U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

EPA Has Not Implemented Adequate Management Procedures to Address Potential Fraudulent Environmental Data

Report No. 14-P-0270 **May 29, 2014**

Scan this mobile code to learn more about the EPA OIG.

Report Contributors:

Laurie Adams
Jerri Dorsey
Jeffrey Harris
Jee W. Kim
Calvin Lin
Denton Stafford
Patricia Brooks Taylor

Abbreviations

CIO	Chief Information Officer
CLP	Contract Laboratory Program
EPA	U.S. Environmental Protection Agency
OCEFT	Office of Criminal Enforcement, Forensics and Training
OECA	Office of Enforcement and Compliance Assurance
OEI	Office of Environmental Information
OI	Office of Investigations
OIG	Office of Inspector General
OSWER	Office of Solid Waste and Emergency Response

Cover photo: EPA photo of a laboratory.

U.S. Environmental Protection Agency
Office of Inspector General

14-P-0270
May 29, 2014

At a Glance

Why We Did This Review

The purpose of this review was to determine the use of procedures by the U.S. Environmental Protection Agency (EPA), other federal agencies and states to manage the communication of and appropriate action on laboratory data determined to be fraudulent. We refer to this as a due diligence process.

The EPA relies on external laboratories to provide environmental testing data and results. Intentionally falsified or fraudulent data can impact the public's trust in the EPA and could have serious implications for protecting human health and the environment from hazardous or toxic substances.

The report addresses the following EPA goals or cross-cutting strategies:

- *Cleaning up communities and advancing sustainable development.*
- *Addressing climate change and improving air quality.*
- *Protecting America's waters.*

For further information, contact our public affairs office at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2014/20140529-14-P-0270.pdf

EPA Has Not Implemented Adequate Management Procedures to Address Potential Fraudulent Environmental Data

What We Found

The EPA is not ensuring that fraudulent laboratory environmental data is being communicated to appropriate program offices and data users, reviewed, and analyzed for its impact on human health and the environment.

The EPA lacks a due diligence process for potential fraudulent environmental data. The agency has three policies and procedures that address how to respond to instances of fraudulent data, but they are all out of date or unimplemented. Our survey of EPA regional offices disclosed that a majority of respondents were unaware there was a policy, and approximately 50 percent expressed the need for such policies and procedures. The EPA plans to issue revised policy by fiscal year 2017. Until then, unimplemented and out-of-date policies and procedures—and lack of EPA staff awareness of those policies that do exist—create risk that EPA staff will fail to properly communicate the information regarding fraudulent data to appropriate program offices and data users; review and analyze the data for potential impacts to human health and the environment; or review and amend, if possible, past environmental decisions that were based on fraudulent data. According to staff of the federal agencies and states we contacted in this evaluation, they also do not have formal, written due diligence processes.

Further, the EPA does not consistently notify the states when laboratory due diligence activities can begin during or following a fraud investigation that affects state environmental programs. The agency does not have a policy on communicating case information with the states and other regulating parties during investigations, due to the sensitive nature of investigations which could be jeopardized, and because rights of innocents could be threatened and suspects could be unfairly maligned in an ongoing fraud investigation. As a result, laboratory fraud cases may not include a due diligence review. In such cases, potentially negative impacts to human health and the environment due to fraudulent lab data could go undetected.

Recommendations and Planned Corrective Actions

We recommend that the agency incorporate a process to respond to instances of fraudulent data into its current policy until the revised policy is issued. We also recommend that the agency state the details of a laboratory fraud due diligence process in its new policy. Further, we recommend that the agency develop guidelines outlining the response when fraudulent laboratory data is discovered in ongoing criminal investigations. We recommend training on laboratory fraud due diligence processes and procedures for all relevant staff. The EPA agreed with our recommendations and we agreed with the EPA's proposed corrective actions.

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

THE INSPECTOR GENERAL

May 29, 2014

MEMORANDUM

SUBJECT: EPA Has Not Implemented Adequate Management Procedures to Address Potential Fraudulent Environmental Data
Report No. 14-P-0270

FROM: Arthur A. Elkins Jr.

TO: Renee P. Wynn, Acting Assistant Administrator and Chief Information Officer
Office of Environmental Information

Cynthia Giles, Assistant Administrator
Office of Enforcement and Compliance Assurance

Mathy Stanislaus, Assistant Administrator
Office of Solid Waste and Emergency Response

This is a report on the subject evaluation conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The EPA offices having primary responsibility for the issues evaluated in this report are the Office of Environmental Informations' Quality Staff office; the Office of Enforcement and Compliance Assurance's Office of Criminal Enforcement, Forensics, and Training; and the Office of Solid Waste and Emergency Response's Office of Superfund Remediation and Technology Innovation.

Action Required

You are not required to provide a written response to this final report because you provided agreed-to corrective actions and planned completion dates for the report recommendations. The OIG may make periodic inquiries on your progress in implementing these corrective actions. Should you choose to provide a final response, we will post your response on the OIG's public website, along with our memorandum commenting on your response. You should provide your response as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended.

We will post this report to our website at http://www.epa.gov/oig.

If you or your staff have any questions regarding this report, please contact Carolyn Copper, Assistant Inspector General for Program Evaluation, at (202) 566-0829 or copper.carolyn@epa.gov; or Jeffrey Harris, Director for Toxics, Chemical Management, and Pollution Prevention Evaluations, at (202) 566-0831 or harris.jeffrey@epa.gov.

Table of Contents

Appendices

Purpose

The purpose of this report was to determine the use of procedures by the U.S. Environmental Protection Agency (EPA), other federal agencies and states to manage the communication of and appropriate action on laboratory data determined to be fraudulent.

Background

The EPA relies on external laboratories to provide environmental testing data and results. Fraudulent practices in environmental testing laboratories can have serious consequences. For example, Intertek Testing Services was fined $9 million for falsifying test results of environmental tests. Intertek conducted environmental sample analysis, primarily as a subcontractor, for environmental consulting firms and federal, state and local governments nationwide. The tests were used for decision making at Superfund and hazardous waste sites to determine site safety and to monitor the migration of hazardous wastes, including cancer-causing petrochemicals. Intertek billed for $35.7 million in tests between 1994 and 1997. During that time, the laboratory handled as many as 250,000 environmental samples from 59,000 polluted sites across the country. Falsifying test results related to potential routes of human exposure can create risk of serious medical problems, including increased risk of cancer.

The EPA defines laboratory fraud as "the deliberate falsification of analytical and quality assurance results." A number of laboratory practices may constitute fraud, including:

- Fabricating data.
- Intentionally calibrating equipment using other than accepted procedures.
- Modifying samples to alter characteristics.
- Manipulating analytical results.
- Substituting samples, files or data.

The consequences and impacts of fraudulent data for the EPA can include: (1) a decline in public confidence in the EPA, (2) consumption of the EPA's limited government resources by revisiting decisions made based on fraudulent data and determining appropriate corrective action, and (3) delays in executing response actions or cleanups while laboratory data is reviewed. From an environmental and human health protection perspective, the most serious consequence of laboratory fraud is the possibility that false negatives were reported. A false negative occurs when a laboratory reports that certain potentially hazardous compounds were not present when they were present.

Responsible Offices

The EPA's Office of Environmental Information (OEI) manages the agency's Quality Management Program. This is the EPA program to ensure quality data and provide management controls to guard against the use of poor or low quality data in EPA decisions. This program develops agencywide policies, procedures and tools for quality-related activities involving the collection and use of environmental information. OEI also oversees the implementation of quality systems by the agency.

The two organizations responsible for investigating laboratory fraud cases within the EPA are the Office of Enforcement and Compliance Assurance's (OECA's) Office of Criminal Enforcement, Forensics, and Training (OCEFT) and the Office of Inspector General's (OIG's) Office of Investigations (OI).[1] OCEFT investigates criminal violations of the EPA's pollution control requirements. OIG Special Agents conduct investigations of allegations of fraud, waste and abuse by EPA employees or recipients of federal funds or other benefits related to the EPA's programs.

The EPA's Office of Solid Waste and Emergency Response (OSWER), through its Office of Superfund Remediation and Technology Innovation, manages and supports the Contract Laboratory Program (CLP). The CLP is a national network of EPA personnel, commercial laboratories and support contractors whose fundamental mission is to provide data of known and documented quality. The CLP supports the EPA's Superfund program.

Prior Reports

EPA OIG Report No. 2006-P-00036, *Promising Techniques Identified to Improve Drinking Water Laboratory Integrity and Reduce Public Health Risks*, issued September 21, 2006, found that in situations where inappropriate or fraudulent procedures were detected, the EPA lacked standardized methods and guidance on how the affected data would be handled. The report concluded that while OEI had developed training to deter and detect improper laboratory practices, fraud detection and reporting were outside the scope of the existing Quality System Policy. The report recommended that OEI develop agencywide policy on how data originating from laboratories under investigation, indictment and/or conviction would be handled. The agency agreed with our recommendation and issued the Chief Information Officer (CIO) 2106 Quality Policy and Procedure[2] in 2008.

[1] A Memorandum of Understanding was signed in 2006 by OECA and OIG which identifies and defines each office's respective areas of investigative responsibilities.
[2] OEI issued CIO 2106.0, *Quality Policy*, and its supporting CIO 2106-P-01.0, *Procedure for Quality Policy*.

Scope and Methodology

We performed our evaluation from August 2012 to February 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the evaluation to obtain sufficient and appropriate evidence. Further, this evidence must provide a reasonable basis for our findings and conclusions. The evidence obtained during this evaluation provides a reasonable basis for our findings and conclusions based upon our objective.

To address our objective, we reviewed and analyzed relevant agency policy, procedure and guidance documents. We interviewed program directors and staff from OEI; OCEFT; OSWER; and the OIG's OI. We also interviewed former members of OECA's laboratory fraud workgroup and a retired OEI Director. Further, we interviewed quality control managers from EPA Regions 2, 9 and 10.

We reviewed laboratory fraud cases from both the OIG's OI and OECA's OCEFT. We selected a sample of OCEFT and OI cases closed during the last 5 years that involved laboratories and data associated with EPA programs delegated to the states and a municipality. For each case, we reviewed the investigative documentation provided by OCEFT and OI and then interviewed related individuals to obtain insight into any follow-up actions associated with the case. The states we contacted in the case reviews included Arizona, Colorado, Idaho, Indiana, Michigan, Oregon, and Washington. We also contacted the municipality of New York City.

We surveyed all 10 EPA regions to request information on any follow-up or due diligence activities the offices take upon discovering fraudulent laboratory data. Where needed, we conducted follow-up interviews based on survey responses.

For comparative purposes and possible best practices, we also reviewed guidance, policies and procedures used by other federal agencies for any follow-up or due diligence activities the agencies take upon discovering fraudulent laboratory data. We interviewed staff from the U.S. Occupational Safety and Health Administration; U.S. Department of Agriculture; U.S. Department of Energy; U.S. Department of Health and Human Services; U.S. Department of Housing and Urban Development; and the U.S. Department of Defense' Army Corps of Engineers, Naval Sea Systems Command and Air Force Civil Engineer Center.

Throughout this report we refer to the laboratory fraud due diligence process. For the purposes of this evaluation, we define a laboratory fraud due diligence process as including all of the following elements: (1) the communication of laboratory fraud information between enforcement and program offices and data users, (2) the review and/or assessment of fraudulent laboratory data to determine its impact on human health and the environment, and (3) the review and/or amendment of past environmental decisions predicated on fraudulent laboratory data.

Results of Review

The EPA lacks a due diligence process for potential fraudulent environmental data. Although the EPA has three instruments that address how to respond to instances of fraudulent data,[3] each instrument is out of date or unimplemented. Our survey of EPA regional staff on their knowledge and use of the EPA's fraudulent data policies and procedures found that a majority of respondents were unaware there was a policy, and approximately 50 percent expressed the need for such policies and procedures. The EPA plans to issue revised policy by fiscal year 2017. Until then, unimplemented and out-of-date policies and guidance—as well as a lack of EPA staff awareness of those policies that do exist—create risk that EPA staff will fail to communicate the information regarding fraudulent data to appropriate program offices and data users; review and analyze the data for potential impacts to human health and the environment; or review and amend, if necessary, past environmental decisions that were based on fraudulent data.

The federal agencies and states we contacted in this evaluation also do not have formal due diligence processes, according to their representative staff. Most of the federal agencies and states we contacted described quality assurance programs; however, the agencies and states did not have written policies or procedures for due diligence after the determination of fraudulent laboratory data. The states generally conducted laboratory fraud due diligence using a case-by-case (ad-hoc) approach.

Further, the EPA does not consistently notify states when laboratory due diligence activities can begin during or following a fraud investigation that affects state environmental programs. The agency does not have a policy on communicating case information with the states and other regulating parties during investigations, due to the sensitive nature of investigations which could be jeopardized, and because rights of innocents could be threatened, and suspects could be unfairly maligned in an ongoing fraud investigation. As a result, laboratory fraud cases may not include a due diligence review. In such cases, potentially negative impacts to human health and the environment due to fraudulent lab data could go undetected.

EPA's Existing Laboratory Fraud Due Diligence Policies or Guidance Are Outdated or Unimplemented

The EPA has not fully implemented existing laboratory fraud due diligence policies for programs in which the EPA has oversight responsibility, as well as for programs delegated to the states. As such, the EPA cannot ensure that the following are undertaken: (1) the communication of laboratory fraud information among enforcement and program offices and to data users, (2) the review and/or assessment of fraudulent laboratory data to determine its impact on human health

[3] OSWER Contract Laboratory Program's *Roles and Responsibilities Guidance Document* (2007); OEI's *Procedure for Quality Policy* (2008); and the OECA OCEFT's *Laboratory Fraud Workgroup Report* (2002).

and the environment, and (3) the review and/or amendment of past environmental decisions predicated on fraudulent laboratory data.

EPA Contract Laboratory Program's Due Diligence Process Outdated

The CLP's[4] due diligence directive *Roles and Responsibilities Guidance Document* is outdated, according to the CLP branch chief. This guidance provides details regarding reporting requirements for any suspicion of fraud, waste or abuse involving a CLP laboratory, as well as actions to be taken by CLP staff during an OIG lab fraud investigation. For example, when a CLP lab is suspected of fraud, OSWER CLP staff should be notified. OSWER's CLP then notifies relevant parties, stops sample shipments and/or conducts additional audits as appropriate. OSWER is in the process of revising this guidance because it does not accurately reflect current business processes, such as the computer automation of reports and compliance checks. In addition, these revisions will help the document to be more streamlined, readable and user friendly.

OEI's Quality Procedure for Questionable Data Never Implemented

The agency issued CIO 2106—its Quality Policy and Procedure—in 2008. CIO 2106 applies to all EPA programs. CIO 2106 establishes a required response/notification process[5] when the agency has data quality concerns, including fraudulent laboratory data. This process includes notification to senior agency officials[6] and use of program or regional office procedures to conduct management reviews of quality issues.

OEI's Director for Quality Staff stated the agency did not fully implement CIO 2106. Rather, current OEI management encourages the use of the 2000 CIO 2105.0 Quality Policy and Procedure (referred to here as CIO 2105). However, the CIO 2105 quality documents do not describe the notification/follow-up process detailed in the CIO 2106 Quality Policy and Procedure. OEI plans to revise CIO 2106 to incorporate portions of CIO Policy 2105 and issue the revised CIO Policy by fiscal year 2017. As a result, the EPA currently has no final or interim agencywide follow-up procedures to address fraudulent laboratory data.

[4] The CLP supports the EPA's Superfund program, created under the 1980 Comprehensive Environmental Response, Compensation and Liability Act and amended by the 1986 Superfund Amendments and Reauthorization Act.
[5] The notification process was included in response to the 2006 OIG report, 2006-P-00036, which recommended a need for agency policy to address fraudulent data.
[6] This notification should include a description of the issue or problem, the name of the entity that produced the product, and timeframe of when the product was received by the agency. This procedure further requires each program or regional office to have procedures to review products to determine (1) the extent of any potential impact to the agency should the product be used, and (2) any remediation steps to be taken to address concerns raised with the continued use of the product.

OECA's Laboratory Fraud Workgroup's Due Diligence Process Not Developed into Policy or Guidance

In 2001, OCEFT issued a laboratory fraud workgroup report acknowledging an increasing trend of laboratory fraud cases at that time. The workgroup[7] evaluated the extent of laboratory fraud in environmental regulatory programs and made recommendations to improve internal EPA controls to detect fraud in laboratories performing analysis for the agency. The report detailed a laboratory fraud due diligence process, to include: (1) the creation of coordinating committees composed of OECA and program office staff to identify impacted EPA regions and to share information about fraudulent data, and (2) the regional program office roles in reviewing data for health and safety issues and communicating such information to all impacted parties. The workgroup report and the due diligence process was issued as a "practical resource" but was not developed into official policy or guidance.

EPA Lacks Policy for Notifying the States When Due Diligence Can Begin as a Result of Laboratory Fraud Investigations

We reviewed eight state laboratory fraud cases[8] and found that the EPA did not consistently notify the states when laboratory fraud due diligence could be initiated when an investigation is either underway or completed. The agency lacks policy on communicating case information with the states and other regulating parties during investigations. Due to the sensitive nature of OECA OCEFT and OIG OI investigations, one of the states that we interviewed waits for a "green light" from the enforcement offices to conduct follow-up or due diligence work. Another state took immediate action. One other state reported that it was not notified of the investigation by the enforcement offices. OCEFT staff stated that with ongoing investigations, OCEFT does not alert relevant regulating parties of case-related information. This is because the investigation could be jeopardized, the constitutional rights of innocents could be threatened, and suspects could be unfairly maligned before there is proof of illegal activity. When cases are closed, OCEFT does not communicate directly to regulating officials for follow-up purposes and relies on publicizing case results to alert regulators.

There is potential for laboratory fraud cases to not include a due diligence review. If states/municipalities received no response from the enforcement offices, they may not be conducting laboratory fraud due diligence efforts. In these cases, potentially negative consequences for human health and environmental protection may be not be communicated or addressed.

[7]For this effort, OCEFT assembled a workgroup comprised of forensic scientists, criminal and civil investigators, and attorneys from both the EPA and the U.S. Department of Justice.

[8] Four cases involved drinking or waste water programs, one case involved asbestos, one case involved air pollution, one case involved lead paint, and one case involved soil testing.

Conclusions

The EPA has not fully implemented its existing policy and guidance on laboratory fraud due diligence and most regional officials surveyed were unaware there was a policy. Other existing guidance is out of date. In our opinion, the EPA has weak management controls for identifying parties responsible for responding to occurrences of fraudulent laboratory data and cannot ensure that due diligence efforts are taking place. The EPA took important steps more than a decade ago to address this by issuing its 2001 laboratory fraud workgroup report and, more recently, with its 2007 CLP guidance and 2008 Quality Policy and Procedure. However, no due diligence policy was created from the workgroup report, the CLP guidance section on this issue needs updating, and the quality policy has not been implemented. Given the EPA's reliance on laboratory data and the potential human health and environmental impacts of fraudulent data going unaddressed, the EPA should take steps to strengthen program controls and processes.

Recommendations

We recommend that the Assistant Administrator for Environmental Information:

1. Incorporate a "Notification Process" similar to that found in CIO Procedure 2106 into CIO Procedure 2105 until the revised CIO Policy 2106 is reissued.

2. Include in the revised CIO 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.

3. Provide training on the "Notification Process" and the revised CIO Procedure 2106 to the EPA staff working with laboratory data.

We recommend that the Assistant Administrator for Enforcement and Compliance Assurance:

4. Develop guidelines outlining response steps when fraudulent laboratory data is discovered in ongoing criminal investigations.

We recommend that the Assistant Administrator for Solid Waste and Emergency Response:

5. Update the *CLP Roles and Regulations Guidance Document*.

6. Provide training to CLP staff on the updated *CLP Roles and Regulations Guidance Document*.

Agency Comments and OIG Evaluation

The agency concurred with our findings and recommendations, and provided corrective actions and estimated completion dates that meet the intent of the recommendations. The recommendations are considered resolved and open with corrective actions ongoing. No further response to this report is required. The agency's detailed response is provided in appendix A. Our response to the agency is embedded in appendix A. The agency also provided technical comments on the draft report, which we have incorporated into our report as appropriate.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in $000s)	
Rec. No.	Page No.	Subject	Status[1]	Action Official	Planned Completion Date	Claimed Amount	Agreed-To Amount
1	7	Incorporate a "Notification Process" similar to that found in CIO Procedure 2106 into CIO Procedure 2105 until the revised CIO Policy 2106 is reissued.	O	Assistant Administrator for Environmental Information	12/31/17		
2	7	Include in the revised CIO 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.	O	Assistant Administrator for Environmental Information	12/31/17		
3	7	Provide training on the "Notification Process" and the revised CIO Procedure 2106 to the EPA staff working with laboratory data.	O	Assistant Administrator for Environmental Information	3/31/17		
4	7	Develop guidelines outlining response steps when fraudulent laboratory data is discovered in ongoing criminal investigations.	O	Assistant Administrator for Enforcement and Compliance Assurance	9/30/14		
5	7	Update the *CLP Roles and Regulations Guidance Document*.	O	Assistant Administrator for Solid Waste and Emergency Response	12/31/15		
6	8	Provide training to CLP staff on the updated *CLP Roles and Regulations Guidance Document*.	O	Assistant Administrator for Solid Waste and Emergency Response	12/31/15		

[1] O = recommendation is open with agreed-to corrective actions pending
C = recommendation is closed with all agreed-to actions completed
U = recommendation is unresolved with resolution efforts in progress

Appendix A

Agency Response to Draft Report and OIG Comment

April 1, 2014

MEMORANDUM

SUBJECT: Response to Office of Inspector General Draft Report No. OPE-FY12-0023: "EPA Has Not Fully Implemented Management Procedures to Address for Fraudulent Environmental Data," dated February 18, 2014

FROM: Renee Wynn /s/
Acting Assistant Administrator
and Chief Information Officer
Office of Environmental Information

Cynthia Giles /s/
Assistant Administrator
Office of Enforcement and Compliance Assurance

Mathy Stanislaus /s/
Assistant Administrator
Office of Solid Waste and Emergency Response

TO: Arthur A. Elkins, Jr.
Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject audit report. Following is a summary of the agency's overall position, along with its position on each of the report recommendations. For those report recommendations with which the agency agrees, we have provided either high-level intended corrective actions and estimated completion dates to the extent we can or reasons why we are unable to provide high-level intended corrective actions and estimated completion dates at this time.

AGENCY'S OVERALL POSITION

Office of Environmental Information (OEI)

The Office of Environmental Information (OEI) proposes that the title of the report be modified to reflect that no actual fraud was found or identified in the report and recommendations. Upon reflection, OEI believes that the title of the report is misleading and should be modified. OEI proposes the following title for this report, "EPA Has Not Implemented Adequate Management Procedures to Address the Potential for Fraudulent Environmental Data."

OIG Response: The objective of this review was to determine the use of procedures by the EPA, other federal agencies and states to manage the communication of and appropriate action on laboratory data determined to be fraudulent—not to find fraudulent laboratory data. We discuss a prominent example of fraudulent laboratory data and were made aware of ongoing investigations of fraud. The OIG changed the final report title to reflect that EPA procedures need to address both suspected and confirmed fraudulent data.

OEI concurs with Recommendation 1 to "Incorporate a notification process similar to that found in CIO Policy 2106 into CIO Policy 2105 until a revised CIO Policy 2106 is reissued." It is important to clarify that the notification process is found in the CIO Procedure 2106, not CIO Policy 2106.

OIG Response: The OIG revised the final report as suggested.

OEI plans to revise the CIO Quality Procedure to include the notification process found in CIO Procedure 2106.

OIG Response: The OIG met with the agency to discuss the draft findings and recommendations. Based on discussions with the agency, it was agreed that the corrective action to remedy recommendation 1 would also include the following: "in the interim before new policy is published in FY 2017, immediately direct the Regions and requisite Offices to implement Section G, Notification Process, of CIO 2106-P-01.0, dated 10-20-08, as necessary." The agency's corrective actions address the intent of the recommendation. Therefore, this recommendation to be resolved.

OEI concurs with Recommendation 2 to "Include in the revised CIO Policy 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." OEI plans to include specific due diligence steps for laboratory fraud in the revised CIO Quality Procedure.

OIG Response: We concur with the corrective action provided by the agency. This recommendation is resolved.

OEI concurs with Recommendation 3 to "Provide training on the Notification Process and the revised CIO Policy 2106 to the EPA staff working with laboratory data." OEI will provide this training after the revised Quality Procedure is issued.

OIG Response: We concur with the corrective action provided by the agency. This recommendation is resolved.

Additionally, OEI is providing technical comments on this report as part of the attachment.

The Office of Enforcement and Compliance Assurance (OECA)

OECA concurs with Recommendation 4 to "Develop guidelines outlining response steps when fraudulent laboratory data is discovered in ongoing criminal investigations."

OIG Response: We concur with the corrective action provided by the agency. This recommendation is resolved.

It is important to clarify that lack of such guidelines does not impede OECA's ability to identify and investigate fraudulent laboratory data nor analyze that data for impacts to human health and the environment, as distinguished from how that information is shared with the end users of potentially fraudulent data.

OIG Response: The OIG revised the final report to incorporate this comment.

Additionally, OECA is providing technical comments on this report as part of the attachment.

Office of Solid Waste and Emergency Response (OSWER)

OSWER concurs with Recommendation 5 to "Update the Contract Laboratory Program's (CLP) Roles and Regulations Guidance Documents" and that the May 2007 CLP's Roles and Responsibilities Guidance Document requires updating to better reflect current business practices and process flows, including Section 5.8 Investigating Possible Inappropriate CLP Laboratory Practices.

OIG Response: We concur with the corrective action provided by the agency. This recommendation is resolved.

OSWER concurs with Recommendation 6 to "Provide training to CLP staff on the updated CLP Roles and Regulations Guidance Document" and intends to provide training to CLP staff on the updated CLP Roles and Responsibilities Guidance Document.

OIG Response: We concur with the corrective action provided by the agency. This recommendation is resolved.

If you have any questions regarding OEI's response, please contact Scott Dockum, OEI Audit Follow-Up Manager at 202-566-1914. For OECA's response, please contract Gwendolyn Spriggs, OECA Audit Follow-Up Coordinator at 202-564-2439. For OSWER's response, please contact Melanie Hoff, Branch Chief, Analytical Services Branch, Office of Superfund Remediation and Technology Innovation at 703-603-8808.

Attachment

cc: Scott Dockum
Gwendolyn Spriggs
Melanie Hoff
Johnsie Webster
Jeffrey K. Harris

AGENCY'S RESPONSE TO REPORT RECOMMENDATIONS

Agreements

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by Quarter and FY
1	Incorporate a "Notification Process" similar to that found in CIO Policy 2106 into CIO Policy 2105 until the revised CIO Policy 2106 is reissued.	OEI will issue a revised CIO Quality Procedure and will ensure the notification process is included. [Revision provided by OEI on April 15, 2014] In the interim before new policy is published in FY 2017, OEI will direct the Regions and requisite Offices to implement Section G, Notification Process, of CIO 2106-P-01.0, dated 10-20-08, as necessary.	1st Quarter FY 2017 June 30, 2014
2	Include in the revised CIO Policy 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.	OEI will include specific due diligence steps for laboratory fraud in the revised CIO Quality Procedure.	1st Quarter FY 2017

3	Provide training on the Notification Process and the revised CIO Policy 2106 to the EPA staff working with laboratory data.	OEI will provide this training after the revised CIO Quality Procedure is issued.	2nd Quarter FY 2017
4	Develop guidelines outlining response steps when fraudulent laboratory data is discovered in ongoing criminal investigations.	OECA will develop guidelines outlining response steps when fraudulent laboratory data is discovered in ongoing criminal investigations.	4th Quarter FY 2014
5	Update the CLP Roles and Regulations Guidance Document.	OSWER concurs with the recommendation and will update the CLP Roles and Regulations Document.	1st Quarter FY 2015
6	Provide training to CLP staff on the updated CLP Roles and Regulations Guidance Document.	OSWER concurs with the recommendation and will provide training to CLP staff on the updated CLP Roles and Regulations Document.	1st Quarter FY 2015

Appendix B

Distribution

Office of the Administrator
Assistant Administrator for Environmental Information and Chief Information Officer
Assistant Administrator for Enforcement and Compliance Assurance
Assistant Administrator for Solid Waste and Emergency Response
Agency Follow-Up Official (the CFO)
Agency Follow-Up Coordinator
General Counsel
Associate Administrator for Congressional and Intergovernmental Relations
Associate Administrator for External Affairs and Environmental Education
Principal Deputy Assistant Administrator Environmental Information
Principal Deputy Assistant Administrator for Enforcement and Compliance Assurance
Deputy Assistant Administrator for Solid Waste and Emergency Response
Audit Follow-Up Coordinator, Office of Environmental Information
Audit Follow-Up Coordinator, Office of Enforcement and Compliance Assurance
Audit Follow-Up Coordinator, Office of Solid Waste and Emergency Response