



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

March 30, 2020

OFFICE OF THE  
CHIEF FINANCIAL OFFICER

**MEMORANDUM**

**SUBJECT:** Corrective Action Plan for Office of Inspector General Report No. 19-P-0155, “*Actions Needed to Strengthen Controls over the EPA Administrator’s and Associated Staff’s Travel,*” May 16, 2019

**FROM:** David A. Bloom, Acting Chief Financial Officer  
Office of the Chief Financial Officer **DAVID**

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Date: 2020.03.31 13:35:56 -04'00'

**TO:** Charles J. Sheehan, Deputy Inspector General  
Office of Inspector General

Thank you for the opportunity to respond to the unresolved issues and recommendations related to the subject audit report. The following is a summary of the U.S. Environmental Protection Agency’s overall position. We have provided high-level anticipated corrective actions and associated completion dates.

**OCFO’s OVERALL POSITION**

The OCFO agrees with the recommendations and is providing notice of completion for the following corrective actions. Specifically, to recommendations 1 and 14, the OCFO agrees the proper approvals were not obtained prior to former Administrator Pruitt traveling first/business-class from March 1, 2017 through December 31, 2018. The Controller provided approvals for this travel as had been a practice extending to at least 2010; however, according to agency policy, these approvals should have been signed by the Chief Financial Officer. As a result, the OCFO has updated Delegation of Authority 1-17A, *Domestic Travel* and Delegation of Authority 1-17B, *International Travel* to provide authority to the Controller within the Office of the Chief Financial Officer to approve other than coach-class accommodations (first-class) for all agency employees.

Although the proper approvals were not obtained for former Administrator Pruitt traveling first/business-class for the period March 1, 2017 through December 31, 2017, the OCFO maintains that, this travel was in accordance with Federal Travel Regulations §301-10.123, which states that one of the exceptions for federal government employees to use other than coach-class accommodations (first/business-class) includes when, “*Use of coach-class accommodations would endanger your life or government property...*” or “*You are an agent on protective detail and you are accompanying and individual authorized to use other than coach-class accommodations*”. The OCFO obtained the Office of General Counsel’s legal opinion in the memorandum dated June 29, 2018, “*Legal Opinion Regarding Protective Service Detail,*” stating the Office of Enforcement, Forensic, and Training’s Protective Service Detail agents are authorized to determine when a security risk exists that would endanger an EPA employee’s life.

The agency evaluated former Administrator’s Pruitt’s use of first/business-class travel and accompanying Protective Service Detail agents and determined \$97,951 required approvals at a higher level (\$61, 971 for former Administrator Pruitt and \$35,980 for PSD agents). Based upon the existing security risk during this time period, the OCFO will not recover any costs from former Administrator Pruitt or accompanying agents. The OCFO will report the amounts without appropriate approvals as improper payments in the 2020 Agency Financial Report.

**OCFO’S RESPONSE TO AUDIT RECOMMENDATIONS**

No.	Recommendation	High-Level Intended Corrective Action(s)	Completion Date
1	Evaluate and determine whether the increased airfare costs estimated at \$123,942 related to former Administrator Pruitt’s use of first/business-class travel without sufficient justification and proper approval, for the period March 1, 2017, through December 31, 2017, should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.	The agency conducted an evaluation which determined \$61, 971 required approvals at a higher level. Based upon the security risks assessed at the time of the travel, the OCFO will not recover any costs from former Administrator Pruitt. The OCFO will report the amounts without appropriate approvals as improper payments in the 2020 Agency Financial Report.	Completed 6/26/2019
2	For the period January 1, 2018, through his resignation in July 2018, evaluate and determine whether any costs related to former Administrator Pruitt’s use of first/business-class travel without sufficient justification and proper approval should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.	The agency conducted an evaluation and determined former Administrator Pruitt did not have any first/business-class travel approved without sufficient justification.	Completed 6/26/2019
4	Implement controls agencywide to verify that the use of other than coach-class travel is properly justified and documented prior to approval of the travel authorization.	The agency confirmed the controls are within the agency’s travel system and has strengthened language within the agency’s travel policy (RMDS 2550B) of the requirement for justification to be included within the travel system when using non-contract fares.	Completed 11/22/2019
5	Implement controls to verify contract fares are used unless the non-contract fares are properly justified and documented.	The agency confirmed the controls are within the agency’s travel system and has strengthened language within the agency’s travel policy (RMDS 2550B)	Completed 11/22/2019

No.	Recommendation	High-Level Intended Corrective Action(s)	Completion Date
		of the requirement for justification to be included within the travel system when using non-contract fares.	
6	Clarify EPA policy in Resource Management Directive System 2550B on the requirements for justifying and documenting carrier/flight/airfare selection when there are no contract fares.	The agency updated its travel policy, RMDS 2550B, to include language on justification for use of non-contract fares within the travel system.	Completed 2/3/2020
12	Implement controls to verify that the use of first/business-class travel complies with the requirements of the Federal Travel Regulation and EPA policy in Resource Management Directive System 2550B prior to approval of the travel authorization.	The agency updated its travel policy, RMDS 2550B, to include language clarifying the Travel Management Center's adherence to Federal Travel Regulations.	Completed 2/3/2020
13	Provide guidance on documentation needed to support approval for first/business-class travel.	The agency updated its travel policy, RMDS 2550B, to include language on justification for use of non-contract fares within the travel system.	Completed 2/3/2020
14	Identify and review all business-class travel claimed for the staff and Protective Service Detail agents who accompanied the former Administrator on travel from March 2017 through his resignation in July 2018 for proper approval. Where policy was not followed, recover any excess costs claimed for the use of business class.	The agency conducted an evaluation determined \$35,980 required approvals at a higher level. Based upon the security risks assessed at the time of the travel, the OCFO will not recover any costs from Protective Service Detail agents. OCFO will report the amounts without appropriate approvals as improper payments in the 2020 Agency Financial Report.	Completed 6/26/2019

**CONTACT INFORMATION**

If you have any questions regarding this response, please contact the OCFO's Audit Follow-up Coordinator, Andrew LeBlanc, at (202) 564-1761.

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