant Investigations

Scientists Convicted of Fraudulently Obtaining EPA Contract Funds

On March 20, 2015, two Tampa Bay area scientists were found guilty by a federal jury in the Middle District of Florida of conspiracy to commit wire fraud, aggravated identity theft, and falsification of records.

According to testimony and evidence presented during the trial, Mahmoud Aldissi and Anastassia Bogomolova, both Ph.D. scientists, fraudulently obtained over $10.5 million worth of small business research awards from the federal government, including $400,000 in EPA funds. These awards were intended to promote U.S. technological innovation. To obtain these awards, Aldissi and Bogomolova—through their companies Fractal Systems Inc. and Smart Polymers Research Corporation—submitted proposals to the U.S. government using the stolen identities of real people, including one who was deceased, to create false endorsements for their proposed contracts and grants. In the proposals, they also lied about their facilities, costs, the principal investigator on some of the contracts, and the certifications in the proposals. Additionally, Aldissi and Bogomolova were convicted of falsifying records with the intent to impede, obstruct and influence an investigation being conducted by the National Science Foundation.

This investigation was conducted jointly with the Defense Criminal Investigative Service, Major Procurement Fraud Unit of the U.S. Army Criminal Investigation Division, National Aeronautics and Space Administration OIG, National Science Foundation OIG, Department of Homeland Security OIG, and Department of Energy OIG.

Company, Officials Sentenced for Producing Paints With Pesticide

On December 5, 2014, a Clearwater, Florida, company received a criminal fine of $1,235,315 and 3 years of probation for a conspiracy to defraud the United States. A sister company was sentenced to 1 year of probation, and four officers of the companies received prison sentences or probation.

New Nautical Coatings Inc. was investigated for illegally manufacturing marine paints that contained the regulated pesticide tributyltin after entering into an agreement with the EPA to cease manufacturing the product. On February 6, 2014, a federal grand jury in the U.S. District Court for the Southern District of Florida indicted New Nautical and its sister company, Sea Hawk Refinish Line Inc. Four officers of the companies were also indicted, arrested and arraigned. The charges included knowingly selling an unregistered pesticide,

conspiracy to defraud the United States, wire fraud, conspiracy to commit mail fraud and wire fraud, obstruction of justice, and misuse of a government seal.

On December 5, 2014, David Norrie was sentenced to federal prison for 5 months and, upon release from prison, supervised release for 3 years. Erik Norrie was sentenced to federal prison for 3 months. Tommy Craft and Jason Revie were both sentenced to probation for 1 year.

This investigation was conducted jointly with the EPA Criminal Investigation Division.

Company Pays $2.72 Million in New Jersey Kickback Scheme

In November 2014, a Canadian national was extradited to the United States to face charges in a kickback scheme in the U.S. District Court for the District of New Jersey. In a related matter, Sevenson Environmental Services Inc. came to a civil settlement agreement in which it would pay $2.72 million to the United States.

On November 14, 2014, John Bennett, a Canadian national, was extradited from Canada on a charge of participating in a conspiracy to pay kickbacks and commit fraud at the EPA-designated Federal Creosote Superfund site, located in Manville, New Jersey. He also was charged with a count for major fraud against the United States related to contracts obtained at the Federal Creosote site. Bennett was a former Chief Executive Officer with a Canadian-based company that treated and disposed of contaminated soil and was a subcontractor to Sevenson on the Federal Creosote site. Bennett carried out the conspiracy by providing kickbacks to the project manager at the Federal Creosote site to influence the award of sub-contracts and inflate the prices charged to the EPA by the prime contractor.

On November 17, 2014, a settlement agreement was finalized between the U.S. Department of Justice and Sevenson Environmental Services Inc., of Niagara Falls, New York. Sevenson agreed to pay the United States $2,727,200 plus interest at a rate of 3 percent per annum. Subsequent to the agreement, on November 18, 2014, the EPA's Suspension and Debarment Division terminated the Suspension and Proposed Debarment for various Sevenson executives, and also terminated the Interim Administrative Agreement that had been in place since March 1, 2013, for Sevenson and some of its affiliates.

This case is being conducted with the Internal Revenue Service Criminal Investigation Division.

Montana Tribal Officials Given Jail Time for Fraud

Individuals associated with the Rocky Boy Indian Reservation received jail time, restitution and other penalties in the U S District Court for the District of Montana related to bribery and theft, and others have been indicted for bribery and theft. The charges involved embezzlement and taking bribes in relation to contracts that involved EPA funds.

In March 2015, three tribal officials received jail time. Bruce Sunchild, former Tribal Chairman of the Chippewa Cree Indian Tribe at the Rocky Boy Reservation, was sentenced to 34 months' incarceration and 36 months' supervised release, and ordered to pay $370,088 in restitution. James Eastlick Jr., former clinical psychologist at the Rocky Boy Indian Reservation Clinic, was sentenced to 6 years' incarceration and 3 years' supervised release, and ordered to pay $424,800 in restitution and a $100,000 fine. Mark Leischner, Eastlick's brother-in-law, was sentenced to 2 years' incarceration and 3 years' supervised release, and ordered to pay $281,313 in restitution.

In addition, four other tribal officials have pleaded guilty or were indicted for various changes related to theft and bribery. The individuals are Tim Rosette, former Director of the Rocky Boy Roads Department and Director of the Rocky Boy Health Clinic's Environmental Health Division; John C. Houle, former Chairman of the Chippewa Cree Indian Tribe; Theodora Morsette, former Finance Manager of the Rocky Boy Health Clinic; and Wade Colliflower, a member of the Chippewa Cree Indian Tribe.

This case is being conducted by the Montana Guardian Task Force, which is made up of the FBI; the Internal Revenue Service; and the OIGs of the Department of the Interior, Department of Health and Human Services, Department of Agriculture, and EPA.

Man Sentenced for Falsifying Methamphetamine Remediation Data

On December 15, 2014 a Savannah, Tennessee, man was sentenced in the U.S. District Court for the Western District of Tennessee to 6 months in prison, 3 years of supervised release, and $102,225 in restitution for falsely certifying that quarantined methamphetamine homes were safe for inhabitation after remediation.

On April 14, 2013, Douglas McCasland, owner of HAZ-TECH, performed a remediation of a quarantined methamphetamine house in Manchester, Tennessee, and signed a Certificate of Fitness claiming the property to be cleaned to proper standards and certifying that the property was safe for human use. The Tennessee Department of Environment and Conservation advised that McCasland was not certified by the department as a Clandestine Methamphetamine Laboratories hygienist—an industrial hygienist at properties where methamphetamine was manufactured. Investigation further disclosed that McCasland had 18 cases of remediated houses that he had certified. The Tennessee Department of

Environment and Conservation retested 11 of the houses, and nine were found to still be contaminated. McCasland falsified remediation data in 17 counties in Tennessee. McCasland, who previously was indicted and charged with 10 counts of mail fraud and three counts of false statements, had pleaded guilty to a violation of false statements.

Debarments Occur Related to New York Lab Fraud Case

Two individuals and two entities were debarred from participation in federally funded projects related to the falsification of laboratory results by a New York firm

On February 17, 2015, Upstate Laboratories Inc., of East Syracuse, New York; Enalytic LLC, also of East Syracuse; Anthony J. Scala, Owner, Upstate Laboratories Inc.; and his wife Carole A. Scala, Owner, Enalytic LLC, were debarred from participation in federally funded projects for a period of 5 years. Upstate Laboratories previously had been fined $150,000 and placed on 5 years' probation.

Upstate Laboratories performed chemical analysis of water and soil samples supplied by public and private clients. Certain analyses were required to be performed within specified timeframes ("holding times") after the samples were obtained due to the potential for chemical degradation. Upstate Laboratories further promised to use required procedures to ensure that the samples did not degrade. However, from 2008 through 2010, Upstate Laboratories engaged in routine "backdating" of sample results where employees changed the dates for when the samples were analyzed to make it appear that analysis had occurred within the required time periods when in fact they had not. Upstate Laboratories thereafter prepared false and fraudulent analysis reports representing that the samples were properly analyzed within required time frames and the results were valid.

This case was conducted jointly with the EPA Criminal Investigation Division.

Man Indicted for Threatening to Kill EPA Employee

On October 1, 2014, a Missouri man was indicted in the U.S. District Court for the Western District of Missouri and arrested for threatening to kill an EPA employee and others.

Initiated from OIG Hotline

The EPA has been involved in a contaminated ground water remediation effort that stemmed from a derelict mining site in the Joplin, Missouri, area for approximately 20 years. The person indicted and arrested owns two Superfund site parcels in the area, one approximately 160 acres and the other approximately 20 acres. The remediation at the 160-acre parcel, which was conducted with the permission of the land owner, was nearly completed when an EPA employee communicated to the land owner that during a walk-through of the 20-acre parcel one or more violations had been found regarding dumping and waste. The EPA employee was orally threatened by telephone. In addition,

at least two other people were the subjects of threats made by the land owner. When the land owner was arrested, two firearms were seized.

Man Arrested for Wire Fraud and Smuggling

On January 8, 2015, a Republic of Korea man was arrested in Daejeo-City, Korea, by the Interpol (International Criminal Police Organization) Fugitive Tracing Unit in the Seoul Metropolitan Police Agency for violations of the American Recovery and Reinvestment Act "Buy American" provision.

Heon Seok Lee had served as President of KTurbo Inc. in the Republic of Korea, and President of its subsidiary—KTurbo USA Inc.—with an office and warehouse in Illinois. From January 2010 to February 2011, Lee directed others to procure contracts for KTurbo to provide centrifugal turbo blowers to municipal wastewater treatment facilities receiving Recovery Act funds from the EPA. Lee and others sent at least five email communications to U.S. municipal wastewater treatment facilities falsely representing that KTurbo would manufacture and deliver the municipalities' turbo blowers in compliance with the "Buy American" provision of the Recovery Act. Lee had three shipments of a total of nine turbo blowers sent to the KTurbo facility in Illinois from Korea. The blowers arrived in the United States largely assembled but were affixed with "Assembled in USA" placards. Lee and others did not intend to perform substantial transformation of the turbo blowers, and Lee was subsequently indicted in the Northern District of Illinois on five counts of wire fraud and three counts of smuggling. In total, Lee and others intended to fraudulently obtain over $1.3 million in Recovery Act funds.

This case is being conducted with Interpol, the U.S. Department of Homeland Security, and the U.S. Department of Justice.

Former Tribal Official Pleads Guilty to Embezzling Over $240,000

On March 23, 2015, a former official of the Alaska Inter-Tribal Council, Anchorage, Alaska, pleaded guilty to theft of over $240,000 in tribal grant funds in the U.S. District Court for the District of Alaska.

A federal grand jury indicted two former directors at the Alaska Inter-Tribal Council on charges that they stole from a nonprofit that advocates for tribal governments across the state.

Steven D. Osborne, former Executive Director for the council, commingled federal funds from a $1 million EPA grant with non-federal funds received from the Venezuelan government for managing a home heating program. Osborne did not maintain records that adequately identified the source and application of the council's financial transactions. Osborne obtained approximately $218,000 in council funds entrusted to his care as Executive Director and misapplied them for his personal use.

The investigation also found that Thomas R. Purcell, former Finance Director of the Alaska Inter-Tribal Council, may have conspired with Osborne to cover the personal expenditures. Osborne authorized Purcell to receive an additional $19,200 among 26 pay periods charged to the home heating program account as a vendor. Additionally, Purcell obtained approximately $11,000 in council funds entrusted to his care as the Finance Director/Interim Executive Director and misapplied them for his personal use.

Tennessee Company Submits Fraudulent Asbestos Lab Results

On January 27, 2015, the president of a Tennessee firm was sentenced in the U.S. District Court for the Eastern District of Tennessee to 3 years of probation and fined $500 for submitting fraudulent lab results regarding asbestos.

The Tennessee Department of Environment and Conservation reported that it received fraudulent laboratory test documents from Environmental Consulting and Testing LLC in support of an asbestos survey. David Weekley, company president, submitted a survey report to the state claiming he had 57 samples from seven separate locations tested by Fiber Com Laboratory. Contact with Fiber Com disclosed that it had only performed four tests for Environmental Consulting, and this was confirmed by a search of Weekley's computer. Weekley pleaded guilty to one count of wire fraud. On March 31, 2015, Weekley and Environmental Consulting and Testing LLC were issued a Notice of Suspension and Proposed Debarment for participation in federal contracts and assistance activities.

Gang Member Charged With Assaulting EPA Special Agent

Initiated from OIG Hotline

On November 9, 2014, a suspect in the assault of an EPA Criminal Investigation Division Special Agent and the carjacking of a government law enforcement vehicle was arrested and jailed. The suspect, a known gang member in the Atlanta, Georgia, area, was charged with numerous robberies and carjacking, and is a suspect in a homicide.

On October 22, 2014, an EPA Special Agent was carjacked by two gunmen in Atlanta. The gunmen physically assaulted the agent; fired a shot during the incident; and stole an EPA-assigned, fully equipped law enforcement vehicle. The agent received minor injuries. On October 23, 2014, the stolen vehicle was used in another carjacking, where the perpetrators used the law enforcement equipment to make a traffic stop. Later that evening, the perpetrators carjacked another vehicle (not using the stolen government vehicle) and one of the perpetrators was arrested after a vehicle chase through the Atlanta metro area. On October 24, 2014, after a citizen's tip, the stolen law enforcement vehicle was recovered in a neighborhood south of Atlanta. On November 6, 2014, the EPA Special Agent positively identified the suspect in a photo lineup.

On November 9, 2014, the suspect and three other individuals attempted a home invasion in Atlanta, during which the suspect was wounded and subsequently arrested. The suspect's fingerprints matched prints found at a previous homicide. The Atlanta Gang Unit reported there were 25 carjackings and robberies in the Atlanta metro area associated with this gang. The suspect has been charged with murder and 63 other charges, including the assault of the EPA agent. Fourteen co-defendants were also charged.

This investigation is being conducted jointly with Atlanta Violent Crimes Task Force (Atlanta Police Department and the Bureau of Alcohol, Tobacco, Firearms and Explosives), the Atlanta Gang Unit, and the Sandy Springs Police Department.

Former Contractor Sentenced for Theft of Government Property

On October 2, 2014, a former information technology contractor in Region 4 was sentenced to 3 years of probation and $118,614 in restitution for stealing EPA computers. On March 11, 2015, he was debarred from participation in federally funded projects for a period of 3 years.

In 2012, EPA Region 4, headquartered in Atlanta, Georgia, discovered that 72 computer devices (laptops, tablets and desktops), valued at $84,842, were stolen/missing from the region's information technology department. Contact with manufacturers disclosed that one of the missing/stolen items had been registered online, and an OIG interview of the identified buyer disclosed that the computer was purchased via Ebay. Approximately 30 computers linked to the missing EPA computers were sold via Ebay. The owners of the EBay account provided details of their purchase of the computers from an individual subsequently identified as the EPA contractor. The former EPA contractor—David Lee McCallum, of Stockbridge, Georgia—was charged with theft of government property over $1,000. McCallum was sentenced in the U.S. District for the Northern District of Georgia to 3 years of probation with 1 year of electronically monitored home confinement, 80 hours of community service, and $118,614 in restitution. The investigation also uncovered computers that were stolen from the U.S. Army, with whom the former EPA contractor was formerly employed.

This case is being conducted jointly with the Federal Protective Service and the U.S. Army Criminal Investigation Division.

Probation Given to EPA Employee for Theft of Government Cameras

On October 13, 2014, an EPA Region 4 employee was sentenced in the Georgia Superior Court of Fulton County to 3 years of probation, $3,118 in restitution and a $1,000 fine for the theft of EPA-owned cameras.

Following the theft of a large number of computers in Region 4 (see above), the EPA conducted an inquiry into all missing property listed by Region 4 over a 2-year period

and found that several cameras listed as missing were identified as being pawned at a local pawn shop. The perpetrator was identified as an EPA GS-12 Public Affairs Specialist assigned to Region 4 who subsequently confessed to seven instances of theft. The employee, who pleaded guilty to one count of felony theft, received a 30-day suspension from the EPA.

Actions Taken Against Two EPA Employees for Viewing Pornography

In two separate cases, EPA employees received a Notice of Proposed Removal from the EPA related to charges of viewing and downloading pornography on EPA computers during work hours.

Initiated from OIG Hotline

On March 24, 2015, an EPA employee received a Notice of Proposed Removal after Special Agents went to the employee's work location and found the employee viewing a pornographic image on an EPA computer. The investigation disclosed that the EPA employee downloaded tens of thousands of pornographic images, some of which were stored on an EPA shared drive. For several years, the employee had spent approximately 2 to 6 hours a day viewing and downloading pornography with EPA computer equipment during core work hours.

Also on March 24, 2015, a second EPA employee received a Notice of Proposed Removal as a result of having been witnessed viewing pornographic material on an EPA computer during work hours by a minor who was in the building for the EPA's "Bring Your Daughters and Sons to Work Day." The investigation substantiated that the EPA employee had spent approximately 1 to 4 hours viewing and downloading pornography with EPA computer equipment during core work hours daily.

Senior Executive Issued Notice of Proposed Removal

On November 14, 2014, a Senior Executive Service (SES)-level employee received a Notice of Proposed Removal from the EPA for selling products to EPA employees and inappropriately using EPA resources. The employee is appealing the decision.

The senior executive was the subject of an investigation that found that the employee sold products from three businesses to EPA subordinates and colleagues in EPA office space during office hours. The executive was also found to have used EPA resources—including the employee's office, laptop computer, BlackBerry and EPA email system—in furtherance of these business activities. Further, the senior executive's child—an intern in an EPA student summer hire program—was paid two EPA cash performance awards totaling approximately $790 with funds that originated directly from the employee's operating budget. In addition, the senior executive recommended a friend and an

acquaintance for employment to a company that had contracted to conduct work for the EPA. During the period of the investigation, this senior executive had received a Presidential Meritorious Rank Award for $33,928.

Senior Executive's Investments Are Potential Conflict of Interest

An SES-level EPA employee violated the "Acts Affecting a Personal Financial Interest" (18 U.S.C. § 208) by participating in a specific agency matter related to one of the employee's assets in an outside company that represented a potential conflict of interest.

Initiated from OIG Hotline

In March 2014, the employee signed a motion on behalf of the EPA to intervene as a commenter on the Canadian environmental review process for the Trans Mountain Pipeline Expansion Project while owning over $30,000 worth of stock in the company. This occurred even though the EPA provided the senior executive with a Letter of Caution in September 2013 regarding the employee's stock in the company and the potential for a conflict of interest. The employee did not consult with EPA ethics counsel in advance regarding the motion.

A report of investigation was presented to the EPA on January 16, 2015. On February 19, 2015, an EPA regional official verbally counseled the senior executive regarding the aforementioned conflict of interest and on employee ethics obligations. The regional official reviewed the situation with the employee.

Senior Executive Retires After Misconduct

An SES-level EPA employee retired after issues of misconduct involving a 21-year-old female intern from another government entity were raised.

Initiated from OIG Hotline

The SES employee engaged in a series of interactions with the intern, who reported the interactions to her supervisor and indicated that she was "uncomfortable and scared" by the interactions. The investigation revealed additional allegations regarding the senior executive's behavior toward women, security violations and other actions.

The investigation substantiated that the senior executive engaged in a series of interactions, including some of a sexual nature, involving the intern. Also, the investigation substantiated that from 2004 through July 2014 this senior executive engaged in conduct and exchanges, including some of an inappropriate nature, considered to be unwelcome by 16 additional females. The investigation also substantiated that the senior executive was not in compliance with building entry security procedures in bypassing the security

checkpoint with the intern and not having her sign in as a visitor. The senior EPA employee retired January 9, 2015, prior to administrative action being taken.

Senior Executive Retires After Allowing Fraud by EPA Employee

In a Report of Investigation dated April 17, 2014, the OIG determined that an SES-level employee responsible for the oversight and approval of time and attendance records and travel vouchers for John C. Beale lacked due diligence and cost the government $184,193. The employee retired on February 28, 2015, prior to administrative action being taken. Beale is a former Senior Policy Advisor for the EPA Office of Air and Radiation who had pleaded guilty to multiple frauds.

Senior Executive Retires After Approving False Time Cards

An SES-level employee approved and signed false time and attendance records for a GS-15 scientist who was suffering from a debilitating disease and was not working. For at least 1 year, the subject approved the scientist's time and attendance records certifying that he was working. Colleagues reported that for at least the past few months the employee had been physically incapable of completing basic tasks such as speaking or typing, but was allowed to receive full pay and benefits while living in an assisted living facility and unable to perform his duties as a scientist. The SES-level employee retired from the EPA on December 31, 2014, and the scientist retired January 3, 2015, both prior to administrative action being taken.

Supervisor Terminated for Allowing Employee to Get Paid Without Working

Initiated from OIG Hotline

An EPA supervisor who admitted to allowing an employee to stay home and not perform any work while the employee collected full pay and benefits for approximately 6 years, costing the government over $600,000, was terminated by the EPA on October 7, 2014. The supervisor stated that it was easier to allow this arrangement than go through the medical retirement process for the employee and deal with the employee's union. The employee retired prior to administrative action being taken.

Former Special Agent Pleads Guilty for False Statement

On March 11, 2015, a former EPA Criminal Investigation Division Special Agent pleaded guilty in the U.S. District Court of Connecticut to making a false statement for intentionally not documenting reportable earnings on the OGE Form 450, *Confidential Financial Disclosure Report*, and then certifying the document as accurate. The earnings not reported were derived from the Special Agent's involvement in a pyramid scheme. The employee retired from federal service in January 2015.

Timekeeper Pleads Guilty to Falsifying Records

On January 8, 2015, an EPA employee pleaded guilty to second degree felony fraud in the District of Columbia Superior Court for falsification of time and attendance records totaling over $15,600. From September 2012 through July 2014, the employee submitted fraudulent time and attendance records. As the office timekeeper, the employee had manipulated the EPA's electronic time and attendance record system, enabling the employee to obtain pay for work not performed. On February 9, 2015, the EPA placed the employee on indefinite suspension.

EPA Employee Removed for Time Card Fraud

On November 1, 2014, an EPA employee in Research Triangle Park, North Carolina, was removed from employment for inaccurately reporting time, being absent without leave, and a lack of candor during an investigation. In June 2013, it was alleged that time card fraud was being committed by a Research Triangle Park employee. The employee's office provided to the OIG the employee's timesheets, badge logs and overtime requests. The employee had been paid for a substantial amount of overtime and had accumulated a large sum of compensatory time over a 2-year period. During an interview, the employee admitted to falsely claiming overtime and compensatory time on numerous occasions for at least 3 years. Based on the admission and the findings of the investigation, the employee was removed from federal service. The U.S. Attorney's Office, Middle District of North Carolina, is pursuing possible criminal prosecution of the employee.

Agency Failure to Act on (or to Report to OIG That It Acted on) Reports of Investigations

CASE 1, Report of Investigation to EPA Office of Administration and Resources Management, November 25, 2013: The investigation revealed information to support the allegation that a GS-15 EPA employee engaged in private business activities with contract employees during official work time, used a government position to assist a contract employee's attempt to gain federal employment with the EPA, and may have misused government property and acted in a manner unbecoming a federal employee with a contract employee.

CASE 2, Report of Investigation to EPA Office of Chemical Safety and Pollution Prevention, June 10, 2014: The investigation revealed information to support the allegation that a GS-13 EPA employee violated the Code of Federal Regulations and EPA administrative policies with the viewing and downloading of pornographic materials as well as various movies and video clips with an EPA-issued computer through the EPA network during core working hours.

Initiated from OIG Hotline

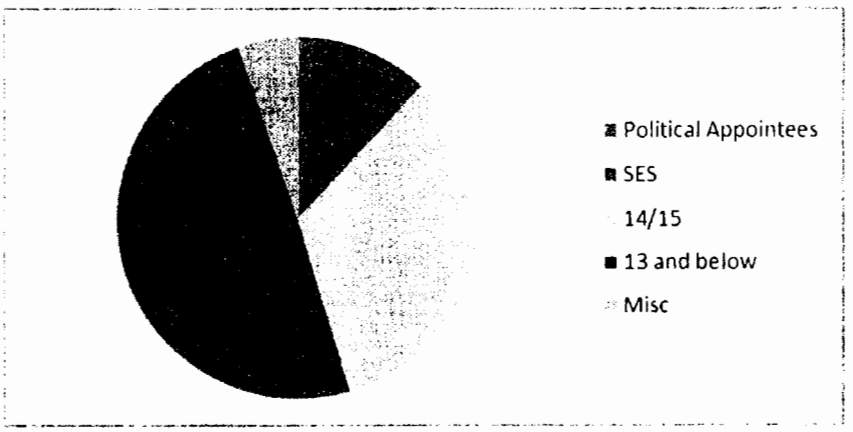
CASE 3, Report of Investigation to EPA Office of Administration and Resources Management, October 8, 2014: The investigation revealed that, during an employment suitability background investigation of an EPA employee, conducted by the Office of Personnel Management, criminal and financial indebtedness information surfaced that previously had not been divulged by the employee when completing form OF-306, *Declaration for Federal Employment*, and form SF-85P, *Questionnaire for Public Trust Positions*. The EPA's Personnel Security Branch requested documentation evidencing the paying down of accumulated debts from the employee. The documentation tendered by the employee did not appear authentic and was determined to be fraudulent. The employee provided false information to the EPA concerning criminal history and failed to pay accrued personal debts, which included an EPA travel card balance of $10,226.

Closed Employee Integrity Cases

Statistics on employee integrity investigation cases closed during the semiannual reporting period follow.

	Political appointees	SES	GS-14/15	GS-13 and below	Misc.*	Total
Pending 10/1/14	4	11	24	42	3	**82**
Open	0	0	2	9	2	**13**
Closed	3	2	1	14	1	**21**
Pending 3/31/15	1	8	25	37	4	**75**

* Adjusted from prior period.



Other Activities

EPA OIG Will Make Improvements in Areas of Timekeeping, Hiring and Fleet Management

As a result of congressional inquiries, the OIG conducted reviews of the EPA in three personnel-related areas—time and attendance reporting, compliance with overtime policies, and the employee hiring process. In addition to reviewing the agency overall, the auditors looked at how the OIG itself performed in these areas, and found that the OIG could make improvements. Although our reviews of the agency are still in process, the OIG issued three reports on how the OIG performed in these areas, as summarized below. In addition, the OIG conducted an audit to determine how well the EPA OIG manages its law enforcement vehicles.

- **Time and Attendance Reporting.** The OIG did not always comply with its own policy for using its official internal system for recording time and attendance, including approval for leave and premium pay. Some employees did not submit or have approved planned or actual timesheets in the OIG's internal system. As a result, the OIG was not always able to verify that the data in the agency's official payroll system were accurate, and employees may use leave without authorization. The report recommended, and OIG management agreed to, improve its guidance in this area. Corrective actions are in process. *(Report No. 15-B-0074, EPA OIG Not Fully Compliant With OIG Policy on Time and Attendance Reporting, February 4, 2015)*

- **Overtime Policies.** The OIG did not always use the EPA's *Request for Authorization of Overtime Work* form for overtime requests and authorization, as required by agency policy. Also, OIG employees did not always comply with OIG policy to have overtime approved in advance. As a result, OIG employees may have incurred overtime without proper authorization. The report recommended, and OIG management agreed to, clarify its policy in this area, and inform management and employees of the need to comply with EPA overtime policies. Corrective actions are in process. *(Report No. 15-B-0075, EPA OIG Not Fully Compliant With Overtime Policies, February 4, 2015)*

- **Employee Hiring Process.** The OIG does not have a requirement to verify information in a job application, including job employment history or references. The OIG relies on the applicant self-certifying information submitted. Without verification of prior employment or references, the potential exists that the OIG will not hire the best possible candidate or will hire someone based on misleading information. The report recommended, and OIG management agreed to, require

selecting officials to verify prior employment and references before making any hires, and establish policies for employee vetting. Corrective actions are in process. *(Report No. 15-B-0076, Improvements Needed by EPA OIG to Reduce Risk in Employee Hiring Process, February 5, 2015)*

- **Fleet Management.** The auditors sought to determine whether the EPA OIG managed its law enforcement vehicles in accordance with federal fleet requirements. The OIG conducted this audit in conjunction with an audit of the agency's overall fleet management. As of November 2013, the EPA OIG had a total of 29 vehicles used by the OIG Office of Investigations. The audit identified opportunities for management consideration. Corrective actions are complete or in process. *(Report No. 15-B-0002, EPA OIG Compliance With Managing Vehicles Within EPA's Fleet Management Program, October 6, 2014)*

Administrator Issues Message to All EPA Employees on Importance of Cooperating With OIG

In response to requests from the OIG, EPA Administrator Gina McCarthy issued a message to all EPA employees stressing the importance of everyone cooperating with the OIG to better ensure that the agency functions as a high-performing organization.

"One of the ways we can ensure that we all perform at our best is to support the internal review and oversight carried out by our Office of Inspector General. The OIG serves as an independent office within our agency, preventing and rooting out fraud, waste and abuse in agency programs and operations, largely through audits and investigations. This important work enables us all to be more effective in achieving the agency's mission." McCarthy noted in a January 2, 2015, email to all EPA employees.

"The vigilance of EPA staff is key to successful OIG oversight. I expect all employees to report fraud, waste and abuse to the OIG if they see it. The types of conduct that should be included include: theft of EPA funds, misuse of contract or grant monies, misuse of EPA equipment or assets for personal gain, falsification of EPA reports or records, serious employee misconduct, or participation in EPA fraud," she said.

McCarthy noted that employees should use the OIG hotline if they become aware of a matter of concern, and pointed out they may request anonymity.

EPA OIG Whistleblower Protection Ombudsman Activities Advancing

The Whistleblower Protection Enhancement Act of 2012 (Public Law No. 112-199) assigned the OIG responsibility for educating employees about whistleblower protections, rights and remedies. The EPA OIG has placed this function within its Office of Counsel.

During this semiannual period, the EPA OIG Whistleblower Protection Ombudsman received more inquiries than in previous periods, as more employees became aware that this function had been created. The ombudsman saw a modest increase in the number of consultations requested by employees who felt they were being subjected to prohibited personnel practices in retaliation to whistle blowing. After consultations with inquiring employees, the ombudsman referred them to the government's Office of Special Counsel to start the applicable process establishing whistleblower status or action for a prohibited personnel practice.

While not trying to "drum up business," the Inspector General believes that an aware workforce will be a more engaged workforce, attuned to call attention to problems when warranted. To that end, the Inspector General commenced an outreach program focusing on fraud, waste and abuse, emphasizing reporting: "If you see it, say something!" Delivered to agency managers, these outreach presentations have been well received. During the last semiannual period, the EPA OIG Whistleblower Protection Ombudsman and other staff members from the OIG's Office of Counsel and Office of Investigations made six such presentations.

The Office of Special Counsel has a certification program whereby it will certify a federal agency's compliance with training and awareness provisions of the Whistleblower Protection Act if the agency meets five requirements in those areas. While the OIG can and does reach out to the agency with the OIG awareness program as noted above, it is the agency that must take the steps to receive the Office of Special Counsel certification, and the EPA has not done so.

Legislation and Regulations Reviewed

Section 4(a) of the Inspector General Act requires the Inspector General to review existing and proposed legislation and regulations relating to the program and operation of the EPA and to make recommendations concerning their impact. The OIG also reviews drafts of OMB circulars, memorandums, executive orders, program operations manuals, directives and reorganizations. The primary basis for the OIG's comments are the audit, evaluation, investigation and legislative experiences of the OIG, as well as its participation on the Council of the Inspectors General on Integrity and Efficiency. During the reporting period, the EPA OIG reviewed 15 proposed changes to legislation, regulations, policy, procedures or other documents that could affect the EPA or the Inspector General, and provided comments on three.

U.S. Chemical Safety and Hazard Investigation Board

The U.S. Chemical Safety and Hazard Investigation Board (CSB) was created by the Clean Air Act Amendments of 1990. The CSB's mission is to investigate accidental chemical releases at facilities, report to the public on the root causes, and recommend measures to prevent future occurrences. In FY 2004, Congress designated the EPA Inspector General to serve as the Inspector General for the CSB. As a result, the EPA OIG has the responsibility to audit, evaluate, inspect and investigate the CSB's programs, and to review proposed laws and regulations to determine their potential impact on the CSB's programs and operations. Details on our work involving the CSB are available at http://www.csb.gov/inspector-general.

OIG Testifies on CSB Improperly Using Private Email Accounts

Patrick Sullivan, EPA Assistant Inspector General for Investigations, testified March 4, 2015 before the Committee on Oversight and Government Reform U.S. House of Representatives, on the improper use of private emails by CSB.

Sullivan testified that the OIG had submitted a Report of Investigation to President Obama noting that the CSB's Chairperson, General Counsel and Managing Director "used private, nongovernmental email systems to communicate on CSB matters, and those communications were not preserved as official records." Further, Sullivan said that the Chairperson and General Counsel "purposely employed nongovernmental systems so that certain CSB business did not appear on CSB systems." Sullivan noted that although CSB subsequently issued guidance telling staff to cease using nongovernmental email accounts for CSB business, the OIG found that the practice continued.

The EPA OIG had difficulty obtaining documents related to this investigation, and on September 5, 2013, the EPA OIG had issued a Seven-Day letter to the CSB Chairperson regarding CSB's refusal to provide requested documents. EPA OIG Inspector General Elkins brought this matter to the attention of the House committee during testimony on June 19, 2014, and as a result of that testimony the committee instructed CSB to provide the documents that the OIG sought. CSB subsequently provided requested documents. The emails sought were part of an investigation regarding whistleblowers who had filed confidential complaints to the CSB's Office of Special Counsel. The documents led the OIG to conclude that there was sufficient evidence to find that CSB violated the Federal Records Act.

During other testimony by Elkins on February 3, 2015, to update the committee on progress being made with CSB, he noted that although CSB had complied with the committee's instructions to provide certain documents to the OIG, "they have yet to provide an affirmation of full compliance with our requests." Sullivan indicated on March 4, 2015, that the affirmation had still not been received.

CSB Needs to Improve Controls for Approving Acquisitions

CSB did not implement internal controls designed to ensure that acquisitions over $50,000 receive board approval, resulting in over $1.9 million in acquisitions being at risk due to the lack of board approval.

Initiated from OIG Hotline

The OIG initiated this review after receiving a hotline complaint about a CSB contract awarded for about $1 million. While the OIG's audit work continues, this early warning report addressed issues of concern that the OIG believed needed immediate attention.

CSB had 14 acquisitions (interagency agreements, contracts and purchase orders) each over $50,000 that did not have the required board approval; these acquisitions totaled over $1.9 million. Also, CSB did not record its market research actions for two contracts totaling over $380,000, or its quality assurance surveillance plan actions for seven contracts totaling over $1.4 million. Therefore, funds were at risk and there was insufficient assurance that CSB received the best value for government money spent. The initial response from CSB indicated there were dissenting views within the organization regarding the issues that the OIG noted.

(Report No. 15-P-0007, Early Warning Report: Not Following Internal Controls Put Acquisitions at Risk, October 29, 2014)

CSB Should Improve Information Security Program

CSB should improve key aspects of its information security program related to planning and security controls, its vulnerability testing process, and internal control over information technology inventory.

The Federal Information Security Management Act requires federal agencies to develop an information security program that protects its operations and assets, and the OIG is required to perform an annual evaluation of the program. Federal information systems are subject to threats, including purposeful attacks.

The OIG recommended that CSB update it system security plan, implement a risk management network, improve security room controls, develop a process for orderly shutdown of critical information technology assets, create plans to remediate systems

with known vulnerabilities, and improve its inventory control practices. CSB concurred with the recommendations and has initiated corrective actions.

(Report No. 15-P-0073, Key Aspects of CSB Information Security Program Need Improvement, February 3, 2015)

CSB Financial Statements Found to Be Fairly Presented

The firm that audited CSB's financial statements for FYs 2014 and 2013 on behalf of the EPA OIG found that the statements were fairly presented and free of material misstatements. The auditors found no matters involving CSB internal controls that they considered to be a material weakness, and the firm found no instances of noncompliance. *(Report No. 15-1-0022, Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2014 and 2013 Financial Statements, November 17, 2014)*

Statistical Data

Profile of Activities and Results

Audit and evaluation operations
OIG reviews

	October 1, 2014 – March 31, 2015 ($ in millions)
Questioned costs *	$2.1
Recommended efficiencies *	$61.6
Costs disallowed to be recovered	$8.8
Costs disallowed as cost efficiency	$0.0
Reports issued by OIG	27
Reports resolved (Agreement by agency officials to take satisfactory corrective actions) **	70

Audit and evaluation operations
Reviews performed by Single Audit Act auditors

	October 1, 2014– March 31, 2015 ($ in millions)
Questioned costs *	$2.5
Recommended efficiencies *	$0.0
Costs disallowed to be recovered	$0.0
Costs disallowed as cost efficiency	$0.0
Single Audit Act reviews	101
Agency recoveries Recoveries from audit resolutions of current and prior periods (cash collections or offsets to future payments) ***	$0.7

Investigative operations

	October 1, 2014– March 31, 2015 ($ in millions)
Total Fines and Recoveries ****	$6.0
Cost Savings	$0.02
Cases Opened During Period	42
Cases Closed During Period	57
Indictments/Informations of Persons or Firms	16
Convictions of Persons or Firms	7
Civil Judgments/Settlements/Filings	1

* Questioned costs and recommended efficiencies are subject to change pending further review in the audit resolution process.

** Reports resolved are subject to change pending further review.

*** Information on recoveries from audit resolutions is provided by the EPA's Office of Financial Management and is unaudited.

**** Fines and recoveries resulting from joint investigations.

Audit, Inspection and Evaluation Report Resolution

Status report on perpetual inventory of reports in resolution process for semiannual period ending March 31, 2015

Report category	No. of reports	Report issuance ($ in thousands)		Report resolution costs sustained ($ in thousands)	
		Questioned costs	Recommended efficiencies	To be recovered	As efficiencies
A. For which no management decision was made by October 1, 2014*	80	$37,144	$19,577	$190	$0
B. Which were issued during the reporting period	128	4,660	61,600	8,883	0
C. Which were issued during the reporting period that required no resolution	70	0	0	0	0
Subtotals (A + B - C)	138	41,804	81,177	9,073	0
D. For which a management decision was made during the reporting period	107	23,119	1,728	8,886	0
E. For which no management decision was made by March 31, 2015	31	18,685	79,449	187	0
F. Reports for which no management decision was made within 6 months of issuance	47	15,007	19,577	79	0

* 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.

Table 1: Inspector General-issued reports with questioned costs for semiannual period ending March 31, 2015 ($ in thousands)

Report category	No. of reports	Questioned costs *	Unsupported costs
A. For which no management decision was made by October 1, 2014 **	22	$37,144	$14,721
B. New reports issued during period	8	4,660	2,753
Subtotals (A + B)	30	41,804	27,474
C. For which a management decision was made during the reporting period:	3	23,119	14,121
(i) Dollar value of disallowed costs	2	8,883	0
(ii) Dollar value of costs not disallowed	3	14,236	14,121
D. For which no management decision was made by March 31, 2015	19	18,685	13,353
Reports for which no management decision was made within 6 months of issuance	13	15,007	11,511

* Questioned costs include unsupported costs.

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

Table 2: Inspector General-issued reports with recommendations that funds be put to better use for semiannual period ending March 31, 2015 ($ in thousands)

Report Category	No. of reports	Dollar Value
A. For which no management decision was made by October 1, 2014 *	5	$19,577
B. Which were issued during the reporting period	5	61,600
Subtotals (A + B)	10	81,177
C. For which a management decision was made during the reporting period:	3	1,728
(i) Dollar value of recommendations from reports that were agreed to by management	0	0
(ii) Dollar value of recommendations from reports that were not agreed to by management	3	1,728
(iii) Dollar value of nonawards or unsuccessful bidders	0	0
D. For which no management decision was made by March 31, 2015	8	79,449
Reports for which no management decision was made within 6 months of issuance	5	19,577

* Any difference in number of reports and amounts of funds put to better use between this report and our previous semiannual report results from corrections made to data in our audit, inspection and evaluation tracking system.

Audits, inspections, and evaluations with no final action as of March 31, 2015, over 365 days past the date of the accepted management decision (including audits, inspections and evaluations in appeal)

Audits, inspections and evaluations	Total	Percentage
Program	49	58
Assistance agreements	12	14
Contract audits	0	0
Single audits	19	22
Financial statement audits	5	6
Total	**85**	**100**

Hotline Activity

The following table shows EPA OIG hotline activity regarding complaints of fraud, waste and abuse in EPA programs and operations during the semiannual reporting period ending March 31, 2015.

	Semiannual period (October 1, 2014–March 31, 2015)
Issues open at the beginning of the period	189
Inquiries received during the period	168
Inquiries closed during the period	219
Inquiries pending at the end of the period	138
Issues referred to others	
OIG offices	110
EPA program offices	37
Other federal agencies	8
State/local agencies/other	13
Contacts made to the EPA OIG Hotline (telephone, voicemails, emails, website and correspondence)	5,059

The hotline makes it easy to report allegations of fraud, waste, abuse, mismanagement or misconduct in the programs and operations of the EPA. Employees, as well as contractors, grantees, program participants and members of the general public, may report allegations to the OIG.

The Inspector General Act of 1978, as amended, and other laws (such as the Whistleblower Protection Enhancement Act of 2012) protect those who make hotline complaints. Individuals who contact the hotline are not required to identify themselves and may request confidentiality. However, the OIG encourages those who report allegations to identify themselves so that they can be contacted if the OIG has additional questions. Pursuant to Section 7 of the Inspector General Act, the OIG will not disclose the identity of an EPA employee who provides information unless that employee consents or the Inspector General determines that such disclosure is unavoidable during the course of the investigation, audit or evaluation. As a matter of policy, the OIG will provide comparable protection to employees of contractors, grantees and others who provide information to the OIG and request confidentiality.

Hotline

To report fraud, waste, or abuse, contact us through one of the following methods:

e-mail: OIG_Hotline@epa.gov
phone: 1-888-546-8740
fax: 202-566-2599
online: http://www.epa.gov/oig/hotline.htm

write OIG EPA Hotline
1200 Pennsylvania Ave NW
Mailcode 2431T
Washington, DC 20460

Summary of Investigative Results

Summary of investigative activity during reporting period

Cases open as of October 1, 2014 *	224
Cases opened during period	42
Cases closed during period	57
Cases pending as of March 31, 2015	209

* Adjusted from prior period.

Investigations pending by type as of March 31, 2015

	Superfund	Management	Split funded	Recovery Act	CSB	Total
Contract fraud	9	8	11	4	0	**32**
Grant fraud	0	19	7	10	0	**36**
Laboratory fraud	3	5	3	0	0	**11**
Employee integrity	3	35	35	0	2	**75**
Program integrity	1	9	5	1	0	**16**
Computer crimes	0	0	6	0	0	**6**
Threat	0	5	2	0	0	**7**
Retaliation	0	1	0	0	0	**1**
Other	3	13	8	1	0	**25**
Total	**19**	**95**	**77**	**16**	**2**	**209**

Results of prosecutive actions

	EPA OIG only	Joint *	Total
Criminal indictments/informations/complaints	5	11	16
Convictions	33	4	7
Civil judgments/settlements/filings	0	1	1
Deportations	0	0	0
Fines and recoveries (including civil)	$4,718	$3,068,345	$3,073,063
Prison time	0 months	146 months	146 months
Prison time suspended	0 months	3 days	3 days
Home detention	0 months	12 months	12 months
Probation	72 months	336 months	408 months
Community service	48 hours	100 hours	148 hours

* With another federal agency.

Administrative actions

	EPA OIG only	Joint *	Total
Suspensions	1	6	7
Debarments	12	0	12
Other administrative actions	30	1	31
Total	**43**	**7**	**50**
Administrative recoveries	**$172,045**	**$0**	**$172,045**
Cost avoidance	**$20,305**	**$0**	**$20,305**

* With another federal agency

Appendices

Appendix 1—Reports Issued

The Inspector General Act of 1978, as amended, requires a listing, subdivided according to subject matter, of each report issued by the OIG during the reporting period. For each report, where applicable, the Inspector General Act also requires a listing of the dollar value of questioned costs and the dollar value of recommendations that funds be put to better use.

Report No.	Report	Date	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Federal Recommended Efficiencies
PERFORMANCE REPORTS						
15-P-0001	EPA's Fleet Management Program Needs Improvement	Oct. 06, 2014	$0	$0	$0	$0
15-P-0003	EPA Region 6 Mismanaged Coastal Wetlands Funds	Oct. 09, 2014	0	0	0	780,793
15-P-0006	Enhanced EPA Oversight for Clean Air Act Title V Revenues	Oct. 20, 2014	0	0	0	0
15-P-0007	Not Following Internal Controls May Put CSB Acquisitions at Risk	Oct. 29, 2014	0	0	0	0
15-P-0013	No Significant Contamination Found at Deleted Superfund Sites	Nov. 10, 2014	0	0	0	0
15-P-0020	EPA FY 2014 Federal Information Security Management Act Audit	Nov. 13, 2014	0	0	0	0
15-P-0032	EPA Needs to Demonstrate Benefits of Drinking Water Fund Projects	Dec. 05, 2014	0	0	0	0
15-P-0033	EPA Needs Better Management of Personal Property in Warehouses	Dec. 08, 2014	0	0	0	57,234,594
15-P-0042	Call Center: Contract Management Needs Improvement	Dec. 23, 2014	0	910,776	0	
15-P-0046	EPA Needs to Improve National Pesticide Info. Center Outreach	Jan. 07, 2015	0	0	0	0
15-P-0064	EPA's Antimicrobial Testing Program Efficacy Results Reporting	Jan. 21, 2015	0	0	0	0
15-P-0073	Aspects of CSB Information Security Program Need Improvement	Feb. 03, 2015	0	0	0	0
15-P-0099	Quick Reaction: EPA Pesticide Inspections Needed in North Dakota	Feb. 23, 2015	0	0	0	0
15-P-0101	EPA Has Considered Environmental Justice for Air Toxic Inspections	Feb. 26, 2015	0	0	0	0
15-P-0109	EPA Needs to Justify How it is Using Title 42 Hiring Authority	Mar. 05, 2015	0	0	0	3,531,870
15-P-0115	Scientific Equipment Use Needs Enterprise Approach to Manage	Mar. 16, 2015	0	0	0	0
	TOTAL PERFORMANCE REPORTS = 16		$0	$910,776	$0	$61,547,257
SINGLE AUDIT REPORTS						
15-3-0004	Montana, State of – FYs 2012 & 2013 (biennial report)	Oct. 15, 2014	$0	$0	$0	$0
15-3-0005	New York, State of – FY 2013	Oct. 15, 2014	0	0	0	0
15-3-0009	Bluffdale, Utah, City of – FY 2011	Nov. 04, 2014	0	0	0	0
15-3-0010	Santa Barbara, California, City of – FY 2012	Nov. 04, 2014	0	0	0	0
15-3-0011	Two Buttes, Colorado, Town of – FY 2012	Nov. 04, 2014	0	0	0	0
15-3-0012	Ute Mountain Ute Tribe, Colorado – FY 2012	Nov. 04, 2014	0	0	0	0
15-3-0015	Iowa, State of – FY 2013	Nov. 06, 2014	0	0	0	0
15-3-0016	Illinois, State of – FY 2013	Nov. 06, 2014	0	0	0	0
15-3-0017	Idaho, State of – FY 2013	Nov. 06, 2014	0	673,856	0	0
15-3-0018	Hawaii Department of Health, State of – FY 2013	Nov. 06, 2014	0	0	0	0
15-3-0019	Connecticut, State of – FY 2013	Nov. 06, 2014	0	0	0	0
15-3-0023	Lowell, Wisconsin, Village of – FY 2012	Nov. 17, 2014	0	0	0	0
15-3-0024	NW Regional Planning Commission, Spencer, Wisconsin – FY 2012	Nov. 17, 2014	0	0	0	0
15-3-0026	Seymour, Wisconsin, City of – FY 2012	Nov. 18, 2014	0	0	0	0
15-3-0027	Clark County, Wisconsin, – FY 2013	Nov. 18, 2014	0	0	0	0
15-3-0028	Door County, Wisconsin – FY 2012	Nov. 18, 2014	0	0	0	0
15-3-0029	Florence County, Wisconsin – FY 2012	Nov. 18, 2014	0	0	0	0
15-3-0030	Fond Du Lac County, Wisconsin – FY 2012	Nov. 18, 2014	0	0	0	0
15-3-0031	Forest County, Wisconsin – FY 2012	Nov. 18, 2014	0	0	0	0
15-3-0034	Barbourville Utility Commission, Kentucky – FY 2013	Dec. 04, 2014	0	0	0	0
15-3-0035	Bay County, Florida – FY 2013	Dec. 05, 2014	0	0	0	0
15-3-0036	Belzoni, Mississippi, City of – FY 2012	Dec. 05, 2014	0	0	0	0
15-3-0037	New Hampshire, State of – FY 2013	Dec. 08, 2014	0	0	0	0
15-3-0038	New Jersey, State of – FY 2013	Dec. 08, 2014	0	0	0	0
15-3-0039	Ohio, State of – FY 2013	Dec. 08, 2014	71,035	0	0	0
15-3-0040	South Carolina, State of – FY 2012	Dec. 08, 2014	0	0	0	0
15-3-0041	Washington, State of – FY 2013	Dec. 08, 2014	53,972	0	0	0
15-3-0043	West Virginia, State of – FY 2013	Dec. 30, 2014	0	0	0	0
15-3-0044	Wisconsin, State of – FY 2013	Dec. 30, 2014	0	0	0	0
15-3-0045	Wyoming, State of – FY 2013	Dec. 30, 2014	0	0	0	0
15-3-0047	Jackson, Mississippi, City of – FY 2013	Jan. 09, 2015	0	0	0	0

Report No.	Report	Date	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Federal Recommended Efficiencies
15-3-0048	Tennessee, State of – FY 2013	Jan. 09, 2015	0	0	0	0
15-3-0049	Hiawassee, Georgia, City of – FY 2013	Jan. 09, 2015	0	0	0	0
15-3-0050	Delaware, State of – FY 2013	Jan. 09, 2015	0	0	0	0
15-3-0051	California, State of – FY 2013	Jan. 09, 2015	0	0	0	0
15-3-0052	Blue Island, Illinois, City of – FY 2013	Jan. 09, 2015	0	0	0	0
15-3-0053	Casselberry, Florida, City of – FY 2013	Jan. 09, 2015	0	0	0	0
15-3-0054	North Carolina, State of – FY 2013	Jan. 14, 2015	1,668,169	0	0	0
15-3-0055	Puerto Rico Safe Drinking Water Revolving Loan Fund – FY 2013	Jan. 14, 2015	0	0	0	0
15-3-0056	United States Virgin Islands, Government of – FY 2012	Jan. 14, 2015	0	0	0	0
15-3-0057	United States Virgin Islands – FY 2013	Jan. 14, 2015	0	0	0	0
15-3-0058	Aiken County, South Carolina – FY 2012	Jan. 16, 2015	0	0	0	0
15-3-0059	Windham Regional Commission, Vermont – FY 2013	Jan. 16, 2015	0	0	0	0
15-3-0060	Putney School, Inc., Vermont – FY 2013	Jan. 16, 2015	0	0	0	0
15-3-0061	Southern Maine Regional Planning Commission, Maine – FY 2013	Jan. 16, 2015	0	0	0	0
15-3-0062	Warwick, New York, Village of – FY 2011	Jan. 16, 2015	0	0	0	0
15-3-0063	Shoshone & Arapaho Tribes of Wind River Reservation, Wyoming	Jan. 20, 2015	19,271	0	0	0
15-3-0065	Wrens, Georgia, City of – FY 2012	Jan. 21, 2015	0	0	0	0
15-3-0066	Washington, Georgia, City of – FY 2012	Jan. 21, 2015	0	0	0	0
15-3-0067	Thomaston, Georgia, City of – FY 2012	Jan. 21, 2015	0	0	0	0
15-3-0068	Louisville, Georgia, City of – FY 2012	Jan. 21, 2015	0	0	0	0
15-3-0069	Richmond Hill, Georgia, City of – FY 2012	Jan. 21, 2015	0	0	0	0
15-3-0070	Covelo Community Services District, California – FY 2012	Jan. 22, 2015	0	0	0	0
15-3-0077	Hardinsburg, Kentucky, City of – FY 2012	Feb. 05, 2015	0	0	0	0
15-3-0078	Wurtsboro, New York, Village of – FY 2011	Feb. 09, 2015	0	0	0	0
15-3-0079	Hernando, Mississippi, City of – FY 2012	Feb. 09, 2015	0	0	0	0
15-3-0080	Claiborne County, Mississippi – FY 2012	Feb. 09, 2015	0	0	0	0
15-3-0081	West Point, Mississippi, City of – FY 2012	Feb. 09, 2015	0	0	0	0
15-3-0082	Tunica, Mississippi, Town of – FY 2012	Feb. 09, 2015	0	0	0	0
15-3-0083	Jasper, Georgia, City of – FY 2013	Feb. 09, 2015	0	0	0	0
15-3-0084	Lakeland, Florida, City of – FY 2013	Feb. 09, 2015	0	0	0	0
15-3-0085	Marco Island, Florida, City of – FY 2013	Feb. 09, 2015	0	0	0	0
15-3-0086	New Mexico Environment Department, New Mexico – FY 2013	Feb. 10, 2015	0	0	0	0
15-3-0087	Puerto Rico Aqueduct and Sewer Authority, Puerto Rico – FY 2013	Feb. 10, 2015	0	0	0	0
15-3-0088	Woodville, Mississippi, Town of – FY 2012	Feb. 17, 2015	0	0	0	0
15-3-0089	Tonopah, Nevada, Town of – FY 2012	Feb. 17, 2015	0	0	0	0
15-3-0090	Te-Moak Tribe of W. Shoshone/Battle Mt. Band, Nevada – FY 2012	Feb. 17, 2015	0	0	0	0
15-3-0091	Welch, West Virginia, City of – FY 2012	Feb. 17, 2015	0	0	0	0
15-3-0092	East Tawakoni, Texas, City of – FY 2012	Feb. 17, 2015	0	0	0	0
15-3-0093	Spring Hill, Tennessee, City of – FY 2012	Feb. 17, 2015	0	0	0	0
15-3-0094	Puerto Rico Environmental Quality Board – FY 2013	Feb. 18, 2015	0	0	0	0
15-3-0095	Colorado, State of – FY 2013	Feb. 18, 2015	0	0	0	0
15-3-0096	Arizona, State of – FY 2013	Feb. 18, 2015	0	0	0	0
15-3-0097	New Mexico Finance Authority, New Mexico – FY 2013	Feb. 19, 2015	0	0	0	0
15-3-0098	Alaska, State of – FY 2013	Feb. 19, 2015	0	0	0	0
15-3-0100	District of Columbia Water and Sewer Authority – FY 2013	Feb. 23, 2015	0	0	0	0
15-3-0102	Old Town Water District, Maine – FY 2013	Mar. 02, 2015	0	0	0	0
15-3-0103	Berlin Water Works, New Hampshire – FY 2013	Mar. 02, 2015	0	0	0	0
15-3-0104	Narragansett Bay Commission, Rhode Island – FY 2013	Mar. 02, 2015	0	0	0	0
15-3-0105	Portsmouth Water and Fire District, Rhode Island – FY 2013	Mar. 02, 2015	0	0	0	0
15-3-0106	Warren, Rhode Island, Town of – FY 2013	Mar. 02, 2015	0	0	0	0
15-3-0107	Community Develop. Improvement Corp, South Carolina – FY 2011	Mar. 03, 2015	0	0	0	0
15-3-0108	Jefferson County, Mississippi – FY 2012	Mar. 03, 2015	0	0	0	0
15-3-0110	McDonough, Georgia, City of – FY 2013	Mar. 04, 2015	0	0	0	0
15-3-0111	Moultrie, Georgia, City of – FY 2013	Mar. 04, 2015	0	0	0	0
15-3-0112	Webster, Florida, City of – FY 2013	Mar. 04, 2015	0	0	0	0
15-3-0113	Nashville, Georgia, City of – FY 2013	Mar. 04, 2015	0	0	0	0
15-3-0114	Prentiss County, Mississippi – FY 2011	Mar. 04, 2015	0	0	0	0
15-3-0116	Ishpeming, Michigan, City of – FY 2013	Mar. 23, 2015	0	0	0	0
15-3-0117	Chicago Park District, Illinois – FY 2013	Mar. 23, 2015	0	0	0	0
15-3-0118	Texas, State of – FY 2013	Mar. 30, 2015	0	1,825	0	0
15-3-0119	Puerto Rico Water Pollution Control Revolving Fund – FY 2013	Mar. 30, 2015	0	0	0	0
15-3-0120	Putnam Public Service District-Sewer Fund, West Virginia – FY 2011	Mar. 30, 2015	0	0	0	0
15-3-0121	Ozone Transport Commission, District of Columbia, – FY 2012	Mar. 30, 2015	0	0	0	0
15-3-0122	Scott Township Sewer and Water Authority, Pennsylvania – FY 2011	Mar. 30, 2015	0	0	0	0
15-3-0123	Ozone Transport Commission, District of Columbia – FY 2013	Mar. 30, 2015	0	0	0	0
15-3-0124	Sheffield, Pennsylvania, Municipal Authority – FY 2012	Mar. 31, 2015	0	0	0	0

Report No.	Report	Date	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Federal Recommended Efficiencies
15-3-0125	Alexandria-Porter Joint Sewer Authority, Pennsylvania – FY 2012	Mar. 31, 2015	0	0	0	0
15-3-0126	Crab Orchard-Macarthur Public Srv. Dist., West Virginia – FY 2012	Mar. 31, 2015	0	0	0	0
15-3-0127	New Castle, Delaware, City of – FY 2012	Mar. 31, 2015	0	0	0	0
15-3-0128	Ann Arbor, Michigan, City of – FY 2012	Mar. 31, 2015	0	0	0	0
	TOTAL SINGLE AUDIT REPORTS = 101		$1,812,447	$675,681	$0	$0
ATTESTATION REPORTS						
15-4-0071	Pegasus Technical Services Inc. Improved Its Internal Control	Jan. 29, 2015	$0	$0	$0	$0
15-4-0072	Pioneer Valley Planning Commission Costs Questioned	Feb. 02, 2015	94,891	1,166,774	0	19,277
	TOTAL ATTESTATION REPORTS = 2		$94,891	$1,166,774	$0	$19,277
NON-AUDIT REPORTS						
15-N-0008	Compendium of Unimplemented Recommendations Sept. 30 2014	Oct. 31, 2014	$0	$0	$0	$0
15-N-0025	Early Warning: Some at EPA on Paid Administrative Leave for Years	Nov. 19, 2014	0	0	0	0
	TOTAL NON-AUDIT REPORTS = 2		$0	$0	$0	$0
OIG INTERNAL BRIEFING REPORTS						
15-B-0002	EPA OIG Compliance With Managing Fleet Vehicles	Oct. 06, 2014	$0	$0	$0	$0
15-B-0014	Ineffective Oversight of Purchase Cards at EPA OIG	Nov. 10, 2014	0	0	0	36,488
15-B-0074	EPA OIG Not Fully Compliant with Time and Attendance Policy	Feb. 04, 2015	0	0	0	0
15-B-0075	Congressional Request—EPA Tracking of Overtime Compensation	Feb. 04, 2015	0	0	0	0
15-B-0076	Improvements Needed by EPA OIG in Employee Hiring Process	Feb. 05, 2015	0	0	0	0
	TOTAL OIG INTERNAL BRIEFING REPORTS = 5		$0	$0	$0	$36,488
FINANCIAL AUDITS						
15-1-0021	EPA's FYs 2014 and 2013 Financial Statements	Nov. 17, 2014	$0	$0	$0	$0
15-1-0022	CSB's FYs 2014 and 2013 Financial Statements	Nov. 17, 2014	0	0	0	0
	TOTAL FINANCIAL AUDIT REPORTS = 2		$0	$0	$0	$0
	TOTAL REPORTS ISSUED = 128		**$1,907,338**	**$2,753,231**	**$0**	**$61,603,022**

Appendix 2—Reports Issued Without Management Decisions

For Reporting Period Ended March 31, 2015

The Inspector General Act of 1978, as amended, requires a summary of each audit report issued before the commencement of the reporting period for which no management decision had been made by the end of the reporting period, an explanation of the reasons such management decision had not been made, and a statement concerning the desired timetable for achieving a management decision on each such report. OMB Circular A-50 requires resolution within 6 months of a final report being issued. In this section, we report on audits with no management decision or resolution within 6 months of final report issuance. In the summaries below, we note the agency's explanation of the reasons a management decision has not been made, the agency's desired timetable for achieving a management decision, and the OIG follow-up status as of March 31, 2015.

In a February 4, 2015, memorandum seeking updates from senior agency staff on the status of recommendations, the EPA's acting Chief Financial Officer noted the EPA continues to make progress in reaching timely management decisions (agreement within 180 days of OIG report issuance). He noted that only 5 percent of management decisions were late as of the end of the first quarter of FY 2015, compared with 15 percent at the end of the first quarter of FY 2012. "Productive engagement between the agency and the OIG prior to issuance of the final audit report has helped to resolve many potential disagreements and led to more timely management decisions," he said.

Office of Research and Development

Report No. 14-P-0359, EPA's Alternative Asbestos Control Method Experiments Lacked Effective Oversight and Threatened Human Health, September 25, 2014

Summary: This review assessed the EPA's oversight of Alternative Asbestos Control Method experiments. The OIG found that the EPA conducted the Alternative Asbestos Control Method research for over a decade without appropriate oversight or an agreed research goal. This resulted in wasted resources and the potential exposure of workers and the public to unsafe levels of asbestos. The OIG recommended that the EPA improve research oversight by requiring significant research to follow a controlled process, tracking project costs and contributions, and reviewing and resolving internal EPA comments. The OIG also recommended that the EPA establish a process for the review of alternative regulatory emission control method submissions, and establish and follow standard procedures.

Agency Explanation: The Office of Research and Development provided the OIG with proposed corrective action to the last outstanding recommendation. The agency is still waiting on an OIG response and determination of corrective action acceptance.

OIG Follow-Up Status: The OIG is reviewing the Office of Research and Development's response.

Office of Environmental Information

Report No. 14-P-0332, Cloud Oversight Resulted in Unsubstantiated and Missed Opportunities for Savings, Unused and Undelivered Services, and Incomplete Policies, August 15, 2014

Summary: This review was conducted to determine whether the EPA had: (1) implemented its cloud initiatives in accordance with the Federal Cloud Computing Strategy and associated requirements; and (2) developed formal processes to monitor cloud vendors. The OIG found that the EPA developed processes to monitor cloud vendors. However, controls for the EPA's cloud computing initiatives are incomplete and need improvement. As a result, the EPA paid $2.3 million for services that were not fully rendered or did not comply with federal requirements. The OIG recommended the EPA to undertake a number of corrective actions to address deficiencies in EPA's cloud computing initiatives, including: improving related policies and procedures; providing additional training and oversight to contracting officers; performing documented cost-benefit analyses that are in compliance with federal requirements; and implementing a strategy to perform a documented analysis of all the assets in the EPA's information technology portfolio to determine which assets should be consolidated, retired or moved to the cloud.

Agency Explanation: In December 2014, the Office of Environmental Information and the OIG were able to come to consensus on the recommendations and corrective actions. The revised corrective action plan is in the process of being approved by the Office of Environmental Information and sent to the OIG.

OIG Follow-Up Status: Agency provided incomplete response.

Office of Grants and Debarment

Report No. 13-P-0341, Lead Remediation Association of America, August 6, 2013

Summary: The OIG found that the Lead Remediation Association of America's financial management system did not meet the standards established under the Code of Federal Regulations. The association's accounting system data were not updated timely. The association also made cash draws and submitted its final federal financial report using the grant budget amounts rather than actual costs incurred. In addition, the association did not maintain source documentation to support the costs incurred or claimed as required. We also found that the association did not meet the grant objectives as outlined in the approved workplan. As of the date of OIG's report—2 years after the grant period end date of June 30, 2011—the association had not produced the required DVDs, provided evidence of brochure distribution, or completed the required training and workshops. As a result of the issues noted, the OIG questioned the $249,870 claimed and recommended recovery of the $249,882 drawn under the grant.

Agency Explanation: The OIG has reactivated this audit and notified Office of Grants and Debarment that it can proceed with work on developing the management decision. The Office of Grants and Debarment will contact principals of the Lead Remediation Association of America to obtain additional materials available for evaluation in order to develop its management decision. The forecast date to issue the management decision for the audit is June 30, 2015.

OIG Follow-Up Status: Resolution pending receipt of additional information.

Report No. 14-P-0131, National Association of State Departments of Agriculture Research Foundation Needs to Comply With Certain Federal Requirements and EPA Award Conditions to Ensure the Success of Pesticide Safety Education Programs, March 10, 2014

Summary: The National Association of State Departments of Agriculture Research Foundation's financial management system did not meet certain federal requirements and conditions of the EPA award. Specifically, the foundation incorrectly calculated and applied indirect cost rates, reported outlays for indirect costs in excess of recorded expenses, and drew funds that exceeded its cash needs. As a result, we questioned $275,650. The foundation did not document its procurement selection process or provide documentation to support any cost or price analysis performed on its project management subcontract as required by the Code of Federal Regulations. The foundation did not determine the reasonableness of costs for two subgrants as required by conditions of the award. In addition, the foundation's written procurement policy lacked procedures to ensure compliance with the Code of Federal Regulations. As a result, we questioned $295,976. The OIG also identified an unresolved issue pertaining to potentially unallowable costs of $118,324 drawn under a prior EPA award. The costs, recorded as a refundable advance, represent funds received as of year end but not yet earned.

Agency Explanation: The Office of Grants and Debarment continues to evaluate documents provided by the foundation and has requested additional documents from the foundation to develop the agency management decision for the audit. The forecast date to issue the management decision for the audit is June 30, 2015.

OIG Follow-Up Status: The OIG is reviewing the Office of Grants and Debarment's draft decision.

Office of Solid Waste and Emergency Response

Report No. 14-P-0364, EPA Needs to Improve Its Process for Accurately Designating Land as Clean and Protective for Reuse, September 29, 2014

Summary: This review was conducted to determine whether the EPA designation of sites that have achieved the "protective for people" and/or "ready for anticipated use" performance measures include effective controls to ensure long-term protection to human health and the environment. The OIG found that the EPA has limited controls for verifying or testing the accuracy of Cross Program Revitalization Measures information that states and grantees provide to show sites are not protective for people and ready for anticipated use. This review also found that the EPA does not have adequate controls to verify that these designations continue to be valid and the sites remain protective in the long-term. The OIG recommended that EPA improve controls over its guidance, review and reporting of the Cross Program Revitalization Measures.

Agency Explanation: Four out of five recommendations have been resolved, with one recommendation still outstanding. The agency and the OIG are working to resolve the final recommendation, yet no expected resolution date is available.

OIG Follow-Up Status: None provided.

Region 6—Regional Administrator

Report No. 13-4-0296, Labor-Charging Practices at the New Mexico Environment Department, June 17, 2013

Summary: This review found that three of the four New Mexico Environment Department bureaus did not always comply with requirements found in the Code of Federal Regulations. The Air Quality Bureau and Drinking Water Bureau charged labor, fringe benefits and indirect costs to federal grants based upon budget allocations instead of actual activities performed. Personnel activity reports received from the Surface Water Quality Bureau to support charges for labor costs incurred prior to July 2006 did not meet requirements. New Mexico personnel stated that they charged labor based upon budget allocations because they thought the practice was acceptable. EPA OIG questioned $298,159 in labor, fringe benefits and related indirect costs claimed by the Air Quality Bureau; $2,974,318 claimed by Drinking Water Bureau; and $2,733,798 claimed by Surface Water Quality Bureau. The OIG also identified an additional $486,305 charged to a Drinking Water Bureau-administered grant which has not yet been reported to the EPA.

Agency Explanation: The management decision letter to the New Mexico Environment Department was issued on February 7, 2014. However, OIG acceptance has been delayed until questioned costs can be confirmed. The expected resolution date is December 31, 2015.

OIG Follow-Up Status: None needed.

Region 7—Regional Administrator

Report No. 13-R-0367, American Recovery and Reinvestment Act Award to Grace Hill Settlement House, August 30, 2013

Summary: This review found that Grace Hill's financial management system did not meet federal standards. In particular, procurements did not meet the competition or cost and price analysis requirements of the Code of Federal Regulations. The contract administration system also did not meet the code's requirements. Unallowable costs were not segregated and financial management data were not properly supported, labor charges did not comply with requirements, and cash draws did not meet the immediate cash needs requirements and were not properly documented. As a result of the issues noted, the OIG questioned $1,615,353 of the $2,250,031 claimed under the cooperative agreement. In addition, due to a lack of adequate documentation from Grace Hill, we were unable to determine whether Grace Hill accomplished the objective of the cooperative agreement or met the job reporting requirements of the American Recovery and Reinvestment Act's Section 1512.

Agency Explanation: Region 7 evaluated and consolidated the deviation request and supplemental documentation provided by Grace Hill and submitted the deviation request to the Office of Grants and Debarment, National Policy, Training and Compliance Division, on February 25, 2015. Region 7 is awaiting a determination from the Office of Grants and Debarment before moving forward.

OIG Follow-Up Status: None needed.

Region 8—Regional Administrator

Report No. 2007-4-00078, Cheyenne River Sioux Tribe, September 24, 2007

Summary: The tribe did not comply with the financial and program management standards under the Code of Federal Regulations and OMB Circular A-87. We questioned $3,101,827 of the $3,736,560 in outlays reported. The tribe's internal controls were not sufficient to ensure that outlays reported complied with federal cost principles, regulations and grant conditions. In some instances, the tribe also was not able to demonstrate that it had completed all work under the agreements and had achieved the intended results.

Agency Explanation: Region 8 is working with the recipient on draft policies and procedures as part of a multi-federal partnership with the tribe. In addition, the Office of Grants and Debarment and the region are discussing the contents of the proposed final determination letter. Projected completion date is June 30, 2015.

OIG Follow-Up Status: No response received.

Report No. 14-R-0032, The State of Colorado Did Not Fully Assure that Funds Intended to Treat Mining Wastes and Remove Contaminants from Water Were Effectively Spent, November 19, 2013

Summary: The Colorado Department of Public Health and Environment generally complied with Colorado's state procurement policies and procedures as required by Code of Federal Regulations. However, the department did not always comply with the cost or price analysis requirements and did not include language in bid proposals designating the date, time and place of bid openings, as required by State of Colorado Procurement Rule R-24-103-202a-08(b). In addition, the department did not always ensure required federal language was included in bid proposals and contracts. As a result, we questioned $2,593,495 claimed under the cooperative agreement.

Agency Explanation: Region 8 sent a draft management decision letter to the OIG for concurrence. Region 8 also has had regular check-ins with the OIG on the ongoing efforts toward resolution with the state of Colorado. The region and OIG are sharing detailed information about the audit resolution process. Region 8 sent a waiver request to the Office of Grants and Debarment related to findings in the audit report after discussion with the OIG about the draft management decision letter.

OIG Follow-Up Status: None needed.

Region 9—Regional Administrator

Report No. 13-3-0159, Summit Lake Paiute Tribe, Nevada – FY 2010, February 19, 2013

Summary: The tribe did not file or maintain documentation of compliance for annual reports. Also, the required SF 425 report did not cover the correct period. A similar finding was noted in the prior year audit report. The tribe recorded deferred revenues in the amount of $804,104 and only $150,416 in available cash. The single auditor questioned $653,688. A similar finding was noted in the prior year audit report. The tribe's operating practices did not reflect the processes described in the approved policies and procedures manual. The tribe did not properly reconcile its SF 425 report to the general ledger for certain awards and the single auditor questioned $20,556. The single auditor also questioned $76,216 involving amounts paid to the General Assistance Program Director.

Agency Explanation: Per request from the tribe, an EPA team went onsite at the end of FY 2014 to assist the tribe in reviewing additional documentation for Agreed Upon Procedures #12-3-0072. The team completed the review and briefed management on the outcome of the visit. In January 2015, the Deputy Assistant Regional Administrator and Grants Management Office visited the tribe. Currently waiting for tribe to decide if it wants to repeal its appeal and ask for debt forgiveness.

OIG Follow-Up Status: Under appeal.

Report No. 13-3-0160, Summit Lake Paiute Tribe, Nevada – FY 2011, February 19, 2013

Summary: The tribe did not file the quarterly narratives for the General Assistance Program. Furthermore, the tribe was unable to locate documentation for two quarterly SF 425 reports. There were no formalized controls regarding the security of the payroll stamp. Also, the single auditor noted issues related to pay rates. A similar finding was noted in the prior year audit report. Budgets prepared excluded the carry-forward amounts from prior periods. Several transactions were not supported by a purchase order or other type of approval prior to the expenditure being made. One transaction charged to travel in the amount of $2,877 did not appear to be valid and appropriate for the granting requirements, and the single auditors questioned that amount.

Agency Explanation: Per request from the tribe, an EPA team went onsite at the end of FY 2014 to assist the tribe in reviewing additional documentation for Agreed Upon Procedures #12-3-0072. The team completed the review and briefed management on the outcome of the visit. In January 2015, the Deputy Assistant Regional Administrator and Grants Management Office visited the tribe. Currently waiting for tribe to decide if it wants to repeal its appeal and ask for debt forgiveness.

OIG Follow-Up Status: Under appeal.

Report No. 13-3-0350, Wells Band Council, Nevada – FYs 2008, 2011 and 2012, August 21, 2013

Summary: This review found numerous financial statement and major program compliance findings. As a result of significant cash management issues, we questioned as unsupported $361,027 and recommended that the council be considered high risk, in accordance with the Code of Federal Regulations.

Agency Explanation: The tribe had a tribal election but was unclear on the outcome, and hired a Certified Public Accountant to assist them in resolving the audit findings. They will resubmit a corrective action plan by end of March 2015. The region will issue a management decision letter upon receipt and review of the corrective action plan. Concurrently, there is an OIG review No. 14-2-0316 that we hope will be resolved in one management decision letter.

OIG Follow-Up Status: None needed.

Report No. 14-2-0316, Wells Band Council Nevada – FY 2008, 2011 and 2012, August 21, 2013

Summary: EPA Region 9 requested assistance from the OIG due to concerns about the financial practices and internal controls of the Wells Band Council. The financial practices and internal controls involved equipment and travel costs, and timekeeping methods and procedures. The OIG found that the council did not timely submit federal financial reports to support draws of $390,000 made by the Council under EPA grant 00T39801. By not submitting federal financial reports within the period reviewed under this engagement, the council had not claimed any costs; therefore, the OIG could not evaluate travel and equipment costs incurred under their EPA grant. Additionally, the OIG found that council timekeeping methods and procedures were not in compliance with federal regulations. Personnel activity reports or equivalent documents were not maintained. Also, the council's financial management system did not meet the standards established under federal regulations.

Agency Explanation: The tribe had a tribal election but was unclear on the outcome, and hired a Certified Public Accountant to assist them in resolving the audit findings. They will resubmit a corrective action plan by end of March 2015. The region will issue a management decision letter upon receipt and review of the corrective action plan.

OIG Follow-Up Status: None needed.

Report No. 14-3-0248, Richmond, California, City of – 2012, May 8, 2014

Summary: This review found that the city of Richmond did not report expenditures of federal awards for the Brownfield Assessment and Cleanup Cooperative Agreements for FYs 2010 and 2011. The city made four drawdowns totaling $600,000 after the budget and project end dates. The OIG questioned the $600,000 as unsupported costs.

Agency Explanation: Management decision is delayed due to an ongoing OIG investigation involving the audit recipient.

OIG Follow-Up Status: Pending further investigation from the OIG.

Total reports issued before reporting period for which no management decision had been made as of March 31, 2015 = 14

Appendix 3—Reports With Corrective Action Not Completed

In compliance with reporting requirements of Section 5(a)(3) of the Inspector General Act of 1978, as amended, we are to identify each significant recommendation described in previous semiannual reports on which corrective action has not been completed.

On February 4, 2015, the EPA's acting Chief Financial Officer noted in a memorandum to senior agency staff that "While reaching management decision with the Office of Inspector General continues to improve, I urge you to pay attention to the increasing number of significantly late corrective actions." He noted that he was "concerned ... about the increasing number of corrective actions that remain incomplete 365 days or more beyond the due date established in the agency's agreed-to corrective action plans." In July 2012, the OIG changed its policy to allow the agency an additional 365 days beyond the agreed due date before designating a corrective action as late. The acting Chief Financial Officer stated that "even with this 1-year 'grace' period for completion, the number of late corrective actions continue to increase." He said that although only seven corrective actions were 365 or more days late at the end of the second quarter of FY 2012, that number rose to 53 at the end of the first quarter of FY 2015. The acting Chief Financial Officer urged agency senior staff to "monitor audit follow-up activities closely and try to anticipate and address issues that may potentially delay the timely completion of corrective actions."

Several examples of why recommendations remained unimplemented follow:

- In a report on contingency planning for oil and hazardous substance response, we recommended that the Office of Solid Waste and Emergency Response assess the resources—including On-Scene Coordinators—necessary to develop and maintain contingency plans, and use the results of the analysis to develop a workforce plan to distribute contingency planning resources. The EPA agreed to continue evaluation of resources, but has placed management action on hold until the spring of 2015 because of numerous staffing changes and shifts in responsibilities that may make the recommendation unwarranted. (Report No. 13-P-0152)
- In a report on controls over state underground storage tank inspection programs in EPA regions, we recommended that the Office of Solid Waste and Emergency Response require the EPA and states to enter into Memorandums of Agreement that reflect program changes and address oversight of municipalities conducting inspections. The EPA agreed that regulations will be finalized, but additional processes and steps have contributed to delays in completing the publications. (Report No. 12-P-0289)
- In a report on the need for the EPA to update its fees rule to recover more Motor Vehicle and Engine Compliance Program Costs, we recommended that the Office of Air and Radiation update the 2004 fees rule to increase the amount of costs it can recover. The EPA noted that it was to begin planning for the new rule in 2013 and formal work would begin in 2014, but projected that the rule will not be completed until 2018. (Report No. 11-P-0701)

Tables listing all recommendations for which corrective action has not been completed, by report, follow starting on the next page; there are separate tables for the EPA and CSB. Below is a listing of the responsible EPA offices. Many of the recommendations have completion dates in the future due to the complexity or challenging nature of the recommendations. While a recommendation may be listed as unimplemented, the agency may be on track to complete agreed-upon corrective actions by the planned due date. A reason for delay is only shown for those recommendations that are past their original planned completion date. The information regarding reason for delay was provided by the agency and was not verified by the OIG.

Responsible Agency Offices:

OAR	Office of Air and Radiation
OARM	Office of Administration and Resources Management
OCFO	Office of the Chief Financial Officer
OCSPP	Office of Chemical Safety and Pollution Prevention
OECA	Office of Enforcement and Compliance Assurance
OEI	Office of Environmental Information
ORD	Office of Research and Development
OSWER	Office of Solid Waste and Emergency Response
OW	Office of Water
Region 2	
Region 6	
Region 8	
Region 9	
Region 10	

EPA Reports With Unimplemented Recommendations

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
More Action is Needed to Protect Water Resources from Unmonitored Hazardous Chemicals (14-P-0363)	09/29/14	OW	1: Develop, in coordination with the Office of Environmental Information, a usable format for sharing Toxics Release Inventory data on discharges sent to sewage treatment plants, with OW developing materials to explain the utility of Toxics Release Inventory data to National Pollutant Discharge Elimination System permit writers and pretreatment program personnel. This will include exploring options for an online search tool to more easily identify Toxics Release Inventory discharges to specific sewage treatment plants.	09/30/15	No Delay – Future planned completion date.
			2: Develop, in coordination with EPA regions, a list of chemicals beyond the priority pollutants appropriate for inclusion among the chemicals subject to discharge permits. This may include: a. Review of Toxics Release Inventory-reported discharges to sewage treatment plants. Initial review could focus on Resource Conservation and Recovery Act hazardous chemicals reported in the Toxics Release Inventory. b. Review of chemicals monitored nationwide in sewage treatment plant discharge permits, especially chemicals monitored by Region 9. c. Review of chemical monitoring data already collected by sewage treatment plants but not included in discharge permits. d. Discussion with the Office of Resource Conservation and Recovery for suggested hazardous chemicals. e. Development of mechanisms that ensure discharge and pretreatment programs coordinate during discharge permit writing.	09/30/15	No Delay – Future planned completion date.
			3: Confirm, in coordination with OECA and EPA regions, that sewage treatment plants and their industrial users are aware of and comply with the 40 CFR 403.12(p) requirement that industrial users submit hazardous waste notifications.	09/30/15	No Delay – Future planned completion date.
			4: Develop, in coordination with OECA, mechanisms to: a. Improve sewage treatment plant compliance with permit terms that require submission of Whole Effluent Toxicity monitoring results to the permitting authority. b. Facilitate the use of monitoring data to track facilities that have violated chemical or Whole Effluent Toxicity permit exceedance requirements.	09/30/15	No Delay – Future planned completion date.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
EPA's Risk Assessment Division Has Not Fully Adhered to Its Quality Management Plan (14-P-0350)	09/10/14	OCSPP	2: Direct Risk Assessment Division's Quality Assurance Coordinator to conduct annual internal quality assurance audits in accordance with Risk Assessment Division's Quality Management Plan.	09/30/15	No Delay – Future planned completion date.
			3: Direct Risk Assessment Division to identify and document individual staff training needs to ensure that Risk Assessment Division addresses quality assurance-related training gaps.	09/30/15	No Delay – Future planned completion date.
			4: Ensure that Risk Assessment Division's Quality Management Plan and/or Office of Pollution Prevention and Toxics' quality assurance annual report and work plan are updated accordingly when minor and major changes to Risk Assessment Division's quality assurance activities are made.	09/30/15	No Delay – Future planned completion date.
			6: Conduct a quality assurance analysis of the Office of Pollution Prevention and Toxics to determine whether all divisions have fully implemented their Quality Management Plans.	09/30/15	No Delay – Future planned completion date.
EPA Can Help Consumers Identify Household and Other Products with Safer Chemicals by Strengthening It's "Design for the Environment" Program (14-P-0349)	09/09/14	OCSPP	3: Develop and implement controls for accomplishing removal of the Design for the Environment logo from the websites of partners who leave the program.	06/30/15	No Delay – Future planned completion date.
			4: Take appropriate action to address noncompliance with Design for the Environment partnership agreements discovered as a result of this review.	06/30/15	No Delay – Future planned completion date.
			6: Develop robust, transparent and adequately supported performance measures that capture the Design for the Environment program's results.	09/30/15	No Delay – Future planned completion date.
EPA Needs to Work With States to Develop Strategies for Monitoring the Impact of State Activities (14-P-0348)	09/03/14	OW	1: Work with state and federal Task Force members in the Mississippi River Watershed to develop and enhance monitoring and assessment systems that will track the environmental results of state nutrient reduction activities, including their contribution to reducing the size of the Gulf of Mexico hypoxic zone.	06/30/15	No Delay – Future planned completion date.
EPA Needs to Improve Contract Management Assessment Program Implementation to Mitigate Contracting Vulnerabilities (14-P-0347)	09/02/14	OARM	2: Ensure the organizational changes currently being considered for the contracting function at the EPA provide OAM (Office of Acquisition Management) with greater authority and oversight over regional contracting organizations are implemented, to allow for more effective Contract Management Assessment Program implementation.	09/15/15	No Delay – Future planned completion date.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Increased Emphasis on Strategic Sourcing Can Result in Substantial Savings (14-P-0338)	08/26/14	OARM	1: Develop a plan of action to strategically source wireless services and print management. If the plan is to source these commodities internally because it is not practicable under the Federal Strategic Sourcing Initiative, perform a price comparison with established pricing under the FSSI solution(s) to ensure the best possible pricing is negotiated.	11/30/14	OAM/OEI continue to collaborate on developing a memorandum that reflects all aspects of this initiative.
			3: Develop and implement policies and procedures to ensure that controls are in place so that all strategically sourced vehicles are utilized unless a valid exception is justified.	12/31/14	OAM has prepared the strategic sourcing policy and is currently conducting its final review. Completion is expected by 06/30/15.
EPA Met or Exceeded Most Internal Climate Change Goals, But Data Quality and Records Management Procedures Need Improvement (14-P-0325)	07/29/14	OARM	2: Develop and implement procedures for maintaining and securing records associated with production of annual Strategic Sustainability Performance Plan data, in accordance with the EPA's Records Management Policy. Specifically, assure that: a. Fleet data reported in the Strategic Sustainability Performance Plan are documented and accessible, and can be reproduced using either the current fleet database or by maintaining copies of historical data reports. b. Strategic Sustainability Performance Plan waste diversion data are documented for all facilities that can provide it, and specify in future Strategic Sustainability Performance Plan reports whether the waste diversion rates are estimates or only represent specific facilities. c. Findings and results associated with the acquisitions information in the Strategic Sustainability Performance Plan report can be reproduced, including records of the data and methodology used. These records should be properly maintained, and should be accessible for the time period required by the EPA's Records Management Policy.	10/31/14	OAM prepared the draft Standard Operating Procedure and routed it for approval on 03/13/15. OAM anticipates final approval and posting of the Standard Operating Procedure by 04/30/15.
Impact of EPA's Conventional Reduced Risk Pesticide Program is Declining (14-P-0322)	07/24/14	OCSPP	1: Reduce participation barriers for the Conventional Reduced Risk Pesticide Program by seeking statutory authority from Congress to reduce application fees for approved Conventional Reduced Risk Pesticide registrations.	06/30/17	No Delay – Future planned completion date.
			2: Develop and implement measures for non-agricultural uses of Conventional Reduced Risk Pesticide products so that Office of Pesticide Pollution's data are representative of the Conventional Reduced Risk Pesticide Program's entire effort.	06/30/15	No Delay – Future planned completion date.

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No Indications of Bias Found in a Sample of Freedom of Information Act Fee Waiver Decisions But the EPA Could Improve its Process (14-P-0319)	07/16/14	OEI	1: Examine and address the reasons for variability in response times for Freedom of Information Act fee waiver decisions and appeals. 2: Clarify what requesters must demonstrate under each factor to receive a fee waiver. 3: Inform the public of enhancements to the agency's Freedom of Information Act website and other efforts to clarify what must be demonstrated under each factor.	03/31/15	Due to the increased workload of Freedom of Information Act staff and staff reductions, OEI is extending completion of the corrective actions for Recommendations 1-3 for 6 months. Completion is expected by 09/30/15.
Unliquidated Obligations Resulted in Missed Opportunities to Improve Drinking Water Infrastructure (14-P-0318)	07/16/14	OW	1b: Reduce unliquidated obligations by quarterly providing to the regions a summary of states that have attended the cash flow analysis training and compare that with states not achieving the goals of the 2014 strategy to identify states that may need additional assistance.	09/30/16	No Delay – Future planned completion date.
			3: Require that EPA regions, when reviewing the capitalization grant application for states with high unliquidated obligations balances, ensure states have adopted the EPA's guidance on the definition of "Ready to proceed" and use that definition in developing the fundable list.	09/30/15	No Delay – Future planned completion date.
EPA Should Improve Oversight and Assure the Environmental Results of Puget Sound Cooperative Agreements (14-P-0317)	07/15/14	Region 10	4: Evaluate whether the resources allocated to overseeing Puget Sound cooperative agreements are sufficient to effectively achieve the Puget Sound Program's needed environmental results.	04/30/15	No Delay – Future planned completion date.
		OARM	5: Review existing grants policies to determine whether policies need to be updated to clarify project officer and grant specialist responsibilities with sub-awards, as well as recipient responsibilities for sub-award monitoring.	09/30/15	No Delay – Future planned completion date.
EPA Has Made Progress in Assessing Historical Lead Smelter Sites but Needs to Strengthen Procedures (14-P-0302)	09/30/14	OSWER	3: Assess existing EPA guidance for addressing lead contamination in soil within the Superfund site assessment process and obtain input from the regions to determine whether any updates are needed and revise as appropriate.	09/30/16	No Delay – Future planned completion date.
			5: Following completion of the 2012 Strategy, create and post as summary of the results of the EPA's efforts to address sites included in the strategy and, as applicable, any findings and recommendations on the EPA's website.	12/31/15	No Delay – Future planned completion date.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
New Jersey Department of Environmental Protection Needs to Meet Cooperative Agreement Objectives and Davis-Bacon Act Requirements to fully Achieve Leaking Underground Storage Tank Goals (14-R-0278)	06/04/14	Region 2	1: Require New Jersey Department of Environmental Protection to establish internal controls to ensure that modifications to the cooperative agreement work plan are in accordance with the requirements of 40 CFR 31.30 and 31.40.	09/30/15	No Delay – Future planned completion date.
			3: Require New Jersey Department of Environmental Protection to provide documentation to demonstrate that it has verified that all laborers and mechanics who worked on the projects subject to the Davis-Bacon Act requirements per programmatic condition 5 of the cooperative agreement were paid in accordance with Davis-Bacon requirements.	09/30/15	No Delay – Future planned completion date.
EPA Has Not Implemented Adequate Management Procedures to Address Potential Fraudulent Environmental Data (14-P-0270)	05/29/14	OEI	1: Incorporate a "Notification Process" similar to that found in Chief Information Officer Procedure 2106 into Chief Information Officer Procedure 2105 until the revised Chief Information Officer Policy 2106 is reissued.	12/30/16	No Delay – Future planned completion date.
			2: Include in the revised Chief Information Officer Procedure 2106 specific due diligence steps for laboratory fraud that provide procedural details on communication and coordination efforts between program and enforcement staff, review and analysis of data for any impacts to human health and the environment, communication of any impact information to data users, and amendment of past environmental decisions impacted by fraudulent data.	12/30/16	No Delay – Future planned completion date.
			3: Provide training on the "Notification Process" and the revised Chief Information Officer Procedure 2106 to the EPA staff working with laboratory data.	03/31/17	No Delay – Future planned completion date.
		OECA	4: Develop guidelines outlining response steps when fraudulent laboratory data is discovered in ongoing criminal investigations.	09/30/14	OECA continues to work to complete the corrective action. The additional time needed is still being determined.
		OSWER	5: Update the *Contract Laboratory Program Roles and Regulations Guidance Document.*	12/31/15	No Delay – Future planned completion date.
			6: Provide training to Contract Laboratory Program staff on the updated *Contract Laboratory Program Roles and Regulations Guidance Document.*	12/31/15	No Delay – Future planned completion date.
Briefing Report: Review of EPA's Process to Release Information Under the Freedom of Information Act (14-P-0262)	05/16/14	OEI	2: Require that Senior Information Officials at each region and program office certify that their local Freedom of Information Act procedures are consistent with the agency's final procedures by March 31, 2015.	03/31/15	Waiting for certifications from Senior Information Officials.

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EPA Employees Did Not Act Consistent With Agency Policy in Assisting an EPA Grantee (14-P-0247)	05/9/14	ORD	1: Develop standard operating procedures that detail how staff are to comply with the EPA *Scientific Integrity Policy* requirement to provide timely responses to requests for information by the media, the public and the scientific community.	12/31/14	The Scientific Integrity Official submitted a draft proposal to the Office of General Counsel in November 2014.
EPA Compliance With Retention Incentive Regulations and Policies (14-P-0245)	05/02/14	OARM	2: Pursue action to recover the unauthorized retention incentive amounts paid to the EPA employees who received retention incentive pay beyond their promotion date or authorized end date.	04/01/15	No Delay – Future planned completion date
EPA Needs to Improve Management of the Cross-Media Electronic Reporting Regulation Program in Order to Strengthen Protection of Human Health and the Environment (14-P-0143)	03/21/14	OEI	1. Update written Cross-Media Electronic Reporting Regulation Program (CROMERR) business practices and remove references to the Exchange Network Policy and Planning Workgroup and Quality Information Counsel-Exchange Network Subcommittee since they no longer participate in the CROMERR program. Those written practices should include: a. EPA Procedure for Approval of State, Tribal, or Local Government Authorized or Delegated Program Applications for Implementing CROMERR; b. EPA Procedure for Implementation of CROMERR for EPA Systems; c. Technical Review Committee Charter; and d. CROMERR authorized program review for approval flowchart.	03/31/17	No Delay – Future planned completion date.
			6. Create a process to regularly follow up with applicants with approved CROMERR applications in order to confirm that no changes were made to the approved CROMERR application.	12/31/14	Loss of key personnel working on CROMERR and the extended leave of another person on the CROMERR team has led to delays. Revised expected completion date is 6/30/15.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
EPA's Information Systems and Data Are at Risk Due to Insufficient Training of Personnel with Significant Information Security Responsibilities (14-P-0142)	03/21/14	OEI	1: Define key information security aspects and duties for each security role. This includes identifying, where appropriate, broadly similar characteristics within each role to allow for more precise alignment of roles to applicable training requirements. This also includes ensuring that existing EPA policies, procedures, and guidance fully and consistently define all information security roles and responsibilities currently implemented across the organization.	09/30/15	No Delay – Future planned completion date.
			2: Provide additional training options specific to the federal information security environment and EPA information security roles, such as the processes and controls outlined in National Institute of Standards and Technology Special Publication 800-53. Training should be specific to supporting EPA professionals in executing and performing assigned information security roles and responsibilities in accordance with EPA policies and procedures. For example, vendor training may be warranted for hands-on information security roles, but general orientation training may be suitable for executives.	12/31/16	No Delay – Future planned completion date.
			4: Standardize the terminology and definition of responsibilities for key information technology security management and oversight roles across all EPA organizations and within the EPA information security policy.	09/30/15	No Delay – Future planned completion date.
			5: Provide a more clear delineation of which EPA organizations should be responsible for delivering specific elements of information security role training, and how collectively and cooperatively the training needs of each significant role (including technical and executive-level roles) are to be met.	12/31/14	
EPA Did Not Conduct Thorough Biennial User Fee Reviews (14-P-0129)	03/04/14	OW	5: Apply federal user fee policy in determining whether to (a) charge fees for issuing federal National Pollutant Discharge Elimination System permits in which the EPA is the permitting authority, or (b) request an exception from OMB to charging fees.	12/31/14	OW is working with OCFO to request an exception from a National Pollutant Discharge Elimination System user fee from OMB.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
EPA Needs to Improve Safeguards for Personally Identifiable Information (14-P-0122)	02/24/14	OEI	1: Develop an implementing procedure for rules of behavior and consequences.	09/30/14	Corrective action is much more complex than anticipated and required greater collaboration with other offices having responsibilities related to privacy and security. Expected completion date is 9/30/15.
			2: Develop and implement updated agency matching program procedures that: a. Define roles and responsibilities for communicating matching activities to the Privacy Office and the Data Integrity Board. b. Require a writing matching agreements before the agency engages in a matching program. c. Define the agency Privacy Officer's oversight responsibilities. d. Convene the Data Integrity Board for matching programs, as needed. e. Obtain a written agreement for the current matching program, as needed	06/30/14	Contractor support transition. Expected completion date is 6/30/15.
			4: Develop and implement a process for maintaining an accurate, up-to-date listing of systems that contain sensitive personally identifiable information.	06/30/14	Contractor support transition. Expected completion date is 6/30/15.
			5: Establish and implement a process to train all individuals who access Personally Identifiable Information based on their roles and responsibilities. This process should include training on all Personally Identifiable Information topics as prescribed by the National Institute of Standards and Technology.	09/30/14	Corrective action is much more complex than anticipated and required greater collaboration with other offices having responsibilities related to privacy and security. Expected completion date is 9/30/15.
			7: Develop and implement an oversight process to monitor that Liaison Privacy Officials and all individuals who access Personally Identifiable Information are trained on their responsibilities for protecting Personally Identifiable Information. The oversight process should include a method to inform senior agency officials on the status of their office's completion of training.	09/30/14	Corrective action is much more complex than anticipated and required greater collaboration with other offices having responsibilities related to privacy and security. Expected completion date is 9/30/15.
Internal Controls Needed to Control Costs of Emergency and Rapid Response Service Contracts, as Exemplified in Region 6 (14-P-0109)	02/04/14	Region 6	3: Direct Contracting Officers to require that the contractor adjust all its billings to reflect the application of the correct rate to team subcontract other direct costs.	09/30/24	No Delay – Future planned completion date.
			5: Require that proposals for future Emergency and Rapid Response Services contracts include subcontractor rates as required by the amended Federal Acquisition Regulations	09/30/15	No Delay – Future planned completion date.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Audit of EPA's Fiscal 2013 and 2012 Consolidated Financial Statements (14-1-0039)	12/16/13	OEI	12: Conduct training for staff in charge of receiving and analyzing monthly vulnerability management reports to ensure they are knowledgeable of the agency's remediation process for vulnerabilities. This training should include specific information on how to review the provided vulnerability management report and what actions offices must take regarding the identified vulnerabilities.	09/30/17	No Delay – Future planned completion date.
EPA Needs to Update Its Pesticide and Chemical Enforcement Penalty Policies and Practices (13-P-0431)	09/26/13	OECA	3: Update the existing Lead-Based Paint Disclosure Enforcement Response and Penalty Policy to include guidance on: a. How to evaluate ability to pay claims for individuals, and b. When and how to apply alternatives such as payment plans and public service to ability to pay cases.	06/30/14	Additional coordination needed among staff, senior management and external partners. Expected completion date 6/29/15.
			4: Evaluate the Individual Ability to Pay economic model to determine whether revisions would improve applicability to lead paint disclosure cases with individual violators.	06/30/14	Additional coordination needed among staff, senior management and external partners. Expected completion date 6/29/15.
			5: Provide regional staff with updated training for case development, including evaluation of ability to pay claims.	09/30/14	Additional coordination needed among staff, senior management and external partners. Expected completion date 9/30/15.
The EPA Should Improve Monitoring of Controls in the Renewable Fuel Standard Program (13-P-0373)	09/05/13	OAR	1: Modify existing electronic systems to track the submission of reporting requirements to ensure that all participants comply with applicable Renewable Fuel Standard program regulations.	06/30/15	No Delay – Future planned completion date.
			3: Track reporting submissions to determine whether potential conflicts of interest exist from allowing the same third party to complete multiple reporting requirements and monitor the potential conflicts to determine whether they negatively impact Renewable Fuel Standard program integrity. Based on that determination, revise regulations as appropriate to include specificity on whether the same third party can conduct multiple reviews or reporting requirements for the same producer or importer.	06/30/15	No Delay – Future planned completion date.
The EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions (13-P-0366)	08/30/13	OCFO	1: Notify all the EPA's action officials that when they extend planned completion dates for corrective actions by more than 6 months they must provide the OIG with written notification that includes the new milestone dates.	09/30/15	No Delay – Future planned completion date.
Controls Over EPA's Compass Financial System Need to Be Improved (13-P-0359)	08/23/13	OCFO	3: Finalize the revised Quality Assurance Plan that includes the revised service level requirements to accurately assess service provider performance.	12/31/13	Contractor negotiations will require more time to complete. Expected completion 01/31/16.

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Improved Information Could Better Enable EPA to Manage Electronic Waste and Enforce Regulations (13-P-0298)	06/21/13	OSWER	3: Evaluate the implementation of currently used electronics certification programs as detailed in the National Strategy. If necessary, conduct Resource Conservation and Recovery Act inspections (for federal regulations only) of certified recyclers accordingly.	07/31/14	Additional fieldwork was needed to ensure that current U.S. electronics certification programs are being implemented transparently, consistently and are achieving the desired results. EPA relies on facilities to volunteer to be in the study and has recently obtained agreements for the additional needed observations. The date for the release of the final report has been revised to June 30, 2015.
Improved Internal Controls Needed in the Gulf of Mexico Program Office (13-P-0271)	05/30/13	OW	2: Evaluate the results of the Gulf of Mexico Program Office's risk assessment and work with Gulf of Mexico Program Office management to make the necessary changes to its objectives and measures, so the Gulf of Mexico Program Office can accurately measure performance.	06/30/14	Loss of subject matter expertise working on corrective action has delayed completion. Expected completion date TBD until expertise can be obtained.
Opportunities for EPA-Wide Improvements Identified During Review of a Regional Time and Materials Contract (13-P-0209)	04/04/13	OARM	5: Ensure that OAM conducts and documents the results of the review prompted from this evaluation of all remedial action contracts to: a. Determine the best method for paying the remedial action contractors for all subcontract management costs. b. Consistently apply this method for all remedial action contracts Agency-wide.	10/20/14	This corrective action is dependent upon the Remedial Acquisition Framework which is not yet completed. A revision date for this corrective action will be obtained shortly.
EPA Should Increase Fixed-Price Contracting for Remedial Actions (13-P-0208)	03/28/13	OARM	1b: For current cost reimbursement Remedial Action Contracts, at the end of the base period, require written acquisition plans be prepared and approved by the Head of the Contracting Activity.	03/31/14	OARM has an email in the management chain addressing the need to revise the completion dates of corrective actions for all four of these recommend-dations to March 31, 2016. Once approved, it will be sent to the OIG.
		OARM and OSWER	2: Develop performance measures for each region for the use of fixed-price contracts and task orders for remedial actions. The performance measures should be implemented in a way that holds the regions accountable (both the Superfund program staff and contracting staff) for decreasing the use of high risk contracts and task orders.	09/30/14	
		OARM and OSWER	3: As part of the implementation of the Contracts 2010 Strategy, provide training to both Superfund program and contracting staff on how and when less risky contracts and task orders should be used in the Superfund remedial program.	11/30/13	Meaningful training cannot be provided until the Remedial Action Framework is finalized. EPA did not align the date with finalization of the framework
		OARM and OSWER	4: Determine whether staffing changes are needed in each region to ensure that staff have the skills to manage the increased use of fixed-price contracts and task orders, and develop a plan for addressing the staffing needs.	09/30/14	

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Audit of American Recovery and Reinvestment Act-Funded Cooperative Agreement 2S-96099601 Awarded to the Idaho Department of Environmental Quality (13-R-0206)	03/28/13	Region 10	3: Require Idaho Department of Environmental Quality to ensure that current and future contractors are covered by accident and catastrophic loss insurance as required by Title 40 CFR 35.6590 (b).	12/31/13	R10's Legal Counsel is reviewing this matter to determine if the type of insurance that the contractor currently has meets the intent of Subpart "O".
			4: Require Idaho Department of Environmental Quality to update its policies and procedures to ensure that they address: c. Accident and catastrophic loss insurance as required by Title 40 CFR 35.6590 (b).	12/31/13	
Improvements Needed in EPA's Smartcard Program to Ensure Consistent Physical Access Procedures and Cost Reasonableness (13-P-0200)	03/27/13	OARM	1: Re-prioritize the remaining facility upgrades by security level from highest to lowest, complete all remaining upgrades according to security level, and require the Security Management Division Director to provide written justification for upgrading Level 1 facilities.	06/30/14	The agency's implementation schedule has changed. OARM anticipates initiating the remaining Physical Access Control System upgrades as follows: Facility Security Level 4 facilities by Q2 FY 2015; Facility Security Level 3 facilities by Q3 FY 2015; and Facility Security Level 2 facilities by Q4 FY 2016.
Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections (13-P-0178)	03/21/13	OSWER	7: Coordinate with the OECA to revise inspection guidance to recommend minimum inspection scope for the various types of facilities covered under the program and provide more detailed examples of minimum reporting.	07/31/14	These corrective actions have been overtaken by actions and deadlines associated with implementation of Executive Order 13650, *Improving Chemical Facility Safety and Security*, which lays out a comprehensive set of actions to advance chemical facility safety and security, including federal coordination on inspections.
			8: Coordinate with the OECA to develop and implement an inspection monitoring and oversight program to better manage and assess the quality of program inspections, reports, supervisory oversight, and compliance with inspection guidance	09/30/14	
Results and Benefits Information is Needed to Support Impacts of EPA's Superfund Removal Program (13-P-0176)	03/11/13	OSWER	2: Implement system controls to: a. Ensure required Comprehensive Environmental Response, Compensation, and Liability Information System data are entered and completed. b. Synchronize data between the Pollution Reports and Comprehensive Environmental Response, Compensation, and Liability Information System.	09/30/13	OSWER is working with the regions and its partner offices to address proposed system changes and enhancements to the Superfund Enterprise Management System. OSWER is working closely with the regions to conduct quality assurance on the removal data being migrated from Comprehensive Environmental Response, Compensation, and Liability Information System. Completion expected by 03/31/16.

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EPA Is Not Recovering All Its Costs of the Lead-Based Paint Fees Program (13-P-0163)	02/20/13	OCSPP	3: Update the March 20, 2009, fees rule to reflect the amount of fees necessary for the program to recover the costs of implementing and enforcing the program.	01/31/17	No Delay – Future planned completion date.
EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector (13-P-0161)	02/20/13	OAR	2: Prioritize and update existing oil and gas production emission factors that are in greatest need of improvement and develop emission factors for key oil and gas production processes that do not currently have emission factors.	09/30/19	No Delay – Future planned completion date.
EPA Could Improve Contingency for Oil and Hazardous Substance Response (13-P-0152)	02/15/13	OSWER	2: Require regions to keep critical planning information up to date using the most effective method available and avoid unnecessary duplication.	09/30/16	No Delay – Future planned completion date.
			4: Assess the resources, including On-Scene Coordinators, necessary to develop and maintain contingency plans. Use the results of this analysis to develop a workforce plan to distribute contingency planning resources.	09/30/13	Due to staff reductions caused by staff departures, hiring restrictions and other initiatives, OSWER is pursuing re-assessing the recommendation in 18 months (by 08/31/15) to determine if the corrective action is still warranted.
Audit of EPA Fiscal 2012 and 2011 Financial Statements (13-1-0054)	11/15/12	OCFO	6: Update EPA's policy for recognizing year-end accruals to require reconciliations of accruals and accrual reversals.	03/31/13	Decision to expand the scope of the update and resource constraints; expected completion date 12/31/15.
Review of Hotline Complaint Concerning Cost and Benefit Estimates for EPA's Lead-Based Paint Rule (12-P-0600)	07/25/12	OCSPP	1: Reexamine the estimated costs and benefits of the 2008 Lead Rule and the 2010 amendment to determine whether the rule should be modified, streamlined, expanded, or repealed.		As of 03/30/15, the Information Collection Request is still awaiting OMB approval. EPA will not issue the proposed Public & Commercial Buildings rule unless it is determined that renovations to public and commercial buildings create hazards.
			CA2: After OMB clearance on the Information Collection Request is received, OCSPP will conduct information gathering and analysis.	09/30/14	
			CA3: OCSPP will draft the information and analysis submitted to OMB for interagency review as part of the Action Development Process.	03/31/15	
			CA4: OCSPP will publish the work practice and cost information as part of the proposed rule.	09/30/15	
EPA Inaction in Identifying Hazardous Waste Pharmaceuticals May Result in Unsafe Disposal (12-P-0508)	04/19/12	OSWER	3: Develop a nationally consistent outreach and compliance assistance plan to help states address challenges that health care facilities, and others as needed, have in complying with Resource Conservation and Recovery Act regulations for managing hazardous waste pharmaceuticals.	08/31/13	OSWER is developing a proposed rule to facilitate proper management of hazardous waste pharmaceuticals in the health care industry. OSWER discovered additional complexities in both the regulated universe and in the economic analysis, which delayed the rulemaking proposal from August 2013.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Controls Over State Underground Storage Tank Inspection Programs in EPA Regions Generally Effective (12-P-0289)	02/15/12	OSWER	1: Require the EPA and states to enter into memoranda of agreement that reflect program changes from the 2005 Energy Policy Act and address oversight of municipalities conducting inspections.	08/1/13	OMB initiated its review of the final Underground Storage Tank regulations on 09/25/14 with a projected 90-day review period coming to close at the end of December. As a result, OSWER amended its estimated publication date to 04/30/15 to account for this important process and review step.
EPA Needs to Further Improve How It Manages Its Oil Pollution Prevention Program (12-P-0253)	02/06/12	OSWER	1: Improve oversight of facilities regulated by the EPA's oil pollution prevention program by: a. Developing procedures for updating and issuing new guidance to ensure the regulated community has access to the most current guidance. b. Implementing a risk-based strategy toward inspections that identifies unknown Spill Prevention, Control, and Countermeasure and Facility Response Plan facilities, and directs inspection resources toward facilities where the potential for spills poses the greatest risks to human health and the environment. c. Consistently interpreting regulations and the EPA's authority to enforce regulations. d. Producing a biennial public assessment of the quality and consistency of Spill Prevention, Control, and Countermeasure Plans and Facility Response Plans based on inspected facilities. CA 1-2. A summary of findings will be developed by October, 2013. These findings will help to identify areas where additional guidance and outreach are needed to improve the quality and consistency of Spill Prevention, Control, and Countermeasure Plans. CA 1-3. The model developed for the Spill Prevention, Control, and Countermeasure program will then be used to develop a review protocol for Facility Response Plans by September, 2013, to examine Facility Response Plan inspections conducted during the FY 2013 inspection cycle. CA 1-4. A summary of findings will be developed by October 2014. These findings will help to identify areas where additional guidance and external outreach are needed to improve the quality and consistency of Facility Response Plans.	Completed Completed Completed 10/31/13 09/30/13 10/31/14	Reduced extramural resources and available personnel, program implementation priorities including inspections, and new priority concerns for oil spill response associated with increased oil transportation have delayed efforts on this milestone for at least a year or more. In addition, the recent Water Resources Reform and Development Act places priority responsibilities on the Spill Prevention, Control, and Countermeasure program for the next 2 years. Consequently, corrective action cannot begin before 06/01/17.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Agreed-Upon Procedures Applied to EPA Grants Awarded to Summit Lake Paiute Tribe, Sparks, Nevada (12-2-0072)	11/10/11	Region 9	2: Require the tribe to implement internal controls to ensure that: a. Employees document all hours worked in accordance with 2 CFR Part 225 requirements. b. The chairman's consent to use his signature stamp for timesheet approval is independently verified. c. Leave allocation complies with 2 CFR Part 225 requirements.	07/31/12	Management Decision is currently in appeal by audit recipient. DDO Final Decision on Appeal signed and sent electronically to Tribe. EPA is currently awaiting decision from the tribe to decide if they want to repeal their appeal and ask for debt forgiveness.
Region 9 Technical and Computer Room Security Vulnerabilities Increase Risk to EPA's Network (11-P-0725)	09/30/11	Region 9	1, 6, 8, and 10: These recommendations were made to the senior information official, Region 9. Detailed information for this report is not being included due to the sensitive nature of the report's security findings.	03/31/14	Due to the sensitive nature of this report, this section is not included.
EPA Should Update Its Fees Rule to Recover More Motor Vehicle and Engine Compliance Program Costs (11-P-0701)	09/23/11	OAR	1: Update the 2004 fees rule to increase the amount of the Motor Vehicle and Engine Compliance Program costs it can recover.	12/31/17	No Delay – Future planned completion date.
EPA Needs Workload Data to Better Justify Future Workforce Levels (11-P-0630)	09/14/11	OCFO	1: Conduct a pilot project requiring EPA organizations to collect and analyze workload data on key project activities. 2: Use information learned from the pilot and the ongoing contracted workload study to issue guidar to the EPA's program offices on: a. How to collect and analyze workload data. b. The benefits of workload analysis. c. How this information should be used to prepare budget requests.	09/30/12 09/30/12	Delay in issuing Resource Management Directive System 2520, Administrative Control of Appropriated Funds; expected issuance 06/30/15.
An Overall Strategy Can Improve Communication Efforts at Asbestos Superfund Site in Libby, Montana (11-P-0430)	08/03/11	Region 8	2: Revise the Libby community engagement plan to serve as the overall communication strategy by including: a) key messages that address specific public concerns and site activities; b) timeliness for community involvement activities and outreach projects; c) measures for successful communications; and d) mechanisms for identifying community concerns and collecting feedback.	12/31/15	No Delay – Future planned completion date.
Office of Research and Development Needs to Improve its Method of Measuring Administrative Savings (11-P-0333)	07/14/11	ORD	1: Develop and establish a more timely and accurate system to measure its effective use of resources and to allow ORD to better manage its initiatives to reduce administrative costs.	12/31/15	No Delay – Future planned completion date.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Agency-Wide Application of Region 7 NPDES Program Process Improvements Could Increase EPA Efficiency (11-P-0315)	07/06/11	OECA	1: We recommend that the Deputy Administrator direct OW and OECA to identify Region 7 process improvements that can be applied elsewhere, considering the cost and benefit of implementation. These actions include: a. Earlier resolution of technical issues and communication. b. Combining permitting and enforcement oversight reviews of the states. c. Implementing coordinated and integrated strategic planning nationwide for the National Pollutant Discharge Elimination System program, including consideration of the new approaches under the Clean Water Act of 1972 action plan. d. Fully implementing burden reduction initiatives identified during the event.	12/31/11	To address d, OECA published the proposed National Pollutant Discharge Elimination System Electronic Reporting Rule in the Federal Register on 07/03/13. A 90-day public comment period began with the publication of the rule. An extension of additional time for the comment period was granted. Should there be significant comments on the rule, the agency is committed to issuing a supplemental notice, which will require additional OMB review and a subsequent public comment period. Final rule expected by 05/31/15.
EPA Promoted the Use of Coal Ash Products With Incomplete Risk Information (11-P-0173)	03/23/11	OSWER	1: Define and implement risk evaluation practices to determine the safety of the coal combustion residual beneficial uses the EPA promotes.	03/30/14	OSWER expects to complete the development of the conceptual model for evaluating risks from encapsulated uses of coal combustion residuals by Spring 2015.
EPA Needs Better Agency-Wide Controls Over Staff Resources (11-P-0136)	02/22/11	OARM	1: Establish an agency-wide workforce program that includes controls to ensure regular reviews of positions for efficiency, effectiveness, and mission accomplishment.	09/30/12	Once Human Resources Line of Business is fully operational, the agency can work to issue and implement the final policy. The draft position management policy has been reviewed by the Office of General Counsel and was submitted to the Office of Human Resources in late February. The policy has not been finalized due to more rounds of internal review.
EPA Needs to Strengthen Internal Controls for Determining Workforce Levels (11-P-0031)	12/20/10	OSWER	2-1: Amend the Resource Management Directive System 2520 and the annual planning and budget memoranda to require using workload analysis to help determine employment levels needed to accomplish agency goals.	12/20/10	Delay in issuing Resource Management Directive System 2520; expected issuance 06/30/15.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Audit of EPA's Fiscal 2010 and 2009 Consolidated Financial Statements (11-1-0015)	11/15/10	OARM	9: Adequately address and resolve the issue and determine why personal property items are missing.	05/30/12	The new property system being developed will be rolled out in conjunction with the OCFO Compass 7.2 upgrades scheduled for August 2015. The estimated completion date will be October 30, 2015.
ECHO Data Quality Audit – Phase II Results: EPA Could Achieve Data Quality Rate With Additional Improvements (10-P-0230)	09/22/10	OECA	5: Complete new rules that require states to report minor facility data.	09/30/12	Delays in finalizing National Pollutant Discharge Elimination System electronic reporting rule. The rule is expected to be published May 30, 2015.
EPA Should Revised Outdated or Inconsistent EPA-State Clean Water Act Memoranda of Agreement (10-P-0224)	09/14/10	OW OECA	2-2: Develop a systematic approach to identify which states have outdated or inconsistent memoranda of agreement; renegotiate and update those memoranda of agreement using the memorandum of agreement template; and secure the active involvement and final, documented concurrence of headquarters to ensure national consistency.	09/30/17	No Delay – Future planned completion date.
EPA Needs a Coordinated Plan to Oversee its Toxic Substances Control Act Responsibilities (10-P-0066)	02/17/10	OCSPP	2-4: Establish criteria and procedures outlining what chemicals or classes of chemicals will undergo risk assessments for low-level and cumulative exposure. Periodically update and revise risk assessment tools and models with latest research and technology developments. 2-5: Develop a more detailed Toxic Substances Control Act confidential business information classification guide that provides criteria for approving confidential business information coverage and establishes a time limit for all confidential business information requests to allow for eventual public access to health and safety data for chemicals.	02/28/13 01/31/12	Delays in issuance of agencywide guidance on conducting cumulative risk assessments and in publication of data from the U.S. Consumer Product Safety Commission and the U.S. Food and Drug Administration on Phthalates Alternatives.
Lack of Final Guidance on Vapor Intrusion Impedes Efforts to Address Indoor Air Risks (10-P-0042)	12/14/09	OSWER	2: Issue final vapor intrusion guidance(s) that incorporates information on: a. Updated toxicity values. b. A recommendation(s) to use multiple lines of evidence in evaluating and making decisions about risks from vapor intrusion. c. How risks from petroleum hydrocarbon vapors should be addressed. d. How the guidance applies to Superfund Five-Year Reviews. e. When or whether preemptive mitigation is appropriate. f. Operations and maintenance, the termination of the systems, and when institutional controls and deed restrictions are appropriate. 3: Train the EPA and state staff and managers and other parties on the newly updated, revised and finalized guidance document(s).	11/30/12 05/31/13	OMB initiated its review on 09/25/14. The completion date will depend on how quickly the OMB-led inter agency review can be completed.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Audit of EPA's Fiscal 2009 and 2008 (Restated) Consolidated Financial Statements (10-1-0029)	11/16/09	OCFO	27: Ensure that all new financial management systems (including the Integrated Financial Management System replacement system) and those undergoing upgrades include a system requirement that the fielded system include an automated control to enforce separation of duties.		Difficulty coordinating schedules, with limited resources has delayed the expected completion date.
			CA27: OCFO's Office of Technology Solutions will modify Compass users profiles to create specific security roles to allow Compass Security Officers to better manage user access.	12/31/15	No Delay – Future planned completion date.
			CA32: The Office of Technology Solutions will enhance the Access Request Form application with additional controls and automatic logic to check for approved waivers on file to prevent users from submitting security options that violate the separation of duties policy.	12/31/15	No Delay – Future planned completion date.
EPA Oversight and Policy for High Priority Violations of Clean Air Act Need Improvement (10-P-0007)	10/14/09	OECA	1: Direct the EPA regions to comply with the High Priority Violations policy, and monitor and report on regions' compliance.	10/01/12	A workgroup was established to develop an alternative approach to identifying and tracking the most important violations, including High Priority Violations. As part of the effort to develop a new High Priority Violations /substantial noncompliance tracking tool, the workgroup will develop a new High Priority Violations Identification Report. The workgroup is scheduled to launch the High Priority Violations /substantial noncompliance tool and High Priority Violations Identification Report in December 2015.
			3: Implement proper management controls over High Priority Violations by (1) following the watch list standard operating procedures, including generating trend reports and conducting national annual reviews; and (2) ensuring that Air Facility System data is accurate by documenting data inaccuracies and their disposition in regular meeting notes.	10/01/12	

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Review of Hotline Complaint on Employee Granted Full-Time Work-at-Home Privilege (10-P-0002)	10/07/09	OARM	1: Assign responsibility for authorizing all non-OARM geographically separate duty station changes to the Assistant Administrator for OARM.	06/20/11	The American Federation of Government Employees and National Treasury Employees Union insisted that their telework agreements be part of their new Master Collective Bargaining Agreements. Negotiations are currently ongoing.
		OARM	2a: Establish and implement agency policy for all of the EPA's employees, clearly articulating the process and procedures for changing an employee's duty station to a location geographically separate from the position of record. This policy should include eligibility criteria for positions and personnel, records management requirements, periodic review and reauthorization, verification of correct pay rate (locality and grade), and specific approvals required from initial submission to final approval to ensure equity. The policy should require the Assistant Administrator for OARM to be the final decision authority for all geographically separate duty station locations authorizations except those duty station location changes initiated within OARM.	06/20/11	
		OARM	2b: Identify and review all existing arrangements of full-time work-at-duty-station separate from the position of record, including the situation that was the subject of this review, and bring each of these arrangements into compliance with implemented EPA policy.	06/30/11	
Making Better Use of Stringfellow Superfund Special Accounts (08-P-0196)	07/09/08	Region 9	2: Reclassify or transfer to the Trust Fund, as appropriate, up to $27.8 million (plus any earned interest less oversight costs) of the Stringfellow special accounts in annual reviews, and at other milestones including the end of FY 2010, when the record of decision is signed and the final settlement is achieved.	12/31/12	In 2012, a new area of groundwater contamination was identified that is commingling and will directly impact the cleanup of the Stringfellow contamination. Due to the additional investigations, the anticipated completion date is 12/31/15.
EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup (2007-P-00002)	12/05/06	OSWER	1-2: Complete the National Health and Environmental Effects Research Lab animal toxicity studies.	09/30/15	No Delay – Future planned completion date.
EPA Can Better Manage Superfund Resources (2006-P-00013)	02/28/06	OCFO	2-3: Define costs in a manner that supports management decision making and improve their accounting of such resources to maximize achieving program goals.	10/31/11	Agency delayed in issuing Resource Management Directive System 2520.
Limited Knowledge of the Universe of Regulated Entities Impedes EPA's Ability to Demonstrate Changes in Regulatory Compliance (2005-P-00024)	09/19/05	OECA	2-4: Develop an objective of having the most up-to-date and reliable data on all entities that fall under its regulatory responsibility. OECA should adopt the goals of requiring States to track, record, and report data for entities over which States have regulatory responsibility. To achieve this goal, OECA should develop a multi-State, multi-program pilot program of collecting data that States track, record, verify, and report.	09/30/12	Delays in finalizing National Pollutant Discharge Elimination System electronic reporting rule; expected to be published by 05/30/15.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
EPA and States Not Making Sufficient Progress in Reducing Ozone Precursor Emissions in Some Major Metropolitan Areas (2004-P-00033/13-1-0434)	09/29/04	OAR	3-1: Develop oversight procedures and guidance that will expedite development, approval, and implementation rate of progress plans and related emission controls.	12/31/15	No Delay – Future planned completion date.
			3-3: Develop guidance for analyzing and comparing periodic emission inventories to projected emission target levels and evaluating assumptions used in applicable rate of progress plans, in order to: 1) reconcile differences between projected and actual inventories; 2) identify any incorrect assumptions or projections and understatement of needed emissions reductions; and 3) establish improvements that may be needed in the rate of progress development process, and ensure training of staff in conducting these analyses.	12/31/15	No Delay – Future planned completion date.
State Enforcement of Clean Water Act Dischargers Can Be More Effective (2001-P-00013)	08/14/01	OECA	3-1: Make modernizing the Permit Compliance System a high priority. Further, ensure that future systems: • Require electronic submission and evaluation of self-monitoring reports for all dischargers, including minor facilities and storm water. • Track storm water permits, inspections, compliance rates, and enforcement actions.	09/30/12	Delays in finalizing the National Pollutant Discharge Elimination System electronic reporting rule; expected to be published by 05/30/15. Applies to both recommendations.
			3-2: Accelerate the development of the Interim Data Exchange Format for the Permit Compliance System. Also, before proceeding further into design and development, work with the Office of Water to ensure there is an up-to-date policy statement for water system criteria.	09/30/12	

CSB Reports With Unimplemented Recommendations

Report Title/No.	Report Date	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
U.S Chemical Safety and Hazard Investigation Board Needs to Complete More Timely Investigations (13-P-0337)	07/30/13	1. Develop and implement performance indicators related to its first strategic performance goal and objective to complete timely investigations. Indicators should track and measure the efficiency of key phases of the investigation process and clarify the definition of a "timely" completed investigation. Also, address the indicators in the investigation protocol policy.	12/31/13	Other work priorities have delayed the completion of this recommendation.
		2.Revise and publish an annual action plan to comply with GPRA 2010 and update related individual performance plans to ensure that performance indicators are addressed and investigative staff are held accountable for performing key phases in the investigation process.	12/31/13	CSB developed an annual action plan with specific annual and quarterly milestones for investigations, and these goals are being incorporated into individual performance standards. The CSB believes this recommendation should now be closed.
		3. Review investigations open for more than 3 years and develop a plan to close out those investigations.	12/31/13	CSB only has only two cases older than 3 years old in its current dockets. In both instances, final reports have been drafted and are in review. CSB believes this recommendation is satisfied.
		7. Implement and update the records management policy to ensure that the classification of electronic investigation files agrees with the investigation protocol policy and staffs perform internal reviews of records as required by the policy.	12/31/13	The CSB updated its Records Management policy (Board Order 19) on June 30, 2014. Due to uncertainty about obtaining Board approval for changes to Board Orders, the guidance was drafted as a Management Directive and has been forwarded to the Office of General Counsel for review.
		8. Update the investigation protocol policy for all current investigation procedures to include scoping documents and recommendation briefs. Provide formal training to the investigative staff on changes and updates to the investigative process.	12/31/13	This project was delayed by the retirement of the Senior investigator who lead the project, and departure of other members of the protocol team. A new team was formed in August 2014. The guidance will be drafted and issued as a Management Directive.
Audit Follow-Up Process Needed for the U.S. Chemical Safety and Hazard Investigation Board (13-P-0128)	02/01/13	1. Develop and implement a follow-up system as required by OMB Circulars A-50 and A-123 that include establishing a policy that identifies an audit follow-up official, roles and responsibilities, required documentation, and reporting requirements, to allow for prompt resolution of recommendations and implementation of agreed-to corrective actions.	04/30/13	Other work priorities have delayed the completion of this recommendation. Comments currently under review.

Report Title/No.	Report Date	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
U.S. Chemical Safety and Hazard Board Should Improve Its Recommendations Process to Further Its Goal of Chemical Accident Prevention (12-P-0724)	08/22/12	1. Update board orders to ensure that CSB achieve its mission of chemical accident prevention through improved recommendations processes, to include. c. Board Order 040, *Investigation Protocol*, to clearly outline roles and responsibilities of the Office of Recommendations and Office of Investigations with respect to the recommendations process, including a requirement that Office of Recommendations staff participate in accident investigations, and identification of the office responsible for identifying potential recommendation recipients.	09/30/13	The Senior Investigator assigned to lead the investigation protocol update retired during FY 2014, which delayed this project. In addition, the CSB's Office of Recommendations underwent staffing changes and now has a new Deputy Managing Director for Recommendations
U.S. Chemical Safety and Hazard Investigation Board Did Not Take Effective Corrective Actions on Prior Audit Recommendations (11-P-0115)	02/15/11	1. Develop and implement a management control plan that documents and addresses the five internal control standards in accordance with OMB Circular A-123 and GAO's *Standards for Internal Controls in the Federal Government*. The plan should include an effective monitoring system to track corrective actions to address and implement audit recommendations. The plan is to include: a. A database to track all prior audit recommendations, planned milestone completion dates, and corrective actions taken. b. Procedures for conducting periodic internal control reviews and properly documenting those reviews, including verifying and ensuring that audit recommendations are resolved promptly.	02/28/11	Other work priorities have delayed the completion of this recommendation.
		2. Develop and publish a regulation requiring persons to report chemical accidents, as required by the Clean Air Act.	09/30/11	
		3. Follow up with Congress on the CSB request for clarification of its statutory mandate. Upon receipt of the response, develop a plan to describe and address the investigative gap, address prior audit recommendations and request the necessary resources to meet CSB's statutory mandate	04/30/11	
		5. Develop and implement a system for periodic reviews of Board Orders to ensure they remain updated (i.e., effective date of the policy and scheduled review date) and include the requirement for such a system in the management control plan.	02/28/11	All Board Orders have been reviewed and updated as needed. The Office of Administration has been assigned the responsibility to periodically review CSB Board Orders as needed. The CSB believes with these actions, this recommendation should be closed.

Appendix 4—Peer Reviews Conducted

Audits/Evaluations

The Social Security Administration OIG is conducting an external peer review of the EPA OIG audit organization (which includes the EPA OIG's Office of Audit and Office of Program Evaluation) covering the period ending September 30, 2014. The entrance conference was held on October 27, 2014, and field work was in process as of the end of this semiannual reporting period. The review is being conducted in accordance with guidelines established by the Council of the Inspectors General on Integrity and Efficiency. The most recent prior external peer review of the EPA OIG audit organization had been conducted by the U.S. Department of Health and Human Services OIG. That prior report, issued May 9, 2012, contained no deficiencies, and the EPA OIG received a rating of *pass*.

The EPA OIG is conducting an external peer review of the system of quality control for the audit organization of the U.S. Department of Education OIG. Our review covers the period April 1, 2012, through March 31, 2015. This review is being conducted in accordance with *Government Auditing Standards* and guidelines established by the Council of the Inspectors General on Integrity and Efficiency. The entrance conference with the U.S. Department of Education OIG was held on March 11, 2015, and field work is currently in process.

Investigations

The Federal Deposit Insurance Corporation OIG completed its mandated Council of the Inspectors General on Integrity and Efficiency quality assurance review of the EPA OIG Office of Investigations and issued its report on December 2, 2014. The Federal Deposit Insurance Corporation inspected headquarters and the Washington, Atlanta, Research Triangle Park, Seattle and San Francisco Field Offices. The Federal Deposit Insurance Corporation identified no deficiencies and found internal safeguards and management procedures compliant with quality standards. No recommendations were made.

In November 2014, an EPA OIG inspection team began performing a quality assurance review of the Department of Education OIG Investigation Services office per the Council of the Inspectors General on Integrity and Efficiency. The quality assurance review team reviewed all policy and procedure records, training and education certifications, case files, digital forensics records and practices, and other pertinent records that aided in the management assessment process. In February 2015 the team conducted onsite reviews at various Department of Education locations. The inspection was completed in March 2015 and the draft report is forthcoming.

Appendix 5—OIG Mailing Addresses and Telephone Numbers

Headquarters

U.S. Environmental Protection Agency
Office of Inspector General
1200 Pennsylvania Ave., NW (2410T)
Washington, DC 20460
(202) 566-0847

Offices

Atlanta
U.S. Environmental Protection Agency
Office of Inspector General
61 Forsyth Street, SW
Atlanta, GA 30303
Audit/Evaluation: (404) 562-9830
Investigations: (404) 562-9857

Boston
U.S. Environmental Protection Agency
Office of Inspector General
5 Post Office Square, Suite 100 (OIG15-1)
Boston, MA 02109-3912
Audit/Evaluation: (617) 918-1470
Investigations: (617) 918-1466

Chicago
U.S. Environmental Protection Agency
Office of Inspector General
77 West Jackson Boulevard
13th Floor (IA-13J)
Chicago, IL 60604
Audit/Evaluation: (312) 353-2486
Investigations: (312) 353-2507

Cincinnati
U.S. Environmental Protection Agency
Office of Inspector General
26 West Martin Luther King Drive
Cincinnati, OH 45268-7001
Audit/Evaluation: (513) 487-2363
Investigations: (513) 487-2364

Dallas
U.S. Environmental Protection Agency
Office of Inspector General (6OIG)
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733
Audit/Evaluation: (214) 665-6621
Investigations: (214) 665-2249

Denver
U.S. Environmental Protection Agency
Office of Inspector General
1595 Wynkoop Street, 4th Floor
Denver, CO 80202
Audit/Evaluation: (303) 312-6969
Investigations: (303) 312-6868

Kansas City
U.S. Environmental Protection Agency
Office of Inspector General
11201 Renner Boulevard
Lenexa, KS 66219
Audit/Evaluation: (913) 551-7878
Investigations: (312) 353-2507

New York
U.S. Environmental Protection Agency
Office of Inspector General
290 Broadway, Room 1520
New York, NY 10007
Audit/Evaluation: (212) 637-3049
Investigations: (212) 637-3041

Philadelphia
U.S. Environmental Protection Agency
Office of Inspector General
1650 Arch Street, 3rd Floor
Philadelphia, PA 19103-2029
Audit/Evaluation: (215) 814-5800
Investigations: (215) 814-2359

Research Triangle Park
U.S. Environmental Protection Agency
Office of Inspector General
Mail Drop N283-01
Research Triangle Park, NC 27711
Audit/Evaluation: (919) 541-2204
Investigations: (919) 541-1027

San Francisco
U.S. Environmental Protection Agency
Office of Inspector General
75 Hawthorne Street (IGA-1)
7th Floor
San Francisco, CA 94105
Audit/Evaluation: (415) 947-4521
Investigations: (415) 947-8711

Seattle
U.S. Environmental Protection Agency
Office of Inspector General
Mail Code OIG 173
1200 Sixth Avenue, Suite 900
Seattle, WA 98101
Audit/Evaluation: (206) 553-6906
Investigations: (206) 553-1273

Washington
U.S. Environmental Protection Agency
Office of Inspector General
Potomac Yard
2733 Crystal Drive
Arlington, VA 22202
Investigations: (703) 347-8740

Winchester
U.S. Environmental Protection Agency
Office of Inspector General
200 S. Jefferson Street, Room 314
P.O. Box 497
Winchester, TN 37398
Investigations: (423) 240-7735

AL-14-000-7231

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MAR 27 2014

THE ADMINISTRATOR

The Honorable John Boehner
Speaker of the House
House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am pleased to submit the enclosed report entitled, "The Chesapeake Bay Program 2013." A report to Congress on the Chesapeake Bay Program is required every five years as a requirement of the Clean Water Act, Section 117(h). The report includes: the status and trends of the Bay ecosystem; the effectiveness of the Chesapeake Bay Program in implementing management strategies; and recommendations for improved management.

Overall, the Chesapeake Bay remains in poor health, however as seen by decreasing nutrient and sediment concentrations and improved habitat resiliency, recovery is under way. Through the collaborative efforts of the Chesapeake Bay Partnership, including the implementation of the Chesapeake Bay Total Maximum Daily Load (TMDL) by the seven Bay Jurisdictions and the fulfillment by Federal Partners of directives in President Obama's Executive Order 13508 on Chesapeake Bay Protection and Restoration, proven practices will restore this treasured natural resource. To improve and accelerate progress, the Chesapeake Bay Partners have developed a proposed new Chesapeake Bay Watershed Agreement which will provide clearer goals and outcomes as well as increased transparency and accountability.

If you have questions please contact me, or your staff may contact Nichole Distefano, Deputy Associate Administrator for Congressional Affairs at distefano.nichole@epa.gov or (202) 564-1110.

Sincerely,

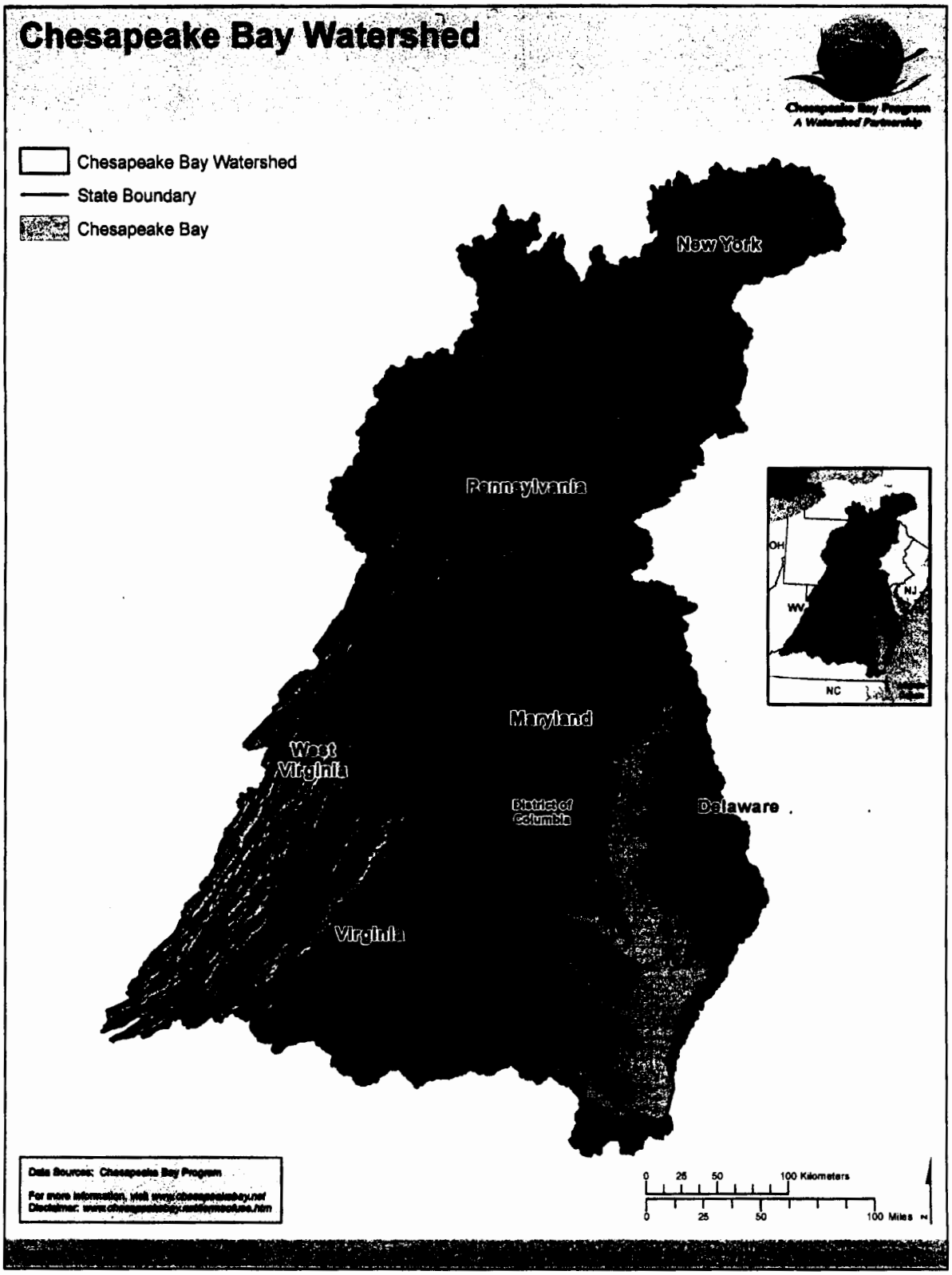
Gina McCarthy

Enclosure

THE CHESAPEAKE BAY PROGRAM 2013

In accordance with Clean Water Act § 117

Submitted By
U.S. Environmental Protection Agency
On Behalf Of
Chesapeake Bay Program
Annapolis, Maryland


Chesapeake Bay Watershed
Chesapeake Bay Program
A Watershed Partnership
Chesapeake Bay Watershed
State Boundary
Chesapeake Bay
New York
Pennsylvania
Maryland
West Virginia
District of Columbia
Delaware
Virginia
OH
WV
NJ
NC
Data Sources: Chesapeake Bay Program
For more information, visit www.chesapeakebay.net
Disclaimer: www.chesapeakebay.net/termsofuse.htm
0 25 50 100 Kilometers
0 25 50 100 Miles

Chesapeake Bay Program
A Watershed Partnership

Dear Members of Congress,

This report of the Chesapeake Bay Program 2013 is submitted in accordance with the requirements of Section 117(h) of the Clean Water Act. The Chesapeake Bay Program partnership has worked collaboratively for 30 years to guide efforts toward a restored Bay ecosystem in which civic responsibility and environmental stewardship are considered essential components of maintaining the high quality of life we enjoy in the watershed. Using state of the art science and ecological restoration techniques, the partnership has built upon successes while learning from the challenges related to restoring a varied and complex ecosystem covering a 64,000-square mile watershed and spanning seven political jurisdictions.

This 30-year mark serves as an opportunity for the existing Bay scientists, policy-makers and citizens to set the stage for generations to follow. While we examine the successes of the past three decades, as well as the challenges not yet solved, the time has come for the Chesapeake Bay Program to lay the foundation for transition. It is time for a new Bay Watershed agreement that builds on this incredible body of scientific knowledge, takes into account both existing conditions and emerging circumstances; and forge an agreement that brings all Bay partners together. To move forward, we need Delaware, the District of Columbia, Maryland, New York, Pennsylvania, Virginia, West Virginia, the Environmental Protection Agency and the Chesapeake Bay Commission, sharing responsibility and working toward the same goals. This is why the partners are crafting a new *Chesapeake Bay Watershed Agreement.*

The original Chesapeake Bay agreement signed in December 1983 was a simple 1-page document committing the signatories to work cooperatively to address pollution entering the Bay. Over the years, a number of subsequent agreements of greater complexity and detail have been executed, the most recent being *Chesapeake 2000*, with more than one hundred individual goals, commitments and outcomes. While many of these goals and commitments were met, the health of the Chesapeake Bay ecosystem has not sufficiently improved.

The currently proposed *Chesapeake Bay Watershed Agreement* will provide clearer goals and outcomes. It will provide an unprecedented level of transparency and accountability. It will be flexible, incorporating adaptive management decision making to address changing conditions and circumstances. Finally, it will provide the headwater states – Delaware, New York and West Virginia – the opportunity to join the partnership as full members.

While the 30th anniversary is cause to celebrate and reflect on our unique partnership and its accomplishments, it marks a transition to the next generation who will carry on the restoration efforts while adapting to a rapidly changing environment. As we honor our past achievements, the currently proposed *Chesapeake Bay Watershed Agreement* is our preparation for the future – a future where the Chesapeake Bay watershed remains an economic engine for the region, rebuilds a thriving and diverse ecosystem, and reclaims its status as a celebrated treasure for the citizens who live in the watershed and throughout the nation.

Respectfully submitted,

Nicholas A. DiPasquale
Director, Chesapeake Bay Program

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THE CHESAPEAKE BAY PROGRAM 2013

EXECUTIVE

INTRODUCTION

ABOUT THIS REPORT

This report is completed in accordance with the Clean Water Act (CWA) PL 109-169, Section 117(h). Section 117 (h) of the CWA requires the Environmental Protection Agency Administrator, in coordination with the Chesapeake Bay Executive Council, to complete a report to Congress every five years.

THE CHESAPEAKE BAY PROGRAM

The CBP is a comprehensive cooperative effort by federal, state, and local governments, NGOs, academics, and other entities that share the mission of restoring and protecting the Chesapeake Bay and its watershed.

From 1984, the first year of funding for CBP through 2013, Congress enacted $734.2 million in funding through EPA to restore the Chesapeake Bay.

Created in 1983 and authorized by the CWA §117, CBP is directed by the Chesapeake Executive Council (EC). The CBP office is maintained by EPA, supported and staffed by its many partners; and it provides support to the EC and various CBP committees.

The original state signatories to Chesapeake Bay agreements (1983, 1987 and 2000) were Maryland, Pennsylvania, Virginia and the District of Columbia. In 2000, the CBP determined the headwater states of Delaware, New York and West Virginia were needed to meet the nutrient and sediment reductions necessary to remove the Bay from the impaired waters list. Subsequently, in 2002 the headwater states signed a Memorandum of Understanding (MOU) with EPA and the original four jurisdictions, committing them to fully participate in CBP's water quality efforts. The CBP is guided by the policy direction established by CWA §117 (Chesapeake Bay Restoration Act).

In 2009, President Obama signed Executive Order 13508 (EO): Chesapeake Bay Protection and Restoration, and in 2010 the federal agencies issued their strategy (*Strategy for Protecting and Restoring the Chesapeake Bay Waters hed*) to achieve the goals of the EO. In the transition years (further explained on page 39) from 2010 until now, the focus of the CBP has been on development and implementation of the Chesapeake Bay TMDL issued in December 2010 and the implementation of the EO Strategy by the federal partners.

In 2011, the EC and the Federal Leadership Committee (FLC) for the Chesapeake Bay acknowledged the need to integrate the goals, outcomes and actions of the Chesapeake Bay Program with those of the federal EO strategy. The partnership is now in the process of developing a new *Chesapeake Bay Watershed Agreement* expected to be signed by the EC in 2014. This new plan will clarify our vision, mission and values and establish shared goals and outcomes. It is intended to have more flexibility, increased accountability, and greater participation by all partners. The agreement will highlight the necessity of engaging local partners in the implementation of all goals. Current goals being considered by the partnership include:

Sustainable Fisheries Goal: Protect, restore, and enhance finfish, shellfish and other living resources, their habitats and ecological relationships to sustain all fisheries and provide for a balanced ecosystem in the watershed and Bay.

Vital Habitats Goal: Restore, enhance, and protect a network of land and water habitats to support high-priority species and to afford other public benefits, including water quality, recreational uses and scenic value across the watershed.

Water Quality Goal: Reduce pollutants to achieve the water quality necessary to support the aquatic living resources of the Bay and its tributaries and protect human health.

Healthy Watersheds Goal: Sustain state-identified healthy waters and watersheds, recognized for their exceptional quality and/or high ecological value.

Land Conservation Goal: Conserve landscapes treasured by citizens in order to maintain water quality and habitat; sustain working forests, farms and maritime communities; and conserve lands of cultural, indigenous and community value.

Public Access Goal: Expand public access to the Bay and its tributaries through existing and new local, state and federal parks, refuges, reserves, trails and partner sites.

Environmental Literacy Goal: Enable students in the region to graduate with the knowledge to use scientific evidence and citizenship skills to act responsibly to protect and restore their local watershed.

SECTION A:
Signs of Continuing Recovery

As we commemorate 30 years of the CBP partnership, we have witnessed clear signs-from local streams and small watersheds to the deep waters of the Bay itself-of continuing recovery across the Chesapeake Bay ecosystem and throughout the surrounding six-state watershed.

The U.S. Geological Survey (USGS), in partnership with the Chesapeake Bay Program watershed water-quality monitoring partnership, routinely reports trends as well as monthly and annual loads for water-quality monitoring stations across the Chesapeake Bay Watershed.

The data from the monitoring network are used to help scientists and managers assess water-quality conditions and long-term trends as management practices are implemented to reduce the amount of nutrients (primarily nitrogen and phosphorus) and sediment reaching the streams in the watershed and the Bay. The data will also be used to help states and localities measure progress toward meeting their pollutant reduction responsibilities under the Chesapeake Bay TMDL.

In the Potomac River estuary, wastewater treatment plant upgrades in the metropolitan Washington D.C. area positively impacted the Potomac River estuary by decreasing phosphorus and nitrogen concentrations, and reducing the growth of harmful algal blooms (Buchanan et al. 1996).

Enhanced treatment of sewage and phosphate detergent bans in the 70s and 80s led to decreased summer algal blooms caused by phosphorus (Kemp et al. 2005); however nitrogen was still negatively affecting water quality. Upgrades at the Blue Plains Wastewater Treatment Plant to remove biological nitrogen in 1985 and 1990 led to significant decreases in nitrogen concentrations (Buchanan 2013).

These wastewater upgrades also coincided with the resurgence of underwater grasses. Research found decreases in nitrogen input, nutrient concentrations, and total suspended sediment were highly correlated with increases in total underwater grass abundance (Stuhl and Rybicki 2010).

Trends through 2011 show over the past 25 years there have been decreasing nutrient and sediment concentrations indicating improving conditions in local streams and rivers. Nitrogen and phosphorus concentrations have decreased at almost 70 percent of the 31 long-term monitoring sites within the Bay watershed. Sediment has decreased at about 30 percent of the sites. However, several of the 31 sites had increasing sediment concentration trends over the last 25 years, which indicates degrading conditions. Three sites had increasing trends for nitrogen, four for phosphorus, and eight for sediment.

While jurisdictions are implementing management actions throughout the Bay watershed, there is a lag time between implementation and detection of water-quality improvement. Additional factors affecting water-quality changes include population increases, the influence of local watershed geological characteristics, as well as changes in nutrient sources and land use.

These long-term, multi-decade trends suggest pollution-reduction efforts, such as improved controls at wastewater treatment plants, reductions in nitrogen air emissions and practices to reduce nutrients and sediment from farms and suburban lands, are improving water-quality conditions in many areas of the watershed. However, nutrients, sediment, and contaminant pollutant loads still need to be further reduced to clean local streams and bring back a healthier Bay.

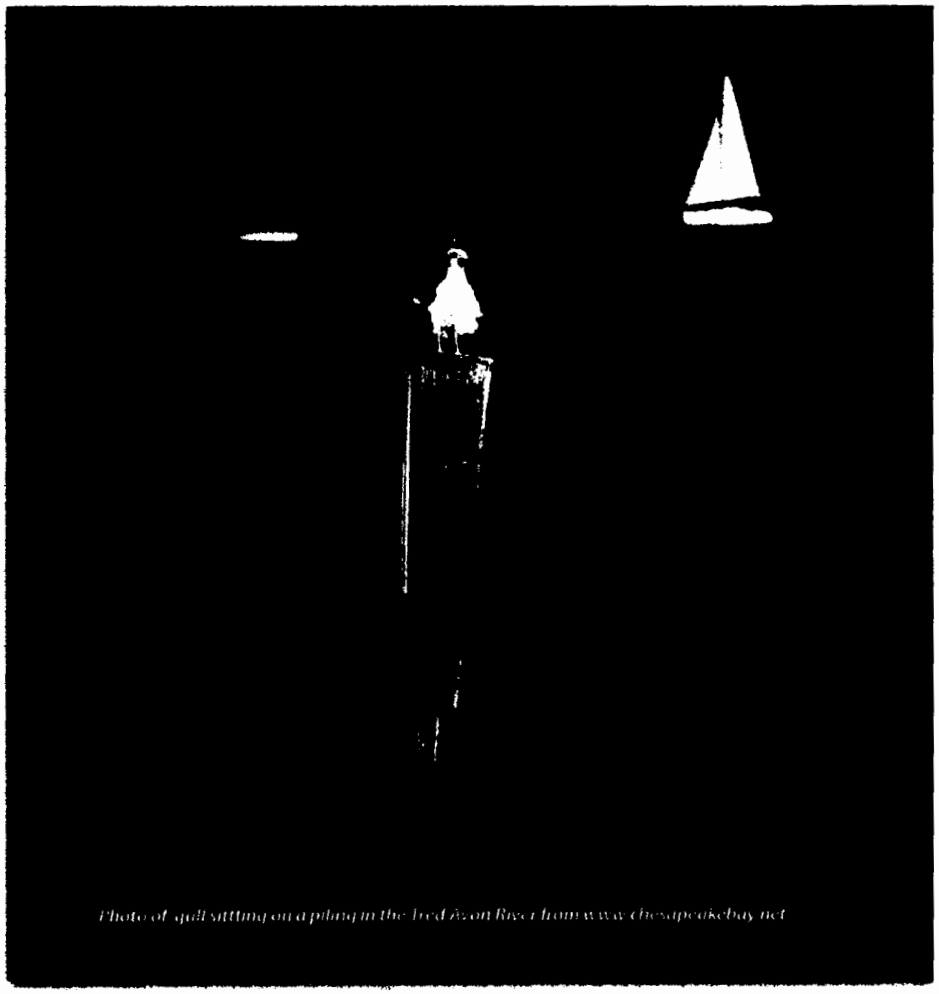
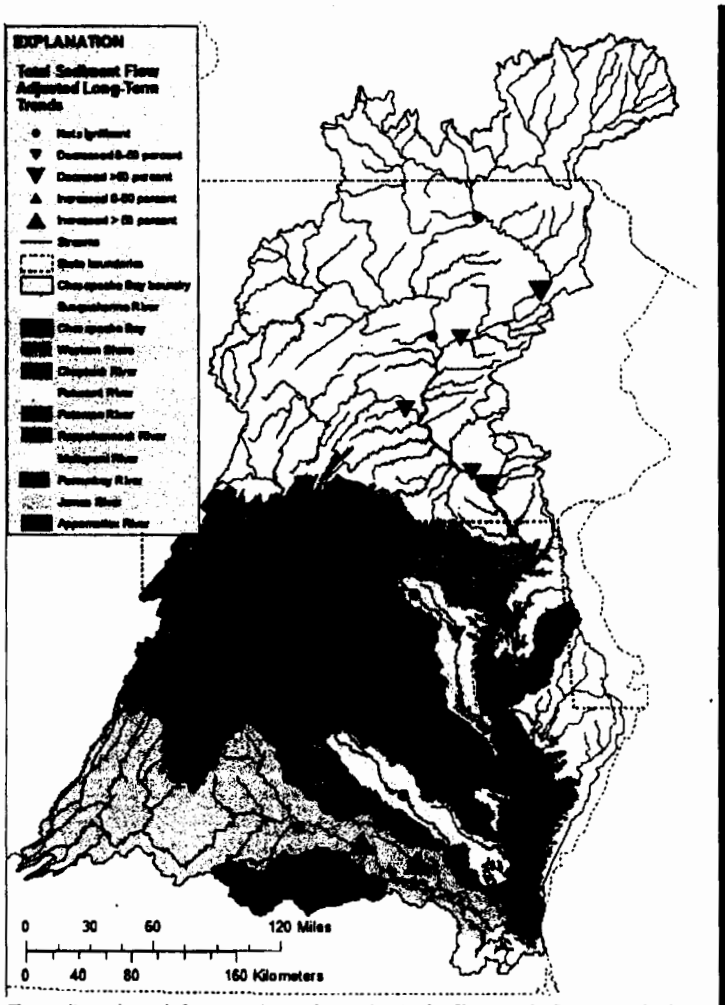


Photo of gull sitting on a piling in the Ind River from www.chesapeakebay.net

Nitrogen, phosphorus, and sediment concentrations are highly variable, depending on the amount of water flowing in streams and rivers throughout the Bay watershed. To account for these variations, scientists calculate flow-adjusted trends to determine whether concentrations have changed over time.

By removing the effects of natural variations in streamflow, resource managers can evaluate the changes in stream health that may result from nutrient reduction actions or other changes within the watershed.



Flow-adjusted trends for total nitroge for 31 sites in the Chesapeake Bay Watershed, 1985-2011

FLOW ADJUSTED CONCENTRATION TRENDS THROUGHOUT WATERSHED 1985-2011

Nitrogen

Changes in nitrogen concentrations were assessed from 1985-2011 at 31 stream sites in the Chesapeake Bay watershed. The majority of the flow-adjusted concentration trends were improving, with 21 sites improving, 3 sites degrading, and 7 sites where the trends were not statistically significant.

Phosphorus

Changes in phosphorus concentrations were also assessed from 1985-2011 at the 31 watershed stream sites. Again, the majority of the flow-adjusted concentration trends were improving, with 22 sites showing decreasing trends, 4 sites increasing, and 5 sites showing trends that were not statistically significant.

Sediment

Changes in suspended sediment concentrations were assessed at the same 31 stream sites from 1985-2011. Nearly half the sites (14) show concentration trends that were not statistically significant, with 9 sites improving, and 8 sites degrading.

Restoration Spotlight: Livestock Grazing Management

Cattle exclusion resulted in vegetation growth on land along rivers and streams, reduced suspended sediment loads, improved stream habitat, reduced nutrients and improved aquatic life in multiple locations throughout the Chesapeake Bay watershed.

Limiting livestock access to streams as well as improving vegetation and the land along the banks will reduce the direct fecal matter input into the system, alleviate stream bank erosion and improve aquatic habitat (Leeds et al. 2006).

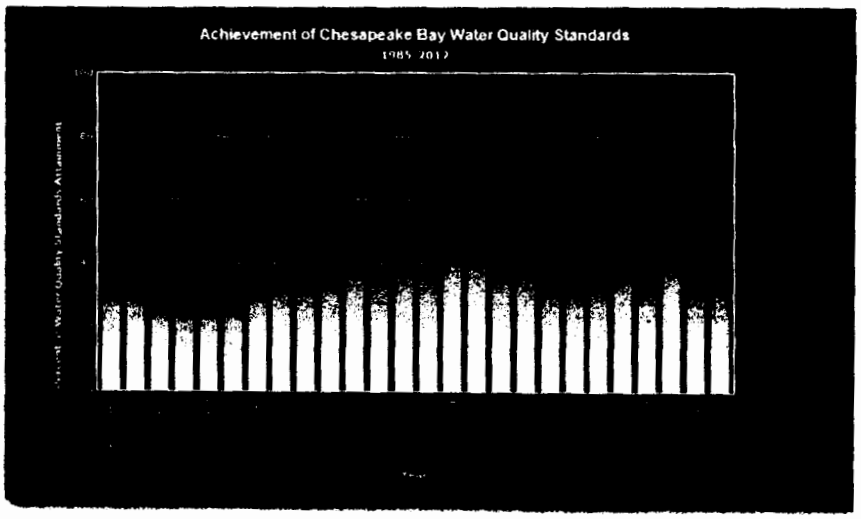
In the Chesapeake Bay region, several studies in Pennsylvania, Maryland and Virginia showed that when conservation practices, including cattle exclusion, were implemented, the response time in vegetation growth was rapid, usually on the order of one year. Other benefits observed in Big Spring Run, Mill Creek Basin, Spring Creek, Lower Monocacy River and Lake Linganore – including a decrease in suspended sediment load and improved in stream habitat, bank stability and vegetation – were observed within the first five years after practices were implemented (Galeone et al. 2006; Carline and Walsh 2007; US EPA 2010b).

In Big Spring Run, Mill Creek Basin, Lower Monocacy River and Lake Linganore, the concentrations of key nutrients also decreased (Galeone et al. 2006; US EPA 2010b). Furthermore, aquatic life metrics that included fish and benthic macroinvertebrates increased in a short period of time in Big Spring Run, Mill Creek Basin, Occoquan River, Goose Creek and Spring Creek (Galeone et al. 2006; Leeds et al. 2006; Carline and Walsh 2007).

Photo by Matt Rodath, Chesapeake Bay Foundation

ACHIEVEMENT OF CHESAPEAKE BAY WATER QUALITY STANDARDS

In the *Chesapeake 2000* agreement, Bay partners agreed by 2010 to correct the nutrient- and sediment-related problems in the Chesapeake Bay and its tidal tributaries sufficiently to remove the Bay and the tidal portions of its tributaries from the list of impaired waters under the Clean Water Act. Further, the Chesapeake Bay EO water quality outcome calls for 60 percent of segments achieving Bay water-quality standards by 2025 through the implementation of 100 percent of pollution reduction actions for nitrogen, phosphorus and sediment no later than 2025.



At the recommendation of the partnership's Water Quality Goal Implementation Team, CBP adopted an indicator in September 2013 to track achievement of Chesapeake Bay water quality standards. The indicator measures progress toward the achievement of water quality standards for dissolved oxygen, water clarity/underwater bay grasses and chlorophyll-*a* for each three-year assessment period beginning in 1985. This indicator provides a means for illustrating improvements through time, and is fully consistent with how Delaware, the District of Columbia, Maryland, and Virginia currently list their portion of the Bay's tidal waters. The indicator will be used to illustrate incremental progress toward ultimately achieving each state's Chesapeake Bay water quality standards at small scales for the 291 designated use segments.

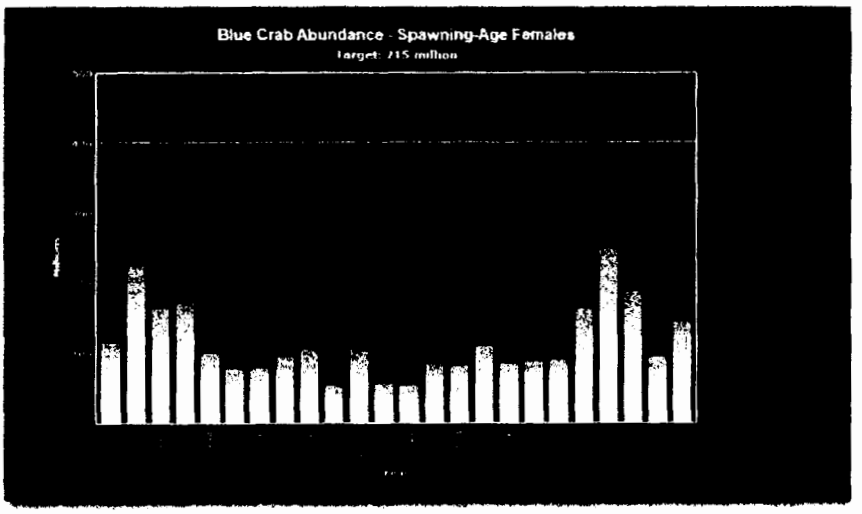
Preliminary results for 2010-2012 indicated 31 percent of the Bay was attaining water quality standards. These results are similar to those of the previous assessment period (2009-2011) in which 30 percent of the Bay was attaining water quality standards.

[redacted]

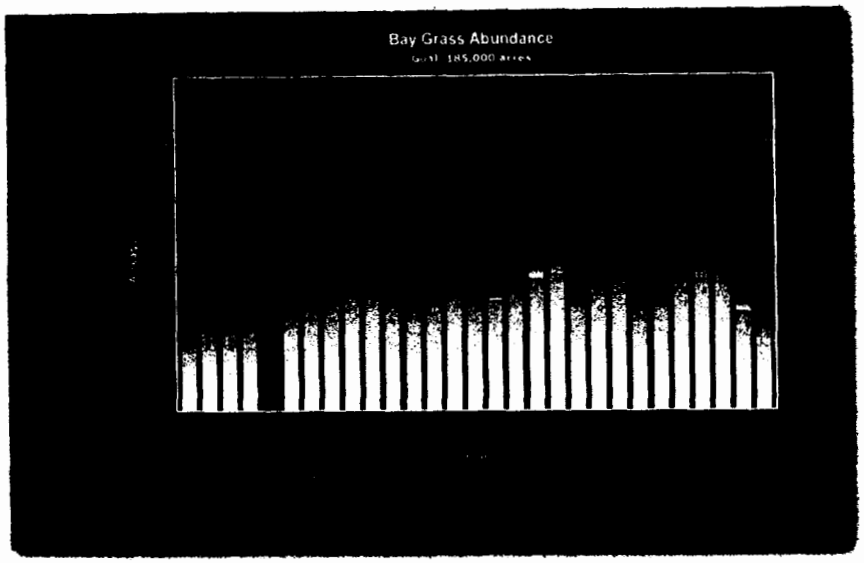
Blue Crabs

Another sign of recovery is the stabilization of blue crab populations. Perhaps no species is more closely associated with the Chesapeake Bay than the blue crab. Because they reproduce by the millions, eating virtually anything, crabs are one of the Bay's hardiest species.

However, water quality and adequate habitat are important for the crab's continued health. Led by the Chesapeake Bay Stock Assessment Committee and the National Oceanic and Atmospheric Administration's Chesapeake Bay Office, a 2011 benchmark assessment recommended establishing an overfished threshold number of 70 million female spawning-age crabs and replacing the interim target of 200 million male and female spawning-age crabs with a target of 215 million female spawning-age crabs.



Approximately 147 million female crabs over age 1 were estimated in the Bay at the start of the 2013 crabbing season. This number is below the recommended target but still above the new threshold and within the range of values observed for the 13 year period prior to implementation of the female-specific safeguards put in place in 2008.



Underwater Grasses

In 2003, the Bay Program adopted the *Strategy to Accelerate the Protection and Restoration of Submerged Aquatic Vegetation in the Chesapeake Bay*. The strategy included a new Baywide restoration goal of 185,000 acres, representing the approximate historic abundance from the 1930s. Scientists believe having more underwater grasses in the Bay and rivers will dramatically improve the entire ecosystem. The expectation is as nutrient and sediment pollution decrease and water clarity improves, underwater grass acreages should expand.

Underwater grasses provide significant benefits to aquatic life and serve many critical ecological functions in the Bay and its tributaries. Underwater grasses provide shelter for young striped bass, blue crabs and other species; improve water clarity by helping suspended sediment particles settle to the bottom; add oxygen to the water; and reduce shoreline erosion.

From 1984-2012, the abundance of underwater grasses increased from 38,958 to 48,195 acres. Acreage has averaged 65,666 and ranged from 38,958 to 89,659 acres.

"Dead Zones"

Further evidence of the benefits of nutrient and sediment reductions was presented in a study published in the November 2011 issue of Estuaries and Coasts, by researchers from Johns Hopkins University and the University of Maryland Center for Environmental Science, examining 60 years of Chesapeake Bay water-quality data.

The research team found the size of mid- to late-summer low to no oxygen areas, called "dead zones," leveled off in the Bay's deep channels during the 1980s and has been declining ever since. This is the same time the CBP formed and federal and state agencies set the Bay's first numeric pollution reduction goals. The study also found the duration of the dead zone - how long it persists each summer - is closely linked to the amount of nutrient pollution entering the Bay each year.

The study also eased fears surrounding an early summer jump in dead zones, determining they were influenced by stratification, not by the runoff of pollutants. Fresh water from rivers entering the Bay forms a layer on top of more dense salt water from the ocean. The two layers do not easily mix, so when air near the surface adds oxygen to the top layer, it does not reach the deeper salt water. Without oxygen at these lower depths, marine animals cannot live, and a dead zone is formed.

We are also seeing more and more stories of the recovery and restoration of free flowing creeks and rivers, tidal embayments, and small watersheds - waterbodies of importance to local communities as sources of economic growth, drinking water, swimming, boating, fishing, wildlife watching or other forms of recreation, aesthetic beauty, ecosystem services or other benefits.

Restoration Spotlight: Manure and Fertilizer Management

[illegible] on the application of phosphorus in commercial and manure fertilizer resulted in significant water quality improvements in Little Conococheague Creek in Pennsylvania's lower Susquehanna River basin.

The 67 square mile watershed in south central Pennsylvania is dominated by agriculture. Reducing commercial and manure fertilizer decreased phosphorus and nitrogen loads by [illegible] and 14 respectively. Total phosphorus and suspended sediment concentrations decreased at three water quality monitoring sites. Total nitrogen concentrations decreased slightly, but not significantly.

At [illegible] of the sampling sites, the volatilization of ammonia from livestock manure likely added additional nutrient loads through atmospheric deposition. The reductions in phosphorus point to the effectiveness of nutrient management, but the insignificant decreases in nitrogen suggest the need for longer term monitoring and the consideration of soil nutrient interactions, nutrient transport mechanisms, and nitrogen transformations with changes in water quality (Langland and Lietz 1996). The monitoring period likely needs to be extended beyond three years past nutrient load decreases to observe changes in nitrogen concentrations to reflect the delay in local water quality response due to the effects of groundwater time lags.

In 2010 and 2011, New York, Maryland and Virginia took the additional step of banning the use or sale of residential phosphorus fertilizers.

Photo of Pennsylvania Rt. 213 bridge over Rush Run creek from bridgehunter.com

The recovery of these waterbodies located in communities and small watersheds people call home is the direct result of local actions by neighbors, homeowners, farmers, business owners, developers, municipalities, and many others working at the local scale.

Each of these local stories gives us new insights into how to better restore the next creek, river or watershed, how long until we should expect to see a positive water quality response downstream, what trajectory the restoration of other rivers and embayments will take and what signs we should be watching out for.

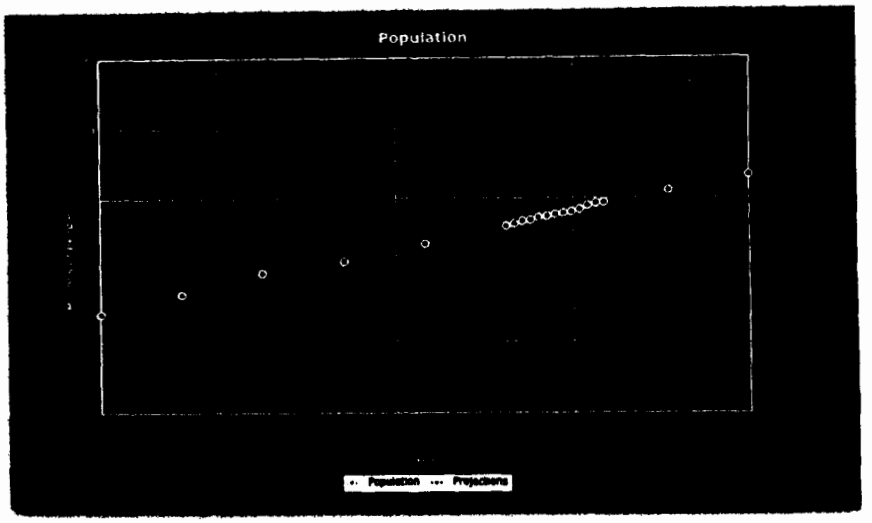
SECTION B: RESILIENCE

We have also observed a growing resilience in the Bay ecosystem, the ability of the natural system to withstand and bounce back from severe stresses and impacts – numerous major storms, lengthy droughts and record summer time temperatures, all while population growth and development in the watershed has more than doubled since the 1950s.

To provide for a qualitative measure of resilience, we have compared measurements of key ecosystem response indicators - underwater Bay grasses, dissolved oxygen, oysters - under extreme, often sustained weather events observed recently and decades ago. Compared to similar extreme conditions decades ago, when we would have observed a complete loss of underwater grass acreages or the collapse of a healthy oyster bar community for years to come, these ecosystem components have more recently withstood the adverse weather impacts and rapidly recovered to their previous health status.

Population Growth

In the face of significant increases in population across the Chesapeake Bay watershed, accompanied by continued development of the land, actions of the partnership have assisted in not only holding the line on pollutants loads - but improving water quality conditions. Given more than 5 million additional people now call the Bay watershed home since the partnership was established in 1983, the fact the Bay ecosystem is showing real signs of recovery is significant.



As of 2012, 17.7 million people were estimated to live in the Bay watershed, up from 17.6 million in 2011. Experts predict the watershed's population will increase to more than 20 million by 2030.

Major Storm Events

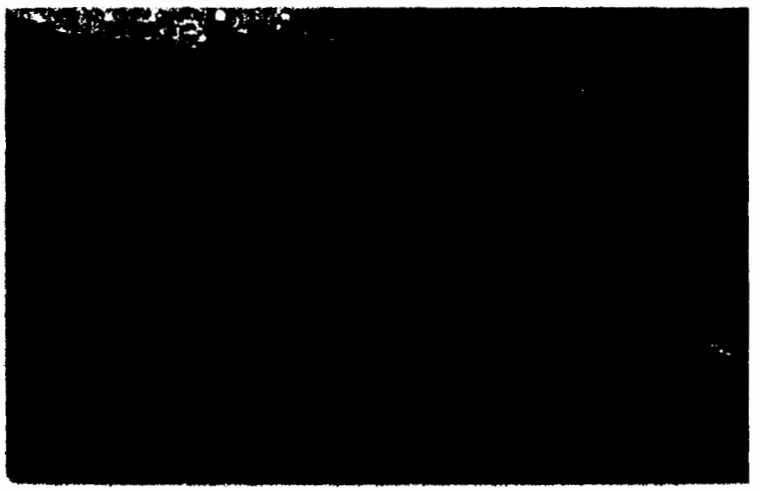
In August and September of 2011, Hurricane Irene and Tropical Storm Lee dumped a large amount of water in the Susquehanna River watershed, creating a muddy plume that extended down the Chesapeake Bay to the mid-bay islands and persisted for several months. Scientists working with the Chesapeake Bay Program acquired aerial imagery in early November 2011. The photos showed while some underwater grasses in the Susquehanna Flats were lost, the bed mostly survived.

These major storm events did not overwhelm the restoration progress made to date - impacts underwater grasses, oysters, and, dissolved oxygen levels from these and other tropical storms and hurricanes in years past were barely observed in the spring which followed. Compared with the devastating impacts of Tropical Storm Agnes in June 1972, from which the Bay only recovered a decade later, Bay and watershed restoration efforts have successfully re-built a level of resilience to withstand these extreme natural events.

A 2012 study by UMCES showed some positive effects of tropical storms, as well as negative impacts. The report points out oysters benefit from salinity reductions, reducing incidence of two major diseases. Low salinity also reduces the rate of infection as well as occurrence of parasites.

"Mixing" of Chesapeake Bay waters following high winds, like those of Hurricane Irene, was another positive effect found by the study. Coming on the heels of a large dead zone that summer, the high winds from the storm mixed the water, improving oxygen levels.

The effect on other species, such as blue crabs, was minimal as they are highly mobile and migrate to avoid areas with decreasing water temperatures or reduced salinity as a result of the storms.



The Virginia Institute of Marine Science's SAV blog has an interactive version of the above image comparing the Susquehanna Flats underwater grass bed from 2010 to post-storms 2011.

Lynnhaven River Oyster Restoration

In the past 100 years, the population of the native Eastern oyster (c. Crassotrea virginica) has fallen dramatically, due to over-harvesting, disease and poor water quality. Lynnhaven River has been the center of many community-based restoration and oyster shell recycling efforts over the past few decades. Agencies such as the National Oceanic and Atmospheric Administration (NOAA), the U.S. Army Corps of Engineers (USACE), state efforts like the Virginia Oyster Heritage Program, and nonprofit organizations including Lynnhaven River NOW, the Chesapeake Bay Foundation, and Oyster Reef Keepers of Virginia have performed smaller-scale restoration involving students and citizen groups. Most of these projects involved creation of artificial reefs and adding spat-on-shell to these reefs. NOAA is also supporting research on how fish use the oyster reefs in the river. These projects have seen some measurable progress and have increased the oyster population in the Lynnhaven dramatically.

What's getting warmer?

The Potomac River, one of the Bay's largest tributaries, was one of 20 major US rivers and streams showing statistically significant long-term warming. In Maryland's Patuxent River, University of Maryland Center for Environmental Science (UMCES) researchers have noted a 3 F increase since 1934.

"We are seeing the largest increases in the most highly urbanized areas, which leads us to believe that the one-two punch of development and global warming could have a tremendous impact on stream and river ecosystem health," said Dr. Sujay Kaushal of UMCES.

Contractors working for the U.S. Army Corps of Engineers, Norfolk District, use high pressure water cannons to spread fossilized oyster shell in the Lynnhaven River in Virginia Beach, Va., in an effort to build reef-dam relief oyster reefs for an ongoing oyster restoration project.
(Photo courtesy USACE Norfolk)

Ten years ago, the Lynnhaven River oyster population was estimated to be only one percent of historic abundance, but a recent estimate suggests the current population has grown to approximately ten percent of historic numbers. USACE Norfolk District has played a large role in the restoration of native oyster populations through the construction of 58 acres (out of a total of 63 acres constructed) of new sanctuary oyster reefs in the Lynnhaven River.

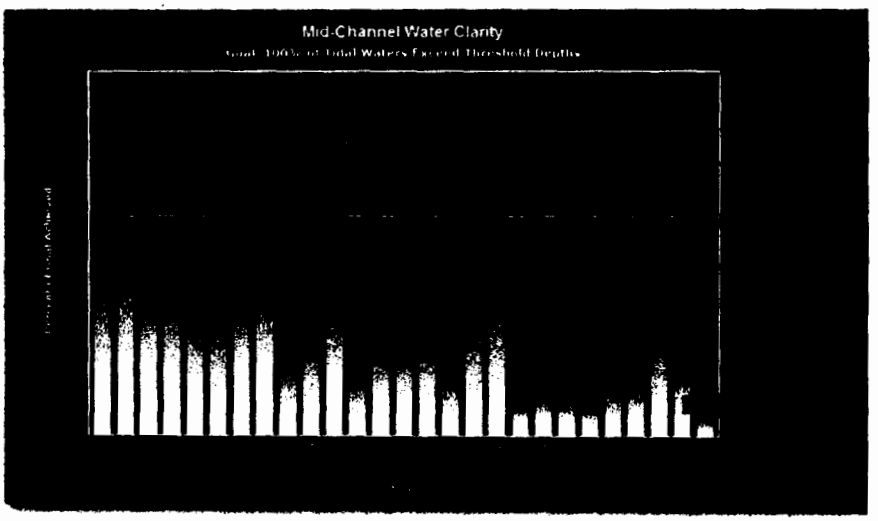
Oyster restoration efforts in the Lynnhaven River and elsewhere will be measured using the oyster metrics adopted by the Chesapeake Bay Program's Sustainable Fisheries Goal Implementation Team in December 2011.

SECTION C: NOT ALWAYS SEEING EXPECTED RESPONSE TO MANAGMENT ACTIONS

We have also observed key Bay and watershed ecosystem responses (or lack of responses) providing clear evidence where our restoration efforts have not progressed the way we would have expected given we are several decades into Bay and watershed restoration efforts.

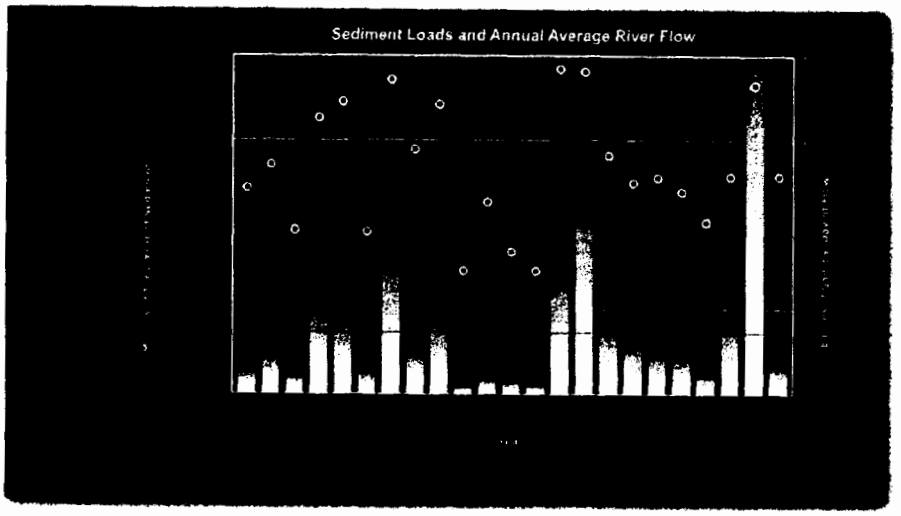
Water Clarity

Water clarity measures the depth to which light can penetrate into the water. It is routinely hindered by fine sediment, plankton and other debris suspended in the water. Greater water clarity generally leads to a healthier Bay.



Annual clarity levels can vary greatly, but the long-term trend indicates Bay water has become more turbid (less clear). Since 1985, goal achievement has averaged 22 percent and has ranged from 5 percent to 41 percent. In the most recent measurements for 2010-2011, the water clarity score decreased from 18 percent to 5 percent of goal achieved.

Water clarity data from deeper, mid-channel areas are used to indicate general conditions and trends, including for reporting on this goal. Systematic monitoring of water clarity in shallow water areas has been underway for only the past few years and there are not yet sufficient data to provide a Baywide assessment.



Sediment Loads and River Flow

We are witnessing water quality trends in the wrong direction not only in the case of reduced water clarity in the tidal waters but also with sediment loads at the river input monitoring stations.

Following heavy rains from Hurricane Irene and Tropical Storm Lee, preliminary estimates show 25.8 million tons of sediment from nontidal rivers reached the Bay during the 2011 water year (October 2010-September 2011). This was an 18.9 million ton increase from 2010 and significantly higher than the 4.7 million ton average load from 1990-2011. This marked the highest delivered yield of sediment to the Bay since 1990. Loads in 2012 returned to significantly reduced levels.

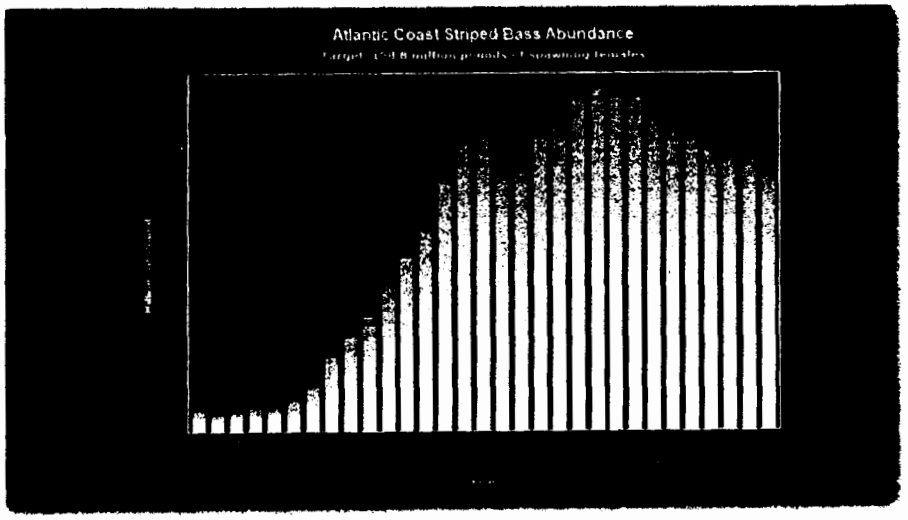
Smallmouth Bass

A smallmouth bass collected from the Susquehanna River near Selinsgrove displays the black spots that have anglers concerned. Photo by Pennsylvania Fish & Boat Commission

Starting with severe losses in smallmouth bass populations in the Shenandoah River, where the Virginia Department of Game and Inland Fisheries estimated about 80 percent of the population was wiped out, reports of fish kills and similar population declines in this prized freshwater sport fish were reported in West Virginia's South Branch Potomac River, Virginia's Cowpasture River, Maryland's Monocacy River, and Pennsylvania's Susquehanna River. Specific causes of the observed lesions, abnormal sexual development, and resultant severe population declines remain unclear. Based on research by the USGS, there are indications a combination of elevated nutrient conditions, high water temperatures, and chemical contaminants may have weakened the natural immune systems of the fish, leaving them more susceptible to bacteria, viruses, and parasites living naturally in these river systems.

Striped Bass

For striped bass the message seems to be "proceed with caution." The Chesapeake Bay is the primary spawning and nursery habitat for striped bass on the East Coast. Striped bass support one of the most important commercial and recreational fisheries on the Atlantic seaboard. The striped bass population rebounded from historic lows in the mid-1980s to highs exceeding the population target. Multi-state fishing moratoria in the late 1980s, as well as commercial quotas and recreational harvest limits set in the 1990s, were successful at rebuilding the stock.



Female Atlantic striped bass spawning stock biomass measured 128 million pounds in 2012 and has exceeded the target since 1995. The stock is not overfished and overfishing is not occurring. The Atlantic States Marine Fisheries Commission (ASMFC) manages the coast wide striped bass stock and recently completed the 2013 Atlantic striped bass benchmark stock assessment.

While the population of striped bass continues to not be overfished, the overall health of the stock appears to show signs of stress. According to a study by the Virginia Institute of Marine Sciences (VIMS) published in 2012, scientists are now concerned about the high prevalence of disease (mycobacteriosis) and whether there are enough prey available to adequately support this predatory fish. The study of striped bass in the Chesapeake Bay from 2003-2007 shows evidence of mycobacteriosis increasing with age, peaking at age 5 for males and age 6 for females.

Mycobacteria are widespread in aquatic environments. A small fraction of mycobacterial species causes disease in animals and humans. Mycobacterial infections in humans are commonly known as "fish-handler's disease." Although the risk of contracting the disease is generally low (Panek and Bobo 2006), there is the potential for human infection from handling infected striped bass. There is no reported evidence humans can contract mycobacteriosis by consuming cooked fish.

Hurricanes such as Isabel can lead to flooding throughout the Chesapeake Bay watershed. Photo of Annapolis harbor following the storm by Mike Land.

CHAPTER 2:
MANAGEMENT STRATEGIES' EFFECTIVENESS

The CBP partnership has a history of building on what has worked and adding more facets to the efforts to achieve the overall goal of restoring and protecting the Chesapeake Bay. As a result of the 1975 EPA study of the Chesapeake Bay called for by Senator Charles "Mac" Mathias, which identified the key problems the Chesapeake faced, the partnership has led the Chesapeake Bay restoration effort through a series of agreements, each building on the accomplishments of the last.

Signed in 1983 by the governors of Maryland, Virginia, Pennsylvania, the mayor of the District of Columbia, the chair of the Chesapeake Bay Commission (a tri-state legislative assembly representing Maryland, Virginia and Pennsylvania), and EPA on behalf of the Federal Government, the first Chesapeake Bay Agreement was renewed twice, and amended once, each building off the last. The 1983 Agreement focused on building an engaged and effective partnership.

In 1987, a new Agreement was signed, this one building on the effective partnership but adding aggressive commitments the partners could work on to restore the Chesapeake Bay, most notably a call for a 40 percent nutrient reduction by 2000, the first time a measurable and time-bound goal was set for CBP. This Agreement was amended in 1992, when the partnership recognized they had to focus attention not only to the Bay itself, but the tributaries, calling for the Bay jurisdictions to develop individual tributary strategies, a standard used today for the jurisdictional Watershed Implementation Plans (WIPs) developed to achieve the goals of the Baywide TMDL restoration blueprint described below.

At the start of the new millennium, the partners signed *Chesapeake 2000*, building on earlier agreements, but focusing on additional time-bound and measurable goals focused on accelerating implementation and influencing change.

Currently, CBP is building on the success of previous Agreements and the progress made in the transition years following the last Agreement to develop a new *Chesapeake Bay Watershed Agreement* that will include a partnership strengthened by additional leadership from federal agencies, increased involvement of headwater states, and a more streamlined and flexible set of goals and outcomes aligned with the EO Strategy issued in 2010.

The 1983 Agreement was a simple agreement focused on the notion the collective group could be more effective working together than apart. It established a Chesapeake Executive Council (EC) that would oversee CBP, assess progress on coordinated plans to "improve and protect the water quality and living resources of the Chesapeake Bay estuarine system." At the time, the EC was to be composed of cabinet members of the mayor and governors' administrations, as well as the Regional Administrator of the EPA, and it was to meet at least twice a year. The EC still exists to this day, but has been elevated to the level of the original Agreement signatories (governors, mayor, EPA Administrator, Chair of Chesapeake Bay Commission) and meets annually to oversee, set new or more specific direction, and adopt policies and strategies.

The original agreement also called for the establishment of an implementation committee, composed of agency representatives of all signatories who would coordinate the development and evaluation of the management plans. Advisory committees were established for citizens and scientists whose membership was composed of nominations by the governors. An advisory committee for local governments was later established when the partners recognized local governments were essential in the implementation of actions needed to restore the Bay. At the same time, EPA developed Memoranda of Understanding (MOU) with key Federal Agencies to articulate the ways in which EPA could represent them in the partnership. To develop individual management strategies, the Implementation Committee convened subcommittees for each key focus area of the Program. The structure set up early in the partnership still exists, fundamentally unchanged, today. The organization has been reorganized twice, in 1996 and in 2009, to face the future challenges of the restoration effort and accelerate implementation. CBP partners recognized the need to embrace an "adaptive management" approach to respond better to changing conditions and better information.

Key elements have remained consistent since the 1983-1987 time frame. There is still an Executive Council and its Principals' Staff Committee, the Implementation Committee became what is now the Management Board, there are three advisory committees, Citizens, Science and Technology, and Local Governments, and the Subcommittees are now called Goal Implementation Teams.

Two major expansions in the partnership have occurred since the 1983-1987 time frame. After the 1992 Amendments to the Agreement, the partnership recognized the need for involvement and engagement by the states in the headwaters of the watershed. In 2002-2003, New York, Delaware, and West

Virginia signed on to the water quality commitments through an MOU. In addition, the EC representatives of the states and D.C. felt a strengthened leadership from the federal government was needed. In 2009, they wrote a letter to newly elected President Obama seeking that leadership. The upshot of that request became President Obama's first environmental executive order – the Chesapeake Bay Protection and Restoration Executive Order (EO 13508), followed closely by the development of the EO *Strategy for Protecting and Restoring the Chesapeake Bay Watershed*. The Transition Years section of this report contains an expanded discussion of the role of the EO Strategy.

SECTION B: MANAGEMENT STRATEGIES

Water Quality Requirements Necessary to Restore Living Resources

The Chesapeake Bay Program's priority attention for meeting water quality requirements to restore living resources has been on two key areas: (1) correcting the nutrient- and sediment-related problems in the Chesapeake Bay and its tidal tributaries sufficiently to remove the Bay and the tidal portions of its tributaries from the list of impaired waters under the Clean Water Act; and (2) fulfilling the 1994 goal of a Chesapeake Bay free of toxics by reducing or eliminating the input of chemical contaminants from all controllable sources to levels that result in no toxic or bioaccumulative impact on the living resources that inhabit the Bay or on human health

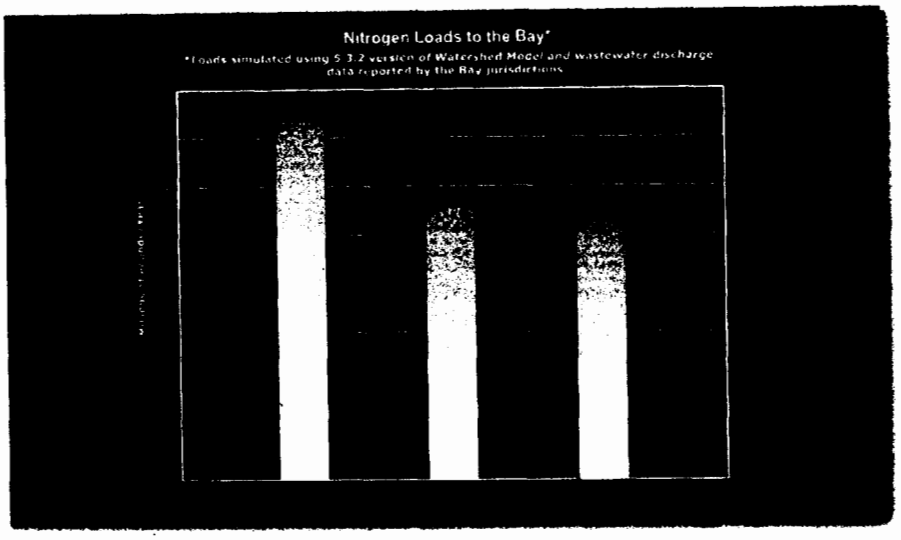
Achieving and Maintaining Nutrient goals of the Chesapeake Bay Agreement

The strategy set forth in the *Chesapeake 2000* agreement included defining water quality conditions necessary to protect aquatic living resources, aligning and, as necessary, adopting new or revised water quality standards, and monitoring progress toward meeting the standards. The strategy also included using models of the Chesapeake Bay and its watershed to set nutrient and sediment load allocations for each major tributary basin to meet those standards. Finally, the strategy called for Bay jurisdictions to develop tributary strategies that define and commit to the actions necessary to reduce nutrient and sediment pollution enough to meet those allocations. The progress in implementing the tributary strategies was tracked annually through collecting implementation information from the jurisdictions and processing that information through the Chesapeake Bay Watershed model.

In 2008, the EC directed the partnership to take an innovative approach toward improved accountability. In pursuit of the long-term goal set in 2009 for having all water quality restoration practices in place by 2025, the partners would begin to track their progress through short, two-year targets, starting with the years 2009 through 2011. These short-term checks on water quality restoration progress were a significant advancement from prior CBP tracking periods of ten or more years.

By 2009 it was apparent, although there were significant reductions in nitrogen and phosphorus loads, not enough progress would be made. Consistent with the Executive Order, which directed EPA to use the full range of its authorities under the Clean Water Act, a Baywide TMDL was developed to ensure all practices and pollution controls are in place by 2025 that would achieve water quality standards. This TMDL (see section on page 47) is like no other TMDL in the country, largely because it is based on the success of the partnership in developing the monitoring and modeling tools necessary to track progress, in developing and implementing tributary strategies that were the precursor to the jurisdictional WIPs, and in the commitment to develop shorter term two-year milestone commitments, and contains rigorous accountability measures and federal actions that can be employed if necessary to spur progress.

The original intent of the 2009-2011 water-quality milestones was to allow for flexibility so the partners could alter their management decisions based on what worked best. Success was to be measured against the end goal of reducing the pounds of pollutants entering the region's waters, rather than acres or miles of specific practices put in place. This "common currency" of expected pounds of pollution reduced allowed jurisdictions to establish an initial set of practices to implement and to adapt if the original practices were less effective than anticipated.



Between 2000 and 2010, this general strategy has been implemented, updated, and revised. New water quality criteria were developed for dissolved oxygen, chlorophyll-*a*, water clarity and submerged aquatic vegetation. Pollutant load allocations have been set and revised for each major tributary, tributary strategies were developed by the Bay jurisdictions and progress has been measured annually. As required by the EO, Federal Agencies prepare annual reports assessing implementation of annual action plans and reviewing indicators of environmental conditions in the Bay.

At the end of 2012, the jurisdictions were estimated to have made 25 percent of the overall watershed-wide reductions necessary to meet their combined 2025 TMDL tracking goal for nitrogen, relative to the 2009 TMDL baseline. The jurisdictions are 27 percent of the way towards their goal for phosphorous and 32 percent for sediment.

Chesapeake Bay Basinwide Toxins Reduction and prevention strategy goal

In December 2000, the EC adopted the *Toxics 2000 Strategy: A Chesapeake Bay Watershed Strategy for Chemical Contaminant Reduction, Prevention, and Assessment* (U.S. EPA 2000a). The agreement made substantial commitments to prevent and reduce chemical contaminants and eliminate toxic impacts on living resources inhabiting the Bay and rivers. The EC also committed to eliminating all chemical contaminant-related fish consumption bans and advisories, to clean up contaminants in the sediment in the three most urbanized areas referred to as "Regions of Concern" (Baltimore Harbor, Anacostia River, Elizabeth River), and to sustain progress in the face of increasing population and expanded development within the watershed.

Since adopting the *Toxics 2000 Strategy*, while CBP activities have focused primarily on reducing nutrient and sediment loads, some progress has been made by federal and state agencies as well as NGOs completing ongoing work to control chemical contaminants. EPA, for example, has continued numerous contaminated site cleanups, improving conditions in the Chesapeake Bay watershed. Jurisdictions have enforced permit conditions including industrial wastewater permits, and have also continued to monitor fish tissue for determining consumption advisories and impairment listings. Federal agencies such as USGS, NOAA, U.S. Fish and Wildlife Service (USFWS) and EPA continue to monitor for chemical contaminants and assess possible ecological effects.

Progress has been made in at least two of the three previously designated Regions of Concern, the Elizabeth River and Anacostia River, due in part to the leadership provided by the Elizabeth River Project and Anacostia Watershed Restoration Partnership. For example, in the Elizabeth River watershed contaminated soil at a former naval shipyard was removed and the site replanted to create a wetland. Multiple industrial sites are being cleaned up to reduce bottom sediment contaminated with PAHs and other pollutants.

In the Anacostia watershed, stormwater retrofit projects have been completed to allow for improved treatment of stormwater originating from hundreds of acres. The Anacostia is benefiting from a trash TMDL, which reduces contaminants from household products and industrial sources of waste. The multijurisdictional Anacostia Watershed Restoration Plan includes projects reducing toxic contaminants into the river. In 2012, EPA's Chesapeake Bay Program Office focused $1 million of grant funds toward the Anacostia watershed through the Innovative Nutrient and Sediment Reduction Grants program. Additionally, both the Anacostia watershed and Baltimore Harbor were included as pilots for EPA's Urban Waters Initiative, which is working to align federal programs and investments and build local capacity for improving ecological conditions in these watersheds.

In 2006, the CBP completed analysis of information that led to prioritization of organic pollutants targeted for reduction. Strategies for reducing those high priority pollutants were in development when the decision was made in 2007 to disband the former CBP Toxics Subcommittee to allow for greater focus on development of the Chesapeake Bay TMDL. Prior to 2007, the efforts of the Toxics Subcommittee focused on further characterizing the condition of the Bay with regard to ecological impacts from toxic contaminants.

Since the *Toxics 2000 Strategy* was written, the conditions that existed remain. According to the environmental indicator maintained by CBP, which measures the number of tidal segments with a partial or full jurisdiction-listed impairment due to toxic contaminants in 2012, 68 out of 92 tidal segments (74%) are fully or partially impaired. This represents a slight increase over the previous version of the indicator (72%), which was based on 2010 jurisdiction listings. Research has augmented our understanding of sublethal effects of contaminant mixtures and new issues, such as intersex characteristics in fish in the Bay watershed, have arisen. The focus of a report released by EPA, USFWS and USGS in December 2012 summarized the current conditions of extent and severity of effects from toxic contaminants. The report findings will be used to assist federal agencies in developing strategies to reduce toxic contaminants and will assist the partnership in considering goals and strategies to reduce risk to the Bay's biological resources. The report will provide an analysis of existing and ongoing efforts by EPA, other federal agencies and the Bay jurisdictions to address toxic contaminants.

Habitat Restoration, protection, creation, and enhancement goals

The restoration of critical wildlife habitats is an important component to a healthy Bay ecosystem. Habitats within the Chesapeake Bay watershed— including underwater grasses, streams, wetlands, and forests—have been degraded and in some cases no longer support an abundance of wildlife.

Submerged Aquatic Vegetation

Underwater bay grasses, also known as submerged aquatic vegetation (SAV), can be found in the shallow waters of the Chesapeake Bay and its tidal streams, creeks and rivers, and are a critical part of the Bay ecosystem. They provide wildlife with food and habitat, add oxygen to the water, absorb nutrient pollution, trap sediment and reduce erosion. Improving water clarity is the most important step in bay grass restoration, because bay grasses need sunlight to grow. Because bay grasses are sensitive to pollution but quick to respond to improved water quality, CBP considers their abundance a good indicator of Bay health.

In 2011, CBP's SAV Workgroup requested a review of the partnership's SAV restoration program. In its request, the workgroup acknowledged CBP has fallen far short of its proximate SAV goal of direct restoration of 1,000 acres of SAV, further stating it is unclear whether or not direct restoration has or could advance the overall goal of achieving 185,000 acres of SAV Baywide.

Specifically, the workgroup requested the Science and Technical Advisory Committee (STAC) conduct a review of the effectiveness of direct SAV restoration efforts, evaluate the value of the direct restoration strategy for accelerating broader SAV recovery, and provide guidance on how CBP might improve restoration efforts. To conduct this review, STAC members and external SAV experts from outside the Chesapeake Bay watershed reviewed a number of published and unpublished scientific studies provided by the SAV workgroup.

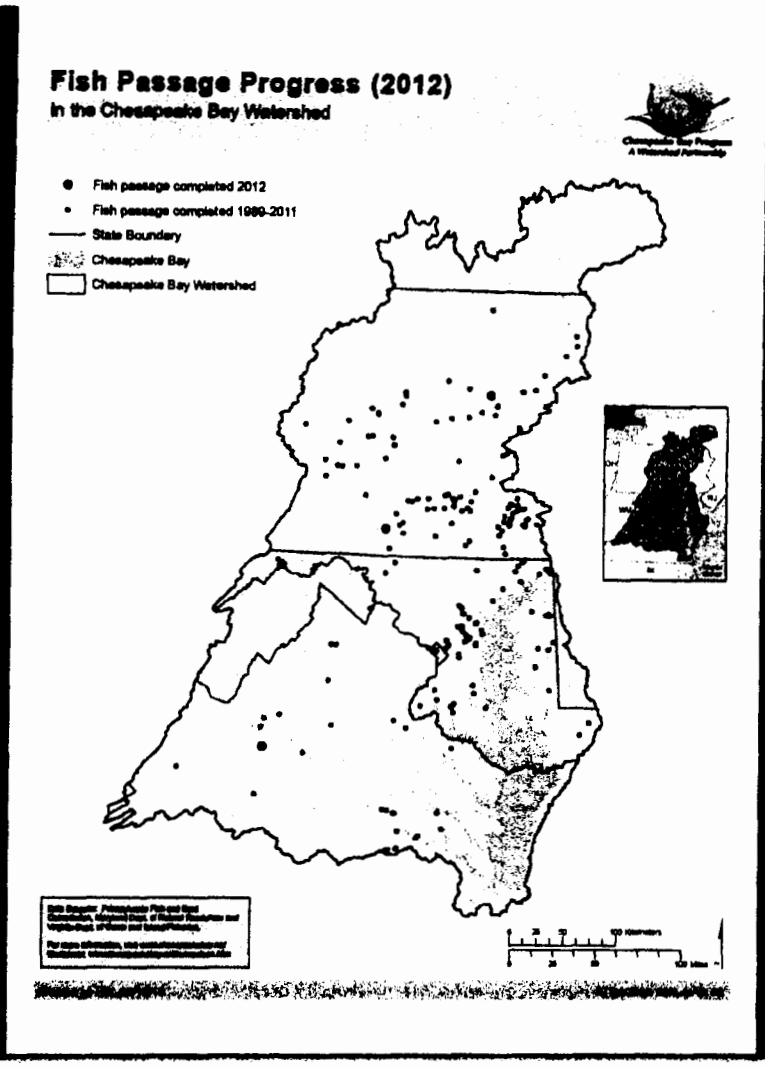
STAC recommended CBP discontinue widespread restoration of SAV until environmental conditions improve, while instead focusing on targeted restoration efforts, both to establish viable beds and to further understand site selection criteria. The committee also suggested development of SAV restoration strategies that are responsive to climate change, incorporate full adaptive management into restoration decision making, and build on successful research into restoration techniques.

As a result, the SAV Workgroup revised the SAV outcome and strategy document, shifting focus from direct planting efforts to research. The SAV Technical Synthesis III research project was recently funded to pull together and analyze the available SAV research to better understand how to achieve successful restoration efforts.

Fish Passage

Fish passage is a key component to the restoration of anadromous fish (shad and river herring) in the Chesapeake Bay watershed. These fish are blocked from much of their historic spawning areas, which included waters more than 200 miles from the Bay. Maryland, Virginia, Pennsylvania and the District of Columbia have set goals to provide fish passage to make much of those historic spawning areas once again accessible to migratory fish. Other species that benefit from the unblocking of streams include eels, native species such as brook trout and other resident species.

Chesapeake 2000 committed to identify the final initiatives necessary to achieve the goal of restoring fish passage for migratory fish to more than 1,357 miles of currently blocked river habitat by 2003 and establish a monitoring program to assess outcomes. It further called for the partnership to develop a new goal for fish passage. The new goal for an additional 1,000 miles was set by the EC in 2005.



As of 2012, more than 2,500 miles of streams have been re-opened through fish passage projects and about 1,500 of those miles have been since 2000. The current goal is to open an additional 1,000 miles during 2011-2025, with restoration success indicated by the presence of blueback herring, alewife, American shad, hickory shad, brook trout or American eel.

Throughout the Northeast, hundreds of dams have been removed over the last two decades, providing additional habitat for recreational and commercial fish species. Given the likelihood of future constraints on availability of funds and staff, it is critical to be more strategic about investments in fish passage restoration projects. One approach to strategic investment is to assess the likely ecological "return on investment" associated with a fish passage project.

Through the CBP's Fish Passage Work Group, federal, state and local partners have been working together to prioritize fish passage projects in the Chesapeake Bay. The Nature Conservancy, in concert with members of the Fish Passage Work Group, developed a geographic information system, known as the Fish Passage Prioritization Tool, to assist the Work Group in strategically identifying key barriers to fish passage.

American shad once supported the most valuable finfish fishery in the Chesapeake Bay, however, commercial shad harvest has been banned for decades throughout the Chesapeake Bay and its rivers. Shad form an important link in the Chesapeake Bay food web – they feed on zooplankton and are preyed upon by larger fish, including bluefish, weakfish and striped bass. Shad populations are depleted due to pollution, historic overfishing, and dams that block access to the fish's freshwater spawning grounds.

Photo courtesy of James River Assocoation

Although Chesapeake Bay Program partners are working to remove dams, install fish passageways and stock rivers with hatchery-reared fish, shad populations remain very low due to the variety of factors described above.

Removing or bypassing key barriers will reconnect fragmented aquatic habitats, thereby, enhancing populations of fish including: fish species that migrate between salt and freshwater, coldwater species, and other species of concern. The project focused on collecting and processing spatial data and, using a consensus-based approach, developing a priority ranking for dam removals and fish passage projects.

In the end, a total of 39 metrics from five metric categories – Connectivity Status, Connectivity Improvement, Watershed and Local Condition, Ecological, and Size/System Type – were used in the analysis. These metrics were calculated using the tool and each dam ranked according to its potential benefit if removed or bypassed. The Fish Passage Work Group has begun using this ranking to identify dam removal projects that would produce the greatest ecological gain for target species in the Chesapeake Bay watershed.

Within the context of the Vital Habitat Protection and Restoration goal, the *Chesapeake 2000* agreement recognized the importance of local watershed management planning and natural infrastructure (habitat) protection as being key elements of the Bay ecosystem management strategy. While much remains to be done, states, local governments, community groups and watershed organizations across the watershed have demonstrated how locally driven planning, using modern geographic information system tools, can provide local-scale templates for targeting the implementation of natural infrastructure protection and restoration.

Invasive Species

Invasive species threaten critical wildlife habitat in the Chesapeake Bay watershed. Accordingly, habitat restoration and protection efforts pursued by CBP's Vital Habitats and Sustainable Fisheries Goal Implementation Teams consider the ecological relationships among native and non-native species. This includes both invasive aquatic species, such as blue and flathead catfish, and terrestrial invasive plant species such as phragmites, tree of heaven, bush honeysuckle and garlic mustard. These species have the potential to out compete native populations, increase sedimentation into the watershed, alter shade dynamics over tributaries, and spread propagules to neighboring coastal areas. Impacts of certain native species on habitat restoration are also a concern, such as resident Canada geese diminishing recruitment of wetland plants, and white-tailed deer diminishing native spring wildflowers and native tree recruitment.

Since 2003, the Chesapeake Bay Program has participated in and provided staff support to the Mid-Atlantic Panel on Aquatic Invasive Species, one of six regional panels established under the national Aquatic Nuisance Species Task Force, which is co-chaired by NOAA and USFWS, and authorized by the Non-Indigenous Aquatic Nuisance Prevention

and Control Act of 1990. The Panel works to prevent the introduction and spread of aquatic invasive species through science and management, policy, and education and outreach activities and initiatives across the mid-Atlantic region, including the Chesapeake Bay watershed. The Panel meets bi-annually to discuss current invasive species concerns, provide updates on management efforts, and make decisions on projects to fund through a Small Grants Competition. The Panel has supported numerous successful management programs including the removal of Water Chestnut from the Bird and Sassafras Rivers in Maryland's portion of the Chesapeake Bay.

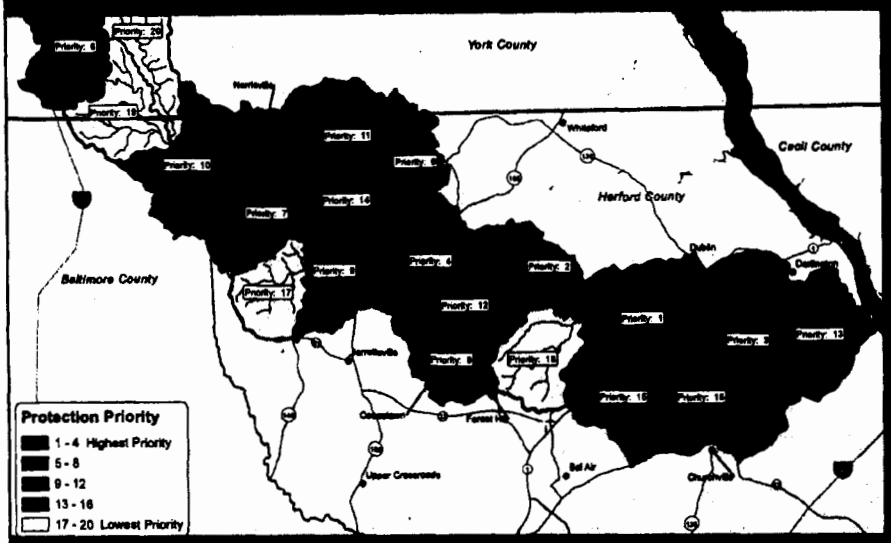
Wetlands

The *Chesapeake 2000* agreement called for progress toward the wetland commitment to be re-assessed in 2005. That mid-point assessment found jurisdictions were counting wetland enhancement projects toward the restoration commitment, thereby inflating the rate of progress. The Principles' Staff Committee subsequently issued guidance that standard Federal tracking definitions had been adopted by the Management Board, and specified that going forward, those definitions should be used and, furthermore, enhanced acres would be tracked separately from restored acres.

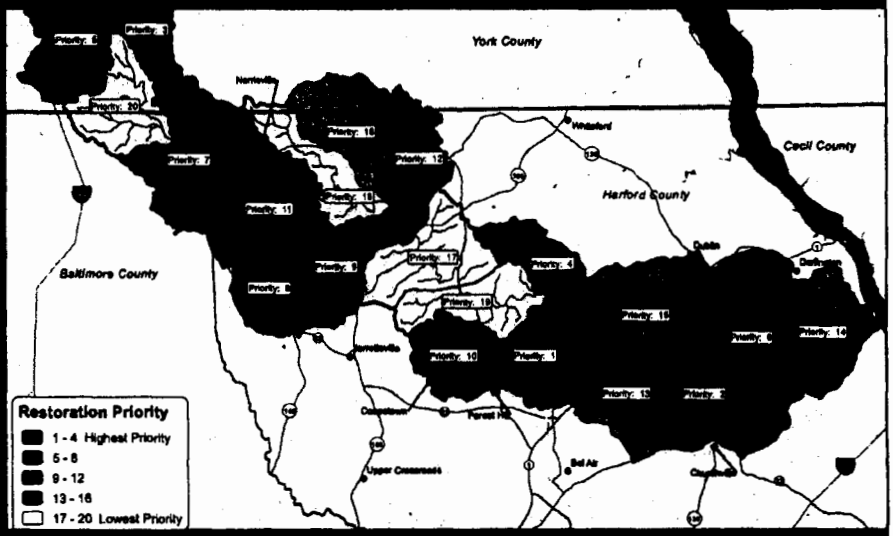
2005-2010 WETLANDS RESTORATION GOAL (SIX YEAR TOTALS BASED ON 2005 EVALUATION)			
Jurisdiction	Progress through 2004	C2K Goal Allocation	C2K Remaining Allocation
Maryland	7,066 acres	15,000 acres	7,934 (1,322 acres/year)
Pennsylvania	1,766 acres	4,000 acres	2,234 (372 acres/year)
Virginia	1,165 acres	6,000 acres	4,835 (806 acres/year)
Totals	9,997 (1,428 acres/year)	25,000 (2,500 acres/year)	15,003 (2,500 acres/year)

The wetland commitment in *Chesapeake 2000* was based on past performance, but continued progress at that rate will not meet the current necessary jurisdiction Phase II WIP targets. To better align this outcome with state focus on agricultural land BMP practices, a new outcome of 85,000 acres is being considered based in the draft *Chesapeake Bay Watershed Agreement* on Phase II WIPs with a primary focus on restoring wetlands on agricultural lands. This outcome currently being considered expands on the EO strategy outcome to restore 30,000 acres of wetlands while retaining the outcome to enhance function on an additional 150,000 acres of wetlands.

Deer Creek is a tributary to the Susquehanna in Harford County, Maryland. The county assessed the conditions of the watershed and created a protection prioritization method and a watershed restoration action strategy.



The majority of the watershed is characterized as "good" and "fair" for biological conditions and ranks third in the state for biodiversity. According to state antidegradation designations, there are several Tier II segments located along Deer Creek. A high percentage of the watershed is also listed as ecologically significant for sensitive species. The county considered projected land use changes including future impervious thresholds and used a weighted scale to prioritize both protection and restoration priorities at the subwatershed scale. See Map 1 for priority protection areas. The county is accomplishing preservation goals by increasing easements, expanding the Rural Legacy Area, and designating the watershed as a Priority Preservation Area.



In addition to a protection strategy, the assessment calls for a restoration plan. See Map 2 for priority restoration areas. The restoration strategy includes agricultural BMPs, created wetlands, stream restoration, and riparian and equine conservation plans. It also includes outreach activities such as workshops and site visits with property owners. By combining these two assessments and creating management strategies for both protection and restoration, the county was able to take a holistic look at the health of the watershed and plan for future growth with a balanced strategy.

Forest Buffers

CBP partners achieved their original riparian forest buffer restoration goal of 2,010 miles in 2002, 8 years ahead of schedule. In 2003, they set a new, long-term goal to conserve and restore forests along at least 70 percent of all streams and shoreline in the watershed, with a near-term goal of at least 10,000 miles in the watershed portions of Maryland, Pennsylvania, Virginia and the District of Columbia by 2010. This very ambitious goal was based on the early success – with a high point in 2002, when more than 1,000 miles of riparian forest buffer were put in the ground.

Many partners came together to prioritize riparian forest buffer restoration at that time because of their multiple ecosystem benefits. Effective management strategies included additional funding and outreach, elevated ranking for federal cost-share dollars, and outreach by multiple specialists (fisheries, forests, agriculture, habitat, etc).

In the past several years, the average amount of new forest buffers restored dropped to 245 miles, well below the earlier annual average of 829 miles between 2002-2006. It had become evident the buffers planted in the early years of the goal were not receiving the necessary site preparation and maintenance. Many of them needed to be replanted for successful establishment. Landowners and technical assistants became discouraged with the practice and this was reflected in the lower number of new projects. Subsequently, better strategies to remove competing vegetation, and improve post-planting care were implemented which increased the success rate for plantings by a factor of six, while the tree growth rate doubled.

In support of the Chesapeake Bay EO, and endorsed by the CBP partnership, the U.S. Forest Service coordinated teams with more than 30 federal, state, and nongovernmental organizations to craft the *Chesapeake Forest Restoration Strategy*, published in December 2012. The strategy builds on earlier commitments to restore streamside forested buffers at a rate of 900 miles per year and support community tree canopy expansion goals. In addition, a review of Chesapeake riparian forest buffer restoration goals has been drafted which is the basis for a new Task Force to be formed by USDA and EPA leadership in 2014 to reverse the declining trend in this important practice.

Restoration, protection, enhancement goals for living resources

Success in protecting and restoring the Chesapeake Bay ecosystem will ultimately be measured by the vitality and richness of its living resources and the health and well-being of the people who rely on them.

Crabs

The CBP partnership has made significant advances in Baywide blue crab management, since the Chesapeake Bay blue crab stock was declared a federal disaster in 2008. These advances have resulted in more effective coordination between jurisdictions with fisheries management responsibilities (Maryland, Virginia, and the Potomac River Fisheries Commission), an improved management framework, and overall improvements in the sustainability of the blue crab stock.

The improved management framework is being facilitated by the CBP's Sustainable Fisheries Goal Implementation Team (SFGIT) which serves as a forum for interjurisdictional blue crab management. Through the SFGIT, the jurisdictions have established a management framework based on scientifically derived abundance targets and exploitation fractions (harvest targets and thresholds). The current management framework complements the original *Chesapeake 2000* strategy to "establish harvest targets for the blue crab fishery and begin complementary state fisheries management strategies Baywide."

A short-term interim target of 200 million adult (age 1+) blue crabs Baywide was in effect from 2008-2011. The 2011 benchmark stock assessment of the blue crab population provided updated data and knowledge of the blue crab population. This became the scientific foundation of a new blue crab management scheme in the Bay based on female-specific reference points.

Based on the 2011 stock assessment, the Chesapeake Bay Stock Assessment Committee (CBSAC), a science advisory workgroup under the SFGIT, recommended a new blue crab abundance target of 215 million adult females (age 1+) and an overfished threshold of 70 million adult females. The new targets were implemented Baywide in 2012.

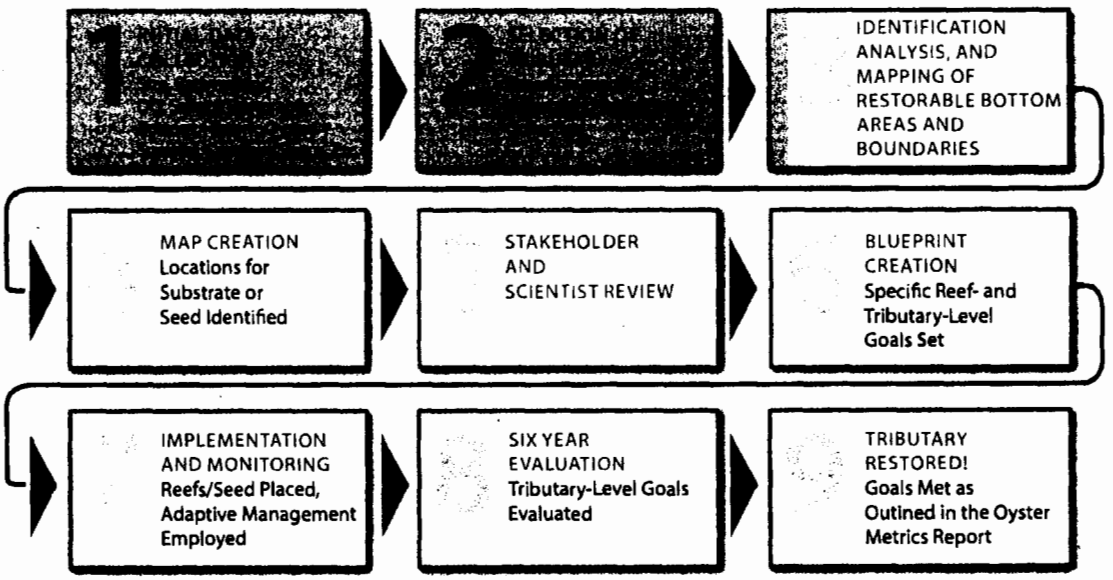
The 2013 CBSAC Blue Crab Advisory Report and Figures states the current population status of blue crabs in the Bay is not overfished and overfishing is not occurring. Following the female-specific targets, CBSAC has recommended new male-specific conservation triggers that were adopted by the SFGIT in 2013.

Baywide adaptive management of blue crabs will continue as CBSAC produces their annual report with management recommendations based on blue crab population data from the annual Winter Dredge Survey in Maryland and Virginia waters. Access to reliable, high-quality data on the blue crab population, scientific analysis and advice and coordinated management by the jurisdictions is essential for successful adaptive management of the blue crab fishery.

Oysters

Since the *Chesapeake 2000* agreement, oyster restoration efforts have shifted to a tributary-based strategy instead of a Baywide oyster abundance approach. This tributary-based strategy is a more targeted approach focused on integrating restored oyster reefs into tributary ecosystems and recovering the ecological benefits healthy oyster reefs provide, including habitat for fish species and water quality benefits.

How Close Are Oysters to Being "Restored"?



The EO Strategy called for this tributary-based approach with a goal of 20 restored tributaries by 2025. The CBP partnership recognized planning tributary restoration needed to be informed by best available science. In order to define the term "restored" in scientific, measurable terms, the Oyster Metrics Workgroup was created under the SFGIT in 2010 to reach a Baywide consensus on the definition of "restored reef" and "restored tributary." The resulting Oyster Restoration Success Metrics are the scientific basis for planning tributary restoration and determining restoration success.

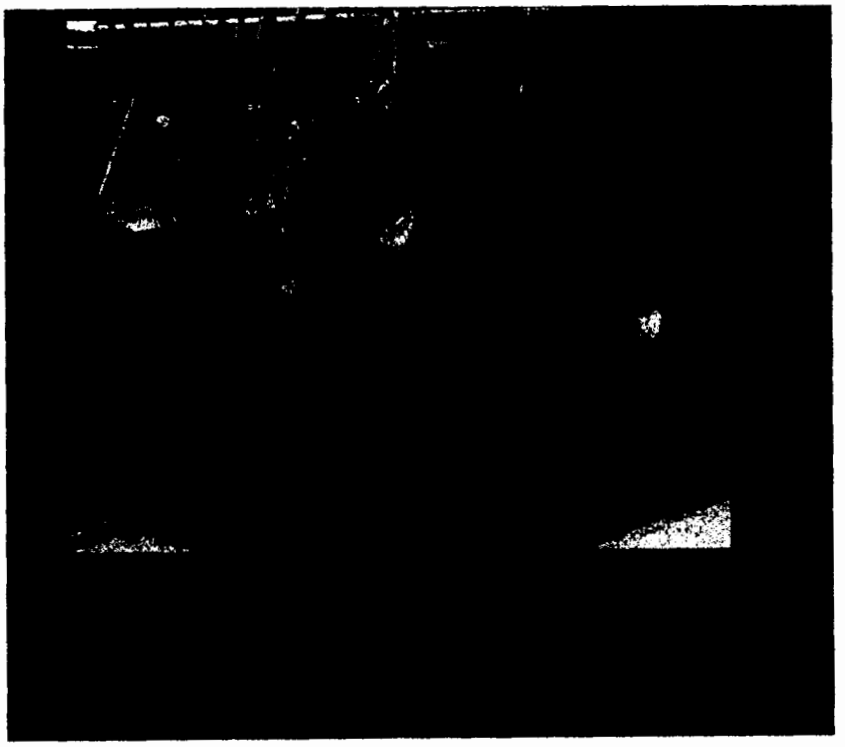
After these metrics were developed, the SFGIT tasked the newly assembled Maryland and Virginia Oyster Interagency Teams to identify priority tributaries for oyster restoration. As of 2013, five tidal tributaries have been identified in Virginia and three identified in Maryland. Restoration work is currently in progress on Harris Creek in Maryland.

After tributaries are selected, CBP partners provide restorable bottom mapping and analysis to determine best restoration site locations within each tidal tributary. This data allows for the most effective use of restoration resources and ensures the best chance of oyster survival and growth from restoration efforts. This data is compiled into a 'Tributary Blueprint' describing which areas will be targeted for restoration work, the seed and reef-building materials required to restore the tributary, monitoring plans, and associated costs.

After considering progress on tributary-based oyster restoration to date and required financial and physical resources, the SFGIT has recommended an amended target of 10 restored tributaries by 2025. This new target is based on actual costs and implementation realized after implementation began.

Ecosystem-based fisheries management

Ecosystem-based fisheries management continues to be an important component of CBP living resource initiatives. While not fully achieved, CBP, through collaboration with the Goal Implementation Teams (primarily the Sustainable Fisheries, Habitat, and Healthy Watersheds GITs), is making progress toward incorporation of "ecological, social, and economic considerations, multi-species fisheries management and ecosystem approaches" in living resource management as stated in *Chesapeake 2000*.



This evolution in approach is needed because traditional management has not been effective in addressing the multiple factors influencing fish stocks. EBFM takes into account environmental stressors, like degraded water quality, fish diseases, species interactions, habitat loss and other environmental factors that have damaged the Bay's major commercial and recreational fisheries.

To clarify how ecosystem approaches for fisheries will work in the Chesapeake Bay, scientists at the NOAA Chesapeake Bay Office participated on the Chesapeake Fisheries Ecosystem Plan Technical Advisory Panel, which included fisheries scientists from institutions around the Bay as well as federal and state agencies. The Panel developed *Fisheries Ecosystem Planning for Chesapeake Bay.*

Fisheries Ecosystem Planning for Chesapeake Bay describes the structure and function of the Chesapeake Bay ecosystem, including key habitats and species interactions. Further, it serves as a guide to ecosystem approaches to individual fishery management plans, and includes recommendations for implementing these plans. It also recommends specific research that will help scientists in the future use their knowledge to support the entire ecosystem.

At the ground level, multiple GITs and other partners have begun discussions on the connection between the aquatic habitat of key fish and shellfish species to land use decisions. Further collaboration on land use and linking fisheries, habitat and water quality is set to continue through the development and implementation of the currently proposed *Chesapeake Bay Watershed Agreement*.

In addition to linking living resources to habitat and environmental factors, ecosystem-based management also considers the ecological relationships among species. The CBP partnership and the SFGIT have begun exploring these relationships between invasive blue and flathead catfish and native Chesapeake Bay fish and shellfish species.

In January 2012, the SFGIT Executive Committee signed the Invasive Catfish Policy Adoption Statement as a call to action to examine mitigating the spread and impacts of invasive blue and flathead catfish, especially on native fish species. Efforts are currently aimed at improving scientific understanding of catfish biology, population dynamics, and impacts on the native fish community in order to develop mitigation strategies.

• Stewardship

America has a long history of stewardship. Unfortunately, increased pressures and competing interests have resulted in a degraded Chesapeake Bay. The citizens of this region have yet to find the elusive balance between conservation and growth development—and the need for increased stewardship of the Chesapeake Bay watershed is great.

Education

Like any other successful long-term strategy, natural resource management must be built on the collective wisdom of citizens, gained through targeted education. The National Science Foundation's Advisory Committee for Environmental Research and Education stated in a 2003 report "in the coming decades, the public will more frequently be called upon to understand complex environmental issues, assess risk, evaluate proposed environmental plans and understand how individual decisions affect land air and water at local and global scales. Creating a scientifically informed citizenry requires a concerted, systematic approach to environmental education."

CBP has formally supported environmental literacy since 1998 (Education Directive 98-1), with coordination for these efforts occurring through the Education Workgroup, currently under the Fostering Chesapeake Stewardship Goal Implementation Team.

In 2000, the Meaningful Watershed Educational Experience or MWEE (a pedagogical student experience that includes classroom preparation, outdoor learning, and reflection on the outdoor learning experience as part of a comprehensive unit of study) was identified as a keystone commitment of the *Chesapeake 2000* agreement and was signed onto by Maryland, Pennsylvania, and Virginia and the District of Columbia. By adopting MWEE, states agreed to provide one experience per student prior to their high school graduation. Several states have since expanded that goal to providing three MWEEs (elementary, middle, and high school) as suggested in the Stewardship and Meaningful Watershed Educational Experience Policy Memorandum (2001).

As a result of the EC's Chesapeake Watershed Education Agreement: Fostering Chesapeake Stewardship (2005), the Education Workgroup developed K-12 grade education tracking mechanisms to articulate progress toward *Chesapeake 2000* MWEE commitment. Through 2009, approximately 81 percent of elementary, 81 percent of middle, and 80 percent of high school students were reported as receiving MWEEs. Revised metrics are currently being developed by the Education Workgroup in recognition of the non-uniform methods and rigor being used by states.

To evaluate effectiveness of the MWEE model, the NOAA Bay Watershed Education and Training (B-WET) Program, with support from Chesapeake Bay Trust and the Keith Campbell Foundation for the Environment, completed an intensive multi-year evaluation in 2007 that showed students are more knowledgeable about the watershed and more likely to take action to protect the Bay after participating in B-WET supported programs. The study also showed B-WET trained teachers are more confident about and more likely to use field experiences to teach about the watershed.

In 2010, the EO strategy directed NOAA to pursue engagement from additional federal and state partners to initiate a robust environmental literacy initiative that expands upon the meaningful watershed educational experience objective.

Accordingly, in 2012 NOAA and the CBP's Education Workgroup developed the Mid-Atlantic Elementary and Secondary Environmental Literacy Strategy. This strategy draws on the full strength of the federal government to support state efforts to transform their schools to provide the next generation of citizen stewards the knowledge and skills they need to make informed environmental decisions and calls on partners to advance shared priorities in four key areas – students, educators, schools, and the environmental education community.

In addition, many states in the region have had a focus on environmental education for many years. However, over the past several years there has been an effort to renew and strengthen these programs. Successful management strategies will take into consideration these existing state and federal efforts and work to advance and scale up model programs. Recent state actions towards developing student environmental literacy plans are outlined below:

- The *D.C. Healthy Schools Act of 2010* required District Department of the Environment to draft an environmental literacy plan as part of a broad effort to "substantially improve the health, wellness, and nutrition of the public and charter school students in the District of Columbia." Mayor Vincent Gray submitted the plan to the Council in July 2012.
- Delaware passed a resolution in 2011 supporting the No Child left Inside/Children in Nature Initiative. A taskforce with representatives from the Delaware Department of Natural Resources and Environmental Control, Department of Education, and other public and nongovernmental organizations formed a taskforce "to develop a statewide plan to increase opportunities for children to engage in nature, both in school, at home, and on public lands."
- In 2011, Maryland passed the nation's first environmental literacy graduation requirement mandating schools to implement a multidisciplinary environmental education program, with a specific focus on the state's natural resources.
- Pennsylvania has long had rigorous, stand-alone environment and ecology standards, which include content about the Chesapeake, watersheds, and the environment. This content is included in standardized tests in the state. The Pennsylvania Advisory Council on Environmental Education completed a draft environmental literacy plan in July 2012.
- The Virginia Science Standards of Learning adopted in 2003 and revised in 2010 integrate environmental literacy concepts throughout K-12 education. The Virginia Resource-Use Education Council, an interagency team of state and federal partners along with NGOs and universities, works to implement the standards through Virginia Naturally, the Commonwealth's environmental education program.
- West Virginia recently established a green school certification program and is in the early stages of development for an environmental literacy plan. The state has also been taking part in the Department of Education's Green Ribbon Schools awards recognition program since its inception in 2012.
- In addition to the state plans, the state affiliates of the North American Association for Environmental Education have completed a plan that outlines how they will support the Mid-Atlantic Elementary and Secondary Environmental Literacy Strategy.

Public access

Open, green spaces and waterways with ample public access bolster public health and quality of life. People rely on these special places to exercise, relax, and recharge their spirits. Outdoor time strengthens family bonds and nurtures fit, creative children. At the same time, it builds personal connections with the very places that have shaped life in the region for centuries – especially its streams, rivers, and bays. This has a distinct economic value too, as tourism, much of it associated with the area's waters, is a potent force in the region.

The sense of place that evolves from outdoor experiences along Chesapeake waters often leads to a feeling of shared responsibility for the resources. People who enjoy the outdoors are more likely to become active citizen stewards, engaged in the many conservation and stewardship efforts taking place throughout the region. Despite this, physical access to the Bay and its tributaries is limited.

Increasing public access opportunities has been a formally recognized priority of the CBP partnership since the 1987 Chesapeake Bay Agreement established a goal, and associated objective and commitments, to "promote increased opportunities for public appreciation and enjoyment of the Bay and its tributaries."

Signatories of the *Chesapeake 2000* agreement identified several commitments associated with expanding the network of bay-related access opportunities available to the public:

- Bay Gateways Designated: By 2003, develop partnerships with at least 30 sites to enhance place-based interpretation of Bay-related resources and themes and stimulate volunteer involvement in resource restoration and conservation. *(Status: This goal was accomplished and surpassed in 2001. 173 Gateways sites had been added to the Network by 2010.)*
- Water Trails in the Bay Watershed: By 2005, increase the number of designated water trails in the Chesapeake Bay region by 500 miles. *(Status: This goal was accomplished and surpassed in 2002. A total of 2,184 miles of water trails had been designated by 2010.)*
- Public Access Sites in the Bay Basin: By 2010, expand by 30 percent the system of public access points to the Bay, its tributaries and related resource sites in an environmentally sensitive manner by working with state and federal agencies, local governments and stakeholder organizations. *(Status: by 2010, 95% of this goal had been accomplished. From 2000 to 2010, a total of 148 public access sites are known to have been opened to the public.)*

Several actions by Congress have helped spur development of public access since 1998 and engaged the National Park Service as a principal partner in the effort. These include passage of the Chesapeake Bay Initiative Act (1998), establishment of the Captain John Smith Chesapeake National Historic Trail (2006) and establishment of the Star-Spangled Banner National Historic Trail (2008). These three partnership entities span thousands of miles of the Chesapeake Bay and its tributaries and are helping advance water trail development in the region and the addition of new public access sites.

The EO strategy established a watershed-wide goal to "increase public access to the Bay and its tributaries by adding 300 new public access sites by 2025" and called for the National Park Service, in conjunction with the states, the U.S. Fish and Wildlife Service, and other federal agencies to develop a plan to expand public access.

The resulting *Chesapeake Bay Watershed Public Access Plan*, finalized in June 2013, was developed by a team of staff involved in public access planning and implementation at each of the Chesapeake watershed states, the District of Columbia, and the National Park Service. The plan was designed to assess the demand for public access; describe (inventory) the existing public access facilities; assess barriers to public access; determine gaps in the public access system; identify opportunities for new access sites; and help direct federal, state, and local funding toward public access opportunities.

As a result of the in-depth inventory conducted for the plan and the switch to watershed-wide tracking, a revised 2010 baseline of 1,138 public access sites was established. At the end of 2012, a cumulative total of 1,171 public access sites were identified as having been opened to the public.

Though existing access opportunities are not insignificant, the number of access sites is very low in comparison to the amount of shoreline in the Chesapeake watershed. There are just 770 existing access sites along the shorelines of the Bay and tidal portions of its tributaries, a combined length of 11,684 miles – equivalent to the distance along the United States' west coast from Mexico to Canada. Sites average about 15 miles apart, creating significant stretches of shoreline with no access. Long, inaccessible stretches make it difficult to plan trips along water trails and reduce the benefits of ecotourism. A lack of public access also leads to trespassing, as users have no other option for getting on or off the water.

In support of resolving these issues, 320 potential new public access sites were identified during the development of the *Chesapeake Bay Watershed Public Access Plan*. Additionally, the plan sets out a series of actions for moving access development forward. Implementing these actions and responding to the specific opportunities for adding access sites will expand the number of places for people to get to the water by more than 20 percent by 2025.

Land Use

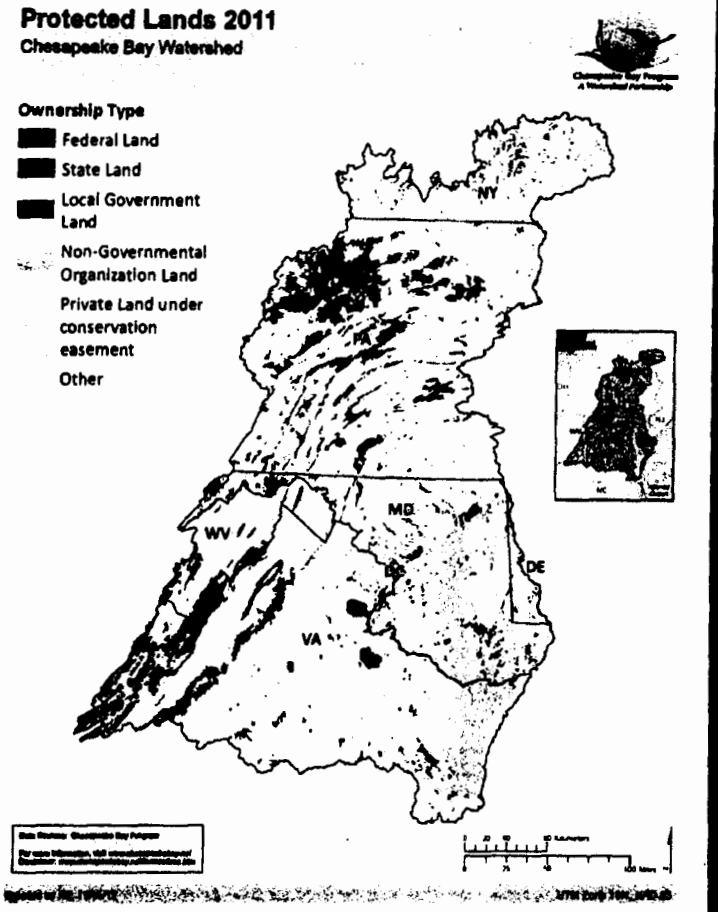
Partners in the Bay watershed benefit from a shared understanding of what landscapes citizens value most and how agencies charged to protect and manage them can do so most effectively. *Chesapeake 2000* put forward a two-pronged strategy for sound land use that included both identifying and permanently preserving from development the most valued lands and slowing the rate and impact of harmful sprawl development. With population continuing to grow, along with its associated impervious surfaces such as roofs, driveways and roads, the strategy to preserve lands was more successful than the strategy to slow the rate of harmful sprawl.

Development, Redevelopment and Revitalization

The *Chesapeake 2000* agreement called on partners, by 2012, to reduce the rate of harmful sprawl development in the Chesapeake Bay watershed by 30 percent measured as an average over five years from the baseline of 1992-1997, with measures and progress reported regularly to the EC.

Changes to the monitoring tool intended to be used to measure this commitment made it impossible to measure whether all jurisdictions met this goal. However, while impervious surface extent continues to rise in many areas of the watershed due to growth in population, some progress at slowing down the rate of sprawl has been achieved in individual jurisdictions, including Maryland's Sustainable Growth & Agricultural Preservation Act and through Virginia's Chesapeake Bay Preservation Act. Recently better tools have become available to measure the extent and impact of growth and development, but metrics to measure its impact have not yet been developed. In the draft Agreement, outcomes have been added to develop such a measure.

In addition, efforts such as low impact development and the use of green infrastructure to allow for infiltration of stormwater runoff into the ground have gained traction in all of the watershed jurisdictions. Examples of successful implementation of green infrastructure can found in Bladensburg and elsewhere in Prince Georges County, Maryland. Creative efforts to slow and infiltrate runoff while revitalizing the city can be found in Lancaster, Pennsylvania.



Land preservation – goal met

Population in the Chesapeake Bay watershed continues to grow and is expected to reach nearly 20 million people by 2030. Development and land conversion anticipated to support this growth ranks among the top stressors to the Bay's ecosystem and a major threat to its restoration and protection. One strategy to combat loss of high value lands is to permanently protect them from development.

States, local governments, federal agencies and NGOs have identified millions of acres of lands with important conservation values – lands key to working farms and forests, to maintaining water quality, to sustaining fish and wildlife, to preserving our history, and to providing for outdoor recreation. These lands are what form the ecological and cultural heritage of the Chesapeake watershed.

For decades, CBP partners have pursued land conservation efforts through permanently protecting important conservation lands by buying key properties, accepting donations, arranging for easements and purchasing development rights. Accordingly, land conservation goals have been included in CBP agreements for many years.

The *Chesapeake 2000* agreement contained several commitments for land conservation. Specifically, the agreement called for partners to, "strengthen programs for land acquisition and preservation within each state that are supported by funding and target the most valued lands for protection. Permanently preserve from development 20 percent of the land area in the watershed by 2010." This goal was achieved and surpassed in 2007.

The Directive 06-1: Protecting the Forests of the Chesapeake Bay Watershed and its 2007 response expanded on *Chesapeake 2000*, setting a goal to "permanently protect an additional 695,000 acres of forest from conversion, targeting forests in areas of highest water quality value" by 2020.

The EO strategy carried over the forest protection goal when it established a watershed-wide land conservation outcome to "protect an additional two million acres of lands throughout the watershed currently identified as high conservation priorities at the federal, state or local level by 2025."

Meeting annually since 2009, the "Chesapeake Large Landscape Conservation Partners" includes more than sixty representatives of local land trusts, conservation organizations, state and federal agencies, and regional landscape conservation initiatives within the watershed. These partners have developed specific land conservation and public access recommendations, advised on land conservation and public access goals and outcomes, established action teams for implementing initiatives, and set out next steps for enhancing collaboration. This group functions to support strategic collaboration on a large landscape scale, recognizing it can provide avenues to fulfill goals in ways individual organizations' efforts might not.

One specific initiative intended to facilitate strategic land conservation and collaboration is development of LandScope Chesapeake. In late 2010, Chesapeake watershed land conservation partners began collaborating on development of a watershed-wide land conservation priority system. The intent was to create a means for fostering further joint conservation efforts, supporting strategic conservation and tracking progress.

LandScope Chesapeake launched in 2012 through a broad partnership among NatureServe, watershed states, the National Park Service, USGS and many others. This effort has improved information on the status of land protection and sharing of conservation priorities. This includes priorities associated with conservation of wildlife habitat, scenic resources, cultural and historic resources, sensitive species, working lands, and ecological value (including value for supporting water quality). LandScope partners are continuously working to expand and update this data.

USGS undertook a data collection effort between December of 2011 and July 2012 to complete an updated watershed-wide protected lands GIS layer. Cumulatively, the resulting GIS data indicates 8,013,132 acres of land have been permanently protected in the Chesapeake Bay watershed through 2011. These results form a new "working baseline" of geospatial protected lands data from which to measure future watershed-wide land conservation progress.

State agencies are the largest entity contributing to land protection; they own approximately 49 percent of the protected acres in the Chesapeake Bay watershed. Watershed-wide, the federal government owns approximately 28 percent of the protected acres. Private organizations, NGOs, local governments, and other entities have also been very active in land conservation, and will remain critical partners in protection efforts that will be counted towards the two million acre goal.

Chesapeake Action Plan

In July 2008, EPA released a Report to Congress titled "Strengthening the Management, Coordination, and Accountability of the Chesapeake Bay Program" [CBP/TRS-292-08]. This document constituted the CBP's response to Congress for a report on the implementation of actions recommended by the 2005 GAO report titled "Chesapeake Bay Program: Improved Strategies Are Needed to Better Assess, Report, and Manage Restoration Progress" [GAO-06-96]. The report also describes the program's development and refinement of an action plan for the Chesapeake Bay.

The document included:

- A strategic framework unifying the program's planning documents
- An activity integration plan identifying activities of CBP partners and the funding committed to those activities
- A series of "dashboards" to track and measure progress on the partners' actions
- An adaptive management process specifying how program partners would track and improve progress in restoring the Chesapeake Bay

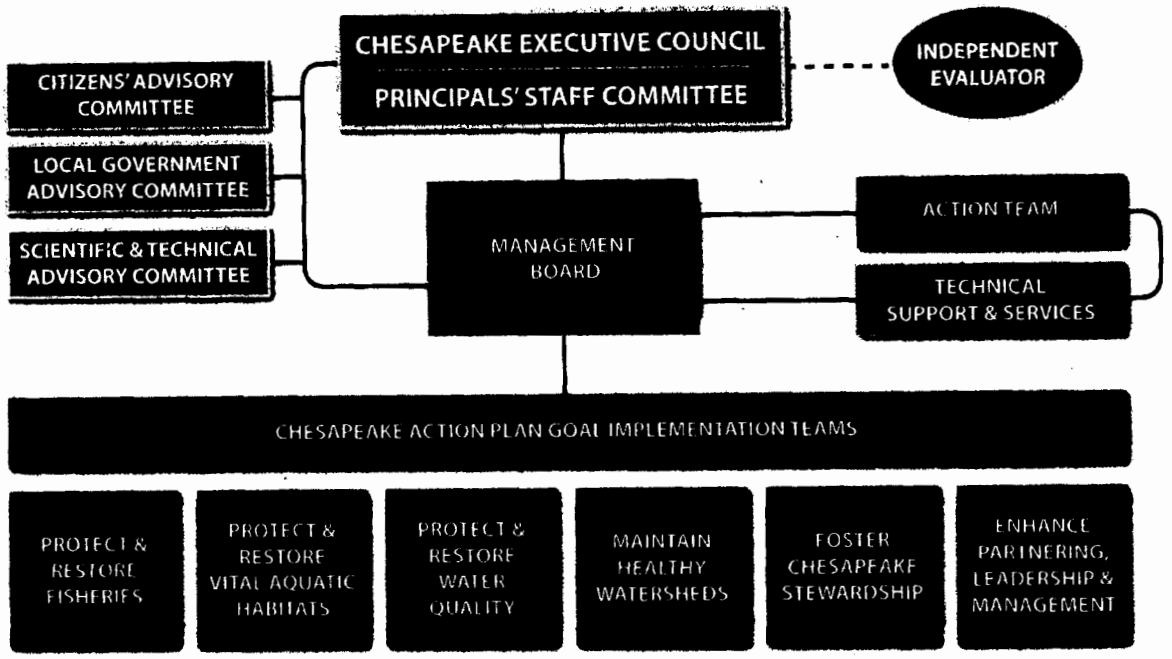
This Report to Congress builds on the 2008 report by providing additional, up-to-date information on restoration progress and the effectiveness of CBP management strategies through the implementation of *Chesapeake 2000* through 2010 and the EO Strategy and TMDL during the transition years leading to a new Bay Agreement.

Chesapeake Bay Program Partnership Reorganization

Beginning in August 2006, the partnership began a process to reorganize in response to the need to make the CBP organization more able to accelerate implementation of restoration efforts and to face future and emerging challenges of the restoration effort. Two major reviews of the CBP structure were undertaken to reach the current organizational construct. First, a series of more than fifty stakeholder interviews and approximately sixty surveys were completed from August through October 2006 to prepare for initial planning. Key stakeholders interviewed and surveyed included state agencies, academics, non-profits, federal partners, subcommittee and advisory committees, contractors, and others.

A parallel effort was led by the Keith Campbell Foundation. The Foundation convened a series of meetings from September 2006 to January 2007. The meeting participants shared a wealth of Bay-related experience and knowledge in policy, science, communications, advocacy, philanthropy, and all levels of government. The result was a report outlining operating principles and offering concepts for a framework aimed at accelerating implementation of Bay restoration.

At the Principals' Staff Committee (PSC) meeting in May 2007, the Chair, Secretary Griffin, directed formation of an ad hoc Reorganization Workgroup to develop new organizational options for CBP. A group comprised of federal and state partners, advisory committee chairs, and other stakeholders, reviewed the previous efforts and discussed reorganization options and procedures.



CBP Organization Chart Approved by the PSC on September 22, 2008

The Reorganization Workgroup put forth a proposed structure to the PSC in June 2008. The PSC asked the workgroup to provide more detail on how the new structure would operate and to delineate roles and membership of each individual structure. The workgroup created a document describing functions, roles, and membership of each box in the organization and shared it with Subcommittee Chairs in August and early September 2008. The reorganization structure was refined based on feedback from the groups. The CBP organization chart and an outline of roles, functions and membership were presented to the PSC at their September 2008 meeting, and the committee approved the basic structure of the reorganization, shown in the CBP Organization Chart.

Following approval of the organization structure, a Transition Team was commissioned to more fully describe the governance and implementation of the new organization.

Executive Order 13508

On May 12, 2009 President Obama issued Executive Order 13508 *Chesapeake Bay Protection and Restoration.* It is the first-ever presidential directive on the Chesapeake Bay and was the first Executive Order of the Obama administration related to the environment. In the EO, President Obama declared the Chesapeake Bay a "national treasure" and ushered in a new era of federal leadership, action and accountability.

The purpose of the EO is "to protect and restore the health, heritage, natural resources, and social and economic value of the nation's largest estuarine ecosystem and the natural sustainability of its watershed." The EO recognized the efforts of the past 25 years were not making sufficient progress in restoring the Chesapeake Bay and its watershed, and success will require responsible government agencies to make dramatic policy changes and initiate bold new actions.

To bring the full weight of the federal government to address the Chesapeake's challenges, the EO established the Federal Leadership Committee for the Chesapeake Bay (FLC), which is chaired by the EPA Administrator and includes senior representatives from the departments of Agriculture, Commerce, Defense, Homeland Security, Interior and Transportation.

The federal agencies were charged with developing recommendations to address seven key challenges: water quality, targeting of resources, stormwater management on federal land, climate change, land conservation and public access, scientific tools and monitoring, and protection of habitat, fish and wildlife. Seven draft reports containing the initial recommendations were completed in September 2009 and refined in updates published in November 2009.

The initiatives in the seven draft reports now form the core of the final EO *Strategy for Protecting and Restoring the Chesapeake Bay Watershed*. The strategy also identifies goals for environmental improvement, outlines federal coordination with state activities, creates a process for reporting on progress and explains how efforts will be adapted based on science and resources.

A Collective Effort: EO Strategy for Protecting and Restoring the Bay

The EO acknowledges although the federal government should assume a strong leadership role in the restoration of the Bay, success depends on a collaborative effort involving state and local governments, businesses, non-government organizations and the region's residents. Pursuant to the EO, representatives of the FLC agencies have consulted with the six Bay watershed states (Delaware, Maryland, New York, Pennsylvania, Virginia, and West Virginia), the District of Columbia, and the Chesapeake Bay Commission. The federal government has also reached out to key stakeholders in the private sector, held public meetings and created a web site to promote government transparency and public engagement. Citizens provided comments on the draft strategy and on proposed environmental measures and goals. A summary of public comments and the final strategy is available online. The final *Strategy for Protecting and Restoring the Chesapeake Bay Watershed* was forged through this collaborative process and published by May 12, 2010 as required by the EO.

Structure of the EO Strategy

The EO directed federal agencies to "define environmental goals for the Chesapeake Bay and describe milestones for making progress toward attainment of these goals." For the strategy, federal agencies identified the four most essential goals for a healthy ecosystem and developed 12 key environmental outcomes that reflect progress toward these goals:

- Goal: Restore Clean Water
  Outcomes: restoration of Bay water quality, stream restoration, agriculture conservation
- Goal: Recover Habitat
  Outcomes: wetlands restoration, expanded forest buffers, improved fish passage
- Goal: Sustain Fish and Wildlife
  Outcomes: sustainable populations of oysters, blue crab, brook trout, black ducks
- Goal: Conserve Land and Increase Public Access
  Outcomes: expanded land conservation and public access to the Bay and its tributaries

These four goals and associated actions are presented in the strategy. Each chapter describes the overall goal, such as restoring water quality, and explains why it is vital to the Chesapeake Bay ecosystem. The specific measures of progress supporting the goal are also presented, including numerical targets for future progress compared to current conditions. The heart of the strategy is a description of the actions that will be taken to accomplish the goals.

The strategy also includes four supporting strategies, which contain actions that provide invaluable cross-cutting support to achieving overall goals or are critical complementary efforts in the restoration and protection of the Chesapeake Bay and watershed. The supporting strategies are:

- Expand Citizen Stewardship
- Develop Environmental Markets
- Respond to Climate Change
- Strengthen Science

The strategy also focuses on implementation and accountability. It outlines the role and responsibilities of the FLC in implementing the strategy, as well as the federal government's commitment to meet milestones every two years. Also outlined are a series of accountability tools and processes to promote transparency in the planning, tracking, reporting, evaluating and adapting of restoration activities. These tools include:

- Federal Two-Year Milestones
- Annual Action Plan
- Annual Progress Report
- Independent Evaluation
- Adaptive Management

Federal Agency EO Strategy Progress

The Executive Order signed by President Obama in May 2009 reinvigorated federal agencies' efforts to collaborate on protection and restoration of the Chesapeake Bay. To track progress, the FLC, on behalf of the federal agencies, is required to release annual action plans and progress reports.

The following information highlights some of the key accomplishments in implementing the EO Strategy for each of the four Executive Order Goals (Restore Clean Water; Recover Habitat; Sustain Fish and Wildlife; and Expand Citizen Stewardship) and component Outcomes. Updates are also included for the supporting strategies: Expand Citizen Stewardship; Develop Environmental Markets; Respond to Climate Change, and Strengthen Science. Appendix B is a table of detailed progress. These highlights identify the specific role of the EO and the FLC in improving the effectiveness of management strategies discussed earlier in this chapter.

Progress highlights toward EO Goals

Restore Clean Water

All seven Bay jurisdictions submitted Phase II WIPs and two-year milestones. The final Phase II WIPs committed to additional strategies to restore local waters and the Chesapeake Bay and represent the strongest blueprints to guide real implementation in the Chesapeake Bay Watershed to date. The milestones, also submitted by several federal agencies, commit to specific actions to improve water quality over 2012 and 2013.

In direct support to the jurisdictions' implementation of their WIPs, EPA provided $20.3 million in grants to the states for implementation and regulatory and accountability actions in the watershed. The agency leveraged grant programs, providing $10 million to the National Fish and Wildlife Foundation's (NFWF) Chesapeake Bay Stewardship Fund, including $4 million for local governments and $1 million for the Anacostia. EPA further provided Clean Water Act (CWA) grants to Bay jurisdictions totaling an estimated $8.2 million in CWA Section 319 Nonpoint Source Program grants; an estimated $4.2 million in CWA Section 106 Water Pollution Control Program grants; and an estimated $160 million in EPA Clean Water State Revolving Fund loans.

EPA also completed a comprehensive work plan for offset and trading programs in support of the Chesapeake Bay TMDL. The work plan calls for development of approximately one dozen technical memoranda in 2013-2014 in coordination with the states, Chesapeake Bay Program Trading and Offsets workgroup, and others.

NRCS and EPA have partnered on the new National Water Quality Initiative (NQWI) to help producers in priority watersheds improve water quality and aquatic habitat in impaired streams. NRCS provided technical and financial assistance through EQIP to qualified landowners in Chesapeake Bay states for the implementation of conservation and management practices through a systems approach to control and trap nutrient and manure runoff.

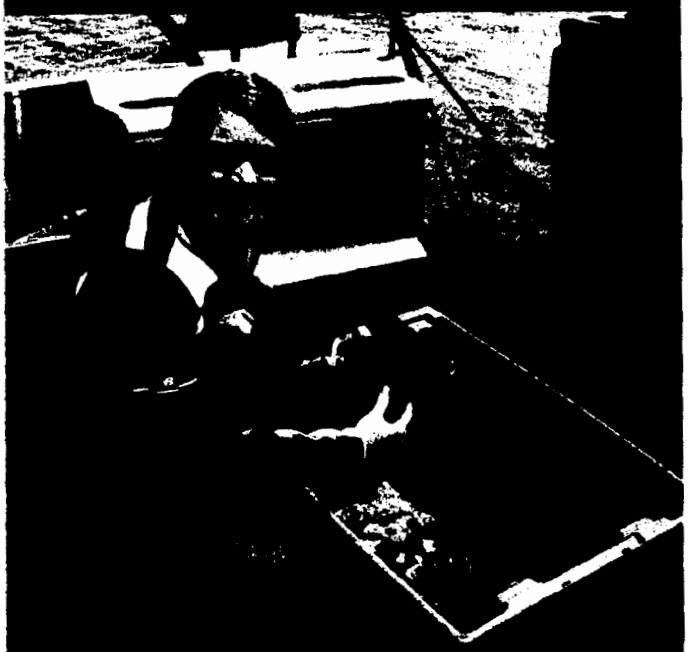
Recover Habitat

USDA and the Department of Interior (DOI) announced the Working Lands for Wildlife Initiative. This partnership between NRCS and FWS uses technical expertise combined with financial assistance from NRCS programs, such as the WHIP and the Wetlands Reserve Program (WRP) to combat the decline of seven species whose decline can be reversed and will benefit other species with habitat needs.

The Conservation Fund and Audubon Maryland-District of Columbia are protecting the long-term persistence of extensive tidal marsh habitat in and around Blackwater National Wildlife Refuge and Maryland Department of Natural Resources' (DNR) Fishing Bay Wildlife Management Area, due to a partnership between FWS, Maryland DNR and other key partners and with grant support from the Town Creek Foundation. With funds awarded by the Wildlife Conservation Society's Climate Adaptation Fund, demonstration projects were initiated to test techniques enabling salt marshes to adapt successfully to sea level rise. This project serves as a model for long-term preservation of coastal habitats.

Beginning in 2013, Maryland, NOAA, USACE and partners began unprecedented large scale restoration in Harris Creek. Harris Creek was chosen based on consideration of salinity levels, available restorable bottom, protection from harvest, historical spat set, and other factors.
was drafted documenting clear restoration targets.

To date, new oyster reef construction and planting of baby oysters in Harris Creek is more than 50 percent of the way toward achieving 377 acres of restored oyster reef target.



Cluster from oyster sanctuary. Photo courtesy NOAA.

A stream restoration workgroup under the CBP Habitat Goal Team, co-chaired by FWS and Maryland DNR, worked to facilitate information transfer on effective stream restoration techniques among the states and to promote tools that assist practitioners in designing projects that will be successful in meeting intended project objectives.

FWS, NOAA, and state and NGO partners in the Fish Passage Workgroup opened 205.5 miles of fish passage to benefit migratory and resident fish species. Calculated using the new Fish Passage Tool, this mileage includes the functional network of habitat re-opened to the fish and will be modified based on additional information provided by Pennsylvania.

Sustain Fish and Wildlife

USACE, NOAA, and Maryland partners worked together to streamline issuance of new aquaculture permits in Maryland by revising the Corps' General Permit for Shellfish Aquaculture. As a result, there are now more than 3,600 acres in more than 310 shellfish aquaculture bottom leases in Maryland, which will provide ecosystem services, jobs, and a safe sustainable source of domestic seafood. NOAA also developed a mass-balanced Oyster Reef Ecosystem Model (OREM), used to develop simulations for exploring oyster ecosystem services.

The Sustainable Fisheries GIT completed and adopted an invasive catfish policy, to address potential risks posed to native species by blue and flathead catfish, and to identify actions to reduce their populations and mitigate adverse ecological effects. The final policy is available online.

The FWS Partners for Fish and Wildlife and Fisheries Programs in West Virginia made progress on brook trout restoration projects with Trout Unlimited and other partners in the South River, Virginia and Seneca Creek, Kitchen Creek, South Fork Potts Creek, Whitethorn Creek, Blackthorn Creek, Harlan Run, South Fork of the Potomac River, and Knapps Creek in West Virginia.

Conserve Land and Increase Public Access

The National Park Service (NPS) and USGS collaborated with NatureServe to develop and release LandScope Chesapeake, a decision tool to help identify priority areas for land conservation. The tool reflects land conservation priorities of states and federal agencies and will be used to help identify areas were conservation would provide benefit for multiple partners.

The Department of Defense working through the Readiness and Environmental Protection Initiative (REPI), completed projects to conserve/protect 1,360 acres adjacent to two installations in the Bay watershed.

NPS developed the Chesapeake Bay Watershed Public Access Plan to inform and guide expansion of Chesapeake watershed public access. The plan was prepared in collaboration with a "Public Access Planning Action Team" composed of staff involved in public access planning and implementation at each of the Chesapeake watershed states, the District of Columbia, and NPS.

Four connecting trails were designated by NPS as components of the Captain John Smith Chesapeake National Historic Trail, adding the Susquehanna River from Conowingo Dam to Cooperstown, New York, the Chester River, the Upper Nanticoke River, and the Upper James River from Richmond to Iron Gate, Virginia – a total of nearly 900 miles. NPS also funded thirteen public access projects in the watershed and worked with partners to develop four others for a total of 17 projects totaling more than $870,000.

Progress highlights toward EO Supporting Strategies

Climate Change

NOAA and USGS collaborated to update 2011 land cover information for the coastal plain region of the watershed. These updates provide comprehensive coverage of land cover change from the 1980s through 2010. This information along with information on climate change will be used to support efforts to assess potential effects on water quality and other CBP goals.

The Vulnerability Support System (VASS) research study conducted under NOAA support reached a successful conclusion and has a new openly accessible web page. The page enables users to validate personal experiences and lessons learned by searching and analyzing several decades-long county records of severe storms, for selected counties.

Citizen Stewardship

Led by NOAA, the partnership released the federal Mid Atlantic Elementary and Secondary Environmental Literacy Strategy to coordinate and guide the federal engagement in state environmental literacy planning and implementation.

NPS developed the Chesapeake Youth Corps intern program and awarded funds to four youth corps organizations for summer youth crews to develop public access and other projects along the Captain John Smith Chesapeake Trail and Star-Spangled Banner National Historic Trail and Byway.

The War of 1812 Virtual Resource Center was also launched by NPS. The Resource Center is an easy to use, on-line tool that provides teachers, students and families one place to go to find lesson plans, video clips, primary source documents and trip planning ideas. The project was completed in partnership with Fort McHenry National Monument and Historic Shrine and Maryland Public Television.

Environmental Markets

The interdepartmental Chesapeake Bay Environmental Markets Team (EMT) hosted several workshops to advance development and implementation of infrastructure and policies for environmental markets. Topics included providing environmental services through agriculture, developing biodiversity markets, tool development for water quality markets, and integrating conservation and environmental markets, among others. EMT materials are available on the USDA OEM website.

Phases I and II of the USDA-funded economic study on the Chesapeake Bay TMDL cost to Agriculture were completed. The study focuses on the cost-effectiveness of BMPs, ranking of practices by cost-effectiveness and development of algorithms for distributing BMP adoption across space and time. Phase II of the economic study characterized the economic implications of nutrient credit trading and other policy approaches to reducing agriculture's nutrient discharge into the Chesapeake Bay Watershed. Phase III will evaluate how the time lags inherent in the movement of nutrients affect targeting management practices and credit trading programs.

Strengthen Science

Federal agencies worked with state and academic partners first to provide critical science to support the needs of the Goal Teams and the Executive Order (EO) outcomes, and second to enhance management of the growing amount of environmental information through the Data Enterprise. The agencies also provided new understanding of important issues, such the sediment loads from the Conowingo Dam, that will be considered by the CBP as they refine goals. The science activities were coordinated through the CBP Scientific Technical Assessment and Reporting (STAR) Team to ensure efficient efforts to support the CBP Goal Teams.

Federal funding

Federal Agencies have invested nearly 1.4 billion in Chesapeake Bay protection and restoration activities under the Executive Order between 2011 and 2013. The following table summarizes the FY 2011 – FY 2013 funding levels for implementation for Executive Order 13508 *Chesapeake Bay Protection and Restoration.*

Executive Order Federal Funding Summary

Department/Agency	FY 2011	FY 2012*	FY 2013
Farm Service Agency	$11,423,062	($37,081,000)	$35,981,000
NRCS**	$149,740,000	$119,828,000	$119,760,000
Office of Chief Economist	$150,000	$350,000	$350,000
USFS	$3,688,000	$1,310,000	$2,895,000
Services	$11,423,062	$64,619,963	$56,877,000
USACE	$6,011,013	$20,208,000	$19,600,000
FWS	$15,161,274	$10,146,000	$10,294,000
NPS	$19,169,640	$6,411,000	$6,454,000
USGS	$8,486,304	$7,349,000	$9,849,000

The 2012 Agriculture Appropriations Act extended several mandatory conservation programs included in the Food, Conservation, and Energy Act of 2008 (110-246) through the end of FY13. Additionally, the FY12 Agriculture Appropriations Act extended several conservation programs through the end of FY14.

EPA Chesapeake Bay Compliance and Enforcement Strategy Highlights: 2009-2012

Executive Order 13508 *Chesapeake Bay Protection and Restoration* required EPA to implement a compliance and enforcement strategy for the Chesapeake Bay. The Chesapeake Bay Compliance and Enforcement Strategy, published in 2009, guides the use of EPA's compliance and enforcement tools to target sources of pollution impairing the Bay. It is a multi-year and multi-state strategy combining our water, air and waste enforcement authorities to address violations of federal environmental laws resulting in nutrient, sediment and other pollution in the Bay.

Under the strategy, EPA identifies and addresses industrial, municipal, and agricultural sources releasing significant amounts of pollutants in excess of the amounts allowed by the Clean Water Act, the Clean Air Act and other applicable environmental laws, as well as identifies nutrient and sediment impaired sub-watersheds.

EPA also identifies key regulated business sectors that, when in non-compliance with current applicable environmental regulations, contribute significant amounts of nutrients, sediment and other pollutants to the Bay. The key regulated sectors, some of which are also National Enforcement Initiatives for EPA, include Concentrated Animal Feeding Operations (CAFO), Municipal and Industrial wastewater facilities, Stormwater National Pollution Discharge Elimination System (NPDES) point sources including Municipal Separate Storm Sewer System (MS4s) and stormwater discharges from construction sites and other regulated industrial facilities, and Air deposition sources of nitrogen regulated under the Clean Air Act, including power plants.

The strategy also calls on EPA to analyze the compliance records for facilities in the key regulated business sectors to target investigations and inspections, and to investigate and inspect facilities in the key regulated business sectors and pursue appropriate enforcement actions to ensure compliance. EPA further identifies appropriate opportunities for compliance and enforcement activities related to the Clean Water Act wetlands protection program, federal facilities, and Superfund sites, including remedial action and removal sites, and Resource Conservation Recovery Act (RCRA) corrective action facilities.

Finally, the strategy states EPA will explore opportunities for the use of imminent and substantial endangerment authorities under the Clean Water Act, Safe Drinking Water Act, Resource Conservation and Recovery Act, Superfund and the Clean Air Act.

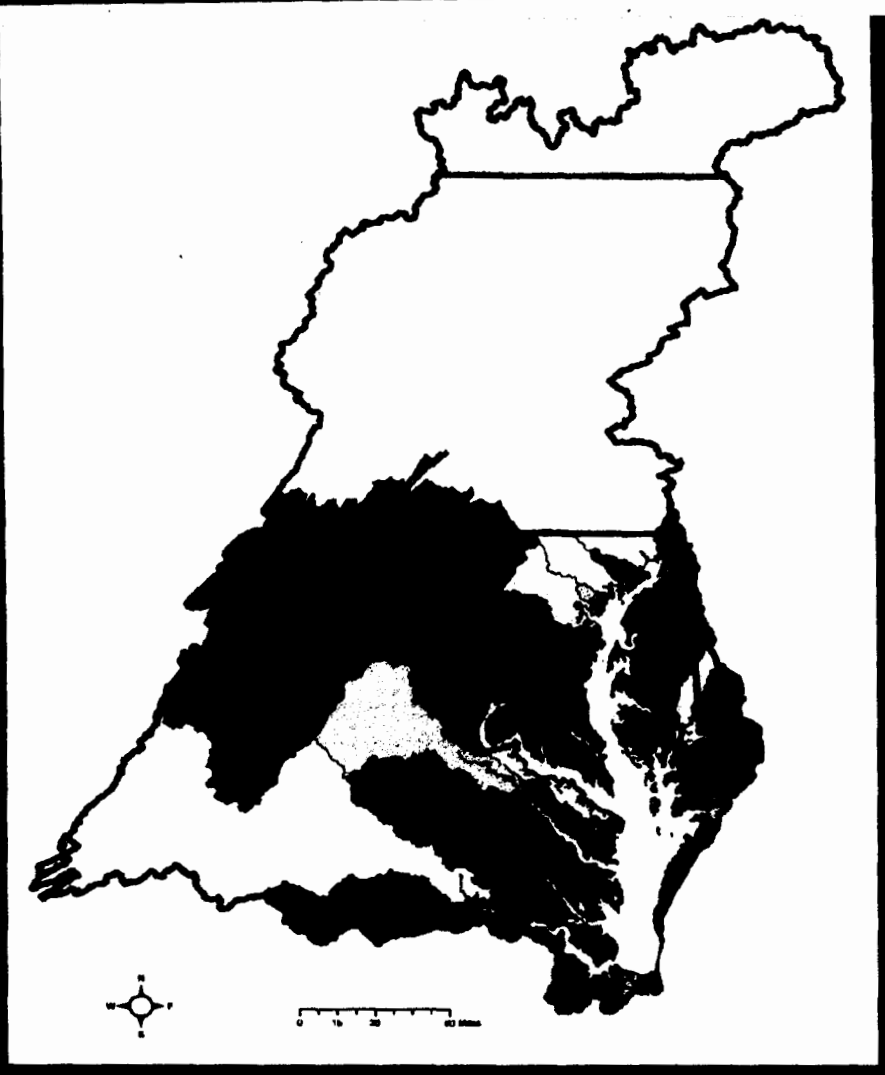
Since 2009, the Agency has entered into 17 civil judicial settlements and issued 169 administrative orders, including one emergency order, to sources contributing to the Bay's impairment.

These enforcement actions cover more than 400 facilities in nine states and the District of Columbia; and will reduce approximately 4,000 pounds of nutrients (nitrogen and phosphorus) and 360 million pounds of sediment to the Bay watershed, along with 32 million pounds of nitrogen oxides to the Bay airshed annually once all required controls are fully implemented. Additionally, settling companies have agreed to invest more than an estimated $778 million in actions and equipment to reduce pollution to the Bay; as well as pay civil penalties of more than $13 million.

Chesapeake Bay Total Maximum Daily Load (TMDL)

EPA has established the Chesapeake Bay TMDL, a historic and comprehensive "pollution diet" with rigorous accountability measures to initiate sweeping actions to restore clean water in the Chesapeake Bay and the watershed's streams, creeks and rivers.

Most of the Chesapeake Bay and its tidal waters are listed as impaired because of excess nitrogen, phosphorus and sediment. These pollutants cause algae blooms that consume oxygen and create "dead zones" where fish and shellfish cannot survive, block sunlight needed for underwater Bay grasses, and smother aquatic life on the bottom. The high levels of nitrogen, phosphorus and sediment enter the water from agricultural operations, urban and suburban stormwater runoff, wastewater facilities, air pollution and other sources, including onsite septic systems.



Despite extensive restoration efforts during the past 30 years, the TMDL was prompted by insufficient progress and continued poor water quality in the Chesapeake Bay and its tidal tributaries. The TMDL is required under the federal Clean Water Act and responds to consent decrees in Virginia and the District of Columbia from the late 1990s. It is also a keystone commitment of a federal strategy to meet President Barack Obama's Executive Order to restore and protect the Bay.

The TMDL – the largest and most complex of more than 45,000 TMDLs developed by or approved by EPA – identifies the necessary pollution reductions of nitrogen, phosphorus and sediment across Delaware, Maryland, New York, Pennsylvania, Virginia, West Virginia and the District of Columbia and sets pollution limits necessary to meet applicable water quality standards in the Bay and its tidal rivers and embayments. Specifically, the TMDL sets Bay watershed limits of 185.9 million pounds of nitrogen, 12.5 million pounds of phosphorus and 6.45 billion pounds of sediment per year – a 25 percent reduction in nitrogen, 24 percent reduction in phosphorus and 20 percent reduction in sediment. In addition, EPA has committed to reducing air deposition of nitrogen to the tidal waters of the Chesapeake Bay from 17.9 to 15.7 million pounds per year. The reductions have begun through implementation of ongoing federal air regulations.

These pollution limits are further divided by jurisdiction and major river basin based on state-of-the-art modeling tools, extensive monitoring data, peer-reviewed science and close interaction with jurisdiction partners. The TMDL is actually a combination of 92 smaller TMDLs for individual Chesapeake Bay tidal segments and includes pollution limits sufficient to meet state water quality standards for dissolved oxygen, water clarity, underwater Bay grasses and chlorophyll-*a*, an indicator of algae levels (Figure ES-1). It is important to note the pollution controls employed to meet the TMDL will also have significant benefits for water quality in tens of thousands of streams, creeks, lakes and rivers throughout the region.

The TMDL is designed to ensure all pollution control measures needed to fully restore the Bay and its tidal rivers are in place by 2025, with practices in place expected to achieve at least 60 percent of the load reductions by 2017. The TMDL is supported by rigorous accountability measures to ensure cleanup commitments are met, including short-and long-term benchmarks, a tracking and accountability system for jurisdiction activities, and federal contingency actions that can be employed if necessary to spur progress.

Developing the Chesapeake Bay TMDL

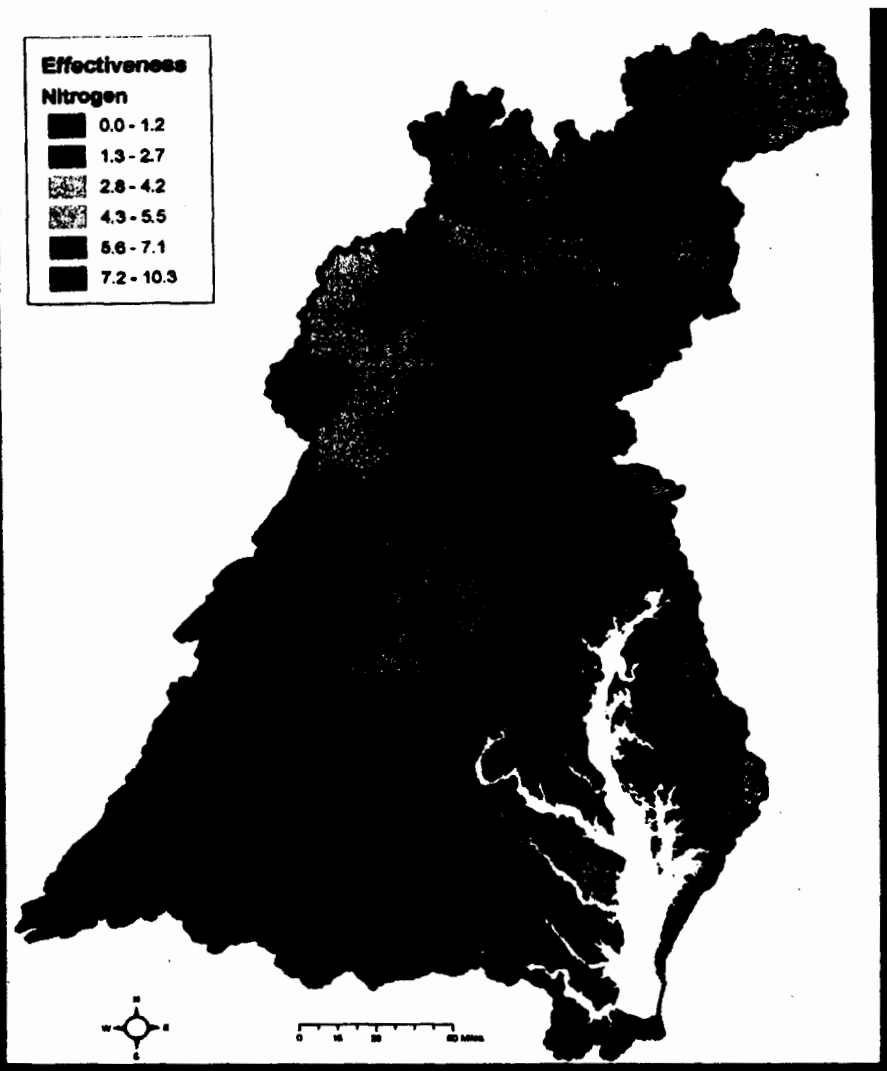
Development of the Chesapeake Bay TMDL required extensive knowledge of stream flow characteristics of the watershed, sources of pollution, distribution and acreage of various land uses, appropriate best management practices, the transport and fate of pollutants, precipitation data and many other factors. The TMDL was informed by a series of models, calibrated to decades of water quality and other data, and refined based on input from dozens of Chesapeake Bay region scientists. Modeling is an approach that uses observed and simulated data to replicate what is occurring in the land, air and water to make future predictions, and was a critical and valuable tool in developing the Chesapeake Bay TMDL. For further details on the CBP suite of models, see Appendix C.

Since nitrogen and phosphorus loadings from all parts of the Bay watershed have an impact on the impaired tidal segments of the Bay and its rivers, it was necessary for EPA to work with the jurisdictions to allocate nitrogen and phosphorus loadings in an equitable manner to the states and basins. EPA used three basic principles to divide these loads.

- Allocated loads should protect living resources of the Bay and its tidal tributaries and should result in all segments of the Bay mainstem, tidal tributaries and embayments meeting water quality standards for dissolved oxygen, chlorophyll-*a*, water clarity and underwater Bay grasses.
- Tributary basins that contribute the most to the Bay water quality problems must do the most to resolve those problems (on a pound-per-pound basis) (Figure ES-2).
- All tracked and reported reductions in nitrogen, phosphorus and sediment loads are credited toward achieving final assigned loads.

Accountability and Goals

The Chesapeake Bay TMDL is unique because of the extensive measures EPA and the Bay jurisdictions have adopted to ensure accountability for reducing pollution and meeting target dates for progress. The Bay jurisdictions' implementation of the TMDL will be assisted by an accountability framework that includes WIPs, two-year milestones, EPA's tracking and assessment of restoration progress and, as necessary, specific federal contingency actions if the jurisdictions do not meet their commitments. This accountability framework is established in part to provide demonstration of the reasonable assurance provisions of the Chesapeake Bay TMDL pursuant to both the Clean Water Act and the Chesapeake Bay Executive Order, but is not part of the TMDL itself.



Beginning in 2012, the Bay jurisdictions and the federal government began to follow two-year milestones to track progress toward reaching the TMDL's goals. In addition, the milestones will demonstrate the effectiveness of the jurisdictions' WIPs by identifying specific near-term pollutant reduction controls and a schedule for implementation. EPA reviews these two-year milestones and evaluates whether they are sufficient to achieve necessary pollutant reductions and, through the use of a Chesapeake Bay TMDL Tracking and Accountability System, determines if milestones are met.

Implementing the Chesapeake Bay TMDL

WIPs, which detail how and when the seven Bay jurisdictions will meet their respective allocations, played a central role in shaping the TMDL. Each of the Bay jurisdictions also submitted Phase II WIPs in 2012 that provide planning targets for implementation on a more local scale. Phase III WIPs in 2018 are expected to provide additional detail regarding restoration actions beyond 2017 and to ensure the 2025 goals are met.

The focus is now on the Bay jurisdictions' implementation of their WIP policies and programs that will reduce pollution on-the-ground and in-the-water.

EPA will continue oversight of WIP implementation and jurisdictions' progress toward meeting two-year milestones. If progress is insufficient, EPA is committed to taking appropriate contingency actions including targeted compliance and enforcement activities, expansion of requirements to obtain NPDES permit coverage for currently unregulated sources, increasing oversight of state-issued NPDES permits, revision of the TMDL allocations and additional controls on federally regulated sources of pollution, such as wastewater treatment plants, large animal agriculture operations and municipal stormwater systems, prohibiting new or expanded pollutant loads, redirecting EPA grants, and revising water quality standards to better protect local and downstream waters.

National Academies report: Achieving Nutrient & Sediment Reduction Goals in the Chesapeake Bay

Over the past five years, there have been a number of independent evaluations of various components of the Chesapeake Bay Program. In 2008, GAO concluded CBP's actions had fallen short of the GAO 2005 recommendation to establish an independent and objective reporting process. As a result, the EC requested the CBP partnership be evaluated by a nationally recognized independent science organization to accelerate implementation and increase the level of accountability.

Installed as an organizational function in the new CBP structure, the Independent Evaluator reported directly to the EC and the Principals' Staff Committee.

First pilot study

The first independent evaluation was a pilot which began in December 2009. It was conducted through an EPA contract with the National Academies of Science (NAS). The purpose of the study was to evaluate the CBP implementation efforts toward needed nutrient and sediment reduction goals for water quality. Specifically, the NAS study panel looked at ***Tracking and Accountability*** and ***Milestones.***

With regards to ***Tracking and Accountability***, the panel addressed whether tracking for implementation of nutrient and sediment point and non-point source pollution best management practices appears reliable, accurate and consistent. Within each jurisdiction, the panel considered which efforts and systems appeared to be working, or not working, including implementation of federal programs and funding – and how to strategically improve the system to address gaps. Finally, the panel examined how gaps and inconsistencies appeared to impact reported program results.

The strategy of two-year ***Milestones*** was examined to determine if the level of implementation was likely to achieve the CBP nutrient and sediment reduction goals for that milestone period. The panel considered whether CBP agencies had developed adaptive management approaches to help meet program goals for nutrient and sediment reduction. They further analyzed potential improvements to the development, implementation, and accounting of the strategies to ensure achieving the goals.

National Academies of Science Report

In May 2011, the NAS delivered the committee report: Achieving Nutrient and Sediment Reduction Goals in the Chesapeake Bay: An Evaluation of Program Strategies and Implementation. The following are highlights of the Committee's findings:

The committee declared tracking is of paramount importance because CBP relies upon data to estimate current and future loads, however the current data on practice implementation was, at best, an estimate. Current accounting of practices was found to be inconsistent across jurisdictions. The jurisdictions and CBP partnership as a whole were credited for making strides toward improving reporting, however the scope of the task with limited resources has proved difficult. The committee recommended third-party auditing to ensure reliability of state and local data.

The two-year milestone strategy was noted for committing states to tangible, near-term implementation goals and improving accountability, but cautioned the strategy does not guarantee goals will be met and the consequences for nonattainment are unclear. The committee advised timely updates and synthesis of progress are required for states to receive the data necessary to make appropriate mid-point adjustments.

As for implementation of the milestones, the committee found the first milestones represented a sizeable increment of implementation and presumed the first milestones would likely be the easiest to achieve. Progress toward implementation was mixed across jurisdictions based on July 2009 reporting.

The committee did not feel EPA or the jurisdictions exhibited a clear understanding of adaptive management and how to apply it. As such, they deemed the current two-year milestone strategy largely a "trial and error" process.

Chesapeake Bay Program Partnership Response

The Principals' Staff Committee made recommendations for implementation and response to the NAS report in November 2011, as well as outlining key challenges. The partnership has addressed the report's findings through in-depth consideration and implementation of specific activities and program policy changes, including:

- BMP effectiveness monitoring, tracking and accountability
- Adaptive management of the Chesapeake Bay Program
- An Action Team to explore a Chesapeake Bay modeling laboratory
- The ongoing function of the independent evaluator

CHAPTER 3:

New Chesapeake Bay Watershed Agreement

In 2011, both the EC and the FLC acknowledged the need to look at potentially integrating the goals, outcomes and actions of the CBP partnership (*Chesapeake 2000)* with those set forth in the EO strategy. Most of the outcomes and commitments in the *Chesapeake 2000* agreement have expired and there is now a need to update and refresh them in order to accelerate progress in achieving the water quality and living resource goals of the program.

This new plan for collaboration across the Bay's political and geographical boundaries will clarify our vision, mission and values and establish shared goals and outcomes for the protection, restoration and stewardship of the Bay, its tributaries and the lands that surround them. The current draft agreement includes goals and outcomes for sustainable fisheries, habitat restoration, water quality, healthy watersheds, land conservation, public access and environmental literacy. The agreement, now being drafted, is intended to encourage a forward-looking approach to conservation and restoration, focusing on immediate results and recognizing our long-term effort must be sustained by and for future generations. It is intended the new *Chesapeake Bay Watershed Agreement* will have more flexibility, increased accountability and greater participation by all partners, including the Headwaters states of Delaware, New York and West Virginia.

If consensus can be reached by all of the signatories, the current schedule calls for the new Watershed Agreement to be signed by the EC in late Spring of 2014.

Strengthening and Adopting New Strategies

Overview

The CBP partnership continues to address new complex issues, including those previously recognized by the partnership, which can affect actions necessary to restore the Chesapeake Bay watershed. Examples include: accounting for the potential consequences of population growth and continuing climate change; accounting for innovative, new technologies; factoring in new understanding of the Susquehanna River dams' influence on nutrient and sediment pollutant loads; invasive species; understanding and recognizing year-to-year variability of rainfall-driven nutrient and sediment loads and their impact on Bay water quality; and taking full advantage of living resources (i.e., natural infrastructure) as natural filters. This is part and parcel of the adaptive management commitment of the partnership to consider new knowledge and updates in information which can best inform our watershed restoration strategies and management.

In recent years, CBP has begun using a decision framework to fully integrate an adaptive management process into Chesapeake Bay restoration. For example, the partnership will provide input on and review changes in decision-support tools, such as the models and methods used to assess progress, and weigh the effects of these proposed changes against the impacts to meeting the ultimate goal of having all practices on the ground by 2025 to meet water quality standards. To enable this level of adaptive management throughout the program, CBP partners need to work together to ensure there are adequate resources to maintain the integrity of the monitoring program for both tidal and non-tidal networks.

Further, the partnership will consider the need for updates to the current TMDL to address any needed modifications informed by the changes to the decision-support tools, as well as jurisdictions' implementation experience to date. EPA's expectations for the scope and content of the Phase III WIPs may vary depending on their jurisdictions' implementation progress through 2017. The CBP partnership will carefully consider scientific, technical, financial, social, political and other implementation factors during this review, called the Chesapeake Bay TMDL Midpoint Assessment. Using this assessment, jurisdictions will be expected to make necessary adjustments in their Phase III WIPs to achieve the 2025 goal.

Guiding Principles for the 2017 Chesapeake Bay TMDL Midpoint Assessment

The Chesapeake Bay TMDL called for an assessment in 2017 to review our progress toward meeting the identified nutrient and sediment pollutant load reductions for the TMDL, Phase I and Phase II WIPs and milestones, recognizing change is inevitable over a 15-year period in a dynamic environment like the Bay. The Bay TMDL 2017 midpoint assessment has three primary objectives: 1) gather input from the partnership on issues and priorities to be addressed in order to help meet the goal of all practices in place by 2025 to meet water quality standards; 2) based on these priorities, review the latest science, data, tools and best management practices (BMPs), incorporate as appropriate into the decision-support tools that guide implementation, and consider lessons learned; and 3) help jurisdictions prepare Phase III WIPs, which will guide milestones and implementation from 2018 to 2025. In parallel, EPA will continue its oversight role on the implementation of the Bay TMDL and determine if the 2017 interim goal is on track.

The purpose of the guiding principles is to help direct the partnership through the midpoint assessment and Phase III WIP development process. The following are the five principles guiding the Midpoint Assessment were approved by the Principals' Staff Committee in 2012:

1: Continue implementation, tracking progress and reporting results, with stable tools through at least 2017

2: Enhance decision support and assessment tools to enable successful engagement of local partners

3: Incorporate new or refined BMPs and verification of practices into existing accountability tools and reporting protocols

4: Address emerging issues that may impact current strategies and future plans

5: Prioritize midpoint assessment actions and use adaptive management to ensure water quality goals are met.

Chesapeake Bay Program partnership's BMP Verification Principles

Another important priority of the CBP partnership is implementation of the Chesapeake Bay TMDL, the jurisdictions' WIPs, and two-year milestones. The partnership has committed to development of a basinwide BMP verification framework for use by the seven watershed jurisdictions to assure data quality for BMP reporting for annual Model Progress runs. The CBP partnership established an independent BMP Verification Review Panel in September 2012, charged with the responsibility for examining the degree to which a jurisdiction's BMP verification program meets the parameters established by the partnership's BMP verification framework. This review will include an examination of existing BMP measurements, accounting, and inspection systems and any proposed improvements to those systems submitted for partnership review. The partnership recognizes some jurisdictional programs may already achieve some of these principles and may not require significant modification or enhancements.

The CBP partnership has defined BMP verification as the process through which agency partners ensure practices, treatments, and technologies resulting in reductions of nitrogen, phosphorus, and/or sediment pollutant loads are implemented and operating correctly. The process for verifying credits for use in trading or offsets is a separate, distinct process not addressed either by these principles or through the partnership's BMP Verification Framework.

Working to verify practices are properly designed, installed, and maintained over time is a critical and integral component of transparent, cost efficient, and pollutant reduction effective program implementation. Verification helps assure the public of achievement of the expected nitrogen, phosphorus, and sediment pollutant load reductions over time. The CBP partnership will build from existing BMP tracking and reporting systems and work towards achieving or maintaining the following principles – 1) Practice Reporting; 2) Scientific Rigor; 3) Public Confidence; 4) Adaptive Management; and 5) Sector Equity.

Offset and Trading Programs – Focusing on Keeping Healthy Watersheds Healthy

EPA expects the Bay jurisdictions to offset any new or increased loads above the level of the TMDL allocations. In addition, EPA believes water quality trading can be a cost-effective way to reduce nutrient and sediment pollution and achieve water quality goals. In 2003, EPA issued a policy on water quality trading, followed up by a toolkit in 2007.

The Bay jurisdictions are exploring whether to develop offset and trading programs or, where applicable, expand existing programs. Understanding technical challenges and policy issues need to be addressed in order to establish credible and transparent water quality trading programs, EPA is working with state, private and other interested partners to ensure programs are developed that meet the common elements of Section 10 and Appendix S of the Bay TMDL.

EPA's work plan includes five major components: (1) addressing assessment findings; (2) oversight program; (3) program development and guidance; (4) outreach, education and integration; and (5) data and tracking.

EPA's primary focus of activity at this time is developing a series of technical memoranda that elaborate on the elements of Appendix S and Section 10 of the Chesapeake Bay TMDL with which the Bay jurisdictions' trading and offset programs are expected to be consistent. These memoranda will address topics such as: baseline demonstration, sector growth demonstration, representative sampling, credit calculation methodology, credit permanence, trading ratio based on uncertainty, and verification.

To focus and support trading and offset efforts in Bay jurisdictions, CBP established in 2011 a Trading and Offsets Workgroup under the Water Quality Goal Implementation Team that has three functions: (1) provide a forum for discussion and information exchange among trading and offsets stakeholders; (2) evaluate and facilitate strategies to exchange loads among affected source sectors; and (3) build consensus on common approaches to some program design elements.

Improving Governance of the Program

Overview

EO 13508 established the FLC, chaired by the Administrator of the Environmental Protection Agency and including senior representatives of the Departments of Agriculture, Commerce, Defense, Homeland Security, Interior, and Transportation. The EO further directs the FLC to carry out a series of responsibilities. In addition to producing the EO strategy, ongoing implementation responsibilities include:

- Oversee development, coordination and implementation of new federal programs and activities for Chesapeake Bay restoration.
- Collaborate with state partners to ensure federal actions are closely coordinated with actions by state and local agencies and resources are used efficiently.
- Consult with stakeholder groups and the general public.
- Define milestones for meeting goals. Track and report restoration activities and spending.

Aligning FLC and CBP Functions

The EO recognized the federal government cannot achieve the goals and outcomes needed to restore and protect the Chesapeake Bay and its watershed without significant collaboration with state and local government, NGOs and citizens. The FLC also recognizes the longstanding roles and functions of the CBP, which includes the states in the watershed, the District of Columbia, the Chesapeake Bay Commission and EPA (representing the federal government). A number of CBP's roles and functions dovetail or overlap with those of the FLC. Given this, and the long-standing participation of federal agencies in the partnership, the FLC plans to take steps toward enhanced collaboration with CBP partners to further align the responsibilities of both parties and implement this strategy.

The process for aligning federal, state and local actions has begun through the consultation called for in the EO. The FLC and the EC acknowledge the need to more clearly define the role of the Chesapeake Bay Program in implementation of the EO strategy. In 2011, the FLC and EC convened a group of federal and state partners to recommend steps for coordinating and, where appropriate, integrating the goals, outcomes and actions of the CBP partnership with the goals, outcomes and actions described in this strategy. The group's recommendations will aim to produce the most efficient coordination mechanisms feasible that encompass the following principles:

- Mechanisms for reporting information on actions should not require multiple entries of the same data in different systems.
- There should be a coordinated, consistent mechanism for reporting progress to the public.
- There should be a consistent, coordinated adaptive management process for making changes to goals or outcomes that includes all partners.
- The systems should be mutually beneficial to partner agencies.

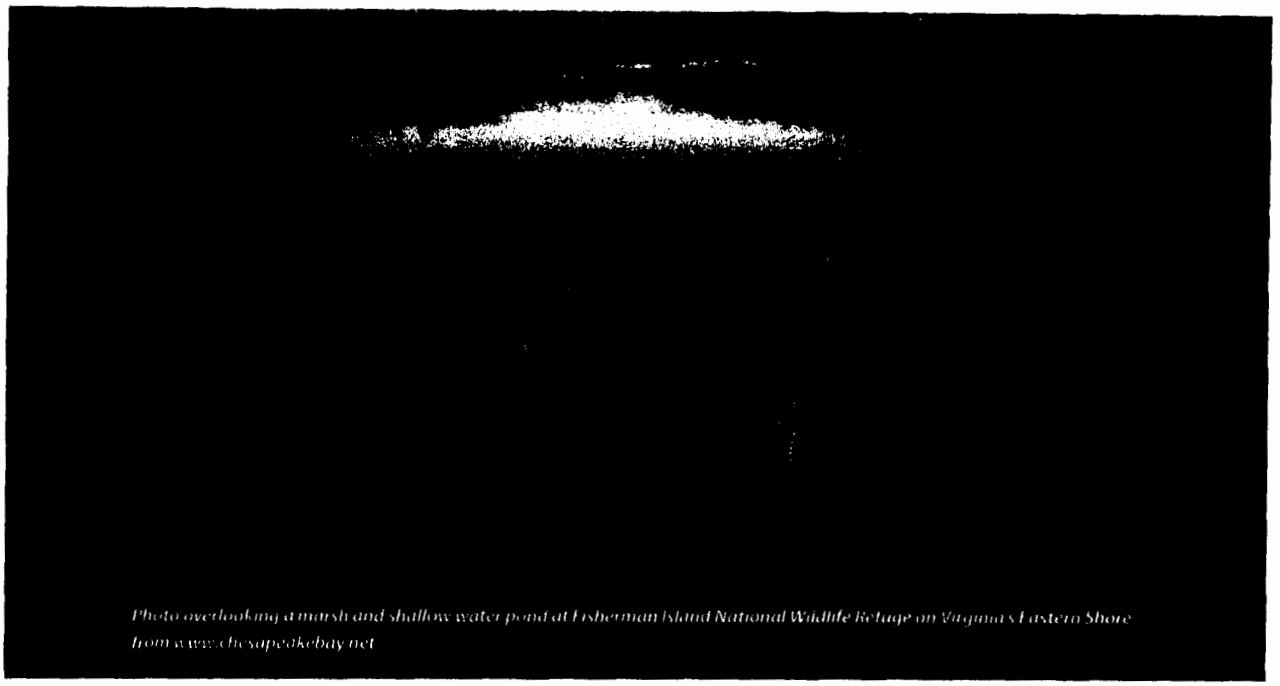


Photo overlooking a marsh and shallow water pond at Fisherman Island National Wildlife Refuge on Virginia's Eastern Shore from www.chesapeakebay.net

Since 2011, the Bay jurisdictions and federal agencies have been working together through the CBP Goal Implementation Teams, Management Board and Principals' Staff Committee and have undertaken the following steps:

1. Review vision, goals and outcomes identified in the EO strategy with the goals and commitments of the CBP partnership.
2. Identify issues and make specific recommendations for aligning EO goals and outcomes with existing CBP commitments.
3. Review indicators of health, restoration and protection currently used in the Bay Barometer and recommend appropriate changes for purposes of tracking progress and assessing success. Review existing monitoring information and other data sources currently utilized in the CBP and assess their alignment with the goals and objectives resulting from the above.
4. Review the means to coordinate and integrate federal, state and local actions. Evaluate the use of the annual federal action plan to incorporate state and local annual actions.
5. Recommend options to clarify the operational relationship between the FLC and the EC.

   Identify issues with and propose solutions to the current CBP structure related to implementing, monitoring, and supporting the integrated approach identified above; identify potential changes to the current CBP governance document.

It is anticipated the new *Chesapeake Bay Watershed Agreement* to be signed in 2014 will reflect the results of completing Steps 1-3 above. The CBP Governance Document (issued in 2009) will also be updated in 2014 to address Steps 4 and 5 as well as clarifying EPA's regulatory role related to the Bay TMDL and CBP partnership.

CONCLUSION

The past 30 years of scientific discovery, collaborative decision making, taking local actions, and monitoring the responses of the Bay ecosystem and its surrounding watershed have reinforced clear direction for the Chesapeake Bay Program partnership.

We are not only holding our own in the face of continued population growth and development in the watershed, we are making progress. We have seen that our actions, taken locally and in enough places, can lead to recovery and restoration of local waters and waterbodies.

The evidence demonstrates our pollutant reduction goals set more than a decade ago, now in the form of more specific regulatory allocations, are still the right ones to restore local and Bay water quality conditions. We know we must do more and do it now to further build back the resilience of local ecosystems to withstand increasing extreme variations in weather and climate.

Advances in improving water quality driven by the EO strategy and the Chesapeake Bay TMDL have been achieved in conjunction with concurrent efforts to restore living resources and habitat, protect and enhance the ecosystem, while raising citizen access, awareness and stewardship.

Development of the new *Chesapeake Bay Watershed Agreement* will ensure progress continues by coordinating the priorities and responsibilities of all seven jurisdictions within the watershed. The currently proposed new agreement allows the flexibility needed to adaptively manage the process through better alignment of federal, state and local efforts.

President Obama rightfully has recognized the Chesapeake Bay as a national treasure. Recovery of this resource will serve as both an economic engine for growth in the region as well as a model for ecosystem based multi-jurisdictional recovery efforts worldwide.

APPENDICES

1. Bay Barometer: Spotlight on Health and Restoration in the Chesapeake Bay and its Watershed 2011-2012
2. Bay Barometer: A Health and Restoration Assessment of the Chesapeake Bay and Watershed in 2010
3. Bay Barometer: A Health and Restoration Assessment of the Chesapeake Bay and Watershed in 2009
4. Bay Barometer: A Health and Restoration Assessment of the Chesapeake Bay and Watershed in 2008 - Executive Summary and Bay Barometer: A Health and Restoration Assessment of the Chesapeake Bay and Watershed in 2008
5. Chesapeake Bay 2007 Health and Restoration Assessment
6. Chesapeake Bay 2006 Health and Restoration Assessment
7. Chesapeake Bay 2005 Health and Restoration Assessment Part One: Ecosystem Health and Chesapeake Bay 2005 Health and Restoration Assessment Part Two: Restoration Efforts
8. The State of the Chesapeake Bay and Its Watershed: A Report to the Citizens of the Bay Region (2004)
9. 2002-The State of the Chesapeake Bay: A Report to the Citizens of the Bay Region
10. 1999 State of the Chesapeake Bay
11. The State of the Chesapeake Bay 1995
12. The Chesapeake Bay...A Progress Report 1990-1991
13. State of the Chesapeake Bay: Third Biennial Monitoring Report - 1989
14. State of the Chesapeake Bay: Second Annual Monitoring Report 1984-1985

Links to all CBP indicators are available on the program website. Indicators are organized as follows:

Bay Health: Scientists evaluate the Chesapeake Bay's health by monitoring important habitats, fish and shellfish and water quality measures. These indicators are useful tools to gauge overall health of the Bay and the animals that live in it.

Habitats and Lower Food Web

- Bay Grasses
  - Underwater Bay Grass Abundance (Upper, Middle and Lower Bay Zones)
  - Underwater Bay Grass Density
- Bottom Habitat
- Tidal Wetlands

Fish and Shellfish

- Blue Crabs
- Oysters
- Striped Bass
- American Shad
- Atlantic Menhaden

Water Quality

- Achievement of Chesapeake Bay Water Quality Standards
- Chemical Contaminants

Watershed and River Health: CBP uses the most current monitoring data to assess forest and stream health.

Forests

- Forest Cover

Health of Freshwater Streams

- Health of Freshwater Streams in the Chesapeake Bay Watershed

Flow-adjusted Pollution Trends

- Nitrogen in Rivers Entering Chesapeake Bay: Long-term Flow-adjusted Concentration Trends
  - Nitrogen Short-Term Flow Adjusted Concentration Trends Measured in Watershed Streams and Rivers
  - Nitrogen Yields Measured in Watershed Streams and Rivers

- Phosphorus in Rivers Entering Chesapeake Bay: Long-term Flow-adjusted Concentration Trends
    - Phosphorus Short-Term Flow Adjusted Concentration Trends Measured in Watershed Streams and Rivers
    - Phosphorus Yields Measured in Watershed Streams and Rivers
- Sediment in Rivers Entering Chesapeake Bay: Long-term Flow-adjusted Concentration Trends
    - Sediment Short-Term Flow Adjusted Concentration Trends Measured in Watershed Streams and Rivers
    - Sediment Yields Measured in Watershed Streams and Rivers

Factors Impacting Bay and Watershed Health: CBP uses the most current monitoring data to track major factors influencing the health of the Bay and its watershed.

Pollutants

- Nitrogen
- Phosphorus
- Sediment

Land Use

- Population Growth
- Forest Cover

Natural Factors

- River Flow

Restoration and Protection Efforts: The most current monitoring and tracking data gathered by CBP partners and computer simulations are used to assess partners' efforts to restore the health of the Bay and its watershed.

Reducing Pollution

- Reducing Nitrogen Pollution
    - Wastewater
- Reducing Phosphorus Pollution
    - Wastewater
- Reducing Sediment Pollution
    - Wastewater

Restoring Habitats

- Planting Bay Grasses
- Restoring Wetlands
- Reopening Fish Passage
- Restoring Oyster Reefs

Managing Fisheries

- Blue Crab Fishery Management

Protecting Watersheds

- Planting Forest Buffers
- Developing Watershed Management Plans
- Protected Land

Fostering Stewardship

- Public Access
- Education and Interpretation (Meaningful Watershed Educational Experiences)

Additional Pertinent Links

Susquehanna River Study Updates

NAS/NRC Report in Brief: Achieving Nutrient and Sediment Reduction Goals in the Chesapeake Bay

Modeling the Chesapeake Bay

2012 EO Progress Report

2013 EO Action Plan

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
RESTORE CLEAN WATER		
	TMDL/WIPs	
2013	Develop and implement a Best Management Practices Operation and Maintenance Policy to meet permit and water quality requirements for each Service. (DoD)	**In progress.**
May 2013	Provide mid-term evaluation of 2012 milestones progress to jurisdictions. (EPA)	**Complete.** Issued in May 2013.
Jan. 2012 – Feb. 2012	Evaluate and announce federal and jurisdictional 2012-2013 two-year milestones. (EPA)	**Completed in 2012.**
Jan. 2012 – June 2012	Evaluate draft and final Phase 2 WIPs. (EPA)	**Completed in 2012.**
June 2012	Assess progress made to implement the May 2009 – December 2011 two-year milestones. (EPA)	**Completed in 2012.**
2012	Participate in jurisdictions' Phase 2 WIP processes: provide DoD installation information to jurisdictions and disseminate jurisdiction information throughout DoD to support the most effective implementation of future WIP requirements on DoD installations. (DoD)	**Completed in 2012.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Agriculture	
2013	Publish follow up Chesapeake Bay CEAP cropland report. (USDA)	**In progress.** This report was drafted in 2013 and will be published in 2014.
2013	Assess progress made in the showcase watersheds. (USDA)	**In progress.** States with Showcase watershed are currently evaluating progress towards meeting the resource concerns in the Watershed.
2013	Create a network among Bay watershed Conservation Innovation Grant awardees to help stimulate environmental markets. (USDA)	**Complete.** The USDA established a network of Chesapeake Bay Water Quality Trading Conservation Innovation Grant awardees. Network participants include representatives from state and local government, non-governmental organizations, EPA and USDA. The Network is focused on developing robust water quality trading programs in the Chesapeake Bay and with removing barriers to market development and reducing uncertainty in water quality trading programs.
2013	Evaluate and publish a report on the CBWI program contained in the Food, Conservation, and Energy Act of 2008 (110-246). (USDA)	**Delayed.** The authority for CBWI was extended thru 2013, analysis and the report will be completed in 2014.
2013	Continue to pursue the development of agricultural certainty programs in Bay watershed states. (USDA)	**In progress.** Two states have legislative authority for Certainty programs and one State is exploring a certainty program.
2013	Continue to fund construction of treatment and distribution facilities, replacing or improving existing systems that are impacting the Bay. (USDA)	**In progress.** NRCS installed about 300 waste Storage Facilities in 2013.

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Agriculture (cont.)	
2013	Evaluate revisions to the national CAFO rule. (EPA)	**Complete.** Conducting AFO and CAFO Program Assessments and permit reviews in Bay jurisdictions.
July 2012	Develop and implement tracking, reporting and verification mechanisms for voluntary conservation practices and other BMPs installed on agricultural lands. (EPA, USDA co-lead)	**Completed in 2012.**
2012	Update the CEAP Cropland Report for the Bay region; increase the spatial resolution of model results and account for changes in conservation adoption since 2006. (USDA)	**Completed in 2012.**
2012	Direct up to $5 million to stimulate innovative conservation approaches, including the development of ecosystem markets in the watershed. (USDA)	**Completed in 2012.**
2012	Pilot the Conservation Delivery Streamlining Initiative's Conservation Desktop for national use; integrate resource concerns, selected inventory and analysis tools, electronic signature, and geospatial information into conservation planning tools. (USDA)	**Completed in 2012.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Atmospheric – Rules, Deposition, Allocations	
	Significantly reduce nitrogen deposition to the Bay and watershed by 2020. (EPA)	
2013	• Tier 3 Light-Duty Vehicle Emission and Fuel Standards final rule (criteria and toxic pollutants). (EPA)	**Ongoing.**
	Significantly reduce nitrogen deposition to the Bay and watershed by 2020. (EPA)	
2012	• NOxSOx Secondary National Ambient Air Quality Standards finalized. (EPA)	
2012	• New air deposition modeling for the Chesapeake Bay watershed incorporating the most recent finalized rules with significant NOx reductions. (EPA)	
2012	• EPA/DOT 2017–2025 Model Year Light-Duty Vehicle GHG Emissions and CAFÉ Standards final rule. (EPA)	
	Stormwater	
2013	Evaluate revisions to the national stormwater rule. (EPA)	**Ongoing.**
	Onsite (Septic) Systems	
June 2013	Develop a model program for states with voluntary general recommendations for activities to reduce pollution from onsite (septic) systems. (EPA)	**Complete.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Toxic Contaminants	
Jan. 2013	Issue a report summarizing the extent and severity of toxic contaminants in the Bay and its watershed that will include an assessment of progress on the Chesapeake Bay Basinwide Toxins Reduction and Prevention Strategy. (USGS, FWS, EPA co-lead)	**Complete.**
Dec. 2013	Work with DOI (FWS, USGS), the Bay states, the District of Columbia and stakeholders to consider toxic contaminant reduction goals. (EPA)	**In progress.** Draft reduction outcome developed and being considered by partnership for new Bay Agreement
	Oversight and Enforcement	
	Permit and Enforcement Oversight – Stormwater, Wastewater, Agriculture, Trading/ Offsets, Air.	
Dec. 2012	• Review Chesapeake Bay states' technical standards for nutrient management to ensure they meet CAFO regulations. (EPA)	**Complete for 2012.**
Dec. 2012 and 2013	• NPDES Permit Reviews – Report annually on number of permits reviewed. (EPA)	**Ongoing for 2013.**
Dec. 2013	• Inspections and Case Development – Report annually on results and/or status. (EPA)	**Ongoing for 2013.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Monitoring and Science Support	
Dec. 2012	Implement year two expansion (20 sites) of the non-tidal monitoring network to support TMDL. (EPA, USGS co-lead) Evaluate water quality changes and progress to adjust management actions in support of the TMDL/WIPs and milestone progress evaluation. (EPA, USGS, NOAA co-lead)	**Complete.** Several sites discontinued due to budget sequestration.
Dec. 2012	• USGS will issue an annual update of nutrient and sediment concentration trends based on the CBP non-tidal monitoring network and release a new supplemental technique looking at trends in nutrient and sediment loads.	**Complete.**
Dec. 2012	• EPA will provide annual updates of trends in estuary monitoring data to assess progress toward water quality standards.	**Complete.**
Dec. 2013	• EPA will work with USGS and jurisdictions to apply the new technique for trends in loads to assess progress toward reductions.	**Ongoing.**
	EPA Grant Support to States and the District of Columbia	
2013	Provide financial support to jurisdictions by maintaining funding, as authorized, through EPA's assistance programs including CWA Section 319, SRF, CBIG and CBRAP. (EPA)	**Complete.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
HABITAT		
	Wetlands	
Spring 2013	Develop initial estimates of restored and enhanced coastal wetlands needed to support energetic carrying capacity metric for revised black duck goal, with spatial specificity. Circulate for review, critique and revision by appropriate scientists and subject matter experts. (FWS)	**In progress.** Biomass sample collection was completed and foraging trials were initiated. Analysis of samples and completion of foraging trials expected for FY14 along with building the foraging energetics model by late FY14.
Dec. 2013	Engage wildlife and natural resource agencies in strategic wetland action teams in interested Bay states during 2013. (FWS)	**Complete.** Resulted in successful multi-state proposal submitted by TNC and DU for a NFWF grant to accelerate wetland restoration.
Dec. 2013	Continue Chesapeake Bay island and wetlands restoration construction management, monitoring, stakeholder coordination and design of wetland cells at Poplar Island. (USACE)	**In progress.** To date, more than 176 acres of tidal wetlands have been restored.
	Fish Passage	
Dec. 2013	Conduct outreach on use of the Baywide fish passage prioritization tool in Maryland, Virginia and Pennsylvania. (FWS, NOAA)	**Complete.** Presentations were given at the Chesapeake Bay Program's Habitat Goal Implementation Spring 2013 meeting, State of Maryland Dam Safety Division, and Maryland Dam Removal Workshop (Hosted by AR). The tool has also been highlighted on Md., Va., and Pa. Fish Passage Websites such as: http://www.dgif.virginia.gov/fishing/tnc-chesapeake-bay-fish-passage/.

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Riparian Forest	
Dec. 2012	Complete a strategy to accelerate forest restoration in priority areas. (USFS)	**Complete.**
March 2013	Produce a White Paper on Riparian Forest Restoration in the Chesapeake Bay. (USFS)	**Complete.**
June 2013	Complete pilot of Land Image Analyst, a tool for improved monitoring of riparian forest buffers. (USFS, USGS)	**Complete.**
Dec. 2013	Conduct outreach using completed strategy to accelerate forest restoration in priority areas. (USFS)	**In progress.** Will be continued in 2014.

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Additional Milestones	
Dec. 2013	Initiate feasibility studies focused on the Anacostia River watershed immediately with Montgomery and Prince George's counties in Maryland. (USACE)	**In progress.** Cost sharing Agreement was executed in October 2013.
Dec. 2013	Continue to work closely with the City of Virginia Beach at Lynnhaven River Basin, Virginia, to complete design for restoration of wetlands, submerged aquatic vegetation, bay scallops and essential fish habitat. (USACE)	**In progress.**
Dec. 2013	Continue to work closely with the Commonwealth of Virginia and localities in the Rappahannock watershed to identify water resource issues and develop a study that will come up with innovative restoration solutions. (USACE)	**In progress.**
Dec. 2013	Prepare reconnaissance report and begin scoping follow on efforts with non-federal partners in preparation for the Chesapeake Bay Comprehensive Plan (USACE).	**In progress.**
Dec. 2013	CBP partners are developing a methodology to calculate trends in stream health over time using the Stream Health Index. This methodology will be used to track progress toward achieving the Stream Health Outcome. (EPA, CBP Monitoring Team)	**In progress.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
SUSTAIN FISH AND WILDLIFE		
	Oysters	
March 2013	Complete and release Native Oyster Restoration Master Plan. (USACE)	**Complete.**
Dec. 2014	Complete Baywide Oyster Population Assessment. (NOAA)	**In progress.**
Dec. 2014	Conduct a study of existing and potential future oyster restoration activities. (USACE)	**In progress.** Construction of 56 acres of alternative substrate (granite and/or mixed shell) reefs funded by USACE and planting of 300 million spat on shell funded by NOAA completed. 209 acres completed overall. The Oyster Recovery Partnership has seeded a total of 131 acres so far.
2013	Conduct monitoring of the constructed sanctuary reefs in the Great Wicomico and Lynnhaven tributaries. (USACE)	**Complete.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Blue Crabs	
June 2013	Establish and adopt new Baywide management targets for adult male crabs through the Chesapeake Bay Stock Assessment Committee and the Fisheries GIT. (NOAA)	**Complete.**
June 2013	Assess the extent to which the population is sustainable (i.e., between the abundance and exploitation targets and thresholds) by preparing and delivering the Chesapeake Bay Blue Crab Advisory Report annually (2012 and 2013) and convening the Sustainable Fisheries GIT to approve the report and adapt management approaches when necessary. (NOAA)	**Complete.**
	Brook Trout	
May 2013	Host working session of Eastern Brook Trout Joint Venture to prioritize patches in Va., Md., N.Y., Pa. and W.Va. for brook trout habitat restoration and protection. (FWS, USGS)	**In progress.** Hosted working session with EBTJV in November 2012. Prioritization ongoing.
June 2013	Work with CBP's STAR and Eastern Brook Trout Joint Venture to adapt the brook trout outcome based on latest science. (USGS, FWS)	**Complete.** The metric and outcome were revised with input from EBTJV and based on latest science. Revised Outcome: "Restore naturally reproducing brook trout populations in Chesapeake headwater streams with an 8 percent increase in occupied habitat by 2025."

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
	Black Ducks	
March 2013	Work with STAC and the Habitat GIT to host workshop on Targeting Restoration of Coastal Habitat Complexes, resulting in management guidelines for local governments on how to minimize impacts to waterfowl wintering habitat. (FWS, USGS)	**Complete.** April 2013- STAC workshop titled "Designing Sustainable Coastal Habitats" to assess the current status and trending condition of coastal ecosystems and identify habitat components that will be sustainable under increasing human impacts and a changing climate.
June 2013	Work with Joint Ventures and North Atlantic Landscape Conservation Cooperative to apply results of research on energetic carrying capacity of Bay habitats to articulate two-year milestones in terms of black duck habitat. (FWS, USGS)	**In progress.** Created a habitat layer for Marshlands Complex and PWRC for wintering black ducks which was used along with stratified random sampling to determine locations for biomass sampling. Samples are currently being analyzed while standardizing methodologies. Foraging trials have also been initiated and will conclude in FY14.
CONSERVE LAND AND INCREASE PUBLIC ACCESS		
Dec. 2012	Complete initial build-out of the Land Conservation Priority Mapping Tool. (NPS, USGS)	**Complete.**
Dec. 2012	Finalize public access plan. (NPS)	**Complete.**
Dec. 2012	Complete strategy to reduce the loss of working lands. (USFS)	**In progress.** Draft Strategy completed in 2013, will be finalized in 2014

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
EXPAND CITIZEN STEWARDSHIP		
Dec. 2012	Chesapeake Conservation Corps strategy will be finalized. (NPS)	**Complete.**
July 2013	Complete a set of research-based best practices in support of the meaningful watershed educational experience and develop metrics to monitor implementation of these practices by signatory states and the Chesapeake Bay Program. (NOAA)	**In progress.** In final review.
Oct. 2013	Serve on the Leadership Team for the Maryland Partnership for Children in Nature to ensure federal priorities are included in the nation's first effort to define a high school graduation requirement for environmental literacy. (NOAA)	**Ongoing.**
Nov. 2011	NOAA will convene a Mid-Atlantic Environmental Literacy Summit to focus on the intersection of science education and environmental literacy priorities, and to solicit state input on the draft federal K-12 Environmental Literacy Strategy. (NOAA)	**Completed in 2012.**
Nov. 2012	Work with the Chesapeake Bay Trust to build capacity for environmental education in the region, including supporting a workshop focused on incorporating best practices into metrics and self-assessment tools to support environmental education. (EPA)	**Completed in 2012.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
DEVELOP ENVIRONMENTAL MARKETS		
Sept. 2013	Hold a workshop to conduct knowledge assessments on drought and the Chesapeake Bay watershed (NOAA and USGS). These assessments will serve as the basis for establishing a Chesapeake Bay Watershed Regional Drought Early Warning Information System.	**Complete.**
Sept. 2013	Draft a Chesapeake Bay sentinel site cooperative implementation plan, focused on sea level rise in collaboration with federal, state, local, university and nonprofit partners. (USGS)	**Complete.**
Dec. 2013	Complete improvements to Chesapeake Land Change Model (version 3) to enhance assessments of the combined impact of climate and land change on the Bay and its watershed. Results from the model will also be used to assess vulnerability of conserved lands to future development. (USGS)	**In progress.**

Table A: FY 2012/2013 Programmatic Milestones – Progress		
Target Date	Programmatic Milestone	2013 Progress
SCIENCE		
Dec. 2012	Implement the CBP decision framework through interaction with all GITs. Summarize the information in Chesapeake*Stat* (EPA) and provide the science and monitoring needed to help support this adaptive management process. (USGS, NOAA, EPA)	**Complete.** For selected goal teams.
July 2013	As part of the Monitoring Alliance, engage local jurisdictions and NGOs on partnerships to expand the use of their water quality monitoring to assess conditions in the Bay and its watershed. (EPA) Integrate federal and state dissolved oxygen data across tidal, non-tidal and main stem monitoring data through the Data Enterprise to advance understanding of hypoxia and progress toward water quality standards. (EPA, USGS, NOAA)	**In progress.** Interacting with local partners and NGOs is ongoing. Nontidal data integration into Data Enterprise is complete.
Dec. 2013	Implement the Chesapeake Monitoring Alliance by producing more recent land cover (2011 data) for the Bay watershed that can be used to support the implementation of EO goals. (USGS)	**In progress.** USGS processing 2011 data for watershed. NOAA has completed coastal land cover data.

Chesapeake Bay Models and other Decision Making Support Tools

Because the Chesapeake Bay and its watershed are so large and complex, scientists and restoration managers rely on a suite of linked computer models for critical information about the ecosystem's characteristics and for estimating the impact of various environmental actions on reducing pollution and improving water quality. Models are vital tools that help guide decision-making for reducing pollution and meeting water quality standards.

Chesapeake Bay model simulations, which are called scenarios, project pollution loads and flow. Scenarios simulate how various changes or pollution-reduction actions could affect the Bay ecosystem, especially water quality, wildlife and aquatic life.

Although model simulations are an important part of the Chesapeake Bay restoration effort, they are not considered to be perfect forecasts. Rather, model simulations are best estimates based on state-of-the-art, extensively peer-reviewed science. Modeling is part of a broader toolkit that includes research and monitoring to gain the highest possible level of accuracy in projecting future responses to actions.

CBP partners and stakeholders use a suite of linked computer models that are among the most sophisticated, studied and respected in the world. These models provide a comprehensive view of the Chesapeake Bay ecosystem from the deepest depths of the Bay to the upper reaches of the watershed, and from the air to the land to water.

Watershed Model

The Watershed Model incorporates information about land use, fertilizer applications, wastewater plant discharges, septic systems, air deposition, human populations, farm animal populations, weather and other variables to estimate the amount of nutrient and sediment pollution reaching the Chesapeake Bay and where these pollutants originate.

The Watershed Model divides the 64,000-square-mile Chesapeake Bay watershed into more than 2,000 segments delineating political and physical boundaries. Each segment contains information generated by several sub-models:

- The hydrologic sub-model uses rainfall, evaporation and meteorological data to calculate runoff and sub-surface flow for all land uses, including forest, agricultural and urban lands.
- The surface and sub-surface flows ultimately drive the non-point source sub-model, which simulates soil erosion and pollutant loads from the land to rivers.
- The river sub-model routes stream and river flow and associated pollutant loads from the land through lakes, reservoirs, streams and rivers to the Chesapeake Bay.

Estuary Model

The Estuary Model examines the effects nutrient and sediment pollution loads generated by the Watershed Model have on water quality. In the Estuary Model, the Chesapeake Bay is represented by more than 57,000 computational cells and is built on two sub-models:

- The hydrodynamic sub-model simulates the mixing of waters in the Bay and its tidal tributaries.
- The water quality sub-model calculates the Bay's biological, chemical and physical dynamics in response to nutrient and sediment loads to the Bay.

Scenario Builder

Scenario Builder is a tool which can generate simulations of the past, present or future state of the Chesapeake Bay watershed to explore potential impacts of management actions and evaluate alternatives.

Scenario Builder produces inputs for the Watershed Model based on factors from a wide range of land uses and management actions. For example, information such as acres of different crops, numbers of animals and extent of conservation practices is used to generate Watershed Model inputs for use types on working farms and ranches.

Airshed Model

The Airshed Model uses information about nitrogen emissions from power plants, vehicles and other sources to estimate the amount of and location where these pollutants are deposited on the Chesapeake Bay and its watershed. That information is fed into the Watershed Model.

Land Change Model

The Land Change Model analyzes and forecasts the effects of urban land use and estimates population effects on sewer and septic systems in the Chesapeake Bay watershed.

The forecasts are based on:

- Reported changes from the U.S. Census Bureau in housing, population and migration
- Land cover trends derived from satellite imagery
- Sewer service areas
- County-level population projections
- Conversion of forests and farmland development is based on a thorough examination of urban development and land conversion trends derived from satellite imagery dating back more than 25 years.

Determining Land Uses and Pollution Loads

To accurately simulate the Chesapeake ecosystem, models are built on current and specific uses of land in the watershed, such as forests, farms and development. Land uses are determined using authoritative sources such as satellite imagery and the USDA Census of Agriculture. Models are further refined by inputting land management features such as cover crops on farm fields and stormwater controls in urban areas.

The types and amounts of nutrient and sediment pollution that run off a particular land use are based on comprehensive reviews of the latest scientific literature. For example, the pollution loads incorporated into the Watershed Model are based on research from more than 100 academic papers. This comprehensive literature review provides the average pollution loads that various land uses contribute.

Pollution loads are also cross-checked with previous versions of the Watershed Model and other regional and national models. Pollution loads are further adjusted based on in-stream monitoring data, which increases accuracy for land use and location. Conservation practices, management actions and pollution controls that are implemented in specific places are then entered into the model to simulate reductions from these factors.

Incorporating Improvements to the Models

The suite of Chesapeake Bay models has been developed throughout nearly 30 years of collaboration by federal, state, academic and private partners. Chesapeake Bay model developers include EPA, USGS, USDA Natural Resources Conservation Service, USACE, the University of Maryland, Virginia Tech, Penn State University and Chesapeake Research Consortium. Advisers include Delaware, Maryland, New York, Pennsylvania, Virginia, West Virginia and the District of Columbia.

The Chesapeake Bay Program partnership continues to improve the quality of the data in the models by involving a wide range of partners, stakeholders and experts. Revised versions of the models are regularly shared with partners throughout the Chesapeake Bay community to allow for review, testing and suggestions. Anyone can participate in improving the Bay models, including working with the CBP partnership to have credible data and restoration practices incorporated. The models also undergo extensive independent scientific peer review by federal, state and academic scientists, as well as modeling experts.

AL-14-000-8043

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

APR 22 2014

THE ADMINISTRATOR

The Honorable John Boehner
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am pleased to inform you of the availability of the Environmental Protection Agency's *FY 2014-FY 2018 Strategic Plan* at: http://www2.epa.gov/planandbudget/strategicplan.

The *EPA FY 2014-2018 Strategic Plan*, a periodic update required by the GPRA (Government Performance and Results Act) Modernization Act of 2010 (Public Law 11-352), provides a blueprint for accomplishing our priorities for the next four years. The *Plan* presents five strategic goals for advancing our environmental and human health mission outcomes, accompanied by four cross-agency strategies that seek to focus EPA's work to meet the growing environmental protection needs of the day. We will continue to affirm our core values of science, transparency, and the rule of law in addressing our priorities.

I look forward to working with you to achieve a cleaner and healthier environment for all Americans.

Sincerely,

Gina McCarthy

AL-14-000-7699

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
CIVIL RIGHTS

MAY 1 5 2014

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am pleased to send you the enclosed copy of the U.S. Environmental Protection Agency's Fiscal Year 2013 annual report prepared in accordance with Section 203 of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), Public Law 107-174.

This report provides information regarding the number of cases arising under the respective areas of law cited in the No FEAR Act where discrimination was alleged; the amount of money required to be reimbursed by the EPA to the Judgment Fund in connection with such cases; the number of employees disciplined for discrimination, retaliation, harassment or any other infractions of any provision of law referred to under the Act; an analysis of trends and knowledge gained; and accomplishments.

An identical letter has been sent to each entity designated to receive this report as listed in Section 203 of the No FEAR Act. The U.S. Attorney General, the Chair of the U.S. Equal Employment Opportunity Commission, and the Director of the U.S. Office of Personnel Management will also be sent a copy of the report.

If you have any questions, please contact me, or your staff may contact Christina J. Moody in the EPA's Office of Congressional and Intergovernmental Relations at moody.christina@epa.gov or (202) 564-0260.

Sincerely,

Velveta Golightly-Howell
Director

Enclosure

OFFICE OF CIVIL RIGHTS

U.S. ENVIRONMENTAL PROTECTION AGENCY

Fiscal Year 2013

Annual Report to Congress
Pursuant to the
Notification and Federal Employee
Antidiscrimination and Retaliation
Act of 2002

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I. EXECUTIVE SUMMARY

The U.S. Environmental Protection Agency (EPA or Agency) provides its Annual Report to Congress as required by Section 203 of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), Public Law 107-174. As required, this report includes information related to the number of cases in Federal court pending or resolved in fiscal year (FY) 2013 and, in connection with those cases, their disposition; reimbursement(s) to the Judgment Fund; and the number of employees disciplined and the nature of the disciplinary action taken.

During FY 2013, there were a total of 12 cases pending before Federal courts. Among these cases, there were 9 claims of violation of Title VII of the Civil Rights Act of 1964; 4 claims of violations of the Rehabilitation Act; 4 claims of violation of the Age Discrimination in Employment Act; one claim of violation of the Equal Pay Act, and one claim of violation of 5 USC 2302.

Of the 12 cases noted above, one was settled during the reporting period. The settlement involved a total payment of $500, all of which was designated for the payment of attorney's fees. This settlement amount was reimbursed to the Judgment Fund.

Of the remaining 11 cases, 3 were dismissed with prejudice, 2 are currently pending decisions on dispositive motions, one is pending a decision before the U.S. Court of Appeals for the Third Circuit, one is under settlement negotiations, and the remaining cases are at the discovery stage in U.S. Federal District Courts.

II. BACKGROUND

On May 15, 2002, Congress enacted the "Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002," or, as it is more commonly known, the No FEAR Act. One purpose of the Act is to "require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws." Public Law 107-174, Summary. In support of this purpose, Congress found that "agencies cannot be run effectively if those agencies practice or tolerate discrimination." Public Law 107-174, Title I, General Provisions, section 101(1).

Section 203 of the No FEAR Act requires that each Federal agency submit an annual Report to Congress not later than 180 days after the end of each fiscal year. Agencies must report on the number of Federal court cases pending or resolved in each fiscal year and arising under each of the respective areas of law specified in the Act in which discrimination or retaliation was alleged. In connection with those cases, agencies must report the status or disposition of the cases; the amount of money required to be reimbursed to the judgment fund; and the number of employees disciplined. Agencies must also report on any policies implemented related to appropriate disciplinary actions against a Federal employee who discriminated against any individual, or committed a prohibited personnel practice; any employees disciplined under such a policy for conduct inconsistent with Federal Antidiscrimination Laws and Whistleblower Protection Laws;

and an analysis of the data collected with respect to trends, causal analysis, and other information.

The Act imposes additional duties upon Federal agency employers intended to reinvigorate their longstanding obligation to provide a work environment free of discrimination and retaliation. The additional obligations contained in the No FEAR Act can be broken down into five categories:

- A Federal agency must reimburse the Judgment Fund for payments made to employees, former employees, or applicants for Federal employment because of actual or alleged violations of Federal employment discrimination laws, Federal whistleblower protection laws, and retaliation claims arising from the assertion of rights under those laws.
- An agency must provide annual notice to its employees, former employees, and applicants for Federal employment concerning the rights and remedies applicable to them under the employment discrimination and whistleblower protection laws.
- At least every two years, an agency must provide training to its employees, including managers, regarding the rights and remedies available under the employment discrimination and whistleblower protection laws.
- Quarterly, an agency must post on its public website summary statistical data pertaining to EEO complaints filed with the agency.

The President delegated responsibility to the Office of Personnel Management (OPM) for issuance of regulations governing implementation of Title II of the No FEAR Act. OPM published final regulations on the reimbursement provisions of the Act on May 10, 2006; final regulations to carry out the notification and training requirements of the Act were published on July 20, 2006; and the final regulations to implement the reporting and best practices provisions of the No FEAR Act on December 28, 2006. The Equal Employment Opportunity Commission (EEOC) published its final regulations to implement the posting requirements of Title III of the No FEAR Act on August 2, 2006. The EPA has prepared this report based on the provisions of the No FEAR Act in accordance with OPM and EEOC's final regulations.

III. DATA

a. Civil Cases

Section 203(a)(1) of the No FEAR Act requires that agencies include in their Annual Report "the number of cases arising under each of the respective provisions of law covered by paragraphs (1) and (2) of section 201(a) in which discrimination on the part of such agency was alleged." Section 724.302 of OPM's final regulations on reporting and best practices clarifies section 203 (1) of the No FEAR Act stating that agencies report on the "number of cases in Federal Court [district and appellate] pending or resolved...arising under each of the respective provisions of the Federal Antidiscrimination laws and Whistleblower Protection Laws applicable to them...in which an employee, former Federal employee, or applicant alleged a violation(s) of these laws, separating data by the provision(s) of law involved."

During FY 2013, there were a total of 12 cases pending before Federal courts. Among these cases, there were 9 claims of violation of Title VII of the Civil Rights Act of 1964; 4 claims of violations of the Rehabilitation Act; 4 claims of violation of the Age Discrimination in Employment Act; one claim of violation of the Equal Pay Act, and one claim of violation of 5 USC 2302.

Of the 12 cases noted above, one was settled during the reporting period. The settlement involved a total payment of $500, all of which was designated for the payment of attorney's fees. This settlement amount was reimbursed to the Judgment Fund.

Of the remaining 11 cases, 3 were dismissed with prejudice, 2 are currently pending decisions on dispositive motions, one is pending a decision before the U.S. Court of Appeals for the Third Circuit, one is under settlement negotiations, and the remaining cases are at the discovery stage in U.S. Federal District Courts.

b. Reimbursement to the Judgment Fund

During FY 2013, the Agency was required to reimburse the Judgment Fund $500, all of which was designated for the payment of attorney's fees. This is $174,500 less than the amount the Agency was required to reimburse to the Judgment Fund in FY 2012.

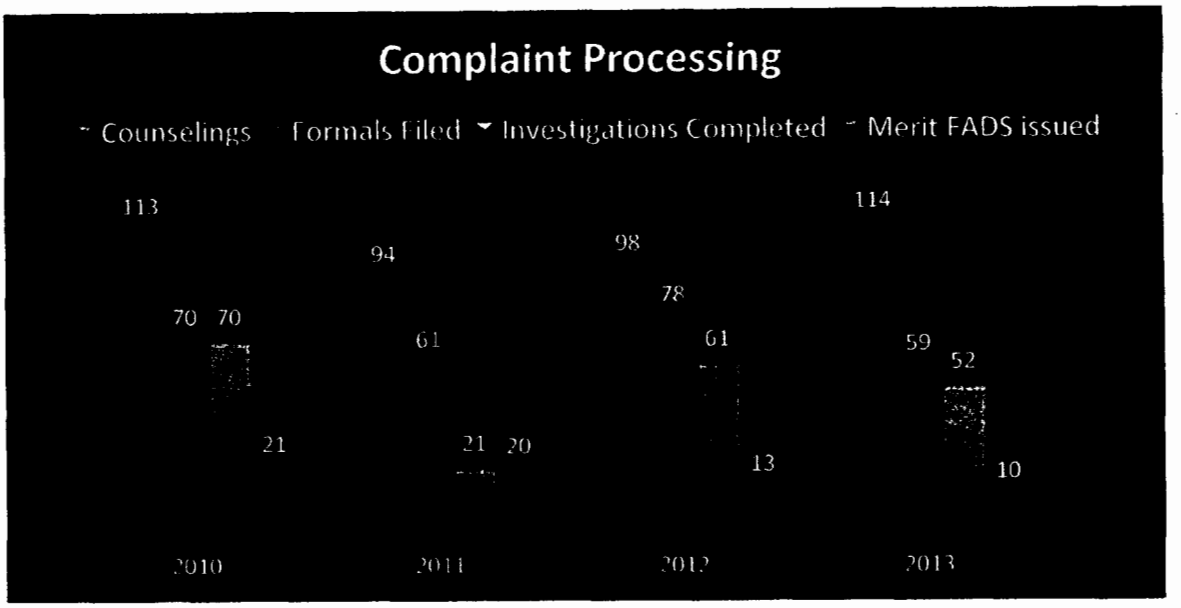
c. Disciplinary Actions (5 C.F.R. § 724.302 (a)(3) & (5))

There were no employees disciplined in FY 2013 in connection with any cases described in paragraph (a) above, or for any other conduct that is inconsistent with Federal Antidiscrimination Laws and Whistleblower Protection Laws or for conduct that constitutes prohibited personnel practices.

d. Final Year-End Data Posted Under Section 301(c)(1)(B)

The final year-end data posted pursuant to section 301(c)(1)(B) of the No FEAR Act is included in Appendix 1.

The final year-end data indicates that during FY 2013, there was a 23% reduction in the number of formal complaints filed compared to FY 2012. In FY 2012, 76 formal complaints of discrimination were filed with the Agency. During FY 2013, there were only 59 new administrative complaints of discrimination filed by 56 employees or applicants for employment. Three Agency employees filed more than one complaint during the reporting period.



During FY 2013, EPA's Office of Civil Rights (OCR) procedurally dismissed 7 complaints. The average time to process a dismissal was 147 days, a 31% reduction from the FY 2012 processing average of 212 days pending prior to dismissal.

FY 2013 complaint totals can be found in their entirety at Appendix 1 of this report.

e. Policy Description on Disciplinary Actions (5 C.F.R. § 724.302(a)(6))

The FY 2013 Agency EEO policy addresses a variety of topics including the prohibition of discrimination in the workplace and a reminder to all employees that the agency will review any finding of discrimination and take appropriate disciplinary or corrective action. The EEO policy, as well as information on addressing harassment and reasonable accommodation, was discussed in the mandatory Successful Leaders program for all new Agency supervisors and in the new employee orientation sessions.

The FY 2013 EEO Policy can be found in its entirety at Appendix 3 of this report.

Additionally, EPA Order 3110.6B, *Adverse Actions*, EPA Order 3120.1B, *Conduct and Discipline*, EPA Order 3120.2, *Conduct and Discipline Senior Executive Service* and applicable collective bargaining agreements, provide guidance to managers about the type of disciplinary actions that may be taken, when appropriate, in response to a finding of discriminatory behavior or conduct. Such actions may range from informal corrective actions such as a written warning to more formal disciplinary actions such as a suspension without pay or removal.

EPA has an ongoing commitment to continue to include clear expectations EEO in performance standards for managers. EPA has maintained revised SES standards that not only focus on preventing discrimination in hiring activities and promoting merit systems principles, but also require senior leaders to be personally involved in leading and implementing EEO and civil rights initiatives consistent with applicable laws and executive orders. In addition, at the end of

every performance cycle, the Director of OCR, Performance Review Board members, and Executive Review Board members evaluate management self-assessments to ensure that the respective rating is an appropriate reflection of the accomplishments listed.

f. No FEAR Act Training Plans (5 C.F.R. § 724.302 (a)(9))

During FY 2013, we analyzed lessons learned from the EPA FY 2012 "*No FEAR Act Training Course*" that was hosted on the EPA eLearning site. The EPA eLearning site is an Internet-based training tool designed to support cross-functional training development needs for EPA employees. Based on input received from Agency employees regarding the 2012 training, we have contracted with Skillport to develop a more comprehensive training to include other areas such as discrimination based on gender stereotyping and the Genetic Information Nondiscrimination Act of 2008. We anticipate employees will be able to take the new training beginning Spring 2014. As with the 2012 NoFear Training, the eLearning site will be available for access 24 hours a day, 7 days a week, from work or home, allowing for maximum flexibility to meet the No FEAR Act training requirements. OCR, the Regional EEO Officers and the Headquarters Program Management Officers are planning to aggressively track and promote the successful completion of this training by individual offices, with a goal of reaching a 100% completion rate, Agency-wide, for the year.

IV. ANALYSIS OF TRENDS, CAUSAL ANALYSIS AND PRACTICAL KNOWLEDGE GAINED THROUGH EXPERIENCE (5 C.F.R. § 724.302 (a)(7))

At the conclusion of FY 2013, the bases of alleged discrimination most often raised were: (1) retaliation; (2) sex; and (3) age. The 59 EEO complaints filed at EPA in FY 2013 contained 29 allegations of retaliation, 26 allegations of sex discrimination, and 22 allegations of age discrimination. While retaliation and sex remain the top bases alleged in complaints filed for the second year in a row, these totals are not only significantly lower than in the previous year, they are the lowest in the previous 5 years worth of historical data. It should also be noted that retaliation and age are among the top three bases most frequently alleged in discrimination complaints throughout the entire Federal workforce.[1]

The data shows that the 0.31% of the Agency workforce of 17,002 employees that has filed complaints. This falls well below the last reported government-wide average of 0.53% of the workforce who filed complaints. At the time of reporting, government-wide totals beyond FY 2011 were not yet available.

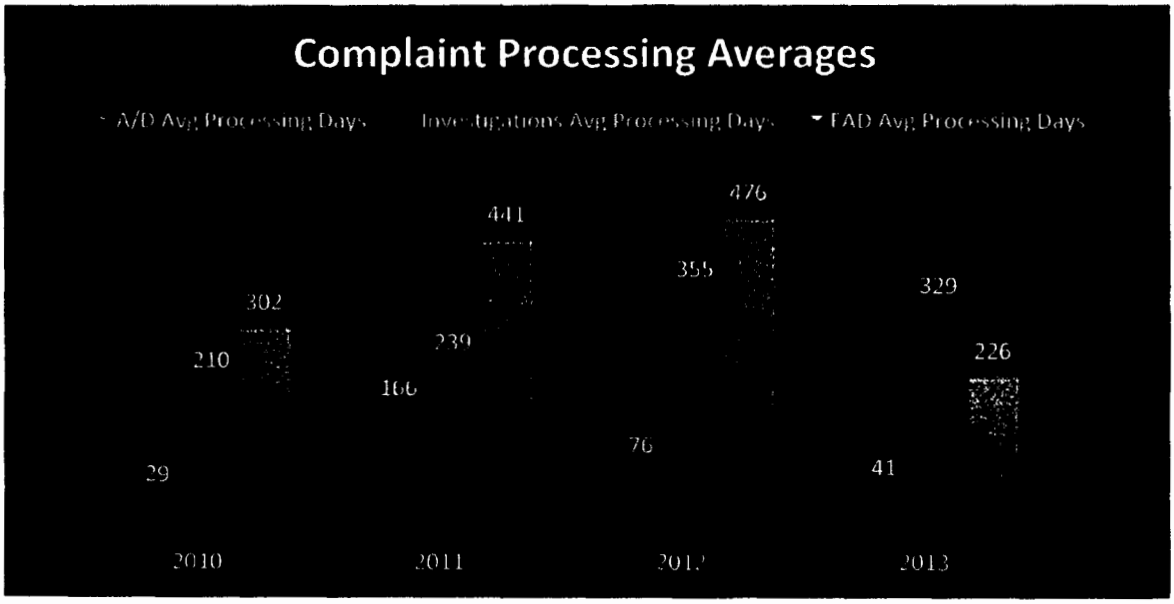
The Agency saw a 22% decrease in the number of complaints filed from FY 2012 to FY 2013. We attribute this in part to EPA's reinvigorated emphasis on the use of Alternative Dispute Resolution (ADR) to facilitate the ability of managers to hear about allegations of unlawful discrimination and to have an opportunity to resolve them at the lowest possible level. EPA managers and supervisors are required to participate, absent extenuating circumstances, as reiterated by the Administrator in her 2013 annual EEO Policy Statement. By certifying and training more EEO counselors and providing informational materials about the benefits of ADR in print and electronically, EPA's ADR participation rate during the informal process increased

[1] As reported in FY 2011 Report of the Federal Workforce. http://www.eeoc.gov/federal/reports/fsp2011/index.cfm

from 33.7% in FY 2012 to 49.41% in FY 2013. These efforts also increased EPA's rate of providing timely EEO counseling from 69.39% in FY 2012 to 92.11% in FY 2013. The Agency is currently developing an ADR program that would focus on increasing the number of cases in which ADR is offered in the formal complaint process which may increase our resolution rate. This program would continue to promote resolution at the lowest possible level by reengaging complainants and managers during the investigative stage of the complaint and attempt resolution prior to completing the investigation.

EPA continues to stress training as a method for ultimately reducing the number of Federal court judgments, awards, and formal complaints as managers and supervisors expand their knowledge of their responsibilities to promote equal employment opportunity.

EPA completed investigations for complaints pending during FY 2013 with an average processing time of 321 days, 31 days sooner than the Agency FY 2012 average of 352 days. The average age of FADs pending in FY 2013 was 261 days, almost half of our FY 2012 average of 533 days and the lowest the Agency has seen in the previous 4 years. As discussed in the FY 2012 NoFear Report, the Agency focused extensively on revamping and streamlining the investigative process and strategically alternating between the processing of older and newer matters to improve the proportion of cases adjudicated timely.



V. ADJUSTMENTS TO BUDGET (5 C.F.R. § 724.302(a)(2)(ii))

During FY 2012, the Agency was required to reimburse the Judgment Fund $500 for the payment of attorney's fees.

VI. ACTIONS PLANNED OR TAKEN TO IMPROVE COMPLAINT OR CIVIL RIGHTS PROGRAMS (5 C.F.R. § 724.302 (a)(7)(iv))

In March 2011, Administrator Lisa P. Jackson appointed the Civil Rights Executive Committee, chaired by Deputy Administrator Bob Perciasepe, to recommend actions necessary for building a model civil rights program at the agency. After extensive review of the program, the Civil Rights Executive Committee submitted a final report, *Developing a Model Civil Rights Program for the Environmental Protection Agency,* to the Administrator outlining the agency's commitment to strengthening civil rights, equal employment opportunities, diversity in the workplace and revitalizing the agency's implementation of external civil rights laws. The Administrator approved the report and recommendations on April 13, 2012. On May 1, 2013, the Administrator approved the Agency Order which established the position of deputy civil rights official (DCRO) within each regional office and assistant administrator's office to serve as that office's primary point of accountability for assisting the OCR with effectively meeting the Agency's civil rights responsibilities and goals.

DCROs have broad oversight authority within their respective office or region for implementation of the civil rights program consistent with agency policy and directives, recognizing that offices or regions may need different staffing profiles for some functions. For example, Equal Employment Opportunity counselors are needed in every region, but at headquarters EEO counselors report to OCR rather than individual program offices. DCROs will identify and/or request adequate funding and resources for civil rights work and ensure their organizations have well-functioning policies, processes and management controls. Some of the activities that they will undertake include:

- Assuring that appropriate staff and expertise are available for their organizations to carry out an effective civil rights program including EEO counselors, alternate dispute resolution staff, special emphasis program managers and EEO officers.

- Developing and implementing the Equal Employment Opportunity Commission's Management Directive 715 Action Plans for their offices and regions that promote equal employment opportunity in a manner consistent with the agency's MD 715 Report, promote diversity and inclusion, and address other issues as required. Ensuring that the goals and objectives are communicated to subordinate management officials.

- Incorporating appropriate EEO and civil rights language into performance agreements as required for managers and as necessary for certain other positions.

- Facilitating informal EEO complaint resolution in conformance with Delegation 1-39, assuring the broad integration of well-functioning alternate dispute resolution approaches across the agency civil rights and employee relations activities and promoting the use of pre-complaint processes as a means of resolving EEO matters.

EPA's civil rights program has taken several other steps to strengthen EPA's commitment to civil rights, equal employment opportunity and diversity in the workplace:

- In FY 2013, OCR continued to make critical changes to its counseling program by offering monthly training teleconferences to all EEO Counselor's, organized and presented by OCR Employment Complaints Resolution Staff (ECRS) members to Agency EEO Officials. The timeliness and quality of EEO Counselor's Reports

continues to show marked improvement, and the utilization and success rate for ADR have all significantly improved.

- Within the EPA, every member of the Senior Executive Service continues to have a performance standard related to equal employment opportunity in the workplace. Senior managers must outline the specific initiatives and actions they have personally undertaken and the results or effectiveness of those actions. At the end of every performance cycle, the Director of the Office of Civil Rights, Performance Review Board members, and Executive Review Board members review these self-assessments to verify that the respective rating for the EEO performance standard is a reflection of the accomplishments listed.
- EPA has taken steps to improve the timeliness of EEO investigations. Of particular note is the new requirement for contractors to deliver investigations on schedule or receive reduced payment and/or terminate the contract.
- All EPA investigators and counselors continue to receive the required annual training and/or refresher training in accordance with MD 110.
- EPA works to comply with orders from administrative judges in a timely manner, and this is a factor that is included in the performance standard of the Assistant Director for the Office of Civil Rights, Employment Complaints Resolution Staff (ECRS). In addition, EPA has systems in place to ensure that the Agency initiates any monetary or other relief in a timely manner.
- In FY 2013, OCR's ECRS attended extensive FAD writing training as well as training related to writing acceptance and dismissal letters, analyzing hostile work environment claims and conducting thorough investigations.
- OCR also continues to post all No FEAR statistics on the OCR website on a quarterly basis.
- Members of OCR management make presentations during the monthly new employee orientations to ensure that all new employees are notified of the rights and remedies applicable to them under the employment discrimination and whistleblower protection laws.
- The Civil Rights Director and EEO Officials across the Agency participate in briefings, listening sessions, and brainstorming sessions to discuss EEO with managers, senior leaders and employees in order to identify specific action items that can continue to improve the Agency's EEO and civil rights program.

APPENDIX 1

Equal Employment Opportunity Data Posted Pursuant to the No Fear Act:

EPA (and below)

For 4th Quarter 2013 for period ending September 30, 2013

Complaint Activity	Comparative Data					
	Previous Fiscal Year Data					2013Thru09-30
	2008	2009	2010	2011	2012	
Number of Complaints Filed	79	77	70	64	76	59
Number of Complainants	72	71	63	61	75	56
Repeat Filers	9	8	9	3	2	3

Complaints by Basis	Comparative Data					
	Previous Fiscal Year Data					2013Thru09-30
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints filed.	2008	2009	2010	2011	2012	
Race	42	33	39	25	39	21
Color	14	9	14	10	13	6
Religion	2	1	5	2	9	4
Reprisal	37	35	47	39	43	29
Sex	28	35	28	29	41	26
PDA	0	0	0	0	0	0
National Origin	10	6	14	10	13	12
Equal Pay Act	0	0	0	2	1	1
Age	28	37	28	21	35	22

Complaint Activity	Comparative Data					
	Previous Fiscal Year Data					2013Thru09-30
	2008	2009	2010	2011	2012	
Disability	16	25	21	24	23	18
Genetics	0	0	0	0	0	0
Non-EEO	1	0	0	1	8	7

Complaints by Issue	Comparative Data					
	Previous Fiscal Year Data					2013Thru09-30
Note: Complaints can be filed alleging multiple bases.The sum of the bases may not equal total complaints filed.	2008	2009	2010	2011	2012	
Appointment/Hire	0	0	2	1	5	5
Assignment of Duties	12	6	18	12	11	5
Awards	4	2	6	2	5	0
Conversion to Full-time	1	0	0	0	2	0
Disciplinary Action						
Demotion	1	0	0	0	0	0
Reprimand	3	3	3	3	2	3
Suspension	0	2	2	3	2	4
Removal	0	1	0	1	2	0
Other	0	0	3	2	4	2
Duty Hours	0	0	1	3	3	2
Evaluation Appraisal	17	9	14	11	21	9
Examination/Test	0	0	0	1	0	0
Harassment						
Non-Sexual	30	36	35	30	30	22

Complaints by Issue	Comparative Data					
	Previous Fiscal Year Data					
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints filed.	**2008**	**2009**	**2010**	**2011**	**2012**	**2013Thru09-30**
Sexual	1	0	1	1	1	2
Medical Examination	0	0	0	0	0	0
Pay (Including Overtime)	5	2	3	4	4	1
Promotion/Non-Selection	28	24	24	18	25	9
Reassignment						
Denied	1	0	4	3	2	0
Directed	2	2	6	1	4	2
Reasonable Accommodation	3	6	2	8	7	8
Reinstatement	0	0	0	0	0	0
Retirement	0	1	0	0	1	0
Termination	4	7	4	9	5	4
Terms/Conditions of Employment	11	8	16	10	18	10
Time and Attendance	13	7	6	6	17	6
Training	6	7	6	4	10	2
Other	0	0	0	0	7	3

Processing Time	Comparative Data					
	Previous Fiscal Year Data					2013Thru09-30
	2008	**2009**	**2010**	**2011**	**2012**	
Complaints pending during fiscal year						
Average number of days in investigation	205.84	217.32	214.40	236.82	352.31	320.77

Complaints by Issue	Comparative Data					
	Previous Fiscal Year Data					
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints filed.	**2008**	**2009**	**2010**	**2011**	**2012**	**2013Thru09-30**
Average number of days in final action	261.40	192.96	171.29	398.16	318.42	147.95
Complaint pending during fiscal year where hearing was requested						
Average number of days in investigation	215.97	211.79	204.77	242.18	347.38	325.31
Average number of days in final action	44.22	125.75	0	154.67	134.36	55.45
Complaint pending during fiscal year where hearing was not requested						
Average number of days in investigation	183.18	225.34	228.69	218.60	360.20	314.40
Average number of days in final action	354.48	224.59	366.40	564.18	533.17	261.00

Complaints Dismissed by Agency	Comparative Data					
	Previous Fiscal Year Data					2013Thru09-30
	2008	2009	2010	2011	2012	
Total Complaints Dismissed by Agency	1	2	3	3	10	7
Average days pending prior to dismissal	64	62	75	232	212	147
Complaints Withdrawn by Complainants						
Total Complaints Withdrawn by Complainants	8	3	2	4	11	19

Total Final Agency Actions Finding Discrimination	Comparative Data											
	Previous Fiscal Year Data										2013Thru09-30	
	2008		2009		2010		2011		2012			
	#	%	#	%	#	%	#	%	#	%	#	%
Total Number Findings	0		0		0		0		1		0	
Without Hearing	0	0	0	0	0	0	0	0	1	100	0	0
With Hearing	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2013Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2008		2009		2010		2011		2012			
	#	%	#	%	#	%	#	%	#	%	#	%
Total Number Findings	0		0		0		0		1		0	
Race	0	0	0	0	0	0	0	0	0	0	0	0
Color	0	0	0	0	0	0	0	0	0	0	0	0
Religion	0	0	0	0	0	0	0	0	0	0	0	0
Reprisal	0	0	0	0	0	0	0	0	1	100	0	0
Sex	0	0	0	0	0	0	0	0	0	0	0	0
PDA	0	0	0	0	0	0	0	0	0	0	0	0
National Origin	0	0	0	0	0	0	0	0	0	0	0	0
Equal Pay Act	0	0	0	0	0	0	0	0	0	0	0	0
Age	0	0	0	0	0	0	0	0	0	0	0	0
Disability	0	0	0	0	0	0	0	0	0	0	0	0
Genetics	0	0	0	0	0	0	0	0	0	0	0	0
Non-EEO	0	0	0	0	0	0	0	0	0	0	0	0
Findings After Hearing	0		0		0		0		0		0	
Race	0	0	0	0	0	0	0	0	0	0	0	0
Color	0	0	0	0	0	0	0	0	0	0	0	0
Religion	0	0	0	0	0	0	0	0	0	0	0	0
Reprisal	0	0	0	0	0	0	0	0	0	0	0	0
Sex	0	0	0	0	0	0	0	0	0	0	0	0
PDA	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2013Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2008		2009		2010		2011		2012			
	#	%	#	%	#	%	#	%	#	%	#	%
National Origin	0	0	0	0	0	0	0	0	0	0	0	0
Equal Pay Act	0	0	0	0	0	0	0	0	0	0	0	0
Age	0	0	0	0	0	0	0	0	0	0	0	0
Disability	0	0	0	0	0	0	0	0	0	0	0	0
Genetics	0	0	0	0	0	0	0	0	0	0	0	0
Non-EEO	0	0	0	0	0	0	0	0	0	0	0	0
Findings Without Hearing	0		0		0		0		1		0	
Race	0	0	0	0	0	0	0	0	0	0	0	0
Color	0	0	0	0	0	0	0	0	0	0	0	0
Religion	0	0	0	0	0	0	0	0	0	0	0	0
Reprisal	0	0	0	0	0	0	0	0	1	100	0	0
Sex	0	0	0	0	0	0	0	0	0	0	0	0
PDA	0	0	0	0	0	0	0	0	0	0	0	0
National Origin	0	0	0	0	0	0	0	0	0	0	0	0
Equal Pay Act	0	0	0	0	0	0	0	0	0	0	0	0
Age	0	0	0	0	0	0	0	0	0	0	0	0
Disability	0	0	0	0	0	0	0	0	0	0	0	0
Genetics	0	0	0	0	0	0	0	0	0	0	0	0
Non-EEO	0	0	0	0	0	0	0	0	0	0	0	0
Findings of Discrimination	Comparative Data											

Rendered by Issue	Previous Fiscal Year Data										2013Thru09-30	
	2008		2009		2010		2011		2012			
	#	%	#	%	#	%	#	%	#	%	#	%
Total Number Findings	0		0		0		0		1		0	
Appointment/Hire	0	0	0	0	0	0	0	0	0	0	0	0
Assignment of Duties	0	0	0	0	0	0	0	0	0	0	0	0
Awards	0	0	0	0	0	0	0	0	0	0	0	0
Conversion to Full-time	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary Action												
Demotion	0	0	0	0	0	0	0	0	0	0	0	0
Reprimand	0	0	0	0	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0	0	0	0	0
Removal	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Duty Hours	0	0	0	0	0	0	0	0	0	0	0	0
Evaluation Appraisal	0	0	0	0	0	0	0	0	0	0	0	0
Examination/Test	0	0	0	0	0	0	0	0	0	0	0	0
Harassment												
Non-Sexual	0	0	0	0	0	0	0	0	1	100	0	0
Sexual	0	0	0	0	0	0	0	0	0	0	0	0
Medical Examination	0	0	0	0	0	0	0	0	0	0	0	0
Pay (Including Overtime)	0	0	0	0	0	0	0	0	0	0	0	0
Promotion/Non-Selection	0	0	0	0	0	0	0	0	0	0	0	0
Reassignment												
Denied	0	0	0	0	0	0	0	0	0	0	0	0
Directed	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2013Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2008		2009		2010		2011		2012			
	#	%	#	%	#	%	#	%	#	%	#	%
Reasonable Accommodation	0	0	0	0	0	0	0	0	0	0	0	0
Reinstatement	0	0	0	0	0	0	0	0	0	0	0	0
Retirement	0	0	0	0	0	0	0	0	0	0	0	0
Termination	0	0	0	0	0	0	0	0	0	0	0	0
Terms/Conditions of Employment	0	0	0	0	0	0	0	0	0	0	0	0
Time and Attendance	0	0	0	0	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0	0	0	0	0
Other - User Defined	0	0	0	0	0	0	0	0	0	0	0	0
Findings After Hearing	0		0		0		0		0		0	
Appointment/Hire	0	0	0	0	0	0	0	0	0	0	0	0
Assignment of Duties	0	0	0	0	0	0	0	0	0	0	0	0
Awards	0	0	0	0	0	0	0	0	0	0	0	0
Conversion to Full-time	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary Action												
Demotion	0	0	0	0	0	0	0	0	0	0	0	0
Reprimand	0	0	0	0	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0	0	0	0	0
Removal	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Duty Hours	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2013Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2008		2009		2010		2011		2012			
	#	%	#	%	#	%	#	%	#	%	#	%
Evaluation Appraisal	0	0	0	0	0	0	0	0	0	0	0	0
Examination/Test	0	0	0	0	0	0	0	0	0	0	0	0
Harassment												
Non-Sexual	0	0	0	0	0	0	0	0	0	0	0	0
Sexual	0	0	0	0	0	0	0	0	0	0	0	0
Medical Examination	0	0	0	0	0	0	0	0	0	0	0	0
Pay (Including Overtime)	0	0	0	0	0	0	0	0	0	0	0	0
Promotion/Non-Selection	0	0	0	0	0	0	0	0	0	0	0	0
Reassignment												
Denied	0	0	0	0	0	0	0	0	0	0	0	0
Directed	0	0	0	0	0	0	0	0	0	0	0	0
Reasonable Accommodation	0	0	0	0	0	0	0	0	0	0	0	0
Reinstatement	0	0	0	0	0	0	0	0	0	0	0	0
Retirement	0	0	0	0	0	0	0	0	0	0	0	0
Termination	0	0	0	0	0	0	0	0	0	0	0	0
Terms/Conditions of Employment	0	0	0	0	0	0	0	0	0	0	0	0
Time and Attendance	0	0	0	0	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0	0	0	0	0
Other - User Defined	0	0	0	0	0	0	0	0	0	0	0	0
Findings Without Hearing	0		0		0		0		1		0	

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2013Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2008		2009		2010		2011		2012			
	#	%	#	%	#	%	#	%	#	%	#	%
Appointment/Hire	0	0	0	0	0	0	0	0	0	0	0	0
Assignment of Duties	0	0	0	0	0	0	0	0	0	0	0	0
Awards	0	0	0	0	0	0	0	0	0	0	0	0
Conversion to Full-time	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary Action												
Demotion	0	0	0	0	0	0	0	0	0	0	0	0
Reprimand	0	0	0	0	0	0	0	0	0	0	0	0
Suspension	0	0	0	0	0	0	0	0	0	0	0	0
Removal	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Duty Hours	0	0	0	0	0	0	0	0	0	0	0	0
Evaluation Appraisal	0	0	0	0	0	0	0	0	0	0	0	0
Examination/Test	0	0	0	0	0	0	0	0	0	0	0	0
Harassment												
Non-Sexual	0	0	0	0	0	0	0	0	1	100	0	0
Sexual	0	0	0	0	0	0	0	0	0	0	0	0
Medical Examination	0	0	0	0	0	0	0	0	0	0	0	0
Pay (Including Overtime)	0	0	0	0	0	0	0	0	0	0	0	0
Promotion/Non-Selection	0	0	0	0	0	0	0	0	0	0	0	0
Reassignment												
Denied	0	0	0	0	0	0	0	0	0	0	0	0

Findings of Discrimination Rendered by Basis	Comparative Data											
	Previous Fiscal Year Data										2013Thru09-30	
Note: Complaints can be filed alleging multiple bases. The sum of the bases may not equal total complaints and findings.	2008		2009		2010		2011		2012			
	#	%	#	%	#	%	#	%	#	%	#	%
Directed	0	0	0	0	0	0	0	0	0	0	0	0
Reasonable Accommodation	0	0	0	0	0	0	0	0	0	0	0	0
Reinstatement	0	0	0	0	0	0	0	0	0	0	0	0
Retirement	0	0	0	0	0	0	0	0	0	0	0	0
Termination	0	0	0	0	0	0	0	0	0	0	0	0
Terms/Conditions of Employment	0	0	0	0	0	0	0	0	0	0	0	0
Time and Attendance	0	0	0	0	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0	0	0	0	0
Other - User Defined	0	0	0	0	0	0	0	0	0	0	0	0

Pending Complaints Filed in Previous Fiscal Years by Status	Comparative Data					
	Previous Fiscal Year Data					2013Thru09-30
	2008	2009	2010	2011	2012	
Total complaints from previous Fiscal Years	70	90	117	111	119	136
Total Complainants	65	82	102	89	99	123
Number complaints pending						
Investigation	1	1	0	6	2	2
ROI issued, pending Complainant's action	0	0	1	0	4	3
Hearing	3	9	12	31	36	53
Final Agency Action	18	43	35	20	15	24
Appeal with EEOC Office of Federal Operations	15	14	15	18	22	27

Complaint Investigations	Comparative Data					
	Previous Fiscal Year Data					2013Thru09-30
	2008	2009	2010	2011	2012	
Pending Complaints Where Investigations Exceed Required Time Frames	14	7	5	20	14	18

APPENDIX 2

Anti-Harassment Policy

MEMORANDUM

FROM: Administrator Lisa P. Jackson

TO: All EPA Employees

As a matter of policy, harassment of any kind will not be tolerated at the U.S. Environmental Protection Agency. When harassment is directed at an individual because of a lawfully protected basis and is sufficiently severe or pervasive that it creates a hostile work environment or takes the form of a tangible employment action, it is unlawful. It is EPA policy to ensure that appropriate measures are implemented to prevent harassment, either sexual or nonsexual, in the workplace and to correct harassing conduct before it becomes severe or pervasive. EPA policy also strictly prohibits any retaliation against an employee who reports a concern about workplace harassment or assists in any inquiry about such a report.

For the purposes of this policy, unlawful harassment is defined as any unwelcome verbal or physical conduct based on race; color; sex, including pregnancy and gender identity/expression; national origin; religion; age; prior protected EEO activity; protected genetic information; sexual orientation or status as a parent when:

a) the behavior can reasonably be considered to adversely affect the work environment; or
b) an employment decision affecting the employee is based upon the employee's acceptance or rejection of such conduct.

Sexual harassment can be either a form of harassment based on a person's sex that need not involve conduct of a sexual nature or harassment involving any unwelcome sexual advance, request for sexual favors or other verbal or physical conduct ofa sexual nature when:

a. submission to such conduct is made explicitly or implicitly a term or condition of an employee's job, pay or career;
b. submission to or rejection of such conduct by an employee is used as a basis for career or employment decisions affecting that employee; or
c. such conduct has the purpose or effect of unreasonably interfering with an employee's performance or creates an intimidating, hostile or offensive environment.

Sexual harassment need not involve members of the opposite sex and can be perpetrated by and against members of either sex.

Examples of workplace harassment include:

- Oral or written communications that contain offensive name calling, jokes, slurs, negative stereotyping, hostility or threats. This includes comments or jokes that are distasteful or targeted at individuals or members of the lawfully protected bases set forth above.
- Nonverbal conduct, such as staring, leering and giving inappropriate gifts.
- Physical conduct, such as assault or unwanted touching.
- Visual images, such as derogatory or offensive pictures, cartoons or drawings. Such prohibited images include those in hard copy or electronic form.

The EPA does not permit harassment by or against anyone in the workplace. This includes any employee, applicant for EPA employment, grantee, contractor, Senior Environmental Employment enrollee or Federal Advisory Committee Act member. Workplace harassment should be reported immediately by the affected person to a first-line supervisor, a higher-level supervisor or manager in her or his chain of command, the Office of Inspector General or Labor and Employee Relations staff, as appropriate. Supervisors, in consultation with their human resources or legal offices, must conduct prompt, thorough and impartial inquiries.

If necessary and to the extent possible, measures must be taken to safeguard the anonymity of employees who file complaints. If management, in consultation with legal counsel, determines that harassment has occurred, it must be corrected as soon as possible. Harassing conduct by EPA employees need not rise to the level of unlawful harassment for it to constitute misconduct subject to corrective or disciplinary action.

In addition, EPA employees or applicants for employment may also use the complaint process established by the Equal Employment Opportunity Commission to file a complaint of harassment based on race, color, sex, religion, national origin, age, disability, prior protected EEO activity and protected genetic information for individual redress. To invoke that process, EPA employees and applicants must contact an EEO counselor within 45 days of an alleged incident of harassment. Reporting harassment to a supervisor in accordance with the previous paragraph does not satisfy this requirement and does not invoke the EEOC's process. EPA employees or applicants for employment may also report harassment based on sexual orientation and status as a parent to the EPA Office of Civil Rights.

Should you have any questions or need additional information about this policy, please contact the EPA Office of Human Resources at (202) 564-4600 or the EPA Office of Civil Rights at (202) 564-7272.

APPENDIX 3

THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

DEC 18 2013

MEMORANDUM

SUBJECT: 2013 Equal Employment Opportunity Policy Statement

FROM: Gina McCarthy

TO: All Employees

Fostering a diverse and inclusive work environment through equal employment is essential to our work and our service to the American people. I am proud to reaffirm the U.S. Environmental Protection Agency's commitment to equal employment opportunity in the workplace.

The EPA cannot and will not tolerate discrimination based on race; color; religion; sex, including pregnancy, sex stereotyping, gender identity or gender expression; national origin; sexual orientation; physical or mental disability; age; protected genetic information; status as a parent; marital status; political affiliation or retaliation based on previous EEO activity. The EPA also will not tolerate any type of harassment – either sexual or nonsexual – of any employee or applicant for employment. Employment decisions, including those related to hiring, training or awards, must be made in accordance with the merit-system principles contained in 5 U.S.C. § 2301.

I expect our management team to continue to provide first-class leadership in support of equal employment opportunities. I ask that EPA managers and employees take responsibility for treating each other with dignity and respect, reporting discriminatory conduct and preventing all types of discrimination, including harassment.

The EPA promotes the use of alternative-dispute-resolution methods to resolve workplace disputes or EEO complaints. Managers are reminded that their participation in agency-approved alternative-dispute-resolution efforts to resolve employee EEO complaints is required, absent extraordinary circumstances as determined by the Office of Civil Rights' director or designee.

Any employee, manager or applicant for employment who believes he or she has been subjected to discrimination has a right to seek redress within 45 calendar days of the alleged discriminatory event by contacting the EPA's Office of Civil Rights Employment complaints resolution staff at (202) 564-7272 or an EEO officer at the regional or laboratory level. The agency will review any finding of discrimination and, when necessary, take appropriate disciplinary or corrective action.

A professional, productive and inclusive workplace is essential to the EPA's mission to protect human health and the environment. Unlawful discrimination in the workplace, including retaliation and harassment, undermines our ability to achieve our agency's mission. I appreciate your shared commitment to equal opportunity at the EPA and look forward to continuing our work together.

This paper is printed with vegetable-oil based inks and is 100-percent postconsumer recycled material, chlorine-free processed and [illegible]

OAR-14-001-2828

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

AUG 21 2014

THE ADMINISTRATOR

The Honorable John Boehner
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am enclosing the following report to Congress prepared by the U.S. Environmental Protection Agency pursuant to the Clean Air Act (CAA): "National Air Toxics Program: The Second Integrated Urban Air Toxics Report to Congress."

This report summarizes actions taken by the EPA to fulfill CAA requirements to reduce public health risks from emissions of toxic air pollutants, also known as hazardous air pollutants. As the report describes, the EPA, in partnership with states, has made substantial progress in the last two decades, reducing emissions of toxic air pollutants by millions of tons. Despite this improvement, areas around the country and particularly urban areas continue to experience elevated levels of risk from these harmful air pollutants. The EPA will continue to address urban air toxics on numerous fronts, including joint efforts with state, tribal and local governments, and through our authority under the CAA.

I hope you find this report useful and informative. If you have any questions, please contact me, or your staff may contact Kevin Bailey in the EPA's Office of Congressional and Intergovernmental Relations at bailey.kevinj@epa.gov or (202) 564-2998.

Sincerely,

Gina McCarthy

Enclosure