



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TEXAS 75202 – 2733

Office of the Regional Administrator

January 7, 2015

**MEMORANDUM**

**SUBJECT:** Response to Office of Inspector General Final “EPA Region 6 Mismanaged Coastal Wetlands Planning, Protection and Restoration Act Funds,” Dated October 9, 2014

**FROM:** Ron Curry  
Regional Administrator

**TO:** Arthur A. Elkins, Jr.  
Inspector General

Thank you for the opportunity to work with you and your staff on reaching resolution on the issues and recommendations in the Coastal Wetlands Planning, Protection and Restoration Act final audit report. I appreciate your willingness to resolve the differences. As stated before, this will help us correct mischarged expenditures and design more efficient and effective future processes for Region 6 administration of the CWPPRA program.

Attached is our revised response to the report’s recommendations with the agreed upon language and updated timelines for completion of our review and corrective actions. You will note that our estimated completion dates have been extended from those in our August 15, 2014, response to the draft report. This is due primarily to the fact that the recommendations in the final report require substantial additional involvement of the Office of the Chief Financial Officer and the Office of General Counsel as compared to the recommendations in the draft report. This additional involvement impacts our estimated completion for Recommendations 1, 2, 3, and 5. We have adjusted our timeframe for Recommendation 4 to allow development of additional control activities based on the initial results of reviews conducted under Recommendations 1 and 2. We are pleased to report that our corrective action for Recommendation 6 has already been completed.

**CONTACT INFORMATION**

If you have any questions regarding this response, please contact Mr. William Honker, Director of the EPA Region 6 Water Quality Protection Division at (214) 665-3187, Mr. David Garcia, Deputy Director of the EPA Region 6 Water Quality Protection Division at (214) 665-7593, Mr. James McDonald, Senior Resource Officer at (214) 665-3150, or Ms. Regina Milbeck, Comptroller at (214) 665-6540.

Attachment

1. Agency’s Response to Report Recommendations



**ATTACHMENT**

**AGENCY'S RESPONSE TO REPORT RECOMMENDATIONS**

No.	Recommendation in Final Report	Agreed Upon Resolution Language	High-Level Intended Corrective Action(s)	Estimated Completion by Month and Year
1	<p>Reimburse the Task Force (through the USACE) questioned costs of \$780,793, unless Region 6 WQPD management provides sufficient and appropriate documentation to demonstrate that questioned costs paid with CWPPRA funds were incurred in accordance with CWPPRA, appropriations law and principles, and interagency agreements.</p>	<p>Reimburse the Task Force (through the U.S. Army Corps of Engineers) questioned costs identified in this report up to \$780,793, unless Region 6, working in conjunction with OCFO and OGC determines the questioned costs paid with CWPPRA funds were incurred in accordance with CWPPRA, appropriations law and principles, and interagency agreements.</p> <p>a. The OCFO and the OGC in conjunction with Region 6 are to provide a written statement to the OIG explaining the statutory rationale for any questioned costs they find to be valid, appropriate, reliable and accurate.</p> <p>b. Region 6 will maintain documentation to justify and support each determination that costs were incurred in accordance with CWPPRA, appropriations law and principle, and interagency agreements.</p>	<p>Review the questioned costs identified in this report and determine what costs were inappropriately charged to CWPPRA. Reimburse the CWPPRA program for any costs deemed inappropriate as a result of this review.</p>	12/2016
2	<p>Direct the Region 6 ARA to work with the OCFO to perform an internal review of the WQPD's CWPPRA spending at the end of FY 2014 to identify improper expenditures that occurred in 2008 and 2009, as well as from July 1, 2013,</p>	N/A	<p>Region 6 WQPD and Office of the Comptroller will work with OCFO staff to review CWPPRA spending for fiscal years 2008, 2009, and July 1, 2013, through September 30, 2014 to identify</p>	12/2016



	through September 30, 2014. Reimburse the Task Force (through the USACE) any questioned costs identified during this review.		questionable expenditures. Based on this review, questionable charges will be corrected.	
3	Identify and address any ADA violations resulting from questioned costs identified in this report or found by the Region 6 ARA's review, and report any violations in accordance with the ADA and EPA Directive 2520.	In conjunction with OCFO and OGC, identify and address ADA violations if any result from correcting the questioned costs identified in this report or are found by the Region 6 ARA's review, and report any violations in accordance with the ADA and EPA Directive 2520.	In conjunction with OCFO and OGC, identify and address ADA violations if any result from correcting the questioned costs identified in this report or are found by the Region 6 ARA's review, and report any violations in accordance with the ADA and EPA Directive 2520.	12/2016
4	Direct the WQPD to establish control activities for the CWPPRA program (e.g., verifications, comparisons and reconciliations of CWPPRA spending with Task Force-approved CWPPRA budgets) to ensure proper stewardship and accounting of CWPPRA resources.	N/A	R6 EPA will establish a more comprehensive system of internal controls to ensure proper stewardship and accounting of CWPPRA resources.	12/2015
5	Take administrative disciplinary actions, in accordance with EPA Directive 2520, against EPA employees responsible for purpose violations or ADA violations related to improper CWPPRA spending.	Take administrative disciplinary actions, in accordance with EPA Directive 2520, against EPA employees responsible for:  a. purpose violations or  b. any ADA violations (determined in conjunction with OCFO and OGC) that result from the correction of the improper spending of CWPPRA funds.	Take administrative disciplinary actions, in accordance with EPA Directive 2520, against EPA employees responsible for:  a. purpose violations or  b. any ADA violations (determined in conjunction with OCFO and OGC) that result from the correction of the improper spending of CWPPRA funds.	12/2016
6	Provide training to WQPD managers and staff who work on CWPPRA activities about what constitutes a purpose violation, including the potential for ADA violations.	N/A	OCFO provided training on federal budget, appropriations law and ADA violations and the implications. Additional training was provided by R6 Office of the Comptroller on 12/2/14 for WQPD staff and managers.	12/2014