



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

DEC 02 2011

THE INSPECTOR GENERAL

**MEMORANDUM**

**SUBJECT:** Evaluation of EPA Final Response to OIG Report No. 11-P-0527, *EPA's Gulf Coast Oil Spill Response Shows Need for Improved Documentation and Funding Practices*, August 25, 2011

**TO:** Barbara J. Bennett  
Chief Financial Officer

We have reviewed your November 28, 2011, final response to the subject report. Your response stated that you maintain your nonconcurrency with recommendation 1, and you agreed with recommendations 2 and 3. For recommendations 2 and 3, you revised your proposed completion dates to March 31, 2012. The proposed corrective actions and revised completion dates you provided for recommendations 2 and 3 meet the intent of the recommendations, and we are closing them out in OIG tracking systems. Corrective action for recommendation 4 was complete when we issued the final report, and the recommendation has already been closed out in our system. In accordance with OIG policy, we will periodically follow up to determine how well the Agency's ongoing and planned actions have addressed the recommendations.

Recommendation 1 remains unresolved. In your response to recommendation 1, you stated that the unique organization code linking expenses to the individual Pollution Removal Funding Authorizations (PRFAs) provides a clear audit trail for all costs related to each of the PRFAs. In our opinion, the use of the accounting codes only shows that work relates to the Deepwater Horizon (DWH) site; it does not identify the specific PRFA activity conducted. For EPA to provide a clear audit trail, as specified in agreements between EPA and the Coast Guard,<sup>1</sup> EPA should have implemented a consistent documentation structure that identifies the specific DWH PRFA activity conducted.

Your response also stated that the Agency continues to meet with the Coast Guard to obtain clarification of the documentation the Coast Guard requires EPA to provide for future PRFAs.

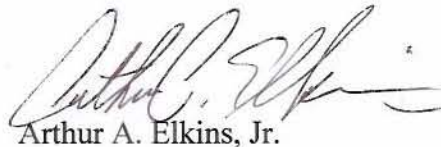
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<sup>1</sup> Coast Guard guidance, *Technical Operating Procedures for Resource Documentation under the Oil Pollution Act of 1990*, which is listed in appendix 1 of EPA's 1996 memorandum of understanding with the Coast Guard, provides that documentation should support a clear audit trail.

Your response also stated that upon confirmation of required documentation, EPA will determine whether regions and headquarters need to prepare and provide additional activity-related documentation. We believe that these actions could meet the intent of recommendation 1.

Regardless of the outcome of the meetings with Coast Guard, EPA should be able to provide documentation that clearly links billed activities to authorized activities. As noted on page 8 of our subject report, we believe that EPA has the ability to provide, and in some cases was providing, documentation to link billed activities to authorized activities. However, EPA needs additional controls to improve Agency-wide consistency and clarity in supporting a clear audit trail for claimed costs.

Please reconsider how we might resolve recommendation 1 in light of these comments. If you or your staff would like to meet to further discuss recommendation 1, or if you or your staff have any questions regarding this memo, please contact Wade Najjum, Assistant Inspector General for Program Evaluation, at (202) 566-0827; or Carolyn Copper at (202) 566-0829.



Arthur A. Elkins, Jr.

cc: Bob Perciasepe  
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