Operating efficiently and effectively

EPA Needs to Improve Oversight of the Senior Environmental Employment Program

Report No. 19-P-0198   **June 24, 2019**

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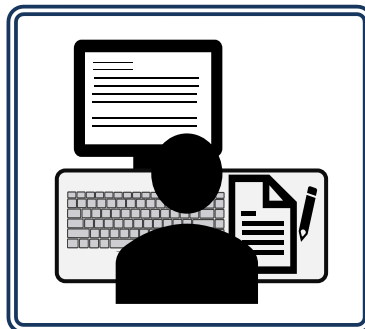
Abbreviations

EPA	U.S. Environmental Protection Agency
FTE	Full-Time Equivalent
FY	Fiscal Year
GAO	U.S. Government Accountability Office
IGMS	Integrated Grants Management System
OGD	Office of Grants and Debarment
OIG	Office of Inspector General
OMB	Office of Management and Budget
OROM	Office of Resources, Operations, and Management
SEE	Senior Environmental Employment
U.S.C.	United States Code

Cover Image: Graphic depicting types of positions held by SEE enrollees. (EPA OIG image)

U.S. Environmental Protection Agency
Office of Inspector General

At a Glance

EPA Needs to Improve Oversight of the Senior Environmental Employment Program

What We Found

The EPA's oversight of SEE cooperative agreements needs to be improved. Specifically, we found that the EPA did not:

- Timely comply with requirements to document SEE program monitoring reviews.

- Document oversight of SEE organizations' quarterly reports or communications with the SEE organizations.

- Provide adequate communications or guidance for SEE monitors regarding their responsibilities.

- Update the 2010 pay scale that established the worker (SEE enrollee) minimum and maximum hourly wages.

The SEE program can reduce the risk of fraud, waste and abuse and make the program more efficient through additional controls.

These findings resulted from factors such as EPA project officers having difficulties with the Grantee Compliance Database, not realizing that documenting oversight was required, and lack of mechanisms to effectively provide information or review reimbursement paid to grantees.

Recommendations and Planned Agency Corrective Actions

We recommend that the Assistant Administrator for Mission Support implement internal controls to verify that required annual baseline monitoring reports are timely placed into the database, develop a mechanism or quality review process for the SEE program manager to verify effective oversight, and implement additional communications and guidance. In addition, we recommend that the Assistant Administrator issue a memorandum to the leadership of program and regional offices that participate in the SEE program to emphasize compliance with guidance and communication provided by the program. Further, we recommend that the Assistant Administrator revise guidance on reviewing and setting wage rates.

The EPA agreed to take corrective actions on all five recommendations and provided planned corrective action dates. The agency's planned corrective actions and completion dates meet the intent of the recommendations. Corrective actions are completed for Recommendation 2 and pending for the other recommendations.

June 24, 2019

MEMORANDUM

SUBJECT: EPA Needs to Improve Oversight of the Senior Environmental Employment Program
Report No. 19-P-0198

FROM: Charles J. Sheehan, Deputy Inspector General

TO: Donna Vizian, Principal Deputy Assistant Administrator
Office of Mission Support

This is our report on the subject audit conducted by the Office of Inspector General (OIG) of the
U.S. Environmental Protection Agency (EPA). The project number for this audit was OA-FY18-0053.
This report contains findings that describe the problems the OIG has identified and corrective actions the
OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the
final EPA position. Final determinations on matters in this report will be made by EPA managers in
accordance with established audit resolution procedures.

At the start of our audit, the Office of Resources, Operations, and Management within the EPA's Office
of Administration and Resources Management was responsible for planning, awarding and
administrating Senior Environmental Employment (SEE) program cooperative agreements. However,
program and regional staff are responsible for recruiting, hiring and monitoring SEE enrollees within
their programs and regional offices, and they are overseen by the Office of the Administrator. Effective
November 26, 2018, the EPA reorganized to form the Office of Mission Support, in which the Office of
Resources and Business Operations is now responsible for the issues in this report.

In accordance with EPA Manual 2750, your office provided acceptable corrective actions and milestone
dates in response to OIG recommendations. All recommendations are resolved with corrective actions
complete or pending, and no final response to this report is required. However, if you submit a response,
it will be posted on the OIG's website, along with our memorandum commenting on your response.
Your response should be provided in an Adobe PDF file that complies with the accessibility
requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should
not contain data that you do not want to be released to the public; if your response contains such data,
you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epa.gov/oig.

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Chapter 1
Introduction

Purpose

Our objective was to determine whether internal controls for the U.S. Environmental Protection Agency's (EPA's) Senior Environmental Employment (SEE) program cooperative agreements provide reasonable assurance that the agency is complying with the [Environmental Programs Assistance Act](#) and EPA guidance and policies.

Background

Title V of the Older Americans Act of 1965 (P.L. 89-73), also referred to as the Community Service Senior Opportunities Act, was the first federal-level initiative aimed at providing comprehensive services for older adults. In 1984, the Environmental Programs Assistance Act (P.L. 98-313; codified as 42 U.S.C. § 4368a) authorized the EPA to establish a program of grants/cooperative agreements to organizations that were designated in the Older Americans Act of 1965 for federal, state and local environmental agencies to use the talents of older Americans in pollution prevention, abatement and control.

According to the EPA, the SEE program provides opportunities for workers at least 55 years old to assist the EPA on federal, state and local environmental projects, including pollution prevention, abatement and control. Also, workers can assist with administrative, clerical, technical and professional activities. The SEE program awards cooperative agreements to grantee organizations, which then provide workers (SEE enrollees) to the EPA. The EPA's SEE public website explains that SEE enrollees are neither federal employees nor employees of grantee organizations. The grantee organization is responsible for managing and administering enrollees' salaries, benefits, vacation, sick leave, and any personnel actions or issues that occur.

The SEE program office within the headquarters Office of Mission Support is the central point for policy and funding for the SEE program. The EPA's *SEE Guidance and Procedures Manual* defines responsibilities:

- Within the SEE program, the program manager is responsible for overall administration, monitors funding, and acts as a liaison with SEE grantees and SEE coordinators. The program manager establishes guidance and procedures, monitors implementation and coordinates program operation nationwide.

- SEE enrollees are individuals at least 55 years of age enrolled under a SEE cooperative agreement with a grantee organization.

- SEE coordinators are senior EPA decision-making officials for programmatic and financial aspects of SEE cooperative agreements within funding offices.

- SEE monitors are EPA employees who review and verify each enrollee's time and attendance reports, direct daily tasks, and provide assessments of enrollee performance and conduct to the grantees.

Within the SEE program office, EPA project officers are responsible for oversight of the grantee organizations. This includes the following activities:

- Review of quarterly enrollment, awards and financial reports provided by the grantee organizations to determine whether outputs and outcomes have been achieved.

- Completion of required monitoring of grantee organizations and documenting it in the EPA's Grantee Compliance database.

The program meets monthly with the SEE organizations, communicates with agency SEE coordinators, and is responsible for updating the SEE manual and pay scale.

The grantee organization manages and administers enrollees' salaries, however, it is the SEE program office that sets the pay scale establishing the minimum and maximum hourly wages. The EPA set the current pay scale in 2010 and that wage and pay rate represents the maximum that the EPA will reimburse the grantee organization for enrollee hourly wages. Between the entry and maximum wages, enrollees can annually receive an increase of $0.50 per hour up to the maximum hourly wage for their level (Table 1).

Table 1: 2010 SEE pay scale

Position	Entry hourly wage	Maximum hourly wage
Clerical/Non-Typing	$ 7.27	$ 9.70
Clerical/Typing	8.78	12.12
Technical	10.30	13.92
Professional	12.72	18.16

Source: EPA SEE program.

The grantee organizations are responsible for supervision of the SEE enrollees, but the EPA is responsible for providing direction and monitoring enrollee productivity. Specific responsibilities are described in Table 2.

Table 2: SEE organization and EPA responsibilities

Action	Supervision by SEE organization	Direction by EPA
Giving day-to-day tasking and feedback		X
Writing periodic formal performance evaluations	X	
Recommending training		X
Recommending travel		X
Taking a formal disciplinary action with an enrollee	X	
Taking action to separate an enrollee	X	
Signing an enrollee's timesheet verifying hours worked		X
Offering to enroll a person		X
Reviewing potential enrollees and recommending an applicant for enrollment	X	

Source: EPA's SEE Manual.

The dollars obligated and the number of SEE enrollees have dropped between fiscal years (FYs) 2015 and FY 2017, as shown in Table 3. According to the EPA, this decline has accompanied declines in agency Full-Time Equivalent (FTE) employees.

Table 3: SEE obligations and enrollees for FYs 2015–2017

Obligations and enrollees	FY 2015	FY 2016	FY 2017
Obligated	$50,621,126	$41,934,566	$43,497,241
Number of enrollees	1,111	1,061	972

Source: EPA SEE program.

As of June 1, 2018, SEE active cooperative agreements had expended almost $86 million (Table 4).

Table 4: SEE active cooperative agreements

Organization	No. of active assistance agreements	Obligation amount	Expenditure amount
National Asian Pacific Center on Aging	10	$22,769,600	$19,498,592
National Association for Hispanic Elderly	6	12,321,148	7,415,206
National Caucus & Center on Black Aging	17	9,053,804	6,764,585
National Council on Aging [a]	7	6,799,077	5,684,295
National Older Worker Career Center	19	40,432,139	31,650,259
Senior Service America	11	20,462,377	14,958,130
Total	**70**	**$111,838,145**	**$85,971,067**

Source: Office of Inspector General (OIG) analysis of Business Objects data as of June 1, 2018.

[a] This organization's SEE cooperative agreements ended in June 2018.

SEE enrollees are acknowledged for their contributions toward the EPA's mission. Surveyed EPA colleagues of SEE enrollees reported the following:

- The SEE program harnesses the wisdom and expertise of an older work force at an inexpensive cost.

- With scarce federal administrative staff, SEE enrollees perform key functions.

- Given the inability to hire FTE employees, the SEE program is the only avenue to get badly needed support.

Responsible Office

At the start of our audit, the Office of Resources, Operations, and Management (OROM), within the EPA's Office of Administration and Resources Management, was responsible for management oversight. This included establishing guidance and procedures, monitoring, and awarding SEE cooperative agreements. However, OROM did not supervise program and regional staff responsible for recruiting, hiring and monitoring SEE enrollees within the EPA's program and regional offices. Effective November 26, 2018, the EPA reorganized to form the Office of Mission Support, in which the Office of Resources and Business Operations is now responsible for the issues in this report.

Scope and Methodology

We conducted this performance audit from November 2017 through March 2019, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To answer our objective, we reviewed applicable laws, requirements established by the U.S. Government Accountability Office (GAO) and the Office of Management and Budget (OMB), and EPA policy and procedures, including:

Laws

- Older Americans Act of 1965 (P.L. 89-73).
- Environmental Programs Assistance Act of 1984 (P.L. 98-313; codified as 42 U.S.C. § 4368a).

GAO

- *Standards for Internal Control in the Federal Government,* GAO-14-704G (Sep. 2014).

OMB

- OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, M-16-17 (Jul. 15, 2016).

EPA

- EPA Order 5700.6A2 CHG 2, *Policy on Compliance Review and Monitoring* (Sep. 24, 2007).
- EPA's *Assistance Agreement Almanac.*
- EPA's *IGMS Post-Award Database: Programmatic Baseline Monitoring for Grants.*
- EPA Order 5700.7A1, *Environmental Results under EPA Assistance Agreements* (Jan. 1, 2005).
- EPA's *SEE Guidance and Procedures Manual.*
- EPA's *Interim Records Management Policy*, Transmittal 18-007 (Aug. 22, 2018).

We obtained and verified SEE funding obligations and expense information from the EPA's Business Objects Reporting system for FYs 2015 through 2018. We judgmentally selected a sample of two of the six not-for-profit organizations; these two organizations had the highest unliquidated obligation amounts of the six organizations at the time the samples were selected:

- National Asian Pacific Center on Aging.
- National Older Worker Career Center.

We further selected four cooperative agreements (two from each organization) for closer review:

- National Asian Pacific Center on Aging – 83589601 and 83623001.
- National Older Worker Career Center – 83562501 and 83562301.

We obtained documents from the Integrated Grants Management System (IGMS) and from OROM to determine compliance with EPA policies and procedures. We analyzed Quarterly Financial Status, Quarterly Enrollee, and Quarterly Awards reports from two SEE grantees for FYs 2016 and 2017.

We interviewed staff within OROM and the Office of Grants and Debarment (OGD). We judgmentally selected and interviewed four SEE coordinators, 11 SEE monitors, and 17 SEE enrollees associated with the selected cooperative

agreements to obtain an understanding of their roles and responsibilities and gauge if they are complying with the Environmental Programs Assistance Act and following EPA guidelines and policies relative to the SEE program. We also conducted a survey of SEE enrollee co-workers and compared the SEE hourly wages and categories with those of the U.S. Department of Agriculture agencies that have senior employment programs.

Neither the GAO nor the EPA OIG conducted previous audits of senior employment programs.

Chapter 2
SEE Program Did Not Timely Comply with Monitoring Requirements

The EPA's SEE program did not timely comply with requirements to place annual SEE program monitoring reviews in the Grantee Compliance Database within IGMS. EPA Order 5700.6A2 CHG 2, *Policy on Compliance, Review and Monitoring,* establishes agency standards for assistance agreements, and documented programmatic baseline monitoring is required for all awards. SEE program management was not verifying that the Grantee Compliance Database is routinely updated because project officers experienced difficulties with the database and, instead, kept monitoring results on a shared drive. SEE program management could not demonstrate that required program monitoring activities were complete in the database and OGD was not able to rely on the database.

Documented Monitoring Is Required

EPA Order 5700.6A2 CHG 2, *Policy on Compliance Review and Monitoring,* establishes agency standards for the oversight and monitoring of EPA assistance agreements (i.e., grants and cooperative agreements). Baseline monitoring is the periodic review of a grantee's progress and compliance with an award's scope of work, terms, conditions and regulatory requirements. In lieu of conducting baseline monitoring on each cooperative agreement, the SEE program may substitute reports of oversight visits to EPA facilities, provided reports are retained in the Grantee Compliance Database and that such reviews are conducted annually.

SEE Management Does Not Verify Updates of Grantee Compliance Database

The EPA did not comply with requirements to place annual SEE programmatic monitoring reviews in the Grantee Compliance Database within IGMS. After the OIG requested documents, the EPA uploaded reports for FYs 2016 and 2017. Project officers sent FY 2016 monitoring report emails to grantee organizations 1 year after the activity dates (Table 5).

Table 5: FY 2016 programmatic monitoring

Organization	Activity date per IGMS	Report date per IGMS	Date organization notified
National Asian Pacific Center on Aging	12/8/16	12/8/17	12/12/17
National Older Worker Career Center	11/1/16	12/1/17	12/11/17

Source: OIG analysis of programmatic monitoring information.

The SEE program manager stated that the SEE program routinely reviews and discusses monitoring results. Rather than using the Grantee Compliance Database as required, the manager stated that project officers stored documents on a shared drive.

Project Officers Experienced Difficulties with Grantee Compliance Database

The SEE program manager did not verify that the Grantee Compliance Database was routinely updated because project officers experienced difficulties with the database. The manager was aware that monitoring was taking place, but noted that entering information into a database was burdensome and bureaucratic when staff had other pressing tasks, and project officers were not required to comply with database updating requirements. The manager did not consider the database to be the most effective technology to meet business needs for post-award monitoring. Although it is time-consuming and a challenge to document monitoring activities, this does not negate the requirement to clearly demonstrate monitoring activities.

EPA's OGD Was Not Able to Rely on Grantee Compliance Database

SEE program management could not demonstrate that required program monitoring activities were complete in the database, and the EPA's OGD was not able to rely on the database for its comprehensive performance review responsibilities. The OGD Deputy Director explained that the OGD validates reviews that are uploaded into the database and does not receive copies of reviews or reports outside of the database. SEE management disagreed, indicating that the SEE program shares requested program information with the OGD. However, the OIG believes that SEE management needs to place required monitoring in the OGD database.

Recommendation

We recommend that the Assistant Administrator for Mission Support:

1. Implement Senior Environmental Employment program internal controls to verify that required annual monitoring reports are placed into the Grantee Compliance Database in a timely manner, and that grantees receive timely notification of results.

Agency Comments and OIG Evaluation

In response to Recommendation 1, the Office of Mission Support began adding monitoring results to the database. Also, the Office of Mission Support reported that the updated SEE guidance will include requirements to meet biannually with project officers to review the database and require that project officers enter

reports and email grantees within 5 business days of review completion. The agency's response meets the intent of the recommendation. The EPA provided an estimated completion date of April 30, 2020. This recommendation is considered resolved with corrective actions pending.

Chapter 3
EPA Did Not Document Oversight of SEE Grantees' Quarterly Reports

The EPA did not document oversight of SEE grantee quarterly reports or any communications with the grantees regarding those reports. Standards and policies require oversight of SEE cooperative agreements, and documenting oversight for third-party review provides support that recipients of federal funds have achieved results. SEE program management was not aware that auditors (third parties) would ever look at the reports and did not realize that documenting oversight was required. Without uniform oversight of required quarterly reports, the EPA cannot reasonably verify compliance with EPA guidance and policies. Also, the lack of oversight puts government funds at risk of fraud, waste and abuse.

Oversight of SEE Cooperative Agreements Is Required

Standards for Internal Control in the Federal Government, GAO-14-704G (Sep. 2014), states that management should use quality information to achieve objectives and address risks. Management should also identify, analyze and respond to risks related to achieving objectives.

EPA Order 5700.6A2 CHG 2, *Policy on Compliance Review and Monitoring* (Sep. 24, 2007)*,* establishes agency standards for oversight, monitoring and closeout of assistance agreements (which include grants and cooperative agreements).

The EPA's *Assistance Agreement Almanac* requires project officers to maintain records used for programmatic direction, such as correspondence and progress reports.

EPA Order 5700.7A1, *Environmental Results under EPA Assistance Agreements* (Jan. 1, 2005), requires program offices to review both interim and final performance reports to determine whether the grantee achieved outputs and outcomes per the assistance agreement work plan. The project officer's review is documented in the official project file.

The EPA's *Interim Records Management Policy,* Transmittal No. 18-007 (Aug. 22, 2018), states that records typically include information that is:

- Created in the course of agency business.
- Received for action.
- Needed to document activities and decisions.

It further states that all EPA staff generate records and are legally required to maintain them.

The *SEE Guidance and Procedures Manual* states that each grantee is required to submit reports each quarter on or before April 30, July 31, October 31 and January 31 with the following three sections:

- Financial Status Report (total expenditures to date including the most recent quarter).
- Quarterly Enrollee Report (listing each enrollee by site with current status, date enrolled, date terminated, hourly rate of pay and work hours per pay period).
- Quarterly Financial Award Report (listing of each funding award by site/subaccount and date).

SEE Program Tracks But Does Not Document Oversight of Quarterly Reports

Oversight of SEE grantee quarterly reports was not documented in an official project file as required by EPA Order 5700.7A1, and EPA project officers did not document any communications with the grantee regarding quarterly reports. Rather than documenting quarterly report oversight in the official project file, the SEE program's own SEE enrollee was recording information in a quarterly comparison spreadsheet. Also, quarterly reports were saved on a shared drive instead of within an official project file.

SEE program management noted that its oversight consisted of tracking and reviewing the grantee organizations' required quarterly reports. The SEE program provided all the quarterly reports to the OIG for the requested cooperative agreements. However, we found that oversight was not documented. Specifically:

- One organization's financial reconciliation was not possible to verify without the assistance of SEE project officers. The OIG reviewed the awards reports from two grantees for accuracy and to reconcile portions of the reports to other financial data. The OIG confirmed the accuracy of the National Older Worker Career Center's reports. The National Asian Pacific Center on Aging presented most of its information correctly, but the OIG could not reconcile the quarterly total award amounts. SEE program staff needed to provide an additional spreadsheet to make the financial information more transparent for a third-party reviewer (such as, in this case, the OIG).

- The EPA did not have evidence that quarterly reports were reviewed. However, the EPA SEE program manager did say that a full-time SEE enrollee maintains a quarterly comparison report and contacts the grantee organization when there are discrepancies. Also, the manager said every

quarterly report is reviewed by three people. We found that project officers did not document that they completed reviews or that they decided reports were complete or needed correction. The EPA manager stated that project officers did not save emails documenting internal discussions on the quarterly report submissions.

Progress report reviews were not documented for any of the reviewed cooperative agreements during a time period when eight reviews should have been documented.

SEE Program Staff Not Aware that Third Parties Would Look at Reports

The SEE program staff did not have a practice of documenting oversight of quarterly reports because they were not aware of this requirement. Also, the SEE program staff were not aware that auditors (third parties) would ever look at grantees' financial reports. The SEE program manager stated that he did not know of statutory or grants guidance requiring a program to save email correspondence. Also, the manager said that the SEE program has 60 cooperative agreements and numerous reports to review, and although staff (a SEE enrollee) places summary data in a quarterly comparison spreadsheet and saves every submission, they do not document internal discussions on the status of submissions.

Recommendation

We recommend that the Assistant Administrator for Mission Support:

2. Develop a mechanism or quality review process so that the Senior Environmental Employment program manager can verify that project officers exercise and document effective oversight.

Agency Comments and OIG Evaluation

In response to Recommendation 2, the Office of Mission Support reported that the office will save email communications to document actions taken on quarterly reports regarding timeliness, revisions, extensions and questions. Also, the agency will use an internal shared drive to track all quarterly reports, email receipts and files. The EPA reported that the corrective actions were complete as of February 1, 2018. The OIG verified that the corrective actions were complete and met the intent of the recommendation.

Chapter 4
SEE Program Management Needs to Improve Guidance

The SEE program did not provide adequate guidance to the EPA SEE monitors who provide daily direction to SEE enrollees. The EPA and GAO provide guidance and internal control standards. Interviewed SEE enrollees and monitors were not clear about SEE program requirements because the SEE program does not have a mechanism to effectively provide information. Confusion increases the risk of noncompliance.

EPA and GAO Provide Guidance and Internal Control Standards

The EPA's *SEE Guidance and Procedures Manual* provides program guidance such as:

- Enrollees must have prior approval from EPA monitors to work more than 40 hours in a week. Enrollees who work over 40 hours must be paid overtime.

- The SEE Manual includes but does not define the word "temporary."

Standards for Internal Control in the Federal Government, GAO-14-704G (Sep. 2014), states that management should identify and respond to risks for achieving objectives; and should communicate quality information to achieve objectives and address risks.

Guidance Needs to Improve

Based on interviews, the SEE program did not institute internal controls to provide adequate guidance for monitors, and SEE enrollees and monitors were unclear about program requirements. SEE program oversight includes monthly telephone calls and an annual meeting with grantees as well as programmatic monitoring. Examples of programmatic monitoring activity included:

- October 17, 2017 – An EPA SEE program project officer met with the National Older Worker Career Center and spoke with one monitor and one enrollee in Region 4.

- December 7, 2017 – An EPA SEE program project officer met with the National Asian Pacific Center on Aging in Region 5 and spoke with one monitor and one enrollee in Region 5.

According to the SEE program manager, 400 to 500 monitors are guided by SEE coordinators through emails that the SEE program sends to the coordinators. Details regarding concerns noted for enrollees, monitors and coordinators follow.
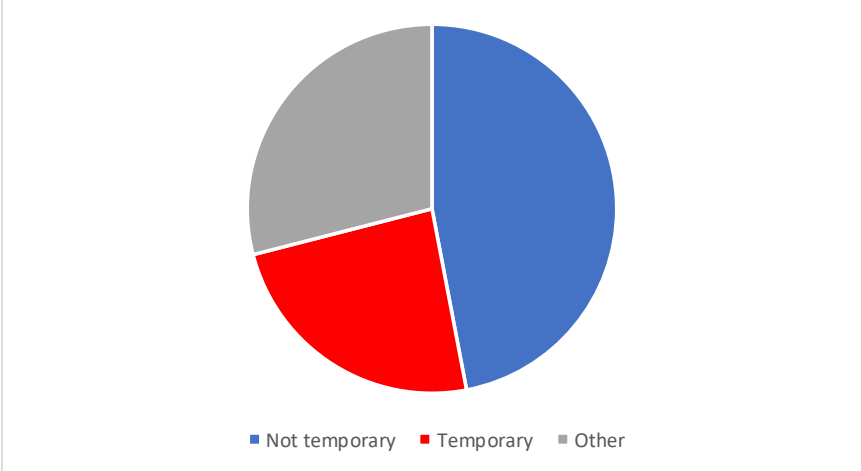
SEE Enrollees

Extra Hours

During our interviews with SEE enrollees, we learned that SEE enrollee rules on working extra hours were not always enforced. Only four of 17 interviewed enrollees said they could modify their schedules to reflect overtime hours worked. After we notified the SEE program about this, the SEE program requested that grantee organizations remind enrollees that they must report all time that they work.

Temporary Status

Interviewed SEE enrollees did not consider themselves as temporary because some of them had worked as SEE enrollees for a long time. Hire dates on enrollee reports documented that some SEE enrollees had been working with the EPA for over 20 years. Eight interviewed SEE enrollees did not see their assignment as temporary, as shown in Figure 1:

Figure 1: Enrollee understanding of SEE temporary status

Source: OIG analysis of interview responses.

Two of the interviewed enrollees who had been at the EPA for at least 20 years explained that initially they believed the assignments to be temporary. However, considering the length of time they have been working on the same assignments, they subsequently viewed their positions as permanent. Another enrollee explained that she did not consider the position to be temporary and planned to continue working until she could not work anymore.

The SEE program office pointed out that enrollee status is made clear in the enrollee handbooks. The National Asian Pacific Center on Aging's (NAPCA's) handbook states:

> NAPCA is an "at-will" company and operates under the provision that Enrollees have the right to resign their position at any time, with or without notice and with or without cause. NAPCA has similar rights to terminate the enrollment relationship with or without notice and with or without cause.

Although enrollment agreements are renewed on an annual basis, eight of the 17 interviewed SEE enrollees did not consider their positions temporary.

SEE Monitors

Some of the interviewed SEE monitors needed more guidance about what to do aside from assigning tasks and approving time and leave. For example, six of the 11 interviewed monitors were not aware of written guidance. Three of 11 said they needed training on certain responsibilities. One said there was no official training for SEE monitors despite yearly grantee visits; this monitor suggested training before placing staff in the monitor role. Two monitors said they did not know how to prepare performance feedback for SEE enrollees. Another monitor said that if an enrollee works longer than the required hours it is the enrollee's choice despite the requirement that enrollees must have approval to work more than 40 hours and must be paid overtime. These are examples of concerns that could have been addressed through improved communication and guidance.

SEE program management disagreed, stating that SEE monitors can provide the needed oversight through (1) the policy and procedures guidance on the intranet, (2) the grantee organization's handbook available online or hardcopy, and (3) contacting the SEE program officer or grantee with questions. However, the OIG believes that making information available to monitors and being open to questions was not effective.

SEE Coordinators

The OIG identified concerns based on comments made during interviews with SEE coordinators. One coordinator said that she did not initially receive training, so she suggested training for coordinators and monitors regarding roles and responsibilities when they are first assigned. Two coordinators said they did not consider enrollees temporary because (1) the EPA cannot get regular FTE employees so hiring a SEE enrollee was the best option, and (2) it costs a lot to train enrollees.

Information Does Not Reach Monitors

The EPA does not have an internal control mechanism to effectively provide information to SEE monitors.

Guidance

SEE program guidance is vague and does not address a common misconception regarding temporary employment. Although the SEE guidance mentions temporary employment it does not outline how the temporary status applies to SEE enrollees. The SEE program manager said enrollees are renewed on an annual basis and should be aware that their status is temporary, but the guidance is silent.

Communications

Communications do not reach all the monitors and are not effective because:

- SEE monitors are unaware of what to do because the SEE program has not reached down to the monitor level to train and emphasize compliance with the SEE Manual.

- When SEE program management needs to reach out to monitors, program coordinators are contacted, but the SEE program office has no mechanism to verify that information shared with the SEE coordinators is disseminated to the SEE monitors.

- The SEE program manager said that because the hundreds of coordinators and monitors across the agency do not directly report to SEE program management, the SEE program cannot mandate attendance at training.

Agency Actions Taken as a Result of OIG Audit

After the OIG notified the SEE program about concerns regarding SEE enrollees working extra hours, the SEE program sent an email to the organizations to remind them that enrollees must report all time that they work and asked the organizations to notify enrollees and monitors.

SEE program management recognized that the SEE Manual needs to be revised and indicated it will remove all references to the word "temporary." The SEE program has also recognized that due to greater turnover among coordinators and monitors, additional training was needed and is underway.

Recommendations

We recommend that the Assistant Administrator for Mission Support:

3. Implement additional communication and guidance for monitors regarding Senior Environmental Employment policies and procedures.

4. Issue a memorandum to the leadership of program and regional offices that participate in the Senior Environmental Employment Program to emphasize compliance with guidance and communication provided by the program.

Agency Comments and OIG Evaluation

In response to Recommendation 3, the Office of Mission Support responded with two corrective actions. One action was to initiate robust training for coordinators, monitors and grantees; and continued grantee-specific training that will extend to all coordinators and monitors serviced by the grantee. The EPA reported that this part of the corrective action has begun and provided an example of a regional monitor training invitation, but the 2019 training schedule has been delayed. The second corrective action was to create a method to maintain information about SEE coordinator and monitor training sessions using an internal shared drive. The EPA provided an estimated completion date of July 18, 2019. The planned corrective action meets the intent of the recommendation. This recommendation is considered resolved with corrective actions pending.

In response to Recommendation 4, the EPA reported that it will issue a memorandum to emphasize compliance with guidance and communication provided by the program. Although the action was initially reported as complete, the EPA later reported that it would be complete by June 7, 2019. The corrective action date has passed, and we have not been provided a new date. The planned corrective action meets the intent of the recommendation. This recommendation is considered resolved with corrective actions pending.

Chapter 5
SEE Program Needs to Address
Enrollee Pay Scale

The SEE enrollee pay scale has not changed since 2010, and the basis for the current pay scale is not defined. The SEE Manual does not include a mechanism or procedure for reviewing the reimbursement paid to grantees for SEE enrollees. Interviewed SEE enrollees, monitors and coordinators expressed concerns about pay scale equity.

Internal Control Standards Apply

Standards for Internal Control in the Federal Government, GAO-14-704G (Sep. 2014), provides an overall framework for establishing and maintaining effective internal control systems for the federal government. These standards require that management document internal control responsibilities in policies and periodically review them for their relevance and effectiveness in achieving objectives or addressing risks. Risk is defined as the possibility that an event will adversely affect the achievement of objectives.

The *SEE Guidance and Procedures Manual* establishes reimbursement to grantees for wage ranges paid to SEE enrollees and includes the following information in Chapter 2, Section 10:

> The monitor shall not discuss wage with the candidates, as wage is to be discussed between the grantee and the enrollee. … A SEE enrollee's wage and benefits are determined by the grantee. Wage ranges for the various levels are set. The wage ranges represent the amounts EPA will reimburse the grantees for paying wages to SEE enrollees.

Pay Scale Has Not Changed Since 2010 and the EPA Has No Procedure for Review

SEE enrollee reimbursable pay scale ranges have not changed since 2010. The SEE Manual states that wages are determined by the grantee, but the manual does not include a mechanism or procedure for pay scale review despite the EPA controlling the pay scale and funding for SEE enrollees. During the period 2011 through 2018, SEE enrollees received no raises while federal employees received raises totaling 5.4 percent. According to the SEE program manager, low hourly wages are the biggest challenge facing the program.

The SEE Manual does not include a procedure to review SEE pay scale reimbursement. The SEE Manual does not include who is responsible for setting the pay scale, the timing of pay scale review, or the basis for reviewing and establishing the rates included in the pay scale.

The SEE program manager explained the following factors related to setting pay:

- It is inappropriate to compare a "work experience program" such as SEE with actual federal employment because there is not a comparable labor market for Americans 55 and older.

- The SEE program does not have trouble filling vacancies, and other benefits such as health benefits make up for the lower wages.

- Wages have been a regular subject of review and discussion with senior management over the last 2 years, but the current wage structure suffices.

- Raising wages would have an unintended consequence of reducing the number of SEE enrollees.

SEE enrollees, monitors and coordinators have concerns regarding the equity of the pay offered to SEE enrollees. At least 50 percent of interviewed enrollees, monitors and coordinators expressed concerns about enrollee pay, as shown in Figure 2. It is the EPA's responsibility per the *Standards for Internal Control in the Federal Government* to establish a policy addressing the mechanism, timing and basis for pay scale reviews.

Figure 2: Percentage of interviewees, by category, expressing pay scale concerns
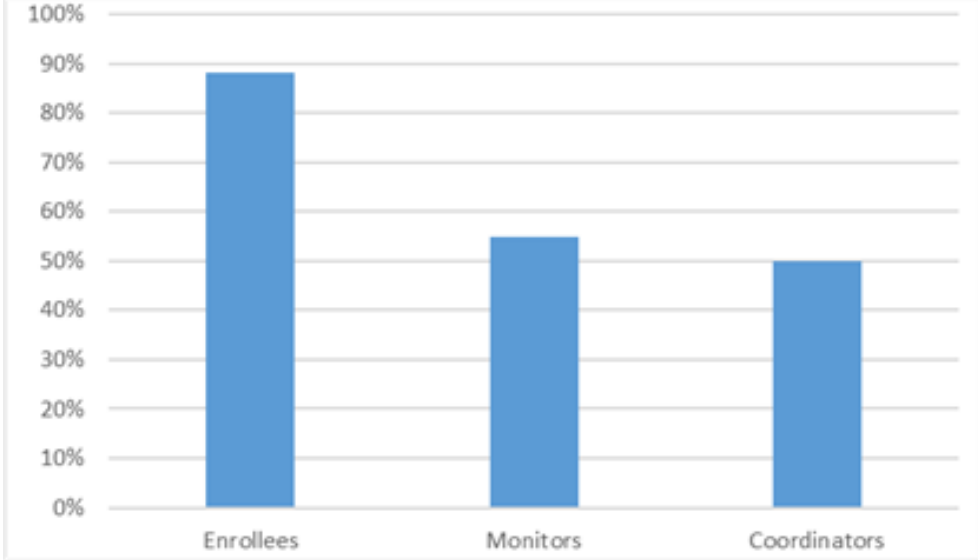
Source: OIG analysis of interviews of 17 enrollees, 11 monitors and four coordinators.

Examples of specific comments made by interviewed enrollees, monitors and coordinators are provided below.

Enrollees

One enrollee said that the starting pay for a SEE professional engineer is extremely low. After the enrollee inquired about this issue with the grantee, the enrollee was told that Congress must increase the pay rates. However, the enrollee later learned that it is the EPA's responsibility. According to the SEE Manual, "pay is reimbursable to the grantee only to the extent allowed by the EPA...."

Another enrollee said that at a recent SEE meeting, the enrollee mentioned salary to a monitor and the monitor said that the procedure states the top pay. As far as the enrollee was aware, there was no way to get a raise unless procedures were changed. The enrollee cited not receiving a raise in more than 10 years and has been with the agency almost 20 years.

A third enrollee stated that 2 years ago there was a conversation about an increase in salary but nothing was done about it.

Monitors

One monitor said the enrollees work very hard and the pay scale should be re-evaluated. Another monitor said the enrollees do a great deal of work and the compensation is very low.

Coordinators

A coordinator said that SEE enrollee services are greatly needed, and the SEE enrollees need more pay.

Recommendation

We recommend that the Assistant Administrator for Mission Support:

5. Revise the *SEE Guidance and Procedures Manual* to include internal controls related to reviewing and setting wage rates, the timing for pay scale reviews, and responsibilities.

Agency Comments and OIG Evaluation

In response to Recommendation 5, the EPA reported that it would revise the SEE Manual to include internal controls for reviewing and setting wage rates, the time for reviews, and responsibilities. The EPA provided an estimated completion date of April 30, 2020. This recommendation is considered resolved with corrective actions pending.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS

Rec. No.	Page No.	Subject	Status[1]	Action Official	Planned Completion Date	Potential Monetary Benefits (in $000s)
1	8	Implement Senior Environmental Employment program internal controls to verify that required annual monitoring reports are placed into the Grantee Compliance Database in a timely manner, and that grantees receive timely notification of results.	R	Assistant Administrator for Mission Support	4/30/20	
2	12	Develop a mechanism or quality review process so that the Senior Environmental Employment program manager can verify that project officers exercise and document effective oversight.	C	Assistant Administrator for Mission Support	2/1/18	
3	17	Implement additional communication and guidance for monitors regarding Senior Environmental Employment policies and procedures.	R	Assistant Administrator for Mission Support	7/18/19	
4	17	Issue a memorandum to the leadership of program and regional offices that participate in the Senior Environmental Employment Program to emphasize compliance with guidance and communication provided by the program.	R	Assistant Administrator for Mission Support	6/7/19 [2]	
5	20	Revise the *SEE Guidance and Procedures Manual* to include internal controls related to reviewing and setting wage rates, the timing for pay scale reviews, and responsibilities.	R	Assistant Administrator for Mission Support	4/30/20	

[1] C = Corrective action completed.
    R = Recommendation resolved with corrective action pending.
    U = Recommendation unresolved with resolution efforts in progress.

[2] The corrective action date has passed, and we have not been provided a new date.

Agency Response to Draft Report

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

OFFICE OF MISSION SUPPORT

APR 1 5 2019

MEMORANDUM

SUBJECT: Response to the Office of Inspector General Draft Report No. OA-FY-18-0053 "EPA's Lack of Oversight Puts the Senior Environmental Employment Program at Risk" dated March 18, 2019

FROM: Donna Vizian, Principal Deputy Assistant Administrator
Office of Mission Support

TO: Charles J. Sheehan, Acting Inspector General
Office of Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject audit report. Following is a summary of the agency's overall position, along with its position on each of the report recommendations. The agency agrees with the recommendations in the report and has provided high-level corrective actions and estimated completion dates.

AGENCY'S OVERALL POSITION

The EPA agrees with the Office of Inspector General's (OIG) overall report, that there were areas for improvement in the agency's Senior Environmental Employment (SEE) program. The EPA further agrees with the OIG's report that the EPA has already begun making many of the improvements identified in the report.

AGENCY'S RESPONSE TO REPORT RECOMMENDATIONS

Agreements

No.	Recommendation	High-Level Intended Corrective Action(s)	Completion Date
1	Implement Senior Environmental Employee program	Monitoring results are now input into the Grantee Compliance Database in a timely manner and	

	internal controls to verify that required annual monitoring reports are input into the Grantee Compliance Database in a timely manner, and that grant recipients receive timely notification of results.	two more project officers were hired to keep up with the workload. The SEE program manager committed to: 1.1 Include these requirements in the updated SEE Guidance. - Meet biannually with project officers to review the Grantee Compliance Database. - Have project officers enter post-award monitoring reports in the Grantee Compliance database and email recipients within five (5) business days of completing reviews.	April 30, 2020
2	Develop a mechanism or quality review process so that the Senior Environmental Employment program manager can verify that project officers exercise and document effective oversight.	2.1 Save email communications to document actions taken on quarterly reports regarding timeliness, revisions, extensions and questions. 2.2 Use OneDrive to track all quarterly reports, email receipts and files.	Completed Completed
3	Implement additional communication and guidance for monitors regarding Senior Environmental Employee policies and procedures.	3.1 Initiate a robust training for coordinators, monitors and grantees, and continue grantee-specific training that will extend to all coordinators and monitors serviced by that grantee. 3.2 Create a folder on OneDrive to maintain information related to SEE coordinator and monitor training.	Completed July 18, 2019
4	Issue a memorandum to the leadership of program and regional offices that participate in the Senior	4.1 Issue a memorandum to the leadership of program and regional offices that participate in the Senior Environmental Employee program to emphasize compliance with	Completed

	Environmental Employee program to emphasize compliance with guidance and communication provided by the program.	guidance and communication provided by the program.	
5	Revise the *SEE Guidance and Procedures Manual* to include internal controls related to reviewing and setting wage rates reimbursable to grantees, the timing for pay scale reviews, and responsibilities.	5.1 Revise the *SEE Guidance and Procedures Manual* to include internal controls related to reviewing and setting wage rates reimbursable to grantees, the timing for pay scale reviews and responsibilities.	April 30, 2020

Disagreements

The EPA suggests that the title of the audit should be modified to better reflect the magnitude of the findings. The OIG has agreed to the EPA's recommendation that the title for this audit be changed to "Enhanced Oversight Can Improve the EPA's Senior Environmental Employee Program".

CONTACT INFORMATION

If you have any questions regarding this response, please contact Janice Jablonski, Director Administrative Operations Division, Office of Mission Support on (202) 564-9922 or Marilyn Armstrong on (202) 564-1876.

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