



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

JUL 16 2013

THE INSPECTOR GENERAL

MEMORANDUM

SUBJECT: Evaluation of Agency Response to OIG Report No. 13-P-0272,
*Early Warning Report: Main EPA Headquarters Warehouse in
Landover, Maryland, Requires Immediate EPA Attention, May 31, 2013*

FROM: Arthur A. Elkins Jr. 

TO: Craig Hooks, Assistant Administrator
Office of Administration and Resources Management

The Office of Inspector General would like to thank you for your June 26, 2013, response to the subject report. The response included actions taken per the agency's memorandums and corrective action plan. We have reviewed your response and appreciate all immediate corrective actions taken as well as corrective actions planned to date. Your efforts have demonstrated true commitment to achieving better efficiencies for EPA and, potentially, other federal agencies.

We appreciate the completed efforts addressed in your memorandums, including the actions taken before we even issued our report but after we briefed agency senior staff. These actions show commitment toward achieving improved operations, and resulted in the potential cost avoidance identified at approximately \$327,000 annually for the agency. We also concur with the efforts by the agency's Breach Evaluation Team Executive Committee to fix immediate problems with the handling of personally identifiable information at the EPA warehouse.

The chart included as an attachment in our current memorandum describes our early warning report findings, your corrective actions identified, and our analysis of them. We will close this report in the OIG tracking system, and the agency will be required to monitor and report on the implementation of the corrective actions in its Management Audit Tracking System.

If you have any questions, please contact Richard Eyermann, acting assistant inspector general for the Office of Audit, at (202) 566-0565 or eyermann.richard@epa.gov; or Mike Davis, director for efficiency audits, at (513) 487-2363 or davis.michaeld@epa.gov.

Attachment

cc: Bob Perciasepe, Acting Administrator
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OARM Response/Actions	Planned Completion Date	OIG analysis
1. The warehouse recordkeeping system was incomplete and inaccurate.		
Generate an inventory and valuation of the Haworth systems furniture at the warehouse.	June 2013	The actions taken are responsive to the finding identified.
Perform a valuation of all loose furniture at the warehouse.	June 2013	
Review and dispose of records remaining at the warehouse.	June 2013	
Sample boxes currently designated for shredding at the warehouse – preserve records as needed and destroy remainder.	June 2013	
Develop communications to records community related to HQ records transport, centralized shredding services, and identify potential long-term options for OARM or the WCF to consider in a future centralized records/document destruction/shredding service.	June 2013	
Update EPA Form 5100 transport and develop a separate form for document/record shredding/destruction.	June 2013	
2. The warehouse was filled with considerable valuable amounts of unusable, inoperable and obsolete furniture and other items.		
Transfer surplus systems furniture to GSA.	June 2013	The actions taken are responsive to the finding identified.
Release two bays at the Landover warehouse.	October 2013	
3. The warehouse contained multiple unauthorized and hidden personal spaces that included items such as televisions and exercise equipment.		
Issued a stop-work order to Apex Logistics, LLC, ensuring there will be no further access to the site by Apex personnel.	May 17, 2013	The actions taken are responsive to the finding identified.

OARM Response/Actions	Planned Completion Date	OIG analysis
4. Numerous potential security and safety hazards existed at the warehouse, including unsecured personally identifiable information (such as passports).		
Mitigate operational safety findings identified at the warehouse.	June 2013	The actions taken are responsive to the finding identified.
Develop security plans for warehouse perimeter and interior space.	June 2013	
Receive and review GSA's written Corrective Action Plan leading to the mitigation of the infrastructure-related safety findings.	July 2013	
Beginning immediately, the EPA will send expired or unneeded government passports to the Department of State for destruction, until such time as the agency can put in place a passport decommissioning process with the appropriate safeguards.	May 17, 2013	
Review and strengthen training on general records management; and on identification, handling, transport, storage and protection of PII or records that are sensitive or that contain PII.	On going	We need to get a milestone on when the EPA expects to complete this ongoing action.
The agency evaluated all of the boxes of documents on site to assess whether the boxes contained personally identifiable information. Any boxes that contained even a single document containing personally identifiable information were moved to a gated, locked and secured section of the warehouse.	May 18–19, 2013	
After the clean up, the Breach Evaluation Team completed a review of handling PII and found some procedural issues.	May 31, 2013	
The agency removed all propane tanks that had been brought onsite by Apex employees and secured those tanks outside of the building. The agency reoperationalized the facility's eyewash station for the safety of the workers in the building.	May 18–19, 2013	

OARM Response/Actions	Planned Completion Date	OIG analysis
5. Deplorable conditions existed at the warehouse: corrosion, vermin feces, mold, and other problems were pervasive.		
The EPA initiated a health and safety review of the warehouse.	May 18–19, 2013	The actions taken are responsive to the finding identified.
The agency completed its safety and health audit of the facility to ensure that all of the worker health and safety issues identified by OIG employees or EPA employees had been addressed.	May 21, 2013	The actions taken are responsive to the finding identified.
6. Other relevant actions taken.		
Began a review of EPA personnel to determine whether any agency employees failed to perform their duties and, if so, what type remedial or disciplinary action is appropriate.	Not provided	We need to get a milestone on when the EPA expects to complete this action.
Ordered an agency wide review of warehouse and storage facilities, including directions to EPA senior managers to evaluate the conditions at all warehouses and storage facilities.	May 2013	The actions taken are responsive to the finding identified.
<p>Initiate cost avoidance actions:</p> <p>Issued a stop-work order to Apex Logistics, LLC so that no further costs will be incurred under the contract</p> <p>Released two bays of Landover warehouse space valued at approximately \$327,000.</p>	<p>May 2013</p> <p>October 2013</p>	The actions taken are responsive to the finding identified.
Award the permanent labor services support contract to provide warehouse operations support.	August 2013	The actions taken are responsive to the finding identified.