



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We initiated this audit based on a hotline complaint related to Homeland Security Presidential Directive (HSPD)-12 and the fact that the U.S. Environmental Protection Agency (EPA) had nearly \$1 million in such property. Our objective was to determine whether property purchased to support HSPD-12 was accounted for in accordance with EPA policies and procedures.

Background

HSPD-12, *Policy for a Common Identification Standard for Federal Employees and Contractors*, established a mandatory, government-wide standard for secure and reliable forms of identification issued by the Federal Government to its employees and contractors. HSPD-12 requirements included identity proofing, registration, card issuance, and card management.

For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2009/20090915-09-P-0233.pdf

EPA Did Not Properly Account for All Property for Implementing Homeland Security Presidential Directive-12

What We Found

EPA generally recorded HSPD-12 property accurately in EPA's Fixed Assets Subsystem (FAS). However, we noted the following discrepancies:

- four pieces of property valued at \$29,538 were missing and not recorded in FAS,
- acquisition costs in FAS were incorrect for some equipment, and
- nonfinancial information for several pieces of property was not accurately recorded.

To meet an Office of Management and Budget deadline, EPA shipped property to other EPA locations before the property was recorded in FAS. Effective personal property management requires integration of property and financial management records. Incorrect information in FAS could have an adverse effect on the Agency's financial statements.

The contract for implementing HSPD-12 did not include clauses to address property management responsibilities. Tasks under the contract statement of work required the contractor to account for the property as if it were government-furnished property, but because the property was used in government facilities, EPA did not consider the property to be government-furnished property. Consequently, the contract did not properly reflect the status of the property.

As a result of the deficiencies noted, there is an increased risk of loss of government property and inaccurate reporting.

What We Recommend

We recommend that EPA use established procedures to resolve accountability for the missing property, and review accuracy of HSPD-12 property information in FAS and update any discrepancies. We also recommend that EPA modify the HSPD-12 contract to reflect contractor requirements and accountability for using government property in government facilities.

The Agency concurred with the report recommendations and provided corrective action plans. EPA established a December 2009 milestone for resolving missing HSPD-12 property and updating FAS with accurate records. The Agency also modified the contract on July 22, 2009, to reflect contractor requirements and accountability for the HSPD-12 property.