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Environmental Protection
Agency

Office of
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November 2001

Office of Inspector General Semiannual Report to the Congress

April 1, 2001 through September 30, 2001

EPA personnel set up an air monitoring station near "ground zero" of the World Trade Center (EPA photo)

EPA investigators and other law enforcement officials search through World Trade Center debris taken to a Staten Island landfill (EPA photo)

EPA Inspector General
Vision Statement

We are agents of positive change striving for continuous improvement in our Agency's management and program operations, and in our own offices.

Mission

The Inspector General Act of 1978, as amended, requires the Inspector General to: (1) conduct and supervise audits and investigations relating to programs and operations of the Agency; (2) provide leadership and coordination, and make recommendations designed to (a) promote economy, efficiency, and effectiveness, and (b) prevent and detect fraud and abuse in Agency programs and operations; and (3) fully and currently inform the Administrator and the Congress about problems and deficiencies identified by the Office of Inspector General relating to the administration of Agency programs and operations.

Strategic Plan Goals

1. Contribute to improved environmental quality and human health.
2. Improve EPA's management and program operations.
3. Produce timely, quality, and cost-effective products and services that meet customer needs.
4. Enhance diversity, innovation, teamwork, and competencies.

Foreword

The report summaries included in this semiannual report clearly illustrate some of the challenges the new Administration faces in its quest to deliver efficient and effective environmental programs. During this semiannual reporting period, the Office of Inspector General identified several opportunities for improved environmental quality, greater accountability, and better use of limited resources.

An OIG review showed that most states use only their own data when assembling and evaluating data, developing monitoring approaches, and adopting water quality standards. The lack of collaboration among states results in inconsistent listings of impaired waterbodies that cross or serve as state boundaries. For example, Tennessee and Arkansas had inconsistent listings for the Mississippi River. Tennessee conducted fish tissue monitoring, listed the Mississippi River as impaired, and imposed a commercial fishing ban. Conversely, Arkansas had not monitored the River for several years and allowed commercial fishing. This inconsistency may delay the development and implementation of Total Maximum Daily Load (TMDL) limits and the cleanup of polluted waters, and could increase TMDL costs.

State enforcement programs could be more effective in deterring noncompliance with water discharge permits. Although EPA and the states have been successful in reducing point source pollution since the Clean Water Act passed in 1972, nearly 40 percent of the nation's assessed waters are not meeting the standards states have set for them. The state enforcement strategies we evaluated need to be modified to better address environmental risks, including contaminated runoff. States did not have sufficient information on dischargers to effectively implement their enforcement programs, and also had other weaknesses in their compliance monitoring and enforcement systems, including not reporting serious, significant violations.

Supplemental Environmental Projects (SEPs), designed so that violators could provide substantial environmental or public health benefits in exchange for a reduction in penalties, often benefitted the violators. We found that some violators received substantial economic benefits from SEPs in the form of savings or revenue gains ranging from $572,640 to more than $32 million. In addition, some SEPs did not provide significant environmental or public health benefits, and others would have been performed regardless of the enforcement action. One project was completed years before the violation was even identified.

We documented continuing problems with EPA holding grantees accountable. In reports dating back to 1998, the National Asian Pacific Center on Aging (NAPCA), which administers certain EPA cooperative agreements, was cited for problems with cash management. A March 2001 OIG report advised EPA of a $1.8 million embezzlement by an NAPCA employee, and a September 2001 OIG report indicated a continuation of NAPCA's inability to properly manage EPA awards. A 1999 OIG report disclosed that EPA allowed the National Association of Minority Contractors (NAMC), which received a grant

of $750,000, to draw down all of the funds even though NAMC completed only a small portion of the required work. The original grant was for $500,000 with a project completion date of March 1997. EPA awarded NAMC a $250,000 increase in March 1997 and extended the project completion date to June 1998. Despite the additional funds and time extension, a large portion of the work still has not been completed.

In response to an allegation, the OIG determined that EPA unnecessarily provided $1.238 million to the State of Michigan from the Superfund Trust Fund to defray the cost of replacing the Ingalls Avenue Municipal Well at the Petoskey Municipal Well Field Superfund Site with a new drinking water source. The City of Petoskey, a resort community on Lake Michigan, owns the Well and needed to replace its water supply to meet federal and state drinking water standards. We found that no Superfund remedy was needed since pollutant levels were within the federal standard and future risk to the well was unlikely. This action by Region 5 could set an inappropriate precedent for other parties to seek Superfund monies to address non-Superfund issues. In addition, these funds could have been used to clean more seriously contaminated sites. Region 5 stated that it acted in accordance with applicable laws and regulations despite cautionary warnings from EPA 's Office of General Counsel. Records indicated that congressional representatives and the Governor of Michigan requested that EPA use Superfund monies for an alternate water supply.

Each federal agency was required by Presidential Decision Directive 63 (PDD 63) to review the critical physical infrastructures needed to perform its mission. Our review of EPA's implementation of PDD 63 indicated that EPA had not addressed certain aspects of planning necessary to protect critical infrastructures. Consequently, PDD 63 requirements such as conducting vulnerability assessments and risk mitigation, and implementing a Vulnerability Awareness and Education Program had yet to be achieved. In addition, funding problems delayed attempts by EPA and the private sector to establish a national framework for protecting the physical infrastructure of the nation's water supply systems in emergency situations as required by PDD 63.

The OIG remains steadfast in its resolve to assist the Agency with the many challenges, current and future, associated with environmental protection. I look forward to working collaboratively with the new Administration and EPA to ensure timely resolution of complex problems and an emphasis on achieving environmental results.

Nikki L. Tinsley
Inspector General

Profile of Activities and Results

April 1, 2001 to September 30, 2001

Audit Operations
($ in millions)

OIG-Managed Reviews
(Reviews Performed by EPA, Independent Public Accountants, and State Auditors)

	April 1, 2001 through September 30, 2001	*Fiscal 2001*
Questioned Costs *		
- Total	$6.2	$31.4
- Federal	$3.8	$27.7
Recommended Efficiencies *		
- Federal	$31.9	$32.1
Costs Disallowed to be Recovered		
- Federal	$39.3	$54.4
Costs Disallowed as Cost Efficiency		
- Federal	$0	$0
Reports Issued - OIG-Managed Reviews	34	60
- EPA Reviews Performed by OIG	0	0
- EPA Reviews Performed by Independent Public Accountants	0	0
- EPA Reviews Performed by State Auditors	34	60
Total		
Reports Resolved (Agreement by Agency officials to take satisfactory corrective actions) ***	70	172

Other Reviews
(Reviews Performed by Another Federal Agency or Single Audit Act Auditors)

	April 1, 2001 through September 30, 2001	*Fiscal 2001*
Questioned Costs *		
- Total	$1.3	$3.7
- Federal	$1.3	$3.7
Recommended Efficiencies *		
- Federal	$0	$0
Costs Disallowed to be Recovered		
- Federal	$1.9	$5.1
Costs Disallowed as Cost Efficiency		
- Federal	$0	$0
Reports Issued - Other Reviews		
- EPA Reviews Performed by Another Federal Agency	81	214
- Single Audit Act Reviews	124	211
Total	205	425
Agency Recoveries - Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments) **	$2.5	$4.7

Investigative Operations

	April 1, 2001 through September 30, 2001	*Fiscal 2001*
Fines and Recoveries (including civil) ****	**$3.1M**	**$5.2M**
Investigations Opened	**29**	**42**
Investigations Closed	**29**	**54**
Indictments of Persons or Firms	**10**	**24**
Convictions of Persons or Firms	**11**	**27**
Administrative Actions Against EPA Employees / Firms	**30**	**44**
Civil Filings/Settlements	**2**	**3**

* Questioned Costs and Recommended Efficiencies subject to change pending further review in audit resolution process.
** Information on recoveries from audit resolution is provided from EPA Financial Management Division and is unaudited.
*** Reports Resolved are subject to change pending further review.
**** Total includes actions resulting from joint investigations.

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Correction: The May 2001 EPA Office of Inspector General Semiannual Report to the Congress contains an error in the title of the second article on page 17. The title, " Former State Air Authority Director and Employee Sentenced " is incorrect and should be " Former Air Authority Director and Employee Sentenced". The individual referred to as a "**state** air authority director " was not a state employee. We sincerely regret this error.

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Goal 1: Contribute to Improved Environmental Quality and Human Health

The work of the OIG is designed to assist EPA in achieving its environmental goals, thus contributing to environmental improvements. The following represent some examples of the more significant efforts under this OIG goal.

States Inconsistently List Impaired Water Bodies Which May Delay TMDL Implementation

States inconsistently list impaired water bodies that cross or serve as state boundaries. This occurs because the States do not collaborate with each other when assembling and evaluating data, developing monitoring approaches, and adopting water quality standards. There are many differences in how states assemble and evaluate monitoring data, and most states only use their own data and do not consider or use data from other states. The lack of collaboration may delay development and implementation of Total Maximum Daily Load (TMDL) limits and the timely cleanup of polluted waters. Increased TMDL costs may also occur.

For example, in 1998, Arkansas and Tennessee had inconsistent listings for the Mississippi River, which serves as a boundary between the two states. Tennessee had conducted fish tissue monitoring, listed the river as impaired, and imposed a commercial fishing ban in the Memphis area. Arkansas, on the other hand, had not monitored the Mississippi River for several years, did not consider the river impaired, and allowed commercial fishing off the Arkansas banks of the river.

EPA is generally not working with states on addressing the inconsistent listings under section 303(d) of the Clean Water Act for impaired water bodies that cross or serve as state boundaries. EPA does not have a system to review states' 303(d) lists for consistency, and does not facilitate data sharing.

We recommended that the EPA Office of Water encourage collaboration among states in developing similar methods to assemble and evaluate data, monitor, and adopt water quality standards for shared water bodies. We also recommended that EPA better define the data to be used and evaluated in developing a state's 303(d) list, and improve or develop a national database to facilitate data sharing among states. In addition, we recommended that EPA modify regional offices' existing 303(d) list review processes to include checking for inconsistent listings of shared water bodies, and coordinate the sharing of water quality monitoring data in a format accessible to all potential users.

The Office of Water generally agreed with the findings and recommendations, and identified a number of actions it plans to take in response. We issued our final report (2001-P-01225) on September 27, 2001. A response to the report is due on December 26, 2001.

Region 6 SEPs Benefitted Violators More than the Environment or Public Health

Region 6 did not effectively implement the Supplemental Environmental Project (SEP) program in a manner that primarily benefitted the environment and public health. SEPs are projects in which a violator agrees to provide substantial environmental or public health benefits in exchange for a reduction in penalties. However, in the majority of cases reviewed, violators potentially profited from their SEPs.

For 6 of 10 SEPs reviewed, the total estimated cost savings or revenue gains to the violator over the useful life of the projects ranged from $572,640 to more than $32 million. In some cases, projects did not provide significant environmental or public health benefits. In addition, requirements in SEP settlement agreements, monitoring of violator compliance with SEP requirements, and documentation of SEP eligibility determinations were not sufficient to ensure SEPs were properly completed and consistent with SEP priorities and goals. Also, Region 6 SEPs data entered into EPA's Enforcement Docket System was not always correct or consistent, preventing adequate measurement of EPA progress.

We recommended that Region 6 establish a more effective process for evaluating SEP quality. This would include obtaining information on and evaluating potential economic benefits for the violator; determining whether proposed SEPs would have been performed in the normal course of business regardless of EPA action; and assessing the environmental or public health benefits from such projects. In addition, Region 6 needed to strengthen its data entry controls, and properly train staff regarding SEP. We also recommended that the EPA Office of Enforcement and Compliance Assurance clarify its SEP guidance, and revise the Docket Data Dictionary to more specifically indicate required SEP entries.

In responding to our draft report, EPA welcomed our recommendations for improving the Agency's implementation of the SEP policy. The Agency's response indicated that many corrective actions had been initiated, including: management review and approval of all SEPs; additional EPA-wide SEP guidance; a SEP seminar; additional training; and development of SEP checklists and certifications. We issued our final report (2001-P-00014) on August 22, 2001. A response to the final report is due November 22, 2001.

State Enforcement of Water Discharge Programs Could Be More Effective

State enforcement programs could be more effective in deterring noncompliance with water discharge permits and, ultimately, improving the quality of the nation's water. EPA and the states have been successful in reducing point source pollution since the Clean Water Act passed in 1972. However, despite this tremendous progress, nearly 40 percent of the nation's assessed waters are not meeting the standards states have set for them.

The state enforcement strategies we evaluated need to be modified to better address environmental risks, including contaminated runoff. EPA's core program and monitoring systems have emphasized major industrial facilities and larger sewage treatment plants, and have not sufficiently considered other sources. State strategies were also inhibited by:

- Inadequate water quality data.
- Incomplete permit data.
- Insufficient EPA-state relationships.
- State concerns over regulating small and economically vital businesses and industries.

Wastewater discharge from a California facility into Suisun Bay (photo by Dan Cox , EPA OIG)

States evaluated did not have sufficient information on dischargers to effectively implement their enforcement programs. One reason was that EPA's Permit Compliance System was incomplete, inaccurate, and obsolete, since the growth, variety, and complexity of the regulated community had greatly outstripped the system capabilities. States had other weaknesses in their compliance monitoring and enforcement systems, including not reporting serious, significant violations.

Moreover, states needed to improve their enforcement response to significant violations. Although EPA's goal was full compliance, only 10 states reported a compliance rate of 90 percent or better during fiscal 2000, while 20 states reported less than 75 percent compliance.

State Enforcement Program Deficiencies

- Compliance systems lacked data for hundreds of thousands of smaller dischargers
- Serious toxicity violations and other violations were not reported
- Strategies for identifying unpermitted storm water dischargers were incomplete
- Enforcement actions were issued a year or more after violation
- Penalties failed to recover economic benefit of noncompliance
- Proactive strategies to avoid serious violations needed further development

We recommended that EPA collaborate with states to develop risk-based enforcement priorities, make modernizing its Permit Compliance System a high priority, better define significant violations, and routinely determine whether states are fulfilling their obligations to monitor and enforce discharge programs.

EPA's Office of Enforcement and Compliance Assurance agreed with several of the conclusions and recommendations in our report. However, the Office expressed concern about the way some of the issues, as well as EPA's role, were characterized. We issued our final report (2001-P-00013) on August 14, 2001. The Agency's response is due November 13, 2001.

Although EPA Actions at Tranguch Gasoline Site were Sufficient, Communication Needs Improvement

We determined that the remediation efforts taken by EPA at the Tranguch Gasoline Site, in Hazleton, Pennsylvania, appeared sufficient to ensure the safety of area residents, although EPA could have communicated better with those residents.

We conducted this review as a result of a hotline complaint alleging that Region 3 mismanaged the Tranguch site, where vapors from a gasoline spill stemming from corroded underground storage tanks caused a major concern for area residents. We found that EPA took timely and effective actions to address hazards in residents' homes. In particular, we noted that:

- Homes sampled were representative of the spill area.
- EPA's decisions on taking remediation were sufficient.
- A buyout of residents' homes was not warranted.

Tranguch Gasoline Site in Hazleton, Pennsylvania

However, we found that EPA should have communicated better with residents and the Pennsylvania Department of Health. EPA's poor communication resulted in many residents not trusting EPA, and EPA may have overcompensated by taking extra actions that may not have been needed. These actions may result in as much as $2.8 million in unnecessary costs.

We recommended that the Region 3 Administrator, to ensure better communication with the public at future sites, provide additional training to appropriate EPA personnel on risk communication, and develop a risk communication reference guide. Region 3 concurred with our recommendations. We issued the final report (2001-P-00015) on August 29, 2001. A response to the final report is due November 27, 2001.

Superfund Monies Used Inappropriately at Petoskey Superfund Site

EPA Region 5 did not select the appropriate remedy in its Interim Record of Decision to provide $1.238 million to Michigan from the Superfund Trust Fund for the cost to install an air stripper for the Petoskey Municipal Well Field Superfund Site. The money was used instead to help defray the cost of a new drinking water source, which could set an inappropriate precedent for other parties to seek Superfund monies to address non-Superfund issues, such as local drinking water problems.

OIG had received an allegation claiming that Region 5's selected remedy was potentially a waste of Superfund monies because an EPA response was not warranted and the process for determining the cost of the air stripper was improper. We concluded that although the remedy was unnecessary from a Superfund perspective, Region 5 approved and contributed $1.238 million from the Superfund Trust Fund (the capital cost of the air stripper) to partially defray the City's cost of replacing the Well. Specifically:

- The air stripper remedy was unnecessary because the Administrative Record and other documents showed that drinking water contamination was within the standard and future risk of contamination above the standard was unlikely. Thus, the scientific evidence did not support Region 5's decision to fund the remedy.

- The air stripper, for which the money was sought, could not even be built because of well construction deficiencies and because the well was under the direct influence of surface water. Installing an air stripper would have violated both Federal and Michigan Safe Drinking Water Acts.

- Region 5 and Michigan used an incorrect total cost to determine their respective cost matches for an air stripper, resulting in Region 5 overpaying the State by $123,800.

We issued our final report (2001-P-00011) on September 14, 2001. Recognizing that 6 years have passed since Region 5 made an affirmative decision to award $1.238 million, we did not recommend recovery of the total award. In our view, the true benefit of this report is to serve as a "lessons learned" document for future Superfund decisions. Region 5 did agree with our recommendation to recover the costs associated with the $123,800 overpayment, and indicated it would seek recovery. A response to the final report is due December 14, 2001.

Region 2's Institutional Controls Were Effective

Region 2 adequately made use of institutional controls (ICs) at Superfund sites to ensure that public health and the environment were protected. ICs are non-engineering measures (usually legal controls) intended to affect human activities so as to prevent or reduce exposure to hazardous substances. EPA has recently emphasized these controls as an important aspect of the Superfund program.

We reviewed 14 sites and found that 8 had ICs in place, while the remaining 6 had decided on ICs but had not yet implemented them. ICs were effective in all cases where they were implemented. For example, at one site, where ICs covered land and water use restrictions, the county health department received a call that led to it preventing the use of well water for five new houses because ground water was still contaminated. At another site, an EPA Remedial Project Manager found large holes around a site cap that appeared to have been dug by dogs, and then arranged to have the holes filled and preventive measures implemented.

Despite the effectiveness of ICs, we noted some areas where improvements could be made. State and regional staff indicated that the interval between the 5-year reviews was too long. New York and New Jersey monitor their sites on annual and 2-year cycles, respectively, and we consider those time frames better. In addition, we identified the need for additional training of regional staff on the awareness and use of ICs.

We recommended that the Region 2 Administrator have staff conduct interim reviews at least every 18 months and that additional training courses be developed. Region 2 generally concurred with our recommendations. We issued our final report (2001-M-00021) on August 29, 2001. A response to the report is due November 19, 2001.

Former Air Authority Board Member Sentenced

On April 26, 2001, Richard W. Canestraro, a former North Ohio Valley Air Authority (NOVAA) board member, was sentenced in U.S. District Court, Southern District of Ohio, for aiding and abetting the acceptance of an unlawful gratuity and conspiracy to defraud the United States. Canestraro was sentenced to 1 year and 1 day in prison, 1 year supervised release, and ordered to pay a $10,000 fine and $100 special assessment.

Earlier, in March 2001, Patsy J. DeLuca, a former Executive Director of NOVAA, and Vincent R. Zumpano, a former NOVAA employee, were both sentenced in the same court. DeLuca was sentenced for accepting an unlawful gratuity and conspiracy to defraud the United States. He was sentenced to 4 months in prison, 4 months of which were to be served in home detention; 2 years probation; and ordered to pay a $10,000 fine and $200 special assessment. Zumpano was sentenced for aiding and abetting the acceptance of an unlawful gratuity and conspiracy to defraud the United States. He was sentenced to 15 months in prison, 2 years probation, and ordered to pay a $8,000 fine and $200 special assessment.

Prior to disbanding, NOVAA was a multi-county air quality regulatory agency headquartered in Steubenville, Ohio, that received EPA funds through the Ohio Environmental Protection Agency to enforce federal and state air quality laws. While DeLuca was Executive Director, he agreed to accept $169,750 from Pine Hollow C&D Landfill and RSV, Inc., for advising them on pending applications before the Ohio EPA for new or expanded sites. Canestraro, in return for $3,500, aided DeLuca by producing a cost projection regarding disposal permits which facilitated DeLuca's agreement with Pine Hollow and RSV. Zumpano also aided DeLuca in the agreement.

Environmental Firm Sentenced for Issuing Fraudulent Training Certificate

On April 13, 2001, F&M Environmental Technology, Inc. (F&M Environmental), and its president, Frankland P. Babonis, were sentenced in U.S. District Court, Eastern District of Virginia, for issuing a fraudulent asbestos training certificate. F&M Environmental was sentenced to 2 years probation and ordered to pay a $30,000 fine and $400 special assessment. Babonis was sentenced to two 15-month jail terms, to be served concurrently; 3 years probation; and ordered to pay a $4,000 fine and $200 special assessment.

The sentencing followed guilty pleas entered by F&M Environmental and Babonis on February 9, 2001. F&M Environmental pled guilty to one count of false statement and Babonis pled guilty to one count each of false statement and mail fraud. In their plea agreements, the defendants admitted to knowingly issuing an individual working with asbestos materials a fraudulent certificate of completion of training required by Section 206 of the Toxic Substances Control Act.

The false certificate stated that the individual had completed the requisite training for asbestos accreditation and satisfactorily passed an examination covering the contents of the continuing education course, "32 Hour EPA Workers Asbestos Abatement Training Program," when, in fact, the individual had never taken such a course nor satisfied any requirements of the certified training program.

Babonis also engaged in a scheme to defraud Phoenix Enviro Corporation (PEC) of Wilmington, North Carolina, by issuing fraudulent certificates to PEC employees without providing any training to those employees. After mailing the false certificates to PEC, F&M Environmental would then bill PEC for the cost of training when, in fact, no such training had been done.

The fraudulent schemes undercut state laws designed to protect workers and the public from health risks by requiring workers to be properly trained and certified to remove, handle, and dispose of asbestos-containing material.

This investigation was conducted jointly by the EPA OIG, the Federal Bureau of Investigation, and the Navy Criminal Investigative Service.

Former Contract Lab Employees Plead Guilty

Five former employees of Intertek Testing Services Environmental Laboratories, Inc. (ITS), of Richardson, Texas, pleaded guilty in U.S. District Court, Northern District of Texas, to making false demands against the United States.

On September 26, 2001, the defendants admitted in their plea agreements that they knowingly caused a false claim to be submitted against the United States by submitting a data package reflecting the false analysis of an environmental sample. The guilty pleas were entered by Melissa K. Duncan, Group Leader; James Neil Mayhew, Manager; Victor DeAnthony Littles, Senior Chemist; Rodney L. Roland, Chemist; and Valerie Hong Truong, Chemist.

The guilty pleas came after a 30-count indictment handed down on September 21, 2000, in which the company's vice president and 12 former employees were charged with altering test data, falsely certifying equipment calibrations, presenting false laboratory reports, and making false representations about the analysis of environmental samples. The eight other individuals are awaiting trial.

ITS, formerly known as NDRC Laboratories, Inc., and Inchcape Testing Services Environmental Laboratories, Inc., is a full service environmental testing laboratory that generated $35.7 million in gross billings and performed environmental sample analysis on more than 59,000 separate environmental projects involving over 250,000 samples of air, soil, liquids, pesticides, explosives, and nerve/chemical agents. These analyses were conducted to determine, among other things, the presence of known or suspected cancer-causing contaminants.

This investigation was conducted jointly by the EPA OIG, the EPA Criminal Investigation Division, the Defense Criminal Investigative Service, the United States Army Criminal Investigation Command, and the Air Force Office of Special Investigations.

Company Exposing Workers to Health Risks Sentenced and Fined

On August 24, 2001, Construction Personnel, Inc. (CPI), as well as two of the company's officers and two other employees, were sentenced in U.S. District Court, Eastern District of Tennessee, for bringing in and harboring aliens, conspiracy, and making false statements and claims. CPI, also known as Services Management, Inc. (SMI), was sentenced to 3 years probation and ordered to pay $328,286 in restitution to the Department of Health and Human Services (HHS) and a special assessment of $5,250.

The company's president, Mark Weaver, was sentenced to 3 years probation and ordered to pay a portion of the restitution to HHS, a $7,500 fine, and a $300 special assessment. The vice president, Ron Goodwin, was sentenced to serve 1 year and a day in jail, 2 years probation, 150 hours of community service, and ordered to pay a portion of the restitution to HHS and a $300 special assessment. Tina Voiles, a payroll clerk, was sentenced to one year probation, and ordered to pay a $500 fine and a $10 special assessment. Earlier on July 26, 2001, Maria Shumaker, Manager, SMI of Baton Rouge, Louisiana, was sentenced in U.S. District Court, Middle District of Louisiana, to 2 years probation, and ordered to pay a $1000 fine and a $10 special assessment.

The defendants provided hourly workers, the majority of whom were unauthorized aliens, to various construction and demolition contractors to include contractors who performed asbestos abatement work. The defendants provided the aliens or assisted them in obtaining false asbestos training certificates, licenses, and social security cards.

This investigation was conducted by the EPA OIG as part of the Tennessee Environmental Crimes Strike Force.

Goal 2: Improve EPA's Management and Program Operations

The OIG assesses EPA's management and program operations to identify best practices, areas for improvement, and cooperative solutions to problems. The OIG's work is designed to promote efficiency and effectiveness within EPA. The following represent some examples of the more significant efforts under this OIG goal.

EPA's Planning and Funding for Protecting Infrastructure Need Improvement

We found that EPA had addressed a number of key Presidential Decision Directive (PDD) 63 requirements for protecting the Agency's critical physical infrastructures, as well as the nation's water supply systems, in the event of a debilitating situation, such as a terrorist attack. However, we noted several aspects of planning and funding need to be addressed. Subsequent to the publication of our report, EPA indicated it is revisiting its PDD 63 efforts in light of the terrorist attacks on September 11, 2001.

PDD 63, initiated in May 1998, required each Federal agency to review its own critical physical infrastructures (staff, systems, and facilities) needed to perform its mission in the event of a debilitating situation. PDD 63 also required EPA, in conjunction with the private sector, to establish a national framework for protecting the physical infrastructure of the nation's water supply systems in emergency situations.

Despite the many actions taken, we found that the Agency did not address certain aspects of planning that may be needed to maintain its ability to protect its critical physical infrastructures. Also, funding problems caused delays in attempts by EPA and the private sector to develop a national framework for protecting the critical infrastructure for the nation's water supply. Consequently, some key PDD 63 requirements, such as conducting vulnerability assessments and risk mitigation, as well as implementing a Vulnerability Awareness and Education Program for the water sector, have yet to be achieved.

We issued our final report (2001-P-00010) on June 25, 2001. We made recommendations to complete PDD 63 activities in process, fill gaps in critical infrastructure planning, and address resource needs. In response to our draft report, the Agency generally agreed with our conclusions and recommendations.

A response to our final report was due by September 25, 2001. However, in light of the events of September 11, the Agency requested additional time to review its approach to counter-terrorism and set specific, meaningful, and targeted milestones based on the current context. We granted the Agency additional time to prepare its final response.

Competition Needed in Awarding Assistance Agreements

EPA does not have a policy requiring competitive awarding of discretionary assistance funding, even though such a policy would be beneficial and is used by other entities, such as the Departments of Health and Human Services and Commerce. Competition is essential to ensure EPA awards funds to the most qualified organizations at the least cost. However, EPA often awards noncompetitive assistance agreements based on the unsupported belief that recipients were the only entities capable of performing the work.

In fiscal year 1999, EPA awarded about $4 billion of assistance funds to state and local governments, tribes, nonprofit organizations, universities, and others. Of this amount, $2.7 billion was awarded for continuing environmental programs and not subject to competition. However, we believe that a significant portion of the remaining $1.3 billion could have been competed. EPA disagreed, and estimated that about $200 million of fiscal year 1999 awards were actually competed.

EPA officials awarded some assistance funds without competition because they considered the grantee "uniquely qualified," but these assertions were based on the project officers' beliefs without adequate justifications. We also found implications of preferential treatment in the selection of grantees based on EPA's history with the grantee. An evaluation of whether another grantee could also do a good job, but at a lower cost, was not done. Further, program offices generally could not provide information to support that annual funding priorities were established and advertised, to ensure awards complement program objectives.

We recommended that EPA (1) issue a policy requiring that assistance agreements be competed to the maximum extent practicable, (2) prepare written justifications for noncompetitive awards, and (3) ensure annual funding priorities are established and advertised for each assistance program.

We issued our final report (2001-P-00008) on May 21, 2001. EPA responded to the report on August 22, 2001 and issued a supplemental response on September 19, 2001. In response, EPA drafted an Order that lists those assistance programs for which competition is inappropriate and, for the remaining programs, will require competition unless program offices provide a credible written justification for a non-competitive award. EPA stated that the Order will apply to new assistance agreements awarded on or after October 1, 2002.

National Association of Minority Contractors Misspent EPA Funds

We determined that of the $712,041 in EPA's share of costs incurred by the National Association of Minority Contractors (NAMC) under an EPA grant, $456,873 was ineligible and $141,237 unsupported. Subtracting the $113,931 in acceptable costs incurred from the $750,000 actually paid to NAMC, we concluded that a balance of $636,069 was due EPA from NAMC.

In 1995, NAMC, a Washington, DC organization, had received $750,000 in EPA funds under Grant No. X-824519-01 to oversee monitoring of state efforts to assist minority firms in obtaining contracting opportunities, and to perform outreach on environmental justice activities. The grant was managed by EPA's Office of Small Disadvantaged Business Utilization (OSDBU).

In 1998, OIG had performed an audit of this grant because of an anonymous complaint alleging NAMC poor performance and mismanagement. In August 1999, we issued a report, Audit Report on the National Association of Minority Contractors, which disclosed that although NAMC completed only a small portion of the required work, OSDBU allowed NAMC to draw down all of the $750,000 in grant funds.

We recommended that the Director, Grants Administration Division adjust the allowable costs and instruct NAMC to repay EPA the $636,069. We issued the final report (2001-1-00203) on September 27, 2001. A response to the final report is due December 26, 2001.

Region 3 Needs to Ensure All NPDES Permits Meet Standards

Several states in EPA's Region 3 issued permits under the National Pollutant Discharge Elimination System (NPDES) that did not ensure that facilities met water quality standards under the Clean Water Act. In some cases Region 3 acquiesced in the issuance of weak permits, resulting in poor water quality and public health risks. Specifically, we found that some permits:

- Lacked specific discharge limits.
- Were inappropriately modified.
- Provided for studies rather than limits.
- Contained vague and complicated language.
- Did not meet all federal regulatory requirements.

We recommended that Region 3 object to permits not meeting statutory and regulatory requirements, and use its authority to issue permits when states do not satisfy regional objections. Region 3 generally agreed with our recommendations but supported its current NPDES permit oversight practices.

We issued the final report (2001-P-00012) on June 25, 2001, and received Region 3's response on September 20, 2001. Region 3 generally agreed with our recommendations and has begun to take corrective actions.

Lack of Oversight Fosters Computer Security Weaknesses

The absence of computer security oversight in the Agency has led to weaknesses in many aspects of its computer security program and practices, including: risk management, incident handling, capital planning and investment, enterprise architecture, infrastructure protection, and technical controls. Despite EPA's efforts to improve its computer security program, in accordance with the Government Information Security Reform Act, problems in these areas continue.

EPA's decentralized structure increases the importance of deploying a coordinated, comprehensive monitoring program. However, until EPA implements regular and effective oversight processes, management will continue to place unsubstantiated trust in its many components to fully implement and document security requirements. Moreover, the public and Congress may continue to question how well the Agency plans for and protects its information resources to ensure the integrity, confidentiality, and availability of environmental data.

We recommended that EPA develop and implement an agency-wide strategy for monitoring major aspects of its computer security program and allocate sufficient resources to routinely administer and verify the effectiveness of oversight processes. By doing so, the Agency should be able to detect and help alleviate the above-mentioned security program weaknesses.

We issued our final audit report (2001-P-00016) to the EPA Administrator and the Office of Management and Budget on September 7, 2001, in accordance with the Government Information Security Reform Act. The Agency simultaneously issued an executive summary of its annual review findings that reported similar weaknesses. Per Office of Management and Budget requirements, the Agency must submit a strategy by October 31, 2001, including a time-phased action plan, to correct the identified security weaknesses.

EPA to Disclose Penalty Information to IRS

EPA agreed to provide penalty information to the Internal Revenue Service (IRS) under a 1989 agreement. Without the deterrent effect of penalty disclosure to IRS, violators who include nondeductible penalties as business expenses on their income tax returns may reduce their tax liability with less chance of detection by IRS auditors. The reporting also helps to deter future environmental violations. However, we found that EPA had discontinued the disclosure of penalty information to IRS. The reason for the discontinuance was unclear.

According to EPA's accounting records, the Agency annually assessed an average of $82 million in penalties from October 1, 1997 to May 24, 2001. If the violating companies deducted these penalty payments as business expenses on their corporate income tax returns (assuming nondeductible penalties and a 35 percent corporate income tax rate), this could have resulted in an annual revenue loss of $28.7 million to the U.S. Treasury. As a result of OIG's review of EPA penalty collections, EPA agreed to resume the disclosure of EPA penalty information to IRS.

We recommended that EPA meet with IRS officials to update the terms of the agreement, and resume the disclosure of penalty information to IRS. Both EPA and IRS agreed. We issued our final Special Report (2001-S-00011) on September 21, 2001. A response to the final report, to provide specifics on planned actions, is due by December 20, 2001.

Three Indicted for Conspiring to Embezzle Funds from Tribal Organization

On April 24, 2001, Estelole Goings, Carol Vitalis, and Vonnie Goings were each indicted in U.S. District Court, District of South Dakota, Western Division, on one count of conspiracy and four counts of embezzlement and theft from an Indian tribal organization.

Estelole Goings was the payroll supervisor in the payroll department of the Financial Accounting Office for the Oglala Sioux Tribe, Pine Ridge Reservation, Pine Ridge, South Dakota. Her duties included preparing payroll and payroll-related reports, and issuing paychecks to tribal program directors for distribution to employees. Vonnie Goings, daughter of Estelole Goings, and Carol Vitalis were payroll technicians supervised by Estelole Goings.

The indictment charges that Estelole Goings conspired with her daughter and Vitalis in a scheme to make unauthorized payroll and overtime advances to themselves and other tribal employees in the accounting office. They furthered the scheme by creating a false job classification to conceal the theft. The conspiracy, which took place between February 1996 and October 1998, resulted in the embezzlement of approximately $115,000 in EPA and other grant funds awarded to the Oglala Sioux Tribe.

This investigation was conducted jointly by the EPA OIG, the U.S. Department of the Interior, and the Bureau of Indian Affairs.

Conservationist Sentenced for Theft

On May 31, 2001, Esperanza Asuncion, a former Secretary/Treasurer of the West Maui Soil and Water Conservation District, was sentenced in Circuit Court of the Second Circuit, State of Hawaii, to 5 years probation, 500 hours of community service, and ordered to pay $47,900 in restitution. The sentencing follows Asuncion's guilty plea on February 13, 2001, to one count of theft in the first degree and nine counts of forgery in the second degree.

The conservation district is a non-profit organization that received EPA funds through Section 319 (Non Point Source) grants awarded to the State of Hawaii. Asuncion diverted funds from the conservation district by forging the chairperson's signature on a number of checks written against the conservation district.

This investigation was conducted jointly by the EPA OIG and the Hawaii State's Attorney General Office.

Former University Official Sentenced for Embezzlement

On August 24, 2001, Gerald Todd Burd was sentenced in U.S. District Court, District of Kansas, for embezzling funds from a non-profit foundation and private trust fund. Burd was sentenced to 1 year and 1 day in prison and ordered to pay $440,528 in restitution.

Burd, a former comptroller of the Haskell Foundation, Haskell Indian Nations University, admitted in a May 9, 2001, plea agreement that from January 1998 through December 1999, he wrote $440,528 in checks payable to himself against the two funds he was operating. Of that amount, he embezzled $103,979 from the Haskell Foundation, which receives funding from various environmental justice grants, and $336,549 from a private trust fund Burd administered.

This investigation was conducted jointly by the EPA OIG and the Federal Bureau of Investigation.

Trade Association Repays Grant Funds

On May 15, 2001, the Operative Plasters' & Cement Masons' International Association (OP&CMIA) reimbursed EPA $25,000 to resolve a potential false claims suit. In September 1994, OP&CMIA was awarded an EPA grant valued at $175,000 to provide lead abatement training to an estimated 180 members. It was later determined through an OIG audit and investigation that OP&CMIA drew down on all of the grant funds but actually trained only 51 students.

The OP&CMIA is comprised of 38,000 members employed in the trades of plastering and cement finishing work. OP&CMIA had subcontracted with the University of Maryland at Baltimore, School of Medicine, and the Occupational Health Foundation to provide the training.

EPA Employee Charged in 19-Count Indictment

On May 23, 2001, Luther E. Mellen III, a branch chief in EPA's Facilities Management and Services Division, was indicted in U.S. District Court, District of Columbia, on charges of conspiracy to defraud the United States and receipt of stolen government property. Mellen was indicted along with 11 other individuals, including his wife, Elizabeth, and 8 other family members. Additional charges against the various other individuals included theft of government property, selling stolen government property, and conspiracy to defraud the United States with respect to false claims.

The 19-count indictment was the result of a lengthy investigation in connection with a large Department of Education (DOEd) contract with Bell Atlantic. The indictment charges that from about early 1990 to December 1999, Mellen's wife, Elizabeth Mellen, a telecommunications specialist in the Office of the Chief Information Officer, DOEd, used her position as a contract officer's technical representative on the Bell Atlantic contract to procure over $300,000 in computers, printers, cellular phones, cameras, Palm Pilots, and a 61-inch television for personal use.

Based on the indictment, an arrest warrant was issued for Luther Mellen, a co-conspirator for receiving stolen goods. Luther Mellen was placed under arrest and subsequently released on his own recognizance.

This investigation was conducted jointly by the EPA OIG, the Department of Education OIG, and the Federal Bureau of Investigation.

EPA Employee Sentenced in Theft of Credit Card

On May 1, 2001, Tia M. Newman, was sentenced in U.S. District Court, District of Columbia, to three 180-day suspended sentences, 3 years probation, and ordered to pay $4,328 in restitution to the EPA and a $125 special assessment. In addition, Newman resigned from her EPA position. Newman, a former clerk typist in the Office of Environmental Justice, Office of Enforcement and Compliance, pleaded guilty to a criminal information charging her with one count of receiving stolen property and two counts of theft. Newman admitted in her plea agreement that in November 1998 she removed and activated a government credit card from the office mail that was intended for a co-worker who had retired earlier that year. Newman used the credit card to make numerous personal purchases from a local toy and clothing store.

Goal 3: Produce Timely, Quality and Cost-Effective Products and Services That Meet Customer Needs

The OIG is a customer-driven organization in which customer needs serve as the basis for work planning and the design of OIG products and services. All OIG work is based on anticipated value to Congress and EPA. The following represent some examples of the more significant efforts under this OIG goal.

OIG, Region 2 Collaborate to Develop Corrective Action Plan for Puerto Rico Board

OIG and Region 2 recently collaborated to develop a Corrective Action Plan for the Puerto Rico Environmental Quality Board (PREQB) after a joint survey by OIG and Region 2 disclosed serious problems with PREQB's grant and financial management systems.

During the survey stage of OIG's review of PREQB's grant/financial management, Clean Air Act Title 5 management, and Clean Air Act enforcement, we invited Region 2 staff to participate as part of the team, and they accepted. The joint survey disclosed that after years of EPA providing funding and technical assistance to address PREQB's grant and financial management system deficiencies, the organization remained in complete disarray. PREQB lacked a financial management system sufficient to adequately account for and safeguard grant dollars. With the lack of control over grant funds, permit fees, and expenditures of ear-marked funds, as well as other problems, PREQB had an environment ripe for fraud.

Many of the deficiencies cited were not new, as financial management and accounting deficiencies have plagued PREQB for years. Some problems noted as a result of a prior Corrective Action Plan continue to exist. For example, PREQB abandoned a multi-year effort to implement an acceptable accounting system that was in progress up until recently; as a result, PREQB is currently operating without an accounting system of any kind. The team also reported that PREQB did not have sufficient knowledge on assistance agreements to comply with guidance, and could not provide assurance that Title 5 permit fees had been collected and collected fees safeguarded and used solely for Air activities.

To address these issues, OIG collaborated with Region 2 on developing a Corrective Action Plan containing numerous recommendations. In June 2001, the Acting Region 2 Administrator and OIG jointly issued an Official Letter to PREQB classifying the Agency as a High Risk Grantee. PREQB's letter of credit authorization was terminated as a result. The letter also cited immediate steps that PREQB must take to rectify the deficiencies noted, with due dates. The OIG/Region 2 team briefed both Region 2 and OIG senior management to explain the need for immediate action being taken with the grantee.

Corrective Actions Under Federal Financial Management Improvement Act Ongoing

The EPA Chief Financial Officer continues to address planned corrective actions included in its fiscal 1999 Remediation Plan submitted to the Office of Management and Budget on November 13, 2000, under the Federal Financial Management Improvement Act. Included in EPA's Remediation Plan were planned actions in four major areas:

- Financial Statements Preparation Process
- Federal Trading Partner Information
- Financial System Security Plan Improvements
- Compliance with the Managerial Cost Accounting Standard

Progress has been noted by the Office of the Chief Financial Officer (OCFO) in each of these four areas. EPA prepared and submitted its FY 2000 Financial Statements on the statutory due date of March 1, 2001, and received a clean audit opinion. The Agency will continue to improve its preparation process and is automating major portions of the process for the FY 2001 financial statements.

In addition, EPA has completed all of the corrective actions for the Federal Trading Partner Information requirements, including steps to ensure that beginning balances are accurate, and policies and procedures are implemented for confirming and reconciling balances with trading partners.

The OCFO's original Remediation Plan for security set an aggressive, multi-year schedule for correcting existing security deficiencies, but the estimated completion date of June 2002 for all actions will not be met in some instances. Some slippages have occurred in financial- and mixed-financial systems' security due to contractor delays beyond OCFO's control. To accommodate these slippages, the Remediation Plan is being updated and will be submitted as part of EPA's fiscal 2003 budget submission to the Office of Management and Budget.

We again reported noncompliance with the managerial cost accounting standard in our fiscal 2000 financial statement audit. The Chief Financial Officer, while acknowledging the desirability for continuing improvements as envisioned by the standard, continues to disagree with our conclusion that EPA did not comply with the standard. Because of this impasse, we plan to elevate this issue to the Administrator for resolution, as is required by the Federal Financial Management Improvement Act. We are evaluating the adequacy of completed actions as part of the fiscal 2001 financial statement audit.

Advocacy Group Continues to Mismanage EPA Funds

The National Asian Pacific Center on Aging (NAPCA) continues to have significant problems in administering EPA cooperative agreements, OIG noted in an advisory report recently issued following a Region 10 request.

NAPCA is a national advocacy organization for older Asian Pacific Americans based in Seattle, Washington. In reports dating back to 1998, OIG had noted numerous problems with NAPCA's cash management and that sufficient corrective actions were not being taken. In fact, a March 2001 OIG report advised EPA of the embezzlement of $1.8 million by an NAPCA employee.

In our advisory report (2001-S-00012), issued September 26, 2001, we noted that NAPCA continues to demonstrate a serious inability to properly manage its EPA awards, draw grant funds only to meet immediate cash needs, and comply with financial reporting requirements. We recommended that the Office of Administration and Resources Management review EPA awards to NAPCA for potential termination, recover excess cash drawn by NAPCA, and require that NAPCA be placed on a restricted payment program. We also recommended that EPA not award any further agreements to NAPCA or make amendments to existing agreements until appropriate changes are made. A response to the advisory report is due November 27, 2001.

EPA's Progress in Using GPRA to Manage for Results Evaluated

The EPA OIG reviewed EPA's success in implementing the Government Performance and Results Act (GPRA) to manage for environmental results, focusing on the Agency's progress in using GPRA, challenges in implementing GPRA, and opportunities for near and long-term improvements. The diagram demonstrates the six critical aspects of GPRA implementation and their interlocking, mutually dependent relationships as a framework for this evaluation.

The review indicated that, to improve GPRA implementation and overall effectiveness and efficiency, EPA must strengthen its partnerships with states and other agencies. Also, EPA needs to place greater focus on the ultimate results and outcomes of its activities rather than actions performed, and should more carefully consider science and cost in addition to laws and public perceptions when setting priorities. Additionally, EPA needs to invest in management, scientific and technical competencies of its staff, as well developing and integrating quality performance and cost information into its budgeting, decision-making and accountability systems.

OIG Employee Recognized by Region 9 for Assistance

Consulting services provided to EPA Region 9 by an OIG auditor in our San Francisco office were recently recognized by the Region 9 Deputy Regional Counsel in an award nomination for the OIG employee.

During the last several years, Paul Jalbert has provided consulting services to the Region 9 Office of Regional Counsel and program offices in determining the validity of claimed inabilities to pay proposed penalties. Services provided included analysis of financial data submitted by respondents, assistance in identifying needed information, assistance in negotiations, and expert testimony at Administrative Law Judge hearings.

The Deputy Regional Counsel commented in the award nomination that the Jalbert's " . . . expertise, analytical skills and insight proved critical to our successful prosecution of a number of enforcement cases. His assistance has been far-ranging, from providing in-depth analyses of ability-to-pay claims from various defendants to providing crucial testimony as a expert witness . . . . He works closely and collaboratively with the Office of Regional Counsel and the media programs."

OIG and Office of Environmental Information Developing Computer Intrusion Response Protocol

The EPA OIG's Computer Crimes Unit has been providing consulting services to the Office of Environmental Information (OEI) to develop incident response handling guidelines for Agency personnel to use when responding to a suspected computer intrusion incident.

The OIG Computer Crimes Unit, in cooperation with OEI and EPA program offices and regions, has formed the Computer Crimes Consultative Working Group. The working group, chaired jointly by the Computer Crimes Unit and OEI, is comprised of the Agency's Information Security Officers (ISO), representatives from the Agency's Office of General Counsel, and the OIG's Office of Counsel and Office of Investigations. The working group is tasked with, among other things, identifying the training needs of the ISO community for responding to possible computer incidents and to develop proposed responses to those training needs. Charettes, or temporary sub-working groups, have been formed to examine issues and provide suggestions, advice, and opinions to improve Agency computer security. Currently, charettes are examining the Agency's banner, developing an ISO checklist for responding to computer incidents, and evaluating a training program for Agency personnel in the areas of electronic privacy, monitoring, and related legal issues.

Goal 4: Enhance Diversity, Innovation, Teamwork and Competencies

The OIG is committed to becoming a high performance organization by recruiting and maintaining a diverse and highly competent workforce. The OIG promotes continuous learning and is expanding its use of technology and multi-discipline teams. The following represent some examples of the more significant efforts under this OIG goal.

OIG Implements Diversity Training

The OIG initiated a special diversity training course during the past reporting period that was specially tailored by its own personnel to enhance awareness; improve communication; and enlighten the OIG staff on the value, benefits, and rewards gained from a multicultural and diverse workforce.

The training, devised by Special Emphasis Program Managers located at various locations within the OIG, is geared toward having participants share knowledge and experience with each other that will ultimately improve individual and organizational work performance.

The course has been designed to: promote awareness of diversity through interactive training, develop a workforce that will encourage and embrace diversity, and build understanding within the organization of the benefits created by a diverse workforce.

The goals and objective of the training are:

- **Value Everyone:** Provide training and knowledge for all employees to promote a workforce aware of the diverse qualities that determine the merit, usefulness, and importance of each employee.
- **Open Communications:** Build and maintain effective relationships within the OIG to promote a greater understanding of different cultures and raise the value and awareness of diversity in the workplace.
- **One OIG:** Plan and coordinate various educational events to foster better awareness and appreciation of cultural, personality, and skill set differences of all employees so the EPA OIG can function better as a whole unit.

All OIG employees have either taken the one-and-one-half day training or are planned to do so by the end of 2001.

EPA OIG Investigators Help in Massive World Trade Center Probe

Three investigators for the EPA OIG who are stationed in New York City have been playing a small part in helping with the massive investigation that followed the terrorist attack on that city's World Trade Center Twin Towers.

Following the attack, these investigators helped sort through Trade Center rubble that had been transported to a landfill in Staten Island, looking for evidence that could be used in the investigation or to help identify victims.

"There was a tremendous need for people with expertise, and this was a time for us to contribute," said Paul Zammit, the OIG's Divisional Inspector General for Investigations for the Eastern Investigations Division. "We were small players in a huge effort being carried out by thousands of law enforcement officials."

Zammit said they focused on finding items that would help in the probe, such as airplane parts, as well items such as wallets that could help identify victims. "We're trying to bring closure to the families," Zammit said.

Starting on September 13, Zammit and OIG Special Agents Paul Brezinski and Bart George helped in the investigative effort. Their office is located about six blocks from the World Trade Center site, and for the week and a half they were on administrative leave due to their office being closed they provided the assistance. They are continuing to help out on weekends, Zammit said.

Innovative Performance Measurement System Provides Scoreboard of Strategic Results

The OIG Office of Planning, Analysis, and Results has developed an innovative approach for implementing the OIG's corporate strategy by creating a Performance Results and Measurement System to provide a scoreboard on accomplishments.

Recognizing that what gets measured gets done, this measurement and reporting system was designed as the enabling tool to promote a results-oriented culture supporting the OIG's strategic goals and high performance objectives. The system is designed to electronically link, collect, tabulate, and provide timely feedback on a variety of measures for all OIG products and services as well as customer satisfaction. The intent is to demonstrate a scoreboard of progress toward each of the OIG's four Strategic Goals in a logic model relationship.

Data collection and measurement tools include:

- Performance Results and Measurement Template and Tabulation System, to collect and aggregate measures of OIG progress toward achievement of each of our strategic goals and annual targets.
- An external customer/client survey, to measure satisfaction with OIG products and services.
- An internal customer survey, to measure how well we serve each other.
- Special purpose surveys, such as SWOT (strengths, weaknesses, opportunities, and threats), to help plan and monitor organizational direction and environment.

Our goal is to integrate cost, time, internal satisfaction, external satisfaction, and an array of business results in a manner that demonstrates our value while providing reliable information for effective planning, accountability, and decision making.

Linkage of OIG *Business Line Measures/Results* from Products & Services *to* Improved EPA Operations & Impacts: Results compared to resources used = Return on Investment

Outputs (Audit, Evaluation, Advisory, Investigative Products & Services)	*Agency Intermediate Outcomes (Catalysts)*	*Agency goals/Outcomes and Impacts*
Questioned Costs/Savings **Recommendations/Opinions** **Advice/Analysis/Projects** **Indictment/Convictions** **Civil/Administrative Fines/Restitutions** **Reports/Briefings** **Evaluation Conclusions**	**Legislative Change** **Regulatory Change** **Policy Change** **Practice Change** **Enforcement Actions** **Industry, Grantee or State Monitoring** **$s Recovered, Offset or Avoided**	**Improved Efficiencies** **Improved Effectiveness** **Improved Controls** **Increased Compliance** **Improved Reporting** **Risk Reduction** **Improved environmental & Health Results**

Above is an illustration of how the results of our work are measured from outputs to outcomes, creating a linkage between OIG products and services and environmental impacts and goals. Customer surveys provide additional accountability feedback for the quality, timeliness and value of our work, as well as information for future product service focus and design.

Audit Report Resolution

Status Report on Perpetual Inventory of Reports in Resolution Process for Semiannual Period Ending September 30, 2001

Report Category	No. of Reports	Report Issuance ($ in Thousands)		Report Resolution Costs Sustained ($ in Thousands)	
		Questioned Costs	Recommended Efficiencies	To Be Recovered	As Efficiencies
A. For which no management decision was made by April 1, 2001*	85	$107,747	$253	0	0
B. Which were issued during the reporting period	239	5,010	31,911	0	0
C. Which were issued during the reporting period that required no resolution	133	0	0	0	0
Subtotals (A + B - C)	191	112,757	32,164	0	0
D. For which a management decision was made during the reporting period	70	61,144	0	$41,201	0
E. For which no management decision was made by September 30, 2001	121	51,613	32,164	0	0
F. Reports for which no management decision was made within 6 months of issuance	33	46,656	253	0	0

*Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Status of Management Decisions on OIG Reports

This section presents statistical information as required by the Inspector General Act Amendments of 1988 on the status of EPA management decisions on reports issued by the OIG involving monetary recommendations.

As presented, information contained in Tables 1 and 2 cannot be used to assess results of reviews performed or controlled by this office. Many of the reports were prepared by other Federal auditors or independent public accountants. EPA OIG staff do not manage or control such assignments. Auditees frequently provide additional documentation to support the allowability of such costs subsequent to report issuance. We expect that a high proportion of unsupported costs may not be sustained.

Table 1 -- Inspector General Issued Reports With Questioned Costs for Semiannual Period Ending September 30, 2001

Report Category	No. of Reports	Questioned Costs * ($ in Thousands)	Unsupported Costs ($ in Thousands)
A. For which no management decision was made by April 1, 2001 **	39	$107,747	$35,702
B. New reports issued during period	27	5,010	1,488
Subtotals (A + B)	66	112,757	37,190
C. For which a management decision was made during the reporting period	25	61,144	21,519
i. Dollar value of disallowed costs	17	41,201	12,914
ii. Dollar value of costs not disallowed	8	19,943	8,605
D. For which no management decision was made by September 30, 2001	41	51,613	15,671
E. Reports for which no management decision was made within 6 months of issuance	16	46,656	14,183

* Questioned costs include the unsupported costs.

** Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Table 2 -- Inspector General Issued Reports With Recommendations That Funds Be Put To Better Use for Semiannual Period Ending September 30, 2001

Report Category	No. of Reports	Dollar Value ($ in Thousands)
A. For which no management decision was made by April 1, 2001*	1	$253
B. Which were issued during the period	4	31,911
Subtotals (A + B)	5	32,164
C. For which a management decision was made during the reporting period	0	0
i. Dollar value of recommendations from reports that were agreed to by management	0	0
ii. Dollar value of recommendations from reports that were not agreed to by management	0	0
iii. Dollar value of non-awards or unsuccessful bidders	0	0
D. For which no management decision was made by September 30, 2001	5	32,164
E. Reports for which no management decision was made within 6 months of issuance	1	253

* Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Audits With No Final Action As Of 9/30/01-Which Are Over 365 Days Past OIG Report Issuance Date

Audits	Total	Percentage
Programs	26	19
Assistance Agreements	84	61
Contract Audits	17	13
Single Audits	7	5
Financial Statement Audits	3	2
TOTAL	137	100

Summary of Investigative Results

Summary Of Investigative Activities

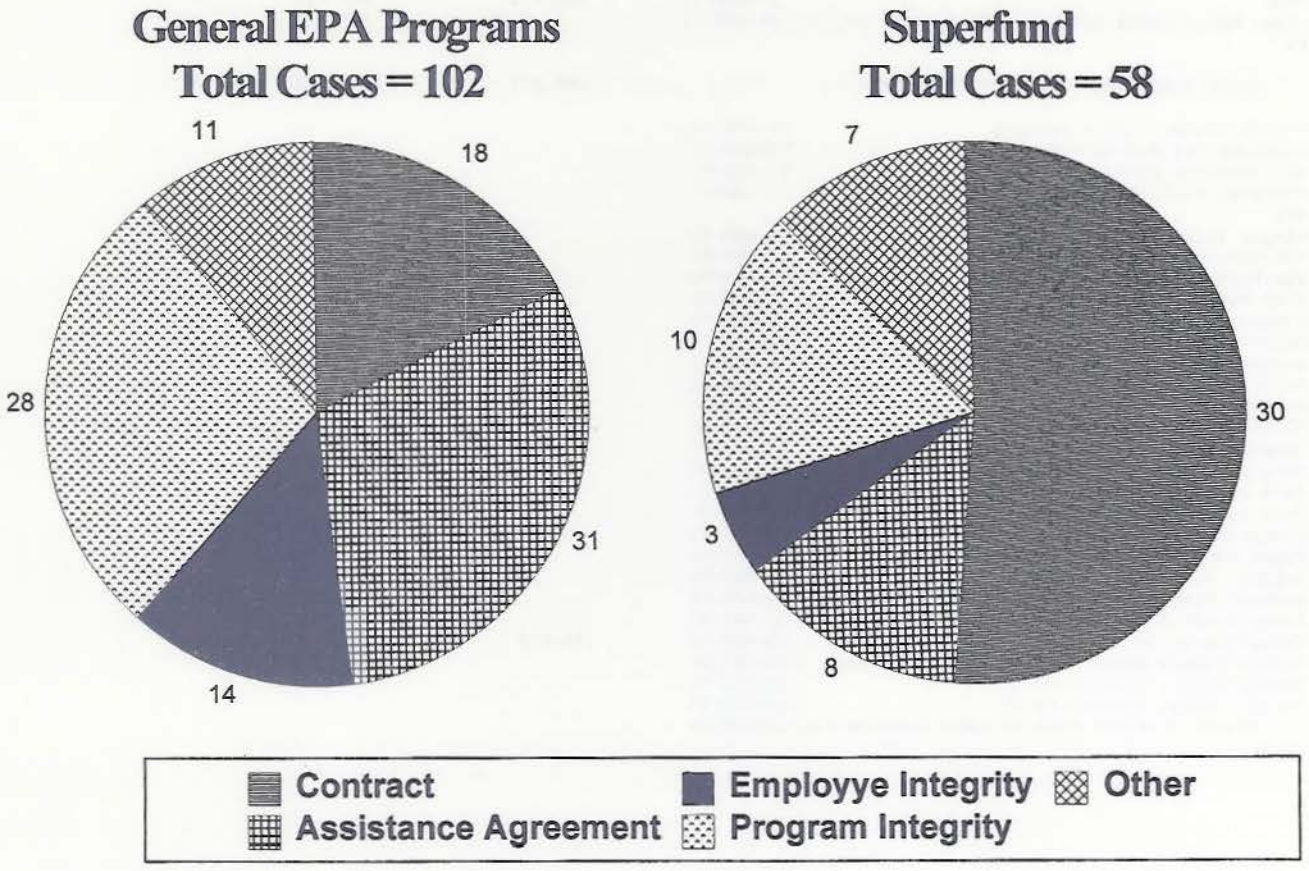
Pending Investigations as of March 31, 2001	160
New Investigations Opened This Period	29
Investigations Closed This Period	29
Pending Investigations as of September 30, 2001	160

Prosecutive and Administrative Actions

In this period, investigative efforts resulted in 11 convictions and 10 indictments (does not include indictments obtained in cases in which we provided investigative assistance). Fines and recoveries, including those associated with civil actions, amounted to $3.1 million. Thirty administrative actions were taken as a result of investigations.

Resignations	**1**
New Procedures	**3**
Compliance Agreements	**1**
Reprimands	**6**
Suspension & Debarment	**10**
Recoveries	**5**
Other	**4**
TOTAL	**30**

Profiles of Pending Investigations by Type



Appendix 1 -- Reports Issued

THE INSPECTOR GENERAL ACT REQUIRES A LISTING, SUBDIVIDED ACCORDING TO SUBJECT MATTER, OF EACH REPORT ISSUED BY THE OFFICE DURING THE REPORTING PERIOD AND FOR EACH REPORT, WHERE APPLICABLE, THE DOLLAR VALUE OF QUESTIONED COSTS AND THE DOLLAR VALUE OF RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE.

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
2001-P-00017	Interim ROD -Petoskey manufacturing Co.-Ingalls Muni. Well	14-SEP-01	123,800			
2001-P-00013	STATE ENFORCEMENT EFFECTIVENESS - NATIONAL AUDIT	14-AUG-01				
2001-P-00014	SEP SURVEY - REGION 6	22-AUG-01				
2001-P-00008	EPA's Competitive Practices for Assistance Awards	21-MAY-01				
2001-P-00016	EPA Computer Security Program Planning & Management	07-SEP-01				
2001-P-00011	Superfund Interagency Agreements	22-JUN-01				
2001-P-00012	Region III's NPDES Program	25-JUN-01				
2001-P-00010	EPA's Implementation of PDD 63	20-JUN-01				
2001-P-00015	Tranguch Gasoline Site	29-AUG-01				
2001-P-00018	OW TMDL Listings	25-SEP-01				
	TOTAL PERFORMANCE REPORTS = 10		123,800	0	0	
2001-1-00128	EPA Grants, Dept of Public Works, VI	11-APR-01		1,268,874		
2001-1-00143	Audit of Missouri State Clean Water SRF	29-MAY-01				
2001-1-00203	NAMC	27-SEP-01	456,873	141,237	0	
2001-1-00198	Clean Water State Revolving Fund, June 30, 2000	25-SEP-01				
	TOTAL ASSISTANCE AGREEMENT REPORTS = 4		456,873	1,410,111	0	
2001-3-00108	United States Virgin Islands	04-APR-01				
2001-3-00109	Southern Ute Indian Tribe	10-APR-01				
2001-3-00110	Ely Shoshone Tribe	10-APR-01				
2001-3-00111	American IOndian Science and engineering Society	10-APR-01				
2001-3-00113	Virgin Valley Water District	12-APR-01				
2001-3-00114	San Francisco Community College	18-APR-01				
2001-3-00115	San Francisco Community Colege District	18-APR-01				
2001-3-00116	Fort Worth, City of	24-APR-01				
2001-3-00112	Nooksack Indian Tribe	25-APR-01				
2001-3-00118	California, University of	25-APR-01				
2001-3-00117	Forest County Potawatomi Community	25-APR-01				
2001-3-00119	Portland, City of	27-APR-01				
2001-3-00122	American Farmland Trust	27-APR-01				
2001-3-00121	Minnesota, University of	27-APR-01				
2001-3-00120	Susanville Indian Rancheria	27-APR-01				
2001-3-00123	Taos Pueplo Central Management System	01-MAY-01				
2001-3-00124	Taos Pueblo - Central Management System	01-MAY-01				
2001-3-00125	Taos Pueblo - Central Management System	01-MAY-01				
2001-3-00126	Alliance for the Chesapeake Bay	02-MAY-01				
2001-3-00127	Eight Northern Indian Pueblos Council	02-MAY-01				
2001-3-00128	Laguna, Pueblo of	03-MAY-01				
2001-3-00129	Surface Transportation Policy Project	03-MAY-01				
2001-3-00130	Lower Brule Sioux Tribe	03-MAY-01				
2001-3-00131	Thlopthlocco Tribal Town	09-MAY-01	31,050			
2001-3-00132	Sumter County Board of County Commissioners	10-MAY-01				
2001-3-00134	Pennsylvania, University of	10-MAY-01				
2001-3-00133	Pennsylvania, University of	10-MAY-01				
2001-3-00135	Lac Courte Orielles Band of Lake Superior Chippewa	11-MAY-01				

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
2001-3-00136	South Alabama, University of	11-MAY-01				
2001-3-00137	Illinois Institute of Technology	15-MAY-01				
2001-3-00138	North Ohio Valley Air Authority	15-MAY-01	205,902			
2001-3-00139	Sac and Fox Nation of Oklahoma FYs 98 & 99	17-MAY-01				
2001-3-00140	Iowa Tribe of Oklahoma	22-MAY-01				
2001-3-00141	Shoshone & Arapaho Joint Prog. of the Wind River Reservation	22-MAY-01				
2001-3-00142	Knox County	24-MAY-01				
2001-3-00143	Eastern Shoshone Tribe of the Wind River Valley	31-MAY-01				
2001-3-00145	Shoshone & Arapaho Joint Programs of the Wind River Reserv.	31-MAY-01				
2001-3-00147	Connecticut, State of	31-MAY-01				
2001-3-00144	Duckwater Shoshone Tribe	31-MAY-01				
2001-3-00148	Parkinson's Institute	05-JUN-01	12,021			
2001-3-00149	Ely Shoshone Tribe	06-JUN-01				
2001-3-00151	Duckwater Shoshone Tribe	06-JUN-01				
2001-3-00150	Yomba Shoshone Tribe	06-JUN-01				
2001-3-00152	Northeast States for Coordinated Air Use Mgmt.,Inc & Affilia	07-JUN-01				
2001-3-00153	Internation Council for Local Environmental Initiatives	11-JUN-01				
2001-3-00154	Business for Social Responsibilty & BSR Educa. Fund	11-JUN-01				
2001-3-00155	New Hampshire, State of	13-JUN-01				
2001-3-00156	Greenville Rancheria	13-JUN-01				
2001-3-00157	Vermont, State of	14-JUN-01				
2001-3-00158	Illionois State University	19-JUN-01				
2001-3-00159	Michigan, The University of	20-JUN-01				
2001-3-00160	Fall River, City of	21-JUN-01				
2001-3-00161	Denver, University of	21-JUN-01				
2001-3-00162	Stanford University	21-JUN-01				
2001-3-00163	Mississippi - Institutions of Higher Learning, State of	27-JUN-01				
2001-3-00164	West Virginia, State of	27-JUN-01				
2001-3-00165	National Academy of Saiences	27-JUN-01				
2001-3-00166	National Academy of Sciences 1999	27-JUN-01				
2001-3-00167	Tledo, The University of	27-JUN-01				
2001-3-00168	Wyoming,University of	28-JUN-01				
2001-3-00169	Miami University	28-JUN-01				
2001-3-00170	ZIA, PUEBLO OF, NM	28-JUN-01				
2001-3-00171	ZIA, PUEBLO OF, NM	28-JUN-01				
2001-3-00172	TESUQUE, PUEBLO OF, NM	29-JUN-01				
2001-3-00173	Clark University	29-JUN-01				
2001-3-00174	Illinois Institute of Technology	29-JUN-01				
2001-3-00175	Partners in Economic Reform, Inc	02-JUL-01				
2001-3-00176	Florida, State of	02-JUL-01				
2001-3-00177	Wisconsin, State of	02-JUL-01				
2001-3-00178	Crittenton Hastings House of the Florence Crittenton League	03-JUL-01				
2001-3-00179	Yavapai-Prescott Indian Tribe	05-JUL-01				
2001-3-00180	New Mexico-Energy,Minerals,and Natural Res. Dept., State of	10-JUL-01				
2001-3-00181	Chehalis Reservation, Confederated Tribes of	11-JUL-01		24,895		
2001-3-00182	Orangeville, Village of	11-JUL-01				
2001-3-00183	BLACKFEET INDIAN TRIBE OF THE BLACKFEET RESERVATION	11-JUL-01	16,943			
2001-3-00184	Association of U.S. Delegates-Gulf of Maine Council on Marin	13-JUL-01				
2001-3-00185	Tribal Assoc. of Solid Wste % Emergency Response	16-JUL-01				
2001-3-00186	Burns Pauite Tribe, OR	16-JUL-01				
2001-3-00187	Institute for Sustainable Communities	16-JUL-01				
2001-3-00188	Pennsylvania, Commonwealth of	20-JUL-01				
2001-3-00189	Shoalwater Bay Indian Tribe, Tokeland, WA	25-JUL-01				
2001-3-00190	Pryamid Lake Paiute Tribe	26-JUL-01	4,480			
2001-3-00191	Sauk Suiattle Indian Tribe	31-JUL-01				
2001-3-00192	Illinois, State of	01-AUG-01				
2001-3-00193	Spokane Tribe of Indians	01-AUG-01				

Report Number	Title	Final Report Issued	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Recommended Efficiencies (Funds Be Put To Better Use)
2001-3-00194	Alabama, State of	01-AUG-01				
2001-3-00195	Allentown School District	02-AUG-01				
2001-3-00196	Shoshone and Arapaho Joint Programs -Wind River Reservation	02-AUG-01				
2001-3-00197	Michigan - Department of Agriculture, State of	03-AUG-01				
2001-3-00198	Chesapeake Bay, Inc., Alliance for the	08-AUG-01				
2001-3-00199	New jersey Institute of Technology	14-AUG-01				
2001-3-00200	Rhode Island and Providence Plantations, State of	15-AUG-01				
2001-3-00201	Rhode Island and Providence Plantations, State of	15-AUG-01				
2001-3-00204	Saint Regis Mohawk Tribe	15-AUG-01				
2001-3-00202	Ute Indian Tribe	15-AUG-01				
2001-3-00205	Maricopa County	17-AUG-01				
2001-3-00207	East helena, City of	17-AUG-01				
2001-3-00206	Cascade, Town of	17-AUG-01				
2001-3-00208	Missouri, state of	21-AUG-01				
2001-3-00209	Michigan Department of Environmental Quality	22-AUG-01	538,863			
2001-3-00211	State of Iowa	23-AUG-01				
2001-3-00212	Utah, State of	23-AUG-01				
2001-3-00213	Nebraska, State of	23-AUG-01				
2001-3-00214	Arkansas for Medical Science, University of	30-AUG-01				
2001-3-00215	Oklahoma, The University of, Norman Campus	30-AUG-01				
2001-3-00203	Temecula Band of Luiseno Mission Indians	05-SEP-01				
2001-3-00216	Assiniboine & Sioux Tribes	05-SEP-01				
2001-3-00217	San Juan, City of	06-SEP-01				
2001-3-00218	Pleasant Point Passamaquoddy Tribe	07-SEP-01				
2001-3-00219	Burlington	11-SEP-01				
2001-3-00220	SHERWOOD VALLEY BAND OF POMO INDIANS	11-SEP-01				
2001-3-00221	Pueblo of Nambe, NM	12-SEP-01				
2001-3-00222	Pawnee Nation of Oklahoma	12-SEP-01		26,863		
2001-3-00223	Pickens County	18-SEP-01				
2001-3-00224	Lone Tree, City of	19-SEP-01				
2001-3-00225	St. Petersburg, City of	19-SEP-01				
2001-3-00226	Parkinson's Institute	26-SEP-01				
2001-3-00227	Clarksburg, City of	27-SEP-01				
2001-3-00228	Great Lakes Commission	27-SEP-01				
2001-3-00229	Wayne State University	27-SEP-01				
2001-3-00230	Solvay, City of	28-SEP-01				
2001-3-00231	Burlington, City of	28-SEP-01				
2001-3-00232	Tyrone, Borough of	28-SEP-01				
2001-3-00233	Tyrone, Borough of	28-SEP-01				
	TOTAL SINGLE AUDIT REPORTS = 124		809,259	51,758	0	0
2001-1-00156	EQMI 1999	25-JUN-01	400,877	0	0	0
2001-1-00170	TRC-EC FY 97 Incurred Cost	17-JUL-01	184,407	0	0	0
2001-1-00177	ECOLOGY & ENVIR 95 Incurred Cost	20-JUL-01	120,888	20,788	208,839	0
2001-1-00182	TRC-EC FY 98 Incurred Cost	15-AUG-01	257,111	0	0	0
2001-1-00190	Earth Tech-Incurred Costs(FY97)	28-AUG-01	0	0	0	0
2001-1-00192	Earth Tech-Incurred Costs(FY98)	29-AUG-01	47,306	0	0	0
2001-1-00195	ECOLOGY & ENVIR FY 96	18-SEP-01	91,660	0	86,800	0
2001-1-00199	MPI 1994 Incurred Costs	25-SEP-01	0	0	0	0
2001-1-00200	MPI 1995 Incurred Costs	25-SEP-01	0	0	0	0
2001-1-00201	ECOLOGY & ENVIR FY97	26-SEP-01	57,110	0	97,593	1,545,107
2001-1-00204	ROSS AND ASSOCIATES	27-SEP-01	5,126	0	0	0
2001-1-00205	ECOLOGY & ENVIR FY 98	28-SEP-01	46,279	3,222	92,391	1,666,379
2001-1-00202	ICF Consulting Group, Inc. - CY 2001 Floorcheck	27-SEP-01				
2001-1-00197	ICF Consulting Financial Capability	20-SEP-01	0	0	0	0
	TOTAL OIG ISSUED CONTRACT REPORTS = 14		1,210,764	24,010	485,623	3,211,486

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
2001-4-00010	Raven Ridge Resources Inc-FY99 Incurred Cost	03-APR-01				
2001-1-00125	Transcontinental Enterprises, Inc-FY98 Incurred cost	04-APR-01				
2001-1-00126	GRIFFIN SERVICES-FY 1997 Incurred Cost	10-APR-01				
2001-4-00011	IT Group, Inc-Indirect Bidding & Billing FYE 2001-2003	11-APR-01				
2001-4-00014	Battelle Memorial Inst-FY2001 Bidding & Billing Rates	11-APR-01				
2001-1-00127	Battelle Memorial Inst-Follow-up Purchasing Sys & IC	11-APR-01				
2001-4-00013	IT Group, Inc-FY2001 Predetermined Daily Equipment Rates	11-APR-01				
2001-4-00012	IT Group-FY2001 Direct Labor Estimating Rates	11-APR-01				
2001-1-00129	TRANSCONTINENTAL ENTERPRISES-FY 1997 Incurred Costs	12-APR-01				
2001-4-00015	Foster Wheeler Envtl Corp-Master File Vendor IDs	12-APR-01				
2001-4-00016	Foster Wheeler Envtl Corp-Compensation IC Follow-Up	12-APR-01				
2001-4-00017	Foster Wheeler Envtl Corp-Logical Security	12-APR-01				
2001-1-00131	ABB ENVIRONMENTAL - CAC 68-03-3452	12-APR-01				
2001-1-00130	MAR, Inc-FY98 Incurred Cost	12-APR-01				
2001-1-00132	INDUSTRIAL ECONOMICS INC-FY 1998 Incurred Cost	19-APR-01				
2001-1-00133	Foster Wheeler Environmental Corp-FY 1999 Incurred cost	19-APR-01				
2001-1-00134	Environmental Management Support - CACS 68-W6-0014	19-APR-01				
2001-1-00135	Midwest Research Inst-MAAR 6	16-MAY-01				
2001-1-00136	MIDWEST RESEARCH CORP-CACS 68-02-3817	16-MAY-01				
2001-1-00137	Midwest Research Inst-MAAR 13	16-MAY-01				
2001-1-00138	FEV Engine Technology-Preaward PR-CI-01-11610	16-MAY-01				
2001-4-00019	FEV Engine Technology-Local Travel Cost Audit	17-MAY-01				
2001-4-00020	CET Environmental Services Inc-Financial Review/Revision	18-MAY-01				
2001-2-00020	Ricardo, Inc-Preaward PR-CI-01-11610	21-MAY-01				
2001-1-00139	Radian Corporation-CACS 68-W9-0072	22-MAY-01	78,223	0	0	0
2001-1-00140	Metcalf & Eddy Inc-FY98 Incurred cost	22-MAY-01				
2001-1-00141	Foster Wheeler Environmental Corp-FY98 Incurred Cost	23-MAY-01				
2001-1-00142	SAIC-Review of Economy & Efficiency of Airfare Purchases	23-MAY-01				
2001-1-00144	Sierra Research Inc-FY99 Incurred cost	05-JUN-01				
2001-1-00147	Environmental Science & Engineering-FY97 Incurred Cost	05-JUN-01				
2001-1-00145	Environmental Science & Engineering-FY98 Incurred Cost	05-JUN-01				
2001-1-00146	Kevric Company-FY99 Incurred cost	05-JUN-01				
2001-4-00021	Great Lakes Environmental-FY 1999 Incurred cost	06-JUN-01				
2001-1-00148	FY 2000 OMB Circular A-133 & Review of Indirect Rates	06-JUN-01				
2001-4-00022	Sierra Research Inc-FY98 Incurred Cost	06-JUN-01				
2001-1-00149	Adeq/Comp D/S Rev. 7c,8a,9a eff. 01/99,1/00,1/01	11-JUN-01				
2001-1-00150	SciComm Inc-CACS 68-W3-0009	11-JUN-01	20,310	0	0	0
2001-1-00151	Adeq./Comp. D/S Rev. 3c and 4a effective 1/1/99 and 1/1/2000	12-JUN-01				
2001-4-00023	Tetra Tech Corp-Financial Capability Review	12-JUN-01				
2001-1-00152	TAMS Consultant Inc-FY96 Incurred cost	12-JUN-01				
2001-1-00153	DPRA-FY2001 Timkeeping System-Floorcheck	12-JUN-01				
2001-1-00154	Foster Wheeler Environmental Corp-FY 1999 RAC 68-W9-8214	13-JUN-01		206,193	0	0
2001-1-00155	CFY 1999 Compliance w/ OMB Circular A-133	15-JUN-01				
2001-1-00158	Midwest Research Inst-FY2000 Incurred cost	26-JUN-01				
2001-1-00159	Computer Sciences Corporation-CACS 68-01-7365	26-JUN-01				
2001-1-00160	S COHEN & ASSOCIATES-FY 1998 Incurred Cost	27-JUN-01				
2001-1-00161	EC/R Inc-FY97 Incurred Cost	27-JUN-01				
2001-2-00021	Review of Preward RFP Number PR-R5-01-10719	27-JUN-01				
2001-1-00162	Battelle Memorial Inst-Follow-up Cost System & IC	28-JUN-01				

Report Number	Title	Final Report Issued	Questioned Costs: Ineligible Costs	Questioned Costs: Unsupported Costs	Questioned Costs: Unreasonable Costs	Recommended Efficiencies (Funds Be Put To Better Use)
	incurred					
2001-1-00163	Battelle Memorial Inst-BMI-38 Revised Disclos ure Stmt	28-JUN-01				
2001-1-00164	Washington Group Int'l, Inc-FY98 Direct cost	29-JUN-01				
2001-1-00166	Stanford University-FY2000 Fringe Benefits	29-JUN-01				
2001-1-00167	TetraTech/Black & Veatch JV-FYs 1997 & 1998 R AC	10-JUL-01				
2001-1-00124	Westinghouse Remediation Svc-FY97 Incurred Co st	16-JUL-01	13,190	0	0	0
2001-1-00168	Coastal International Security-FY99 Incurred cost	17-JUL-01				
2001-1-00169	Coastal International Security-FY98 Incurred Cost	17-JUL-01				
2001-1-00171	Hazardous & Medical Waste Service-FY 1999 Inc urred cost	17-JUL-01				
2001-1-00172	Environmental Management Support-FY2000 Incur red Cost	17-JUL-01				
2001-1-00173	Technology Planning & Management Inc-FY98 Inc urred cost	18-JUL-01				
2001-1-00174	Technology Planning & Management Corp-FY97 In curred Cost	18-JUL-01				
2001-1-00175	Lockheed Martin Services-Budget System & Fina ncial Control	18-JUL-01				
2001-1-00176	ManTech Environmental Technology-FY 1999 Incu rred cost	18-JUL-01				
2001-1-00178	Syracuse Research Corporation-FY2000 Incurred cost	20-JUL-01				
2001-4-00024	SciComm Inc-FY99 Incurred cost	13-AUG-01				
2001-1-00179	Gannett Fleming Inc-Accounting System Audit	14-AUG-01				
2001-1-00180	CAS Disclosure Statements effective Nov. 1, 1 997	14-AUG-01				
2001-4-00025	I T Group FY2000 Financial Capability Risk As sessement	14-AUG-01				
2001-1-00181	Gannett Fleming Environmental Engineers-FY99 Incurred cost	15-AUG-01				
2001-1-00183	Tetra Tech EMI-FY99 Incurred Cost	15-AUG-01				
2001-1-00184	Computer Sciences Corporation-CACS 68-W0-0043	20-AUG-01				
2001-2-00023	IT Group-Preaward DACW45-94-D-0005	20-AUG-01				
2001-4-00026	Battelle Memorial Inst-Bidding & Billing 7/1/ 01-9/30/01	21-AUG-01				
2001-1-00185	Lockheed Martin Service, Inc-Follow-up Contro l Envmt & Acc	21-AUG-01				
2001-1-00187	CET Environmental Services Inc-FY98 Incurred Cost	24-AUG-01	479	0	0	0
2001-1-00188	Bechtel Group, Inc-FY99 Incurred cost	24-AUG-01				
2001-1-00189	CET Inv. Review 68-W7-0016 D.O.#0016-060685 I nv.9685-004-05	27-AUG-01				
2001-1-00193	Eastern Research Group-EDP General Internal C ontrols	07-SEP-01				
2001-1-00194	Milestone Associates, Inc-Acc Sys & Financial Capability	14-SEP-01				
2001-2-00025	Proposal Review RFP PR-HQ-01-12880	17-SEP-01				
2001-2-00026	Review of Equipment Rates 68-W7-0016	17-SEP-01				
2001-1-00196	Lockheed Martin Services Group-FY 1999 Incurr ed cost	18-SEP-01	75,000	0	0	0
	TOTAL DCCA CONTRACT REPORTS = 81		393,395	0	0	0

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2001-1-00165	2000 FIFRA F/S AUDIT	29-JUN-01				
	TOTAL FINANCIAL STATEMENT REPORTS = 1		0	0	0	0
2001-S-00012	Cash Management under Cooperative Agreements	26-SEP-01	0	0	0	0
2001-S-00008	Old Southington Landfill Response Claim	09-MAY-01	42,898	1,924	0	0
2001-S-00009	PREQB	27-JUN-01	0	0	0	0
2001-S-00010	PRP Search Program	24-AUG-01	0	0	0	0
2001-S-00011	Penalty Collection	21-SEP-01	0	0	0	28,700,000
	TOTAL SPECIAL REVIEW REPORTS = 5		42,898	1,924	0	28,700,000
	TOTAL REPORTS ISSUED = 239		$3,036,989	$1,487,803	$485,623	$31,911,486

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