



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

APR 19 2013

THE INSPECTOR GENERAL

The Honorable Paul Broun, MD
Chairman
Subcommittee on Investigations and Oversight
Committee on Science, Space, and Technology
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed are the responses to questions for the record as requested in your letter dated April 5, 2013. I appreciate the opportunity to testify before the committee and thank you for your interest in the work of the Office of Inspector General. If you or your staff should have any questions on this or any other matter, please contact Alan Larsen, counsel to the inspector general, at (202) 566-0990.

Sincerely,

Arthur A. Elkins Jr. (for AE)

Arthur A. Elkins Jr.

cc: Rep. Daniel Maffei, Ranking Member
Subcommittee on Oversight

Enclosure

HOUSE COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
SUBCOMMITTEE ON OVERSIGHT

“Top Challenges for Science Agencies: Reports from the Inspectors General - Part 2”

Questions for the Record, Mr. Arthur A. Elkins Jr., Inspector General
U.S. Environmental Protection Agency

Questions submitted by Dr. Paul Broun, Chairman

Sequestration

- 1) **You made some comments in an interview last month about how sequestration cuts may force you to limit some of your office’s planned projects for this year.¹ Your office has a couple of projects it is working on for this Committee that were submitted and initiated last year – are they in danger of being delayed?**

Based on the Committee’s request, the OIG initiated an evaluation of EPA’s research on human subjects in October 2012 to determine whether the EPA followed applicable laws, regulations, policies, procedures and guidance when it exposed human subjects to diesel exhaust emissions and concentrated airborne particles. As stated in the February 22, 2013, *Inside EPA* article, although sequestration cuts may eventually cause us to cut back on discretionary work, this evaluation has not been delayed due to sequestration cuts experienced by the OIG thus far and we do not envision it being delayed due to these cuts. It is taking longer to complete this evaluation than initially estimated, due largely to the amount of information received from the EPA and the University of North Carolina at Chapel Hill’s Institutional Review Board. For example, we reviewed and evaluated over 6,000 pages of documents received from the review board alone. We plan to issue a draft report to the agency for comment by September 2013.

Based on the Committee’s request, we also initiated in December 2012 an audit of the EPA’s use of private and alias email accounts, to determine whether the EPA follows applicable laws and regulations when using private and alias email accounts to conduct official business. We still plan to complete that work this summer.

Cyber Security

- 2) **Your 2012 Federal Information Security Management Act report highlighted several serious deficiencies in the EPA’s information security program. What has the agency done to mitigate these failings?**

On March 6, 2013, the OIG issued a draft report containing 10 recommendations that the agency should undertake to address deficiencies reported in our 2012 Federal Information Security Management Act Report. We anticipate issuing the final report in May 2013.

¹ Anthony Lacey, “IG Warns Budget Cuts Could Hamper Effort To Ensure EPA ‘Transparency,’” *InsideEPA.com*, February 22, 2013, available at: <http://insideepa.com/201302222425536/EPA-Daily-News/Daily-News/ig-warns-budget-cuts-could-hamper-effort-to-ensure-epa-transparency/menu-id-95.html>.

3) Are EPA's system security plans up-to-date, and do they reflect current policies and procedures?

During our 2012 Federal Information Security Management Act audit, we reviewed a sample of 13 agency information system security plans. Of those plans, 12 were up to date and reflected current policies and procedures. While the EPA sufficiently categorized the sensitivity of the data that resides in all its systems, one security plan lacked documentation of the controls implemented to protect the data processed by the system. This security plan lacked details related to continuous monitoring activities, such as security impact analysis, system audit log storage and response to audit processing failures.

Duplicative Programs

4) The management challenges report states that your office has begun work that "could identify duplicative programs that warrant consideration as a future management challenge."² In the nine months since that report was released, what advances has your office made on the project?

We completed the project ("Catalog of Environmental Programs 2012") in October 2012. The catalog is a browsable online database of interagency environmental activities which helps describe the extent to which federal agencies play a role environmental protection. The EPA's success in protecting the environment depends on the efforts of many federal, state, local and tribal partners.

Our audit and evaluation work also may involve identifying potential duplicative programs. We have ongoing audit work related to the Science to Achieve Results (STAR) grant program, for which we are looking at whether the EPA is effectively monitoring grant recipients to ensure the EPA is not funding costs also funded by another federal agency.

In September 2012, we issued a report ("Environmental Job Training Program Implemented Well, But Focus Needed on Possible Duplication With Other EPA Programs") that examined whether the EPA's Environmental Workforce Development and Job Training program is addressing its program goals and whether duplications may occur with other EPA job training programs. We found that the EPA effectively established and adhered to competitive criteria that resulted in the selection of job training proposals that addressed the broad goals of the Environmental Workforce Development and Job Training program. However, EPA did not have internal controls to identify and prevent duplication with other EPA job training programs.

5) In your office's effort to identify duplicative programs at EPA, have you coordinated with the U.S. Government Accountability Office given the work that office conducts on duplicative federal programs?

On an ongoing basis, the OIG coordinates its work with GAO. During meetings, we discuss our respective audit work involving duplicative programs, and also our respective planned, ongoing and completed audit work.

² Introduction to 2012 EPA management challenges report.

State Oversight

- 6) **As part of its responsibilities, EPA assesses whether a state government is “capable of operating [a] program consistent with federal standards”³ To that end, EPA has implemented a State Review Framework, but, as noted in your office’s management challenges report, EPA has not “implemented [the framework] in a consistent manner.”⁴ Why is that and what work has your office done to oversee this process?**

In the OIG’s 2011 report, “EPA Must Improve Oversight of State Enforcement,” we conducted a review of the enforcement programs in all 50 states, including a review of the State Review Framework – a national system for reviewing state enforcement performance under the Clean Air Act, Clean Water Act, and Resource Conservation and Recovery Act developed in 2004. We found that EPA enforcement officials generally found enforcement programs beneficial. We also determined that making the State Review Framework public helped to put pressure on states to perform better, and the process overall brought the enforcement discussion to a higher level in state agencies. However, our review of all available State Review Framework reports indicated that despite the Office of Enforcement and Compliance Assurance’s guidance on conducting framework oversight reviews, EPA regions did not consistently conduct or report on their reviews. This was in line with an overall finding that state oversight was inconsistent across EPA regions. We have not reviewed that State Review Framework since this report. The EPA is currently working on reports for several state reviews from its Round 2 review (2008-2012).

State enforcement performance and oversight has been an ongoing interest of the OIG. In addition to the 2011 state oversight report, we conducted a review in 2009 on EPA oversight and policy for high priority violations of the Clean Air Act, and a review in 2007 on long-term significant noncompliance with discharge permits under the Clean Water Act. We are currently working on a project looking at the EPA’s Watch List.

IRIS

- 7) **This Committee has a long history with its oversight of EPA’s IRIS (Integrated Risk Information System) program. Moreover, GAO lists IRIS as a high-risk program and even your office identifies it in your management challenges report. What do you have planned in terms of conducting oversight of this program at EPA this year?**

We recently completed the audit report, “Congressionally Requested Information on EPA Utilization of Integrated Risk Information System” (Report No. 13-P-0127), issued on February 1, 2013. We currently do not have further plans for reviewing IRIS in FY 2013.

Science Advisory Board

- 8) **EPA’s Science Advisory Board (SAB) and Clean Air Scientific Advisory Committee (CASAC) play critical roles in reviewing the scientific foundation of EPA regulatory decisions and advising the agency broadly on science and technology-related matters. Yet, according to the Congressional Research Service, as of last year, almost 60 percent of the members of EPA’s scientific advisory panels had directly received recent grants from the agency. Further, private sector expertise is often entirely excluded on panels, despite an**

³ P.1 of 2012 EPA management challenges report.

⁴ P.1 of 2012 EPA management challenges report.

existing statutory requirement that advisory committees “be fairly balanced in terms of the points of view represented.”

How does your office conduct oversight over the SAB, and ensure a fair and balanced membership that equally represents viewpoints of environmentalists, industries and everyone else?

In response to a congressional request, the OIG has an ongoing assignment reviewing the EPA’s management of the CASAC and the Advisory Council on Clean Air Compliance Analysis. The EPA’s SAB Staff Office is responsible for managing these two committees. Our review is assessing whether the EPA has managed the CASAC and Council in accordance with applicable laws, regulations and guidance pertaining to potential conflicts of interest, appearances of impartiality, rotation of members, balance of committee viewpoints and perspectives, and peer review. We plan to issue a draft report to the agency in May 2013. The OIG does not routinely conduct oversight of the SAB but may periodically review the SAB as we do other EPA programs and activities.

- 9) **EPA SAB meetings also limit public participation, and virtually no ability exists for interested parties to comment on the scope of SAB reviews. What projects do you have ongoing regarding EPA’s SAB rules and ensuring that it be an open and transparent process?**

Our office does not have any ongoing reviews of the SAB’s rules. The OIG review identified in response to question 8 is addressing the SAB Staff Office’s management of the CASAC and the Advisory Council on Clean Air Compliance Analysis, not SAB committees.

Bristol Bay

- 10) **Has EPA previously issued a draft watershed assessment in the context of a potential mining project in advance of a permit being filed for mine development?**

The EPA has not done any review on the EPA’s draft Bristol Bay Watershed Assessment, nor is this topic addressed in the OIG’s annual plan for FY 2013.

- 11) **Regarding EPA’s draft Bristol Bay Watershed Assessment, has your office received any complaints about whether this document is compliant with (a) OMB guidelines regarding peer review; (b) Highly Influential Scientific Assessment guidelines; and (c) the Administrative Procedure Act guidelines?**

No.

- 12) **Regarding EPA’s draft Bristol Bay Watershed Assessment, have you received any concerns about the fact that this document is undergoing two peer reviews, yet EPA does not consider it a regulatory document?**

No.

- 13) **Regarding EPA’s draft Bristol Bay Watershed Assessment, have any of the peer reviewers contacted your office about the peer review process or about any inappropriate contact from the agency meant to influence the second peer review of this document due later this year?**

No.

- 14) Concerning EPA's draft Bristol Bay Watershed Assessment, have you received any allegations regarding conflict of interest associated with the watershed assessment peer review?

No.

- 15) Regarding EPA's draft Bristol Bay Watershed Assessment, have you received any allegations of scientific integrity violations by EPA in either the way the watershed assessment was drafted, or over its inclusion of non-peer reviewed publications?

No.

Sustainability

- 16) Has your office conducted any work on EPA efforts in the area of sustainability practices and approaches? Specifically, what steps has EPA taken to implement recommendations from the 2011 National Academy of Sciences report, *Sustainability and the U.S. EPA*, commonly referred to as the "Green book," for which EPA paid NAS nearly \$700,000?⁵ Under what statutory authority is the agency pursuing this agenda?

The EPA has not done any review on the implementation of the National Academy of Sciences' recommendations, nor is this topic addressed in the OIG's annual plan for FY 2013.

Open and Unimplemented Recommendations

- 17) A report issued earlier this month by another Committee noted that "open and unimplemented IG recommendations could save taxpayers \$67 billion"⁶ in 2012.

- a. How many open and unimplemented recommendations do you have with EPA?

The OIG semiannually prepares a [Compendium of Open and Unimplemented Recommendations](#) as an appendix to its Semiannual Report to Congress. For the Compendium of Unimplemented Recommendations report as of March 31, 2013, we are reporting 127 open recommendations (whose agreed-to completion dates have not yet expired) and 23 unimplemented recommendations more than 1 year past the agreed-to completion date, for a total of 150 open and unimplemented recommendations.

- b. How much could EPA save if your recommendations were incorporated, and how have these numbers changed over the years?

The OIG performs a variety of audits, including, financial statement, grant/grantee, contract, information system, risk assessment and complex program audits and evaluations. Our recommendations involve quantifiable monetary benefits, as well as non-quantifiable non-monetary benefits.

⁵ David John Marotta, "EPA: Green Gone Wild," *Marotta on Money*, January 13, 2013, available at: <http://www.marottaonmoney.com/epa-green-gone-wild>.

⁶ Committee on Oversight and Government Reform report, March 5, 2013, available at: <http://oversight.house.gov/wp-content/uploads/2013/03/Staff-Report-Open-Unimplemented-IG-Recs.pdf>.

For those audits and evaluations that contain monetary benefits, the OIG has identified over \$400 million in potential savings in the form of cost efficiencies and questioned costs in FY 2012 that are subject to final management decisions and actions by the agency beyond the control of the OIG. Additionally, the vast majority of recommendations the OIG makes for which there are agreed-to corrective actions are performance and qualitative recommendations. While they are not quantifiable in monetary terms, if implemented they will result in significant savings, reduction of risk, and better delivery of EPA's environmental programs to improve the environment and public health. These benefits translate into cleaner water, air and land, and subsequent health and quality of life benefits.

Since the OIG began publishing its Compendium of Unimplemented Recommendations, the number of past due recommendations has steadily declined by about 75 percent.

18) Are certain issues more likely than others to be on the "open and unimplemented" recommendations list for EPA? If so, can you please elaborate on them?

There are no specific recurring issues that appear on the "Open and Unimplemented" recommendations list for EPA. The recommendations that appear on the list are very diverse and cover a myriad of topics. The recommendations relate to topics that range from information technology security, the EPA's financial statements, and EPA grantees (including tribal grants), as well as issues that affect EPA's programs like air, water and hazardous waste. Due to the very complex nature of the EPA programs, OIG audits and evaluations have similarly developed complex recommendations involving a wide array of stakeholders with scientific, policy and legal implications. As a result, complete implementation of complex program recommendations frequently requires many years, and some require continuous action.