



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

OFFICE OF
INSPECTOR GENERAL

November 25, 2013

MEMORANDUM

SUBJECT: Review of EPA's Compliance With Improper Payments Elimination and Recovery Improvement Act of 2012 During Fiscal Year 2013
Project Number OA-FY14-0072

FROM: Janet Kasper, Director 
Contracts and Assistance Agreement Audits

TO: MaryAnn Froehlich, Acting Chief Financial Officer

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) is beginning a review of the EPA's compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012 (the Act) during fiscal year 2013. The Act and Office of Management and Budget (OMB) Memorandum M-11-16 require that the OIG evaluate the accuracy and completeness of agency reporting and the agency's performance in reducing and recapturing improper payments. Our audit will focus on these requirements.

The Project Manager for this assignment will be Mary Anne Strasser. We would like to meet with you during the week of December 9, 2013, to discuss the purpose and objectives of our audit. We will contact the audit liaison to arrange a specific time and date for the meeting. During the meeting, we will answer any questions you have about the audit process, and we will discuss our methodology. The OIG has 120 days from the issuance of the annual financial report to issue a report on compliance with the Act.

We are requesting that you provide the following information to Mary Anne Strasser prior to the initial meeting:

1. A listing of staff that is responsible for reporting or consolidating 2013 improper payment information.
2. An advance draft copy of the 2013 Annual Financial Report section on improper payments.
3. Spreadsheets used to consolidate improper payment totals.
4. OMB approval for the EPA's sampling plan.
5. OMB's approval to treat each State Revolving Fund (SRF) as a separate reporting entity.

6. SRF program evaluation reports and transaction testing worksheets that documents the transaction testing (both statistical and supplemental) pursuant to the 2013 Improper Payments reporting for the following states:
- Clean Water State Revolving Fund – Rhode Island, North Carolina, Washington, Missouri and Ohio.
 - Drinking Water State Revolving Fund – California, Texas, New York, Maryland and Iowa.

Should you or your staff have any questions, please contact me at (312) 886-3059 or kasper.janet@epa.gov; or Mary Anne Strasser at (303) 312-6972 or strasser.maryanne@epa.gov.

cc: David Bloom, Acting Deputy Chief Financial Officer
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