



U.S. ENVIRONMENTAL PROTECTION AGENCY  
**OFFICE OF INSPECTOR GENERAL**



# ANNUAL PLAN

FISCAL YEAR 2018



This plan is available via the internet at [www.epa.gov/oig](http://www.epa.gov/oig).

## Definitions

|               |  |
|---------------|--|
| Carryover     | Assignments that are still in progress but were started in a prior fiscal year.                          |
| Discretionary | Assignments that the OIG is not required to conduct by law or regulation but address areas of high-risk. |
| Mandated      | Assignments that the OIG is required to conduct by law or regulation.                                    |

## Abbreviations

|       |   |
|-------|---|
| CDR   | Chemical Data Reporting                                       |
| CIGIE | Council of the Inspectors General on Integrity and Efficiency |
| CSB   | U.S. Chemical Safety and Hazard Investigation Board           |
| EPA   | U.S. Environmental Protection Agency                          |
| FIFRA | Federal Insecticide, Fungicide, and Rodenticide Act           |
| FISMA | Federal Information Security Modernization Act                |
| FY    | Fiscal Year   |
| OI    | Office of Investigations                                      |
| OIG   | Office of Inspector General                                   |
| OMB   | Office of Management and Budget                               |
| OPE   | Office of Program Evaluation                                  |
| PRIA  | Pesticide Registration Improvement Act                        |

**Are you aware of fraud, waste or abuse in an EPA program?**

**EPA Inspector General Hotline**

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# Message From the Inspector General

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I am pleased to present the U.S. Environmental Protection Agency's (EPA's) Office of Inspector General (OIG) Annual Plan for the first half of fiscal year (FY) 2018. This document describes how the OIG will achieve its statutory mission to promote economy, efficiency, effectiveness and integrity in the programs and operations of the EPA and the U.S. Chemical Safety and Hazard Investigation Board (CSB).



Arthur A. Elkins Jr.

The OIG is dedicated to detecting and preventing fraud, waste, abuse and mismanagement at the EPA and the CSB. This plan reflects the priority work that the OIG believes is necessary to keep the EPA Administrator, the CSB, and Congress fully informed about problems and deficiencies relating to the administration of agency programs and operations.

This OIG Annual Plan identifies mandated and discretionary assignment topics continuing from FY 2017, as well as mandated assignments scheduled to start during FY 2018. Although this plan provides a framework for activities we intend to carry out in FY 2018, the OIG often performs unanticipated work based on legislative mandates, congressional inquiries, hotline requests or governmentwide reviews. We must be flexible enough to address these other priorities as they arise due to unforeseen challenges. This annual plan will be updated in April 2018 to identify assignments for the OIG in the second half of FY 2018.

Our annual plan is implemented through audits, evaluations and investigations in compliance with the Inspector General Act; the applicable professional standards of the Comptroller General of the United States; and the *Quality Standards for Federal Offices of Inspector General*, issued by the Council of the Inspectors General on Integrity and Efficiency. Readers are encouraged to consult our website, [www.epa.gov/oig](http://www.epa.gov/oig), for the most current listing of recently issued reports relating to our implementation of the annual plan.

The OIG uses numerous criteria to identify assignments listed in the annual plan. Primary sources of input for these assignments include goals and objectives identified in our 5-year strategic plan, results of risk assessments conducted across agency programs and operations based on prior OIG work, priorities identified by our stakeholders, U.S. Government Accountability Office high-risk assessments, congressional interest, Office of Management and Budget (OMB) priorities, and agency vulnerability/internal control assessments under OMB Circular A-123 and the Federal Managers' Financial Integrity Act. Other assignments are required or are self-initiated based on our strategic themes that focus on providing the greatest value and risk reduction to the EPA and the CSB, as well as the greatest benefit to public health.

In addition to continuing our work with the agency and Congress, we look forward to meeting our goals and fulfilling our mission. For those interested in our planning process, we welcome feedback on the quality and value of our products and services via [webcomments.oig@epa.gov](mailto:webcomments.oig@epa.gov).

A handwritten signature in black ink that reads "Arthur A. Elkins Jr." The signature is fluid and cursive.

Arthur A. Elkins Jr.  
Inspector General

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# About the EPA Office of Inspector General

## EPA Office of Inspector General

The Office of Inspector General (OIG) is an independent office of the U.S. Environmental Protection Agency (EPA) that detects and prevents fraud, waste and abuse to help the agency protect human health and the environment more efficiently and cost-effectively.

The EPA OIG was created and is governed by the Inspector General Act of 1978, as amended (5 App. 3). The act established offices of Inspector General as independent and objective units to:

1. Conduct and supervise audits and investigations relating to the programs and operations of their agencies.
2. Review existing and proposed legislation and regulations relating to the programs and operations of their agencies.
3. Provide leadership and coordination, and recommend policies for activities designed to promote economy, efficiency and effectiveness and to prevent and detect fraud, waste and abuse.
4. Provide a means for keeping the head of the agency and Congress fully and currently informed about problems and deficiencies, and the necessity for any progress of corrective actions.

EPA OIG staff members are located at headquarters in Washington, D.C.; at regional headquarters offices in all 10 EPA regions; and at other EPA locations, including Research Triangle Park, North Carolina, and Cincinnati, Ohio.

In fiscal year (FY) 2004, Congress designated the EPA Inspector General to also serve as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB).

## EPA's Mission

The EPA's mission is to protect human health and the environment. The OIG's Strategic and Annual Plans are specifically designed to align our implementation of the Inspector General Act with the EPA's mission to help the agency achieve its performance goals in the most economical, efficient and effective manner possible. The list below identifies the EPA's FY 2018–2022 strategic goals, which we consider when planning audits, evaluations and investigations. In Appendix A, we provide more details about the OIG's FY 2018 annual performance measures and targets. In Appendix B, we provide a summary of the OIG's Strategic 2017–2021 Plan.

### EPA's FY 2018–2022 Strategic Goals

#### Strategic Goals

**Core Mission: Deliver real results to provide Americans with clean air, land, and water.**

- Objective 1.1 – *Improve Air Quality: Accurately measure air quality and work with states to achieve high air quality targets and ensure that more Americans are living and working in areas that meet high air quality standards.*
- Objective 1.2 – *Provide Clean and Safe Water: Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.*
- Objective 1.3 – *Revitalize Land and Prevent Contamination: Provide better leadership and management to properly cleanup contaminated sites to revitalize and return the land back to communities.*
- Objective 1.4 – *Ensure Safety of Chemicals in the Marketplace: Effectively implement the Toxics Substances Control Act, and the Federal Insecticide, Fungicide, and Rodenticide Act, to ensure new and existing chemicals and pesticides are reviewed for their potential risks to human health and the environment.*

**Cooperative Federalism: Rebalance the power between Washington and the states to create tangible environmental results for the American people.**

- Objective 2.1 – *Streamline and Modernize: Improve permitting and reduce unnecessary or duplicative reporting burdens that impede economic growth.*
- Objective 2.2 – *Enhance Shared Accountability: Improve environmental protection through joint governance and compliance assistance among state, tribal, local, and federal partners.*
- Objective 2.3 – *Increase Transparency and Public Participation: Listen to and collaborate with communities and provide additional platforms for public participation and engagement.*

**Rule of Law and Process: Administer the law, as Congress intended, to refocus the Agency on its statutory obligations under the law.**

- Objective 3.1 – *Compliance with the Law: Enforce environmental laws to correct noncompliance and promote cleanup of contaminated sites.*
- Objective 3.2 – *Prioritize Robust Science: Refocus the EPA's robust research and scientific analysis to inform policy making.*
- Objective 3.3 – *Create Consistency and Certainty: Outline exactly what is expected of the regulated community, to ensure good stewardship and positive environmental outcomes.*
- Objective 3.4 – *Improve Efficiency and Effectiveness: Provide proper leadership and internal operations management to ensure that the Agency is fulfilling its mission.*

## CSB's Mission

The 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. The EPA OIG has the responsibility to audit, evaluate and investigate CSB programs and to review proposed laws and regulations to determine their potential impact on CSB programs and operations.



## Matrix of EPA Goals and Strategies That OIG Plans to Address With Audits and Evaluations

When conducting our mandated and carryover audit and evaluation work during FY 2018, we will consider the EPA's three strategic goals in the agency's FYs 2018–2022 Strategic Plan. The table below shows how our planned audit and evaluation reports align with each of the agency's goals.

| Planned FY 2018 OIG Projects  | EPA's FY 2018–2022 Strategic Goals       |   |  |   |  |  |   |   |
|---|--|---|--|---|--|--|---|---|
|   | Improving air quality<br>(Objective 1.1) | Providing clean and safe water<br>(Objective 1.2) | Cleaning up and revitalizing land<br>(Objective 1.3) | Ensuring the safety of chemicals<br>(Objective 1.4) | Improving EPA research programs<br>(Objective 3.2) | Compliance with the law<br>(Objective 3.1) | Partnering with states and other stakeholders<br>(Objectives 2.1–2.3) | Operating efficiently and effectively<br>(Objectives 3.3–3.4) |
| <b>Contract and Assistance Agreement Audits</b>   |  |   |  |   |  |  |   |   |
| EPA Acquisition System Data Quality for Selected Contracts  |  |   |  |   |  | X  |   | X   |
| Agency Use of Blanket Purchase Agreements   |  |   |  |   |  | X  |   | X   |
| Audit of Northbridge Environmental Management Consultants Contract  |  |   |  |   |  | X  |   | X   |
| EPA Oversight of Grant, Interagency Agreement Grant, and Interagency Agreement Closeout (per the Grants Oversight and New Efficiency Act) |  |   |  |   |  | X  |   | X   |
| Internal Control Oversight of EPA's Senior Environmental Employment Program   |  |   |  |   |  | X  |   | X   |
| EPA Improper Payments Reporting for FY 2017   |  |   |  |   | X  | X  |   | X   |
| 2018 Annual Risk Assessment of EPA's Purchase Cards and Convenience Checks  |  |   |  |   |  |  |   | X   |
| 2018 Annual Risk Assessment of EPA Travel Cards   |  |   |  |   |  | X  |   | X   |
| <b>Forensic Audits</b>  |  |   |  |   |  |  |   |   |
| FY 2018 Single Audit Program  | X  | X   | X  | X   | X  | X  |   | X   |
| <b>Financial Audits</b>   |  |   |  |   |  |  |   |   |
| FY 2017 Financial Statements: Pesticides Reregistration and Expedited Processing Fund   |  |   |  | X   | X  |  |   | X   |
| FY 2017 Financial Statements: Pesticide Registration Fund   |  |   | X  | X   | X  |  |   | X   |
| FY 2017 Financial Statements: Hazardous Waste Electronic Manifest System Fund   | X  | X   | X  | X   | X  |  |   | X   |
| FY 2017 EPA Financial Statements  |  |   |  |   |  | X  |   | X   |

| Planned FY 2018 OIG Projects   | EPA's FY 2018–2022 Strategic Goals    |  |   |  |   |   |  |  |
|--|---------------------------------------|--|---|--|---|---|--|--|
|  | Improving air quality (Objective 1.1) | Providing clean and safe water (Objective 1.2) | Cleaning up and revitalizing land (Objective 1.3) | Ensuring the safety of chemicals (Objective 1.4) | Improving EPA research programs (Objective 3.2) | Compliance with the law (Objective 3.1) | Partnering with states and other stakeholders (Objectives 2.1–2.3) | Operating efficiently and effectively (Objectives 3.3–3.4) |
| <b>Information Resources Management Audits</b>                                       |                                       |  |   |  |   |   |  |  |
| EPA's Compliance With the Federal Information Security Modernization Act for FY 2018 |                                       |  |   |  | X   |   |  | X  |
| <b>Environmental Research Programs</b>   |                                       |  |   |  |   |   |  |  |
| Controls over EPA's Citizen Science and Crowdsourcing Efforts                        |                                       |  |   |  | X   |   |  | X  |
| <b>Special Program Reviews</b>   |                                       |  |   |  |   |   |  |  |
| Management Challenges and Internal Control Weaknesses for 2018                       | X                                     | X  | X   | X  | X   | X                                       | X  | X  |

<sup>a</sup> This table does not include carryover projects.

## Matrix of CSB Goals That OIG Plans to Address With Audits

When conducting our mandated work during FY 2018, we will consider the CSB's three strategic goals outlined in its FY 2017–2021 Strategic Plan. The table below shows how our planned FY 2018 audit reports align with each of the CSB's goals.

| Planned FY 2018 OIG Projects   | CSB's FY 2017–2021 Strategic Goals  |  |   |
|--|---|--|---|
|  | Prevent recurrence of significant chemical incidents through independent investigations | Advocate safety and achieve change through recommendations, outreach and education | Create and maintain an engaged, high-performing workforce |
| <b>Efficiency Audits</b>   |   |  |   |
| CSB Improper Payments Reporting for FY 2017                                      |   |  | X   |
| FY 2018 Risk Assessment of CSB's Purchase Cards                                  |   |  | X   |
| CSB FY 2018 Proposed Management Challenges and Internal Control Weaknesses       | X   | X  | X   |
| <b>Financial Audits</b>  |   |  |   |
| FY 2017 CSB Financial Statements (Contracted)                                    |   |  | X   |
| <b>Information Resources Management Audits</b>                                   |   |  |   |
| CSB's Compliance With Federal Information Security Modernization Act for FY 2018 | X   | X  | X   |



# Identifying Risks at EPA

As required by the Government Performance and Results Act of 2010 (Sec. 3), the OIG reviewed the major risks, challenges and planning priorities across the EPA and solicited firsthand input from agency leadership to identify and select OIG products and topics that would be of greatest benefit to the agency and the American public it serves. This section summarizes the agency's key management challenges identified by the OIG in FY 2017, which will help guide the general direction and focus of OIG audits, evaluations and investigative work in FY 2018.

## Top EPA Management Challenges—Reported by OIG in FY 2017

- 1. The EPA needs to improve oversight of states, territories and tribes authorized to accomplish environmental goals.** In recent years, OIG work has identified the absence of robust oversight by the EPA of entities authorized to implement environmental programs under several statutes. The EPA has made important progress, but recent and ongoing EPA OIG and U.S. Government Accountability Office work continues to support this issue as an agency management challenge.
- 2. The EPA needs to improve its workload analysis to accomplish its mission efficiently and effectively.** The EPA's offices have not conducted a systematic workload analysis or identified workforce needs for budget justification purposes. Such analysis is critically important to mission accomplishment. The EPA currently plans to apply workload analysis tools to task-driven agency functions, such as grants and contracts. While we understand the difficulty in applying such tools to the EPA's highly variable and nonlinear activities, the EPA still needs to more broadly quantify what its full workload entails, so that it can more effectively prioritize and allocate limited resources to accomplish agency work.
- 3. The EPA needs to enhance information technology security to combat cyberthreats.** The EPA's information security challenges stem from four key areas: (1) risk management planning, (2) security information and event management tool implementation, (3) computer security incident response capability and network operation integration, and (4) computer security incident response capability relationship building.

# Identifying Risks at CSB

As required by the Government Performance and Results Act of 2010, the OIG reviewed the major risks, challenges and planning priorities across the CSB and solicited firsthand input from board leadership to identify and select OIG products and topics that would be of greatest benefit to the board and the American public it serves. This section summarizes the CSB's key management challenge identified by the OIG in FY 2017, which will help guide the general direction and focus of OIG audits and investigative work in FY 2018.

## Top CSB Management Challenge—Reported by OIG in FY 2017

- 1. The CSB should continue to address human resources management.** CSB's leaders should continue to address the human resources management recommendations from a 2015 Office of Personnel Management evaluation report and complete implementation of corrective actions. Also, CSB leaders should address the findings in the board's March 2017 organizational assessment.

# Annual Plan Strategy

Annual planning is a dynamic process and requires adjustments throughout the year to meet priorities and to anticipate and respond to emerging issues with available resources. The OIG has examined the cross-agency risk assessment, agency challenges, prior work, future priorities and customer input to develop and prioritize its FY 2018 work. However, the OIG is facing budget challenges due to competing demands and the economic environment. As a result, this annual plan only forecasts the work on which we intend to concentrate the first half of FY 2018, from October 1, 2017, to March 31, 2018.

## Making Choices—A Customer-Driven Process

OIG work that is not otherwise mandated is proposed, considered and selected through a rigorous process using the strategic themes (i.e., criteria) listed in the section below. From these criteria, we develop a portfolio of assignments that represents the best possible return on investment in terms of (1) monetary or public value and (2) responsiveness in addressing the needs, risks, challenges, priorities and opportunities of OIG customers, clients and stakeholders. We also invite our staff to formulate assignment suggestions from their immediate knowledge of EPA and CSB operations and from their consideration of stakeholder input and risks.

## Criteria Considered in Identifying and Selecting New Discretionary Audit and Evaluation Assignments for FY 2018

### Potential threats to OIG independence:

- Are there any potential threats to OIG independence if we perform this audit?
- Will the OIG be able to comply with professional standards, legal requirements and ethical principles?
- Is the OIG acting without the legal mandate or authority of the audit organization?

### Importance of idea:

- What is the known extent of the issue (e.g., sensitive or other populations impacted, area involved, and environmental justice)?
- Is the topic of the project generating interest from Congress, the public and news organizations? What is the interest, and why?

### Estimated return on investment:

- What is the potential environmental or human health benefit (return on investment) to be derived, and what is the reduction or prevention of environmental, human health or business risks?
- What is the expected return on investment (e.g., potential questioned costs, funds put to better use or other potential monetary benefits, improved decision-making, improved data quality/reliability, reduced vulnerabilities, and strengthened internal controls)?

- Are programs performing with the greatest efficiency and effectiveness about allocation and application of resources?

**Potential risk of fraud, waste or abuse:**

- What resources, data, physical or cybersecurity equipment, program integrity, and potential violations of laws/regulations are involved?

**Impact of current management challenges or internal control weaknesses:**

- How does the project align with OIG current management challenges or internal control weaknesses identified at the EPA or CSB?
- Are programs providing timely, accurate, complete and useful information for decision-making?
- Are computer security and privacy programs comprehensive and actively implemented throughout the organization to balance risk and mission requirements?

**Prior audit/evaluation results:**

- What are the conditions or changes since the prior review was conducted by the EPA OIG, U.S. Government Accountability Office or other auditing body?
- What new information or indications of auditable issues are available?

# The Plan: Carryover and New Assignments for FY 2018

## Office of Audit

OIG audit work focuses on the following five areas, with emphases on identifying opportunities for cost savings and reducing the risk of resource loss:

- Contract and Assistance Agreement Audits.
- Efficiency Audits.
- Forensic Audits.
- Financial Audits.
- Information Resources Management Audits.

Funds awarded for assistance agreements and contracts account for approximately two-thirds of the EPA's budget. Producing timely and reliable financial statements remains a priority across the federal government. Equally important is the need to gather, protect and use financial and program performance information to improve the EPA's accountability and program operations. The OIG also has the responsibility to audit and investigate CSB programs to determine the potential impact on CSB programs and operations.

### ***Contract and Assistance Agreement Audits***

The Contract and Assistance Agreement Audits product line is responsible for conducting performance audits of the EPA's management of contracts, grants, cooperative agreements and interagency agreements.

*Point of Contact:* Michael Petscavage (202) 566-0897

| Title   | Primary objectives  | Estimated/actual start date |
|---|---|-----------------------------|
| <b>Carryover</b>  |   |                             |
| Council of the Inspectors General on Integrity and Efficiency (CIGIE) Purchase Card Cross-Cutting Project | Determine whether the CIGIE cross-cutting project examine purchase card transactions for the first two quarters of FY 2017 according to the CIGIE algorithms and guide.   | December 2016               |
| EPA Monitoring of Performance-Based Contracts   | Determine whether (1) the EPA's quality assurance surveillance plans in performance-based contracts contain adequate performance measures, indicators and surveillance methods; (2) EPA staff are evaluating and assessing contractor performance prescribed in the quality assurance surveillance plans; and (3) the EPA accurately calculates and justifies incentive fees to contractors under performance-based contracts. The EPA obligated \$622 million in | June 2016                   |

| Title   | Primary objectives   | Estimated/actual start date |
|---|--|-----------------------------|
|   | performance-based contracts that provide incentives for the contractor to provide quality service. If the EPA is not establishing effective performance standards or not monitoring the standards, contractors may be receiving the incentive fee without having to provide high-quality performances.   |                             |
| Acquisition Planning  | Answer whether the EPA is conducting adequate contract planning to allow the agency to fulfill its needs in a timely manner and at a reasonable cost. Also determine whether the agency is complying with specific Federal Acquisition Regulation requirements for cost-reimbursement and high-risk acquisitions.  | July 2016                   |
| EPA Oversight of Fellowship Programs  | Determine whether the EPA is monitoring, evaluating and setting standards for fellowship performance; whether the fellowship performance supports the EPA's mission; whether the EPA and its fellowship recipients are following fellowship cooperative agreement terms and conditions; and whether the EPA has implemented proper controls to promote and encourage the mission of the fellowship programs. | March 2017                  |
| <b>New Discretionary</b>  |  |                             |
| EPA Acquisition System Data Quality for Selected Contracts  | Determine the validity, completeness and accuracy of EPA Acquisition System data for reliability purposes, in accordance with Federal Acquisition Regulations and EPA criteria.  | March 2017                  |
| Agency Use of Blanket Purchase Agreements   | Determine whether blanket purchase agreements comply with applicable laws, regulations, contract provisions and other requirements.  | June 2017                   |
| Audit of Northbridge Environmental Management Consultants Contract  | Examine whether the EPA (1) received services in accordance with contract terms and conditions, (2) billed costs in accordance with contract terms and conditions, and (3) bid the contract competitively.   | June 2017                   |
| EPA Oversight of Grant, Interagency Agreement Grant, and Interagency Agreement Closeout (per the Grants Oversight and New Efficiency Act) | Determine the dollar amount of EPA awards that expired at least 2 years ago with unliquidated or zero obligations remaining, and determine whether the EPA complied with Resource Management Directive System 2520-03-p2, EPA Order 5700 Policy on Compliance, EPA Order 1610, and Office of Management and Budget (OMB) Uniform Grant Guidance § 200.343.2.   | June 2017                   |
| Internal Control Oversight of EPA's Senior Environmental Employment Program   | Determine whether internal controls for over \$207 million in Senior Environmental Employment program grants (awarded between FYs 2008–2016) verify that recipients are in compliance with the Environmental Programs Assistance Act (PL 98-313) and the EPA Senior Environmental Employment Guidance and Procedures Manual for the remaining available funds, which total \$33 million.                     | October 2017                |

| Title  | Primary objectives   | Estimated/actual start date |
|--|--|-----------------------------|
| <b>Mandated</b>  |  |                             |
| EPA Improper Payments Reporting for FY 2017                                | Assess compliance with the Improper Payments Elimination Act of 2002, as amended.  | October 2017                |
| 2018 Annual Risk Assessment of EPA's Purchase Cards and Convenience Checks | Identify and analyze the risks of illegal, improper or erroneous payments; and develop a plan for using the risk assessments to determine the scope, frequency and number of periodic audits of purchase cards.                          | October 2017                |
| 2017 Audit of EPA's Purchase Cards and Convenience Checks                  | Identify and analyze purchases using the purchase card later in FY 2017 and convenience checks throughout the year to identify the propriety of purchases categories of purchases that could be made by means other than purchase cards. | October 2017                |
| 2018 Annual Risk Assessment of EPA Travel Cards                            | Identify and analyze the risks of illegal improper, and erroneous payments; and develop a plan for using the risk assessments to determine the scope, frequency, and number of periodic audits of purchase cards.                        | April 2018                  |

## ***Efficiency Audits***

The Efficiency Audits product line is responsible for identifying ways for EPA programs and operations to improve processes and realize cost savings, thus freeing resources for high-priority environmental projects.

*Point of Contact:* Mike Davis (513) 487-2363

| Title   | Primary objectives  | Estimated/actual start date |
|---|---|-----------------------------|
| <b>Carryover</b>                                    |   |                             |
| Employee Parking Benefits                           | Identify and analyze risks in the parking subsidy program, and consider cost-saving alternatives.   | August 2016                 |
| Physical Control of Information Technology Property | Determine whether (1) the EPA's information technology property policies and procedures for physical control include all applicable provisions consistent with federal and agency requirements and (2) personnel responsible for management of agency information technology property have sufficiently implemented the controls. | August 2016                 |
| Human Resources Shared Service Centers              | Determine whether the EPA achieved savings and improved customer service of agency human resource operations by establishing three shared service centers in Cincinnati, Ohio; Las Vegas, Nevada; and Research Triangle Park, North Carolina.   | March 2017                  |
| Working Capital Fund Efficiencies                   | Examine whether the EPA's working capital fund is managed to (1) minimize expenses to taxpayers and (2) provide optimum use of resources.   | October 2017                |

| Title  | Primary objectives  | Estimated/actual start date |
|--|---|-----------------------------|
| Invoice Payment Process  | Examine whether the EPA has implemented a contractor invoice payment process that (1) ensures the efficient processing of accurate and supportable invoice payments and (2) complies with agency and federal regulations, including the Prompt Payment Act. | June 2017                   |
| <b>Mandated</b>  |   |                             |
| CSB Improper Payments Reporting for FY 2017                                | Assess compliance with the Improper Payments Elimination Act of 2002, as amended.   | October 2017                |
| 2018 Risk Assessment of CSB's Purchase Cards                               | Determine the risk level of the CSB's purchase cards and convenience check program with regard to the risk of illegal, improper or erroneous use.   | November 2017               |
| CSB FY 2018 Proposed Management Challenges and Internal Control Weaknesses | Develop the OIG's input into the CSB's proposed management challenges and internal control weaknesses for FY 2017.  | February 2018               |

## Forensic Audits

The Forensic Audits product line is responsible for conducting financial audits of EPA assistance agreements and contracts to identify potentially fraudulent actions. This product line also determines the acceptability of costs claimed under specific financial instruments. Forensic audits apply auditing skills to situations with legal consequences and use risk assessment tools to represent the first line of defense against fraud, waste and abuse in agency programs.

*Point of Contact:* John Trefry (202) 566-2474

| Title   | Primary objectives  | Estimated/actual start date |
|---|---|-----------------------------|
| <b>Carryover</b>  |   |                             |
| Assessment of Office of Air and Radiation Timekeeping Practices   | Determine whether the Office of Air and Radiation complies with relevant regulations and agency policies and procedures.                            | January 2017                |
| EPA Region 10's Biweekly Pay Cap Waiver Process   | Determine whether Region 10's biweekly pay cap waiver process adheres to established agency policies and procedures and meets federal requirements. | February 2017               |
| Amendment Process for Assistance Agreements Related to Brownfields  | Determine whether the EPA followed agency procedures when amending assistance agreements.   | March 2017                  |
| Congressional Request: Audit of EPA's Adherence to Policies and Procedures and Oversight Controls Pertaining to the Administrators Travel | Determine the frequency, cost and extent of the Administrator's travel to Oklahoma through July 31, 2017, based on recent congressional request.    | August 2017                 |



| Title   | Primary objectives   | Estimated/actual start date |
|---|--|-----------------------------|
| Audit of EPA Administrator Protective Service Detail Time and Attendance Controls | Determine whether the EPA Administrator's Protective Service Detail has effective controls to prevent time-and-attendance abuse. | August 2017                 |
| <b>Mandated</b>   |  |                             |
| FY 2018 Single Audit Program  | Review and process single audit reports prepared by certified public accounting firms under the Single Audit Act.                | October 2017                |

## ***Financial Audits***

The Financial Audits product line is responsible for rendering opinions on financial statements produced by the EPA and conducts performance audits of EPA financial matters for efficiency and effectiveness.

*Point of Contact:* Paul Curtis (202) 566-2523

| Title  | Primary objectives  | Estimated/actual start date |
|--|---|-----------------------------|
| <b>Carryover</b>   |   |                             |
| Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and Pesticide Registration Improvement Act (PRIA) Funds Management | Determine whether the EPA manages the FIFRA and PRIA funds effectively to minimize reliance on appropriated funds.  | February 2017               |
| Agency Digital Accountability and Transparency Act Implementation Efforts  | Complete an assessment of EPA implementation efforts to comply with the Digital Accountability and Transparency Act. This will be the first time the OIG has audited the EPA's implementation of the act.               | April 2017                  |
| FY 2017 EPA Financial Statements   | Determine whether the EPA's consolidated financial statements were fairly stated in all material respects.  | April 2017                  |
| FY 2017 CSB Financial Statements (Contracted)  | Determine whether CSB financial statements were fairly stated in all material respects, CSB internal controls over financial reporting were in place, and CSB management complied with applicable laws and regulations. | April 2017                  |
| <b>Mandated</b>  |   |                             |
| FY 2017 Financial Statements: Pesticides Reregistration and Expedited Processing Fund  | Render an opinion on the EPA's statements, and determine compliance with laws and regulations.  | November 2017               |
| FY 2017 Financial Statements: Pesticide Registration Fund  | Render an opinion on the EPA's statements, and determine compliance with laws and regulations.  | November 2017               |

| Title   | Primary objectives   | Estimated/actual start date |
|---|--|-----------------------------|
| FY 2017 Financial Statements: Hazardous Waste Electronic Manifest System Fund | Determine whether EPA financial statements were fairly presented in all material respects, EPA internal controls over financial reporting were in place, and EPA management complied with applicable laws and regulations. | November 2017               |
| FY 2017 EPA Financial Statements  | Determine whether the EPA's consolidated financial statements were fairly stated in all material respects.   | April 2018                  |
| FY 2017 CSB Financial Statements (Contracted)                                 | Determine whether CSB financial statements were fairly stated in all material respects, CSB internal controls over financial reporting were in place, and CSB management complied with applicable laws and regulations.    | April 2018                  |

### ***Information Resources Management Audits***

The Information Resources Management Audits product line reviews the economy, efficiency and effectiveness of the agency's investments in systems for achieving environmental goals and ensuring the integrity of data used for decision-making. The product line also reviews strategies for setting priorities and develops plans to accomplish priorities and measure performance.

*Point of Contact:* Rudolph Brevard (202) 566-0893

| Title  | Primary objectives  | Estimated/actual start date |
|--|---|-----------------------------|
| <b>Carryover</b>   |   |                             |
| Information Technology Audit Support for the FY 2017 Pesticide Registration Fund Financial Statement Audit | Conduct a network vulnerability assessment of the information technology resources that protect the confidentiality, integrity and availability of the network infrastructure used to process the registration service fees for specific pesticide registrations, amended registrations, and associated tolerance actions, as required by PRIA. | January 2017                |
| Audit of EPA File Server Security  | Determine how the agency is implementing security controls around its file servers.   | February 2017               |
| Audit of EPA's Processes for Managing Background Investigations  | Determine whether the EPA has established a process to verify that background investigations are conducted for those individuals (federal employees and contractors) with privileged access permissions to the agency's information systems and network.  | February 2017               |
| EPA's Compliance With the Federal Information Security Modernization Act (FISMA) for FY 2017               | Determine whether the EPA implemented an information systems security program that is compliant with the requirements outlined in the FISMA of 2014.  | May 2017                    |
| CSB's Compliance With the FISMA for FY 2017  | Determine whether the CSB implemented an information systems security program that is compliant with the requirements outlined in the FISMA of 2014.  | May 2017                    |

| Title                                       | Primary objectives   | Estimated/actual start date |
|---|--|-----------------------------|
| <b>Mandated</b>                             |  |                             |
| EPA's Compliance With the FISMA for FY 2018 | Determine whether the EPA implemented an information systems security program that is compliant with the requirements outlined in the FISMA of 2014. | March 2018                  |
| CSB's Compliance With the FISMA for FY 2018 | Determine whether the CSB implemented an information systems security program that is compliant with the requirements outlined in the FISMA of 2014. | March 2018                  |

## Office of Program Evaluation

The Office of Program Evaluation (OPE) examines the root causes of current conditions, the effects of those conditions on the agency's operations, and the opportunities available for improvement, leading to conclusions and recommendations that influence program change and contribute to the accomplishment of the EPA's mission. Program evaluations answer questions about how well a program or activity is designed, implemented or operating to achieve EPA goals. Program evaluations may produce conclusions about the value, merits or worth of programs or activities. The results of program evaluations can be used to improve the operations of EPA programs and activities, sustain best practices and effective operations, and facilitate the accomplishment of EPA goals. Evaluations are performed in compliance with Government Auditing Standards by OPE staff with diverse backgrounds, including accounting, economics, environmental management and science.

Evaluation topics and priorities in the FY 2018 plan are driven by our assessment of organizational risk in relation to available resources and are based on input from EPA leadership, Congress and stakeholders. Program evaluations are conducted by the following six product lines:

- Air.
- Water.
- Land Cleanup and Waste Management.
- Toxics, Chemical Management and Pollution Prevention.
- Environmental Research Programs.
- Special Program Reviews.

Assignments concentrate on all OIG strategic themes outlined in this document, reflecting our attention to the agency's mission as well as the agency's operational and systemic risks. Specific assignment titles are listed in the tables below.

## Air

The Air product line is responsible for conducting evaluations to assess the EPA's programs and activities to protect human health and the environment through progress toward air quality and climate change goals.

*Point of Contact:* Jim Hatfield (919) 541-1030

| Title  | Primary objectives  | Estimated/actual start date          |
|--|---|--------------------------------------|
| <b>Carryover</b>   |   |                                      |
| Ambient Monitoring   | Determine whether selected air monitoring data meet criteria established by the EPA. Specifically, do data revisions and data exclusions/gaps comply with EPA criteria?   | January 2016                         |
| Effectiveness of EPA's Oversight of State Vehicle Inspection and Maintenance Programs in Achieving Emission Reductions | Determine whether the EPA's oversight has ensured that vehicle inspection and maintenance programs are effective and efficient in reducing vehicle emissions in enhanced inspection and maintenance areas.  | June 2017                            |
| Impact of High-Priority Violation Policy on Startup, Shutdown and Malfunction Emissions                                | Assess the impact of the EPA's revised high-priority violation policy on the agency's enforcement decisions regarding violations of standards limiting air pollutant emissions from malfunctions, maintenance, startup and shutdown.  | To be determined; ongoing litigation |
| EPA's Evaluation of Methane Emissions From the Oil and Gas Production Sector   | Determine how the EPA estimates methane emissions from the oil and gas production sector, including the extent to which the EPA has used the results of the 2013 and 2014 emission studies conducted jointly by the Environmental Defense Fund and the University of Texas-Austin to estimate those emissions. Determine whether concerns about technical or other problems with the studies were identified or brought to the EPA's attention, and determine how the agency addressed and resolved the concerns. | July 2017                            |
| Evaluation of EPA's Approval Process for Air Quality Dispersion Models   | Assess the effectiveness of the EPA's process for reviewing and approving air quality dispersion models recommended for use by state, local and tribal air pollution control agencies.  | July 2017                            |

## Water

The Water product line is responsible for conducting evaluations to assess the EPA's protection and restoration of healthy aquatic communities and waters that sustain human health.

*Point of Contact:* Kathlene Butler (404) 562-9736

| Title   | Primary objectives   | Estimated/actual start date |
|---|--|-----------------------------|
| <b>Carryover</b>  |  |                             |
| Beaches Environmental Assessment and Coastal Health Act: Effectiveness of Identifying Contaminated Recreational Waters and Communicating Health Risks | Determine how federal Beaches Environmental Assessment and Coastal Health Act grants assist states, territories and tribes in monitoring the water quality of coastal recreational waters and in notifying the public of contamination events.                 | August 2015                 |
| Review of EPA Response and Oversight Regarding Drinking Water Contamination in Flint, Michigan  | Examine the circumstances of, and the EPA's response to, the contamination in the city of Flint's community water system, including the EPA's exercise of its oversight authority.   | February 2016               |
| Review of Atlanta Combined Sewer Overview   | Determine whether Atlanta is complying with the requirements of the consent decree and evaluate EPA Region 4 internal controls.  | April 2017                  |
| Public Notification of Drinking Water Quality   | Determine whether the EPA adequately ensures that public drinking water systems notify the public as required by the public notification rule promulgated under the Safe Drinking Water Act, such as when the systems identify contamination at unsafe levels. | August 2017                 |

## Land Cleanup and Waste Management

The Land Cleanup and Waste Management product line is responsible for conducting evaluations to assess EPA programs, activities and initiatives to protect human health and the environment through cleanup and waste management, accident prevention, and emergency response.

*Point of Contact:* Tina Lovingood (202) 566-2906

| Title   | Primary objectives  | Estimated/actual start date |
|---|---|-----------------------------|
| <b>Carryover</b>  |   |                             |
| EPA Progress on Reducing Taxpayer Environmental Liabilities | Examine whether the EPA reviews nationwide Superfund and Resource Conservation and Recovery Act financial liabilities for companies with multiple facilities/sites, and verify that financial assurance mechanisms are valid. | June 2015                   |

| Title  | Primary objectives  | Estimated/actual start date |
|--|---|-----------------------------|
| EPA Oversight of Delegated State Resource Conservation and Recovery Act Programs | Examine whether the EPA provides oversight to ensure that states implement new Resource Conservation and Recovery Act regulations. States are required to have regulations that are at least as stringent as federal standards. As the EPA develops new Resource Conservation and Recovery Act regulations, states must ensure that they also incorporate the changes into their own regulations. For states that fall behind in adopting the more stringent and updated standards of the act, citizens may be exposed to inequitable health risks and may receive less public information compared to those states that have taken timely and appropriate action to update their Resource Conservation and Recovery Act standards. | September 2016              |
| Abandoned Uranium Mines on Navajo Nation   | Determine whether the EPA has a method for prioritizing the cleanup of 50 abandoned uranium mine sites on the Navajo Nation covered under a 2015 special account of \$990 million.  | September 2017              |
| EPA's Oversight of Liability Transfer at Contaminated Sites                      | Determine whether the EPA has the requirements and a standard process for approving the transfer of cleanup responsibility and liability from a parent company to a spinoff. For these transfers, what controls are in place to ensure that cost recovery agreements are fulfilled without additional costs to taxpayers? In cases where liability has been transferred, did the EPA follow its process and applicable requirements? Was aggregate liability, including liability for sites in different EPA regions, considered in determining the adequacy of the financial assurance instruments?  | August 2018                 |
| EPA's Protection of Public Health From Landfill Fires                            | Determine what controls and procedures the EPA has in place to address landfill fires. How is the EPA assessing and taking measures to reduce human health risk from landfill fires?  | March 2018                  |
| Land Application of Sewage Sludge  | Examine whether the EPA has and implements controls over the land application of sewage sludge to protect human health and the environment.   | June 2017                   |

## ***Toxics, Chemical Management and Pollution Prevention***

The Toxics, Chemical Management and Pollution Prevention product line is responsible for conducting evaluations to assess the EPA’s management of chemical risks and programs to prevent pollution.

*Point of Contact:* Jeffrey Harris (202) 566-0831

| <b>Title</b>   | <b>Primary objectives</b>   | <b>Estimated/actual start date</b> |
|--|---|------------------------------------|
| <b>Carryover</b>   |   |                                    |
| EPA’s Regional Negotiated Commitments With States for FIFRA Compliance Inspections                             | Determine what the EPA’s procedures are for determining and periodically reviewing state commitments for FIFRA compliance inspections. How does the EPA ensure these commitments are appropriate? Does the EPA have current opportunities to modify state commitments and better use resources dedicated for these efforts? | April 2015                         |
| Evaluation of EPA’s Management Controls to Implement and Enforce Pesticide Worker Protection Standards         | Evaluate the adequacy of EPA management controls that implement the new Worker Protection Standards designed to reduce pesticide exposure and risks to agricultural workers.  | March 2017                         |
| Evaluation of EPA’s FIFRA Section 18 Emergency Exemptions  | Determine whether the EPA has a comprehensive emergency exemption process that maintains environmental and human health safeguards.   | September 2017                     |
| Evaluation of Importers and Manufacturers Chemical Data Reporting (CDR) Under the Toxic Substances Control Act | Determine how the EPA ensures companies comply with CDR requirements under the Toxic Substances Control Act and whether the EPA uses CDR data to prioritize imported and manufactured chemicals to identify the potential for human health and environmental risks.   | September 2017                     |

## ***Environmental Research Programs***

The Environmental Research Programs product line conducts independent evaluations of the EPA’s research and development programs, with a focus on areas that support human health and environmental protection.

*Point of Contact:* Patrick Gilbride (303) 312-6969

| <b>Title</b>   | <b>Primary objectives</b>   | <b>Estimated/actual start date</b> |
|--|---|------------------------------------|
| <b>Carryover</b>   |   |                                    |
| Internal Controls of EPA’s Vehicle and Fuel Emissions Laboratory Testing Program | Determine whether (1) the EPA’s National Vehicle and Fuel Emissions Laboratory has internal controls over its vehicle testing program and (2) those controls are effective. | March 2017                         |

| Title  | Primary objectives   | Estimated/actual start date |
|--|--|-----------------------------|
| Benefits and Use of Office of Research and Development's Safe and Sustainable Water Resources Research   | Determine whether the Office of Research and Development's Safe and Sustainable Water Resources research program delivers timely and relevant research data and tools to the Office of Water. Also determine whether the Office of Water uses those research results to accomplish the EPA's strategic goal of protecting America's water. | June 2017                   |
| Evaluating the Internal Controls of EPA's Vehicle and Fuel Emissions Laboratory Testing Program to Detect and Prevent Vehicle Emissions Fraud in the Heavy-Duty Sector | Determine whether the EPA's existing internal controls are effective at detecting and preventing light-, medium-, and heavy-duty on-road vehicle emissions fraud.  | June 2017                   |
| <b>New Discretionary</b>   |  |                             |
| Controls over EPA's Citizen Science and Crowdsourcing Efforts  | To determine whether the EPA has developed controls to manage the use of citizen science and crowdsourcing results to meet the EPA's mission.  | October 2017                |

## Special Program Reviews

The Special Program Reviews product line is responsible for conducting evaluations and follow-up reviews to assess agency programs and functions and for determining whether sufficient controls are in place to reduce the agency's risk of fraud, waste and abuse in its operations. The product line also develops, coordinates and reports on OIG-identified agency management challenges and internal control weaknesses.

*Point of Contact:* Eric Lewis (202) 566-2664

| Title  | Primary objectives   | Estimated/actual start date |
|--|--|-----------------------------|
| <b>Carryover</b>   |  |                             |
| EPA Pesticide Registrations Compliance With Human Health and Environmental Risks   | Determine EPA compliance with human health and environmental risk assessment requirements for conditional and unconditional pesticide registrations.   | July 2016                   |
| EPA and North Carolina Response to an Asbestos National Emissions Standards for Hazardous Air Pollutants Violation at the Old Davis Hospital | Determine whether EPA Region 4 and the state of North Carolina followed appropriate procedures in addressing claims of an improper asbestos demolition at the Old Davis Hospital in Statesville, North Carolina. | March 2017                  |
| Protecting Children's Health From Asbestos Exposure in Schools   | Determine whether the EPA performs sufficient compliance inspections of schools to reduce asbestos exposure.   | April 2017                  |



| Title  | Primary objectives  | Estimated/actual start date |
|--|---|-----------------------------|
| Follow-up Reviews on OIG Reports: “EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup” and “Better Planning, Execution and Communication Could Have Reduced the Delays in Completing a Toxicity Assessment of the Libby, Montana, Superfund Site” | Follow-up review to verify that the Deputy Administrator’s office, the Office of Land and Emergency Management (then the Office of Solid Waste and Emergency Response), EPA Region 8, and the Office of Research and Development implemented the corrective actions reported in the Management Audit Tracking System to address previous OIG recommendations. | September 2017              |
| <b>Mandated</b>  |   |                             |
| Management Challenges and Internal Control Weaknesses for 2018   | Report on the top management challenges and internal control weaknesses facing the EPA, and provide the EPA Administrator and Congress with those issues that present the greatest challenge to the agency.   | March 2018                  |

## Office of Investigations

The Office of Investigations (OI) is responsible for investigating hundreds of allegations of criminal activity and serious misconduct in EPA and CSB programs and operations. Due to the size and scope of the EPA and its mission to protect human health and the environment, OI often collaborates with other law enforcement entities and external stakeholders to enhance the effectiveness of our work. We participate in interagency task forces and working groups, and we participate in OIG outreach programs by providing fraud awareness briefings to educate agency employee groups on potential indicators of fraud.

The Inspector General Act identifies the Assistant Inspector General for Investigations as being responsible for developing and implementing an investigative program that furthers OIG objectives. The Assistant Inspector General for Investigations’ primary responsibilities include investigating possible violations of criminal statutes relating to EPA and CSB programs and activities; investigating allegations of serious misconduct by EPA and CSB employees; interfacing with the Department of Justice on OIG-related criminal matters; and coordinating investigations and OIG initiatives with other federal, state, local and tribal investigative agencies.

The OIG’s investigative process is mostly reactive, and we perform our proactive work strategically as opportunities and resources allow. Reactive work begins with the receipt of an allegation that impacts the agency, one of its employees, a grantee or a program area.

Because a decision to initiate an investigation must be made within a few days of each referral, the OIG does not schedule specific investigations in its annual investigative plan. Investigations are opened in accordance with priorities set forth in the OIG Strategic Plan for FYs 2017–2021 and in consideration of prosecutorial guidelines established by local U.S. Attorneys. OIG

investigations are governed by the *Attorney General Guidelines for Offices of Inspector General With Statutory Law Enforcement Authority* and by the *CIGIE Quality Standards for Investigations*.

Investigative efforts often lead to criminal convictions, administrative sanctions or civil monetary penalties. Investigations are initiated as a result of allegations or referrals from private citizens; EPA and CSB employees; Congress; other federal, state, local and tribal law enforcement agencies; OIG audits; and proactive efforts directed at areas bearing a high potential for fraud, waste and abuse.

This investigative plan was developed to focus our OIG investigative priorities and ensure the most effective and efficient use of available resources. The plan provides strategies and planned investigative work for FY 2018 in conjunction with the OIG Strategic Plan. The most serious management and performance challenges facing the EPA and CSB, as identified by the Inspector General, were also considered in the development of this plan.

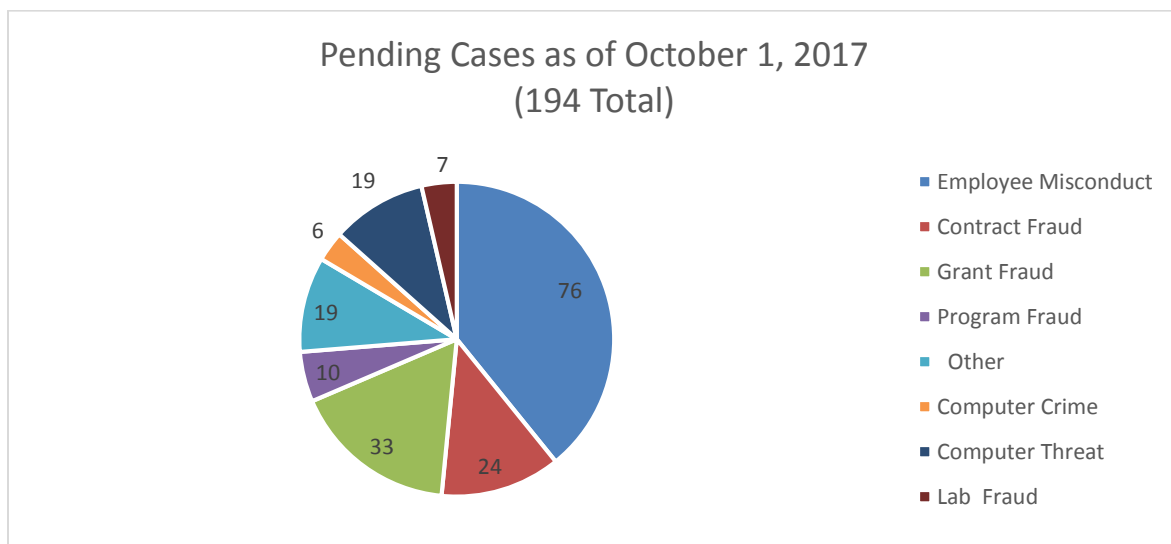
*Point of Contact:* Patrick Sullivan (202) 566-0308

### ***Pending Investigative Activities***

The OIG plays a critical oversight role helping to ensure that EPA funds are properly expended and not subject to fraud, waste or abuse. Pending cases as of October 1, 2017, totaled 194 cases.

The following pie chart shows that, of the 194 pending cases, 74 of them are fraud-related (almost 38 percent of our investigations). Employee misconduct is also high, at 76 cases (39 percent of our work). These cases have been on the rise because of recent attention from Congress and because of the attention garnered from our investigative successes being publicized in the media.

The pie chart below provides a summary of EPA OIG investigative activity by case type, as of October 1, 2017.



## *FY 2018 OI Annual Plan*

### **GOAL 1: Contribute to improved EPA and CSB programs and operations that protect human health and the environment and that enhance safety.**

OI will conduct investigations into allegations of fraud and other crimes involving EPA grants and contracts that provide assistance to state, local and tribal governments; universities; and nonprofit recipients. We will play a critical role to ensure that these funds are expended properly and are not subject to fraud, waste or abuse. The following list details our FY 2018 priorities:

- **Financial fraud (grants and contracts).** These investigations may involve multiple agencies and focus on criminal activities related to agency grants, state revolving funds, interagency agreements, and cooperative agreements that provide assistance to state, local and tribal governments; universities; and nonprofit recipients. Collectively, these programs account for about half of the EPA's budget. These investigations also focus on acquisition management, contracts and procurements. We specifically focus on mischarging, defective pricing, defective products and collusion.
- **Program integrity.** These investigations focus on activities that could undermine the integrity of agency programs involving safety and public health and that could erode confidence in the EPA's pursuit of its mission. Cases are initiated in response to allegations or referrals from audits or evaluations, or they may be self-initiated in high-risk areas with reasonable suspicion of fraud, violations of laws, or risk to the public.
- **Contract laboratory fraud.** These investigations deal with contract laboratory fraud relating to water quality and Superfund data, as well as payments made by the EPA for erroneous environmental testing data. These cases also include investigating results that could undermine the bases for EPA decision-making, regulatory compliance and enforcement actions.
- **Threats directed against EPA and CSB employees, facilities and assets.** These investigations involve the physical safety of EPA and CSB employees, agency contractors, and all property and data. Investigations include the identification of attacks against the EPA's computer and network systems and the protection of resources, infrastructure and intellectual property. We coordinate these efforts with the Federal Bureau of Investigation and the U.S. Department of Homeland Security.

### **GOAL 2: Conduct audits and investigations that enable EPA and CSB to improve business practices and accountability.**

OI will continue to maintain and operate the OIG hotline, which provides a confidential channel for EPA and CSB employees, EPA and CSB contractors, and the public to report instances of fraud, waste and abuse. Investigations of employee misconduct help the OIG improve operations at the EPA and CSB. The following list details our FY 2018 priorities:

- **EPA OIG hotline, deterrence and oversight.** OI supports the agency and conducts OIG oversight and assistance, as directed by statute and the OMB. We manage the EPA OIG Hotline Program, which receives hundreds of complaints, referrals and allegations of abuse and misconduct. We promptly process complaints; initiate OIG investigations, audits or evaluations when warranted; and properly dispose of allegations that do not warrant investigation.
- **Employee integrity and alleged criminal conduct or serious administrative misconduct.** These investigations involve allegations made against EPA and CSB employees, which could threaten the credibility of the agency and the integrity of its resources. If an employee misconduct case does not conclude with a judicial action, OI prepares a report of investigation for the EPA to handle the case administratively. We also track any corrective or disciplinary action taken by the EPA. In an effort to communicate and collaborate on employee misconduct cases, OI is an active participant in biweekly meetings with the EPA's Office of General Counsel and the EPA's Insider Threat Program.
- **Travel card fraud.** These investigations include coordinating with the EPA's Office of the Chief Financial Officer to investigate instances of abuse involving individual travel cards issued to agency employees and involving purchase cards issued for the procurement of supplies and equipment.
- **Small business innovative research and Guardian Task Force work.** OI provides investigative support to OIG program offices and participates as needed in multiagency criminal task forces on evolving national issues.
- **Stakeholder outreach.** We provide fraud awareness briefings to educate employees and groups about potential fraud indicators. We also work with the EPA to help educate individuals on how to prepare for an active threat situation.
- **Disaster relief spending oversight.** Investigations that involve examining disaster relief spending for fraud, waste and abuse. OI also participates with the EPA OIG's Office of Audit and other federal OIGs on the Federal Disaster Assistance Fraud Task Force.

**GOAL 3: Improve OIG processes, resource allocation and accountability to meet stakeholder needs.**

The OI workforce is considered our most important and valued resource. OI will continue to recruit, develop and retain a well-qualified workforce able to meet 21st century challenges. The following list details our FY 2018 priorities:

- **Workforce continuing professional development.** In conjunction with the OIG's Office of Management, OI plans to recruit, develop and retain a dedicated workforce to fulfill critical mission requirements. OI will work to identify new, real-world criminal schemes facing the agency (such as new methods of cyber intrusions) and to provide training opportunities to our staff so they can properly respond to these new challenges. In

addition, OI staff will continue to undergo training in mandatory firearms/marksmanship, use of force, and legal and financial crimes. This training ensures that our workforce continues to work in the most effective and efficient manner. Based on lessons learned, OI will also work to ensure that all members of its staff know and understand all OIG internal policies and procedures.

- **Data analytics and computer forensics.** Economic conditions have prompted greater scrutiny of government spending, and OI must work to ensure that our workforce uses data analytics to analyze and interpret data to eliminate fraud, waste and abuse in EPA and CSB programs. To date, our staff uses two data analytics tools to help improve the overall efficiency and effectiveness of our investigations. In addition, since nearly all of our investigations involve computing systems, we must work to ensure that our staff has the requisite forensic tools and training to gather evidence from a computing device in a way that is suitable for presentation in a court of law.
- **Proactive fraud, waste and abuse program.** OI will establish a fraud, waste and abuse program that systematically reviews operations and processes to identify and prioritize areas of probable fraudulent activity. This program will work with the Department of Justice Financial Fraud Enforcement Task Force's Grant Fraud Working Group to monitor the fraud, waste and abuse climate and to look for areas where the EPA and CSB may be vulnerable. For this review, OI has a mapping program that tracks outgoing EPA grant funds throughout the country. Initial areas to be examined involve OMB Circular A-133 compliance supplements, which are used to audit federal assistance and grant programs, state audit reports, awards to nonprofits, and surety bond fraud.
- **Continuity of operations.** OI actively participates in helping the EPA fulfill its responsibilities to the federal government's Continuity of Operations Program.

## Appendix A: OIG's FY 2018 Performance Measures and Targets

The Government Performance and Results Act of 2010 (Sec. 3) requires federal agencies to develop goal-based budgets supported by annual performance plans that link the organization's mission and strategic goals to its annual performance goals. The annual performance goals are quantifiable targets supported by measures and indicators representing the expected outputs and outcomes. The agency's annual Performance Accountability Report includes actual results, compared to targets, to inform the OMB, Congress, and the public about the value derived from funds invested and how well the OIG is achieving its goals.

This annual plan explains how the OIG will achieve its mission through required and priority assignments. Outcome results and benefits from OIG work reflect measurable actions and impacts, but there is typically a time lag between the completion of OIG work and the recognition of such results and benefits. Therefore, results and benefits from OIG audits, evaluations, investigations and reviews are recorded in the year they are recognized, regardless of when the work was performed. Through current-year outputs and long-term outcomes, OIG targets and seeks to measure and demonstrate the many ways the OIG promotes economy, efficiency and effectiveness and prevents and detects fraud, waste and abuse. The following table illustrates the OIG annual performance goals that this plan is designed to achieve, pending final budget agreements.

| Annual performance measures   | Supporting indicators   | FY 2018 targets<br>(based on the President's budget funding level) |
|---|---|--|
| Environmental and business actions taken for improved performance and reduction of risk from or influenced by OIG work. | <ul style="list-style-type: none"> <li>○ Policy, process, practice or control changes implemented.</li> <li>○ Environmental or operational risks reduced or eliminated.</li> <li>○ Critical congressional or public concerns resolved.</li> </ul>   | 196 total  |
| Environmental and business recommendations or risks identified for corrective action by OIG work.                       | <ul style="list-style-type: none"> <li>○ Recommendations or best practices identified for implementation.</li> <li>○ Risks or new management challenges identified for action.</li> <li>○ Certifications, verifications or analysis for decision or assurance.</li> <li>○ Outreach/technical advisory briefings.</li> </ul> | 460 total  |
| Return on the annual dollar investment, as a percentage of the OIG budget, from audits and investigations.              | <ul style="list-style-type: none"> <li>○ Recommended questioned costs.</li> <li>○ Recommended cost efficiencies and savings.</li> <li>○ Fines, penalties, settlements and restitutions.</li> </ul>  | 160% return on investment of budget                                |
| Criminal, civil, administrative and fraud prevention actions taken from OIG work.                                       | <ul style="list-style-type: none"> <li>○ Criminal convictions/civil judgments.</li> <li>○ Indictments/information.</li> <li>○ Administrative actions (staff actions and suspension or debarments).</li> </ul>   | 87 total   |

# Appendix B: Overview of EPA OIG's 2017–2021 Strategic Plan

## VISION

**Be the premier oversight organization trusted to speak the truth and promote good governance.**

## MISSION

**Conduct independent audits, evaluations and investigations; make evidence-based recommendations to promote economy, efficiency and effectiveness; and prevent and detect fraud, waste, and abuse for the U.S. Environmental Protection Agency and the U.S. Chemical Safety and Hazard Investigation Board.**

## GOALS

**Contribute to improved EPA and CSB programs and operations protecting human health, the environment, and enhancing safety.**

**Conduct audits, evaluations and investigations that enable the EPA and CSB to improve business practices and accountability.**

**Improve OIG processes, resource allocation and accountability to meet stakeholder needs.**

## OBJECTIVES

- Influence actions and change that contribute to improved human health, safety and environmental quality.
- Produce results that contribute to the identification, reduction or elimination of environmental risks and challenges.

- Protect the integrity of programs and operations through criminal, civil and administrative investigations.
- Influence actions and identify best practices to improve efficiency and accountability, and achieve monetary benefits.
- Reduce risk of loss by detecting and achieving monetary benefits.
- Reduce risk of loss by detecting and preventing fraud, waste, abuse and misconduct.

- Promote and maintain an accountable, results-oriented culture.
- Ensure that our products and services are timely, responsive, relevant, and maximize protection of human health and the environment and return on investment.
- Ensure that our processes and actions are efficient and effective through continuous improvement.
- Recruit, develop and retain an innovative, high-performing and diverse workforce that is valued, appreciated and respected.
- Enhance constructive relationships and foster collaborative solutions.

**Core Value: Be the best in public service**

**Customer Service**

**Integrity**

**Accountability**