



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

OFFICE OF
INSPECTOR GENERAL

March 6, 2017

MEMORANDUM

SUBJECT: Project Notification:
Evaluating the Internal Controls for EPA's Vehicle Emissions Testing Program
Project No. OPE-FY17-0009

FROM: Patrick Gilbride, Director /s/
Environmental Research Programs
Office of Program Evaluation

TO: Sarah Dunham, Acting Assistant Administrator
Office of Air and Radiation

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research to determine whether the EPA's existing internal controls are effective at detecting and preventing light-, medium-, and heavy-duty on-road vehicle emissions fraud. This project is included in the OIG's fiscal year 2017 Annual Plan.

The OIG expects its work to focus on the National Vehicle and Fuel Emissions Laboratory and other divisions in the Office of Transportation and Air Quality (OTAQ) within the EPA's Office of Air and Radiation. We will also be reaching out to the Office of Enforcement and Compliance Assurance and the Office of Research and Development to determine how these offices support the emissions testing program. Applicable generally accepted government auditing standards will be used in conducting our project. The anticipated benefit of this project is to provide information to the public regarding the effectiveness of the EPA's existing internal controls for its on-road vehicle emissions testing program.

We will contact you to arrange a mutually agreeable time to discuss our objectives and the purpose of the preliminary research phase of our project. We would also be particularly interested in any areas of concern that you may have. We will answer any of your questions about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project. Throughout the project, we will provide updates on a regular basis as agreed upon at this meeting.

To ensure timely completion of this project, please provide the following information (if available) to the Project Manager, Jim Kohler, prior to or at the time of the kickoff meeting:

- Any documents related to the internal control practices of the vehicle emissions testing program for light-, medium-, and heavy-duty on-road vehicles, such as internal policies, processes and procedures; guidance documents; operating manuals; Quality Assurance plans; and risk assessments.

- Procedures the EPA uses to audit manufacturer-submitted data (e.g., data submitted by manufacturers to obtain Certificate of Conformity).
- EPA procedures related to the In-Use Verification Program.
- Procedures the EPA uses to audit new and used vehicle emissions by prescribed test cycles in the laboratory and by measuring real-world emissions using mobile devices (e.g., surveillance testing strategies and methods).
- OTAQ guidance or procedures for reporting suspected fraud.
- Internal audits or reviews of OTAQ's vehicle emissions testing program.
- Partnership agreements between state or foreign agencies (e.g., California Air Resources Board, Environment Canada) and the EPA related to vehicle emissions testing.
- Other relevant documents related to vehicle emissions testing internal controls.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objectives. We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the Administrator and include the incident in the Semiannual Report to Congress.

If you or your staff have any questions, please do not hesitate to contact me at (303) 312-6969 or gilbride.patrick@epa.gov, or Jim Kohler at (202) 566-1032 or kohler.james@epa.gov.

cc: Elizabeth Shaw, Deputy Assistant Administrator, Office of Air and Radiation
 Joseph Goffman, Associate Assistant Administrator and Senior Counsel, Office of Air and Radiation
 Christopher Grundler, Director, Office of Transportation and Air Quality, Office of Air and Radiation
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