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April 2006

OFFICE OF INSPECTOR GENERAL

Catalyst for Improving the Environment

Semiannual Report to Congress



October 1, 2005 - March 31, 2006

EPA Inspector General

The Inspector General Act of 1978, as amended, requires the Inspector General to (1) conduct and supervise audits and investigations relating to programs and operations of the Agency; (2) provide leadership and coordination, and make recommendations designed to (a) promote economy, efficiency, and effectiveness; and (b) prevent and detect fraud and abuse in Agency programs and operations; and (3) fully inform the Administrator and the Congress about problems and deficiencies identified by the Office of Inspector General relating to Agency programs and operations.

Vision

We are catalysts for improving the quality of the environment and Government through problem prevention and identification, and cooperative solutions.

Mission

Add value by promoting economy, efficiency, and effectiveness within EPA and the delivery of environmental programs. Inspire public confidence by preventing and detecting fraud, waste, and abuse in Agency operations and protecting the integrity of EPA programs.

**To find out more about the U.S. Environmental Protection Agency's
Office of Inspector General and its activities, visit our Web site at**

<http://www.epa.gov/oig>

Cover photos: *Clockwise from top left:* Regional image of Hurricane Katrina; tank drums collected by EPA in Louisiana; a devastated residential neighborhood in Waveland, Mississippi; a hazardous waste staging facility in Mississippi; disposal of cleaned refrigerators at a landfill; and household hazardous waste collected by EPA in Mississippi. (EPA OIG photos except the regional image of Hurricane Katrina, courtesy National Oceanic and Atmospheric Administration)





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

OFFICE OF
INSPECTOR GENERAL

March 28, 2006

MEMORANDUM

SUBJECT: Office of Inspector General Semiannual Report to Congress

TO: Stephen L. Johnson
Administrator

I am pleased to provide you with the Office of Inspector General *Semiannual Report to Congress* for the 6-month period ending March 31, 2006. Many of the reviews that we conducted during the semiannual period provided recommendations to help the Agency achieve its mission of protecting human health and the environment. This report summarizes the areas we reviewed, progress the Agency has made, and our recommendations to help the Agency improve.

The Inspector General Act of 1978, as amended, requires that you forward this report within 30 days of receipt to the appropriate congressional committees. When you transmit the report to Congress, the Act allows you to enclose separately whatever additional comments you deem necessary, and specifies certain information that should be included (5 USC App. 3, Section 5(b)).

I will be happy to discuss, or provide additional information on, any of the items in this report.



Bill A. Roderick
Acting Inspector General

Message to Congress

During this semiannual period, we said farewell to Inspector General Nikki Tinsley, who retired on March 3 after nearly 35 years of Federal service and more than 8 years as the Inspector General for the U.S. Environmental Protection Agency (EPA). Ms. Tinsley leaves an impressive legacy of dedication to helping EPA find the most efficient and effective methods to protect human health and the environment. It is an honor for me to serve as the Acting Inspector General for EPA, and continue that dedication to provide cost-effective recommendations and results.

One of the first things on my agenda is to enhance performance measurement throughout the Office of Inspector General (OIG). We are enhancing our efforts to measure the quality of our audits and evaluations, and are developing similar measures for our investigations. These measures will improve our ability to manage for cost and performance, and report our results in accordance with the Government Performance and Results Act. OIG Assistant Inspectors General are preparing quarterly “dashboards” to report on the cost, schedule, and results of our work.

Part of our work this semiannual reporting period focused on EPA’s efforts to help the Gulf Coast Region recover from the devastating impact of Hurricane Katrina. We found the actions undertaken by EPA staff to be commendable. The Agency actively worked to ensure that the States of Louisiana and Mississippi, as well as operators of drinking water systems, provided decisionmakers and the public with timely and accurate information on the safety and proper treatment of drinking water. Further, EPA provided quality and timely information on potential dangers posed by wastewater. Our auditors recommended ways EPA could improve its hurricane response procurement activities, and the Agency implemented some of our suggestions.

During her last year as Inspector General, Ms. Tinsley led the U.S. Comptroller General’s Domestic Working Group to develop a guide for improving grant accountability at all levels of Government. The group of Federal, State, and local auditors from more than a dozen organizations collected and shared success stories. More than 50 examples of promising practices were provided in the report. David Walker, Comptroller General of the United States, as well as many others, praised the Domestic Working Group’s results.

Our work during this semiannual period resulted in significant recommendations to help improve human health and the environment. We made recommendations to help EPA improve the quality of its emissions factors to enhance environmental decisionmaking. We identified a number of opportunities for EPA to better protect children’s health under the Food Quality Protection Act. We examined EPA’s Superfund resources in response to a congressional request, and noted challenges the Agency must overcome to better utilize those resources. We recommended that EPA use a new testing method to help identify and measure the degraded products of toxaphene, a banned pesticide. We issued a number of reports to help improve the security of EPA information systems.

This semiannual report includes details on these and other issues, including a “Scoreboard” of our own performance. We look forward to continuing to work with the Agency and Congress, serving as a catalyst for improving the environment.



Bill A. Roderick
Acting Inspector General

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Highlights

Hurricane Katrina Response Monitored

The Office of Inspector General (OIG) has worked closely with EPA staff to detect and address vulnerabilities before they lead to fraud, waste, or abuse (page 3).

EPA Can Improve Steps to Protect Children

EPA can improve steps of the Food Quality Protection Act to improve public confidence and data quality (page 12).

EPA Can Further Limit Level-of-Effort Contracts

EPA can reduce its financial risk and increase the possibility to reduce costs and increase competition by using other types of contracts (page 15).

EPA Can Improve Emissions Factors

EPA can improve emissions factors, which can in turn improve environmental decisionmaking (page 9).

Inspector General Retires

With the retirement of Nikki Tinsley, Bill Roderick is serving as the Acting Inspector General (page 7).

Lab Technician Sentenced for False Statement

A lab technician in Tennessee was sentenced for submitting a false statement in a report (page 24).

\$2.5 Million in Grant Expenditures Questioned

The OIG questioned \$2.5 million in expenditures for EPA grants awarded to the Oglala Sioux Tribe of South Dakota (page 14).

Firms Repay Millions to Settle Allegations

Four multinational firms settled law suits alleging false claims for travel submitted to numerous Federal agencies, including EPA (page 22).

Guide to Improving Grant Accountability Issued

The Inspector General led the Domestic Working Group in developing a guide with promising practices for better grants management (page 8).

Toxaphene Degradation Products Need New Test

Current EPA methods do not test for the degraded products of toxaphene – a banned pesticide (page 20).

EPA Can Better Manage Superfund Resources

Several obstacles prevent EPA from efficiently and effectively managing Superfund program resources (page 10).

EPA Can Improve Information Security

The OIG found major applications that could be improved to comply with Federal and EPA requirements (page 17).

Profile of Activities and Results

Audit Operations Office of Inspector General Reviews	
October 1, 2005 to March 31, 2006 (dollars in millions)	
Questioned Costs *	
■ Total	\$0.04
■ Federal	\$0.03
Recommended Efficiencies *	
■ Federal	\$3.60
Costs Disallowed to be Recovered	
■ Federal	\$2.40
Costs Disallowed as Cost Efficiency	
■ Federal	\$3.60
Reports Issued - Office of Inspector General Reviews	33
Reports Resolved (Agreement by Agency officials to take satisfactory corrective actions) **	148

Audit Operations Other Reviews (Reviews Performed by Another Federal Agency or Single Audit Act Auditors)	
October 1, 2005 to March 31, 2006 (dollars in millions)	
Questioned Costs *	
■ Total	\$64.00
■ Federal	\$11.40
Recommended Efficiencies *	
■ Federal	\$0.12
Costs Disallowed to be Recovered	
■ Federal	\$2.70
Costs Disallowed as Cost Efficiency	
■ Federal	\$0.06
Reports Issued - Other	
■ EPA Reviews Performed by Another Federal Agency	131
■ Single Audit Act Reviews	95
■ Total	<u>226</u>
Agency Recoveries	
Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments) ***	\$0.008

Investigative Operations	
October 1, 2005 to March 31, 2006 (dollars in millions)	
Fines and Recoveries	
■ EPA OIG Investigations	\$0.0
■ Investigations with another Federal Agency	\$29.4
Cases Opened During Period	73
Cases Closed During Period ****	79
Indictments/Criminal Informations	7
Convictions	15
Civil Judgments/Settlements/Filings	6
Administrative Actions Against EPA Employees/Firms	27

* Questioned Costs and Recommended Efficiencies are subject to change pending further review in the audit resolution process.

** Reports Resolved are subject to change pending further review.

*** Information on Recoveries from Audit Resolutions is provided by EPA's Office of Financial Management and is unaudited.

**** Includes one case closed in a prior period.

Hurricane Katrina Response Oversight

Office of Inspector General Oversees EPA Katrina Activities

The Office of Inspector General (OIG) has enacted an oversight plan that emphasizes detecting and addressing vulnerabilities in EPA's Hurricane Katrina activities before they lead to fraud, waste, and abuse.

Hurricane Katrina made landfall on August 29, 2005, causing severe damage in Louisiana, Mississippi, and Alabama. The storm devastated the lives of residents along the Gulf Coast and wreaked havoc on the environment on an unprecedented scale. In response, Congress quickly enacted emergency supplemental appropriations, providing over

\$63 billion for Katrina relief with more to follow. The final cost for the response and rebuilding effort in the affected areas has been estimated at \$200 billion or more. With billions of dollars designated for the rebuilding effort, Congress turned to the Inspector General community to provide oversight of these Federal funds to ensure that fraud, waste, and abuse are detected and deterred.



Then Inspector General Nikki L. Tinsley and Region 4 Administrator James Palmer inspecting damage caused by Hurricane Katrina in Hancock County, Mississippi (EPA OIG photo).

A month after the storm, then EPA Inspector General Nikki L. Tinsley testified before the House Energy and Commerce Subcommittee on Oversight and Investigations, detailing the OIG's plan to oversee EPA Katrina funds. OIG staff traveled to impacted areas in New Orleans and Mississippi within 10 weeks after the hurricane hit. With an emphasis on detecting and addressing vulnerabilities before

they might lead to fraud, waste, and abuse, we have been working closely with EPA staff in Washington and in the regions. Under our oversight plan, we have been looking at EPA's contract and procurement activities to determine whether reasonable prices were paid, purchased equipment was safeguarded, and expenditures were properly controlled. We have also been looking at EPA's response efforts related to drinking water, wastewater, and debris and hazardous material disposal to determine whether EPA provided quality and timely information to affected States and the public, and how that information was used. This *Semiannual Report* includes details on the three reports we have issued to date.

As a result of the EPA OIG's continuing review of EPA's procurement activities in response to Hurricane Katrina, Agency personnel implemented some changes suggested by OIG auditors to improve Agency efforts. After we made EPA Regions 4 and 6 aware that new equipment purchased in support of the hurricane response was hard to locate and susceptible to theft, the regions began identifying, tagging, and recording the new equipment. After noting several instances of contractors billing incorrect labor rates, using

incorrect indirect rates, and double billing, EPA Region 4 provided more contracting personnel to review contracting invoices. Because of our concerns regarding contracts for command post space and accommodations, EPA issued a request for information and a request for quotations, and should see cost savings through competition.

Since September 2005, the OIG's Office of Investigations has deployed Special Agents on several missions to the affected Gulf States to meet with EPA officials, government contractors, Federal prosecutors, and local and State law enforcement officials. Special Agents are participating at the Hurricane Katrina Fraud Task Force Joint Command Center, where they have access to Task Force databases, intelligence, and staff for operational support during investigations conducted in the affected Gulf States. In addition, they are engaged in periodic meetings with Task Force members to discuss investigative operations and have conducted a variety of investigative steps to address allegations of fraud against the EPA and EPA-funded programs. As a result of these investigative efforts, a Cease and Desist Order was issued to a disaster services contractor for improperly using an EPA employee's name on a self-made "Mobilization Permit." Using the EPA employee's name without permission or authority created the appearance of a Government endorsement of, or affiliation with, the business.

The OIG has been an active participant in the Inspector General community's efforts to inform Congress and the public about the Katrina oversight work being done throughout the Federal Government. Through the President's Council on Integrity and Efficiency's Homeland Security Roundtable, headed by the Department of Homeland Security OIG, we have been participating in regular meetings on our Katrina work as well as contributing to biweekly, monthly, and quarterly reports to Congress on our activities. OIG staff have given several briefings on the status of our work to congressional and EPA staff, including EPA Administrator Stephen L. Johnson. Recently, OIG staff returned to New Orleans to brief the House Government Reform Subcommittee on Government Management, Finance, and Accountability.

As EPA's role in the response and rebuilding effort in the Gulf Coast region evolves in the months ahead, the OIG will continue to monitor and oversee EPA's activities to help ensure that funds are guarded against fraud, waste, and abuse without impeding those efforts.

Mississippi Took Appropriate Actions Regarding Drinking Water Following Hurricane Katrina

The Mississippi Department of Health and drinking water system operators provided the public with timely and accurate information about the safety and proper treatment of drinking water supplies following Hurricane Katrina.

On August 31, 2005, less than 48 hours after Hurricane Katrina made landfall, Mississippi's Department of Health issued a blanket "boil water notice" for all public water systems in the State's six most impacted counties. This resulted in 585 of the State's 1,368 public water systems being placed under a boil water notice because of potentially contaminated drinking water.

Mississippi's process for determining the safety of drinking water appeared adequate to support the determinations made. EPA Region 4 provided both technical and logistical

support to the State in making these determinations, including providing a mobile laboratory to perform sample analysis. Disease monitoring after the hurricane indicated drinking water supplies were not a source of bacteriological contamination.



Damaged pump station located near the Gulf Coast in Biloxi, Mississippi (EPA OIG photo).

With assistance from EPA and others, the State had assessed the operating status of all but 10 of its 1,368 public water systems by September 15, 2005. While significant progress has been made, considerable work remains to restore the State's drinking water infrastructure to pre-Katrina conditions. Mississippi officials estimate replacement and repairs will cost approximately \$235 million.

We did not identify any conditions requiring corrective actions or make any recommendations.

(Report No. 2006-P-00011, EPA's and Mississippi's Efforts to Assess and Restore Public Drinking Water Supplies after Hurricane Katrina, February 14, 2006 – Combined costs for the Mississippi and Louisiana (below) Drinking Water reports: \$325,797¹)

Louisiana Took Sufficient Actions Regarding Drinking Water Following Hurricane Katrina

The Louisiana Department of Health and Hospitals and drinking water system operators provided the public with timely and accurate information about the safety and proper treatment of drinking water following Hurricane Katrina.



Hurricane Katrina floodwaters covered this St. Bernard Parish, Louisiana, pumping station. The water tower was not damaged (EPA OIG photo).

Louisiana's process for determining the safety of drinking water appeared adequate to support the determinations made. EPA Region 6 provided critical assistance to Louisiana, including assessing water systems, collecting and analyzing drinking water samples, and providing information to the public about drinking water quality. According to EPA staff, 59,260 drinking water flyers were distributed in parishes affected by the hurricane, and various publications related to drinking water protection were published.

Disease monitoring after Hurricane Katrina indicated that drinking water supplies were not a source of bacteriological infection. EPA, the State, and local water system operators did not identify or hear of any

occurrences of waterborne illnesses or diseases from drinking contaminated water in the 2 months following Hurricane Katrina.

With assistance from EPA and others, Louisiana assessed the operational capacity of 600 impacted public water systems by September 20, 2005, and all systems by the end of

¹ Report costs are estimates calculated by multiplying a project's staff days by the applicable daily full cost billing rates in effect at the time.

October 2005. While considerable progress has been made, substantial work remains to restore the drinking water infrastructure to pre-Katrina conditions. The most recent public water system recovery estimates for Louisiana for Hurricane Katrina are about \$380 million, \$360 million of which applies to just three systems.

We did not identify any conditions requiring corrective actions or make any recommendations.

(Report No. 2006-P-00014, EPA's and Louisiana's Efforts to Assess and Restore Public Drinking Water Systems after Hurricane Katrina, March 7, 2006 – See the report summary above for cost information)

EPA Provided Quality and Timely Wastewater Information

EPA provided quality and timely information regarding wastewater to States, wastewater treatment facilities, and the general public.

Hurricane Katrina caused damage to approximately 208 wastewater treatment facilities and collection systems. The damage created a potentially critical health concern due to the possibility that people living in these communities would be exposed to raw sewage. Due to the risk of serious illness associated with exposure to raw sewage, decisionmakers needed information to be able to evaluate the potential risk of exposure and take steps to protect their citizens. We assessed EPA's efforts to provide wastewater information to decisionmakers and the public.



Damaged wastewater treatment facility in St. Bernard Parish in Louisiana (EPA OIG photo).

Affected States used the information that EPA provided to help determine how best to protect rescue workers and the general public. EPA directly communicated information to the public on potential health concerns regarding exposure to wastewater in several ways, such as through Web sites and radio announcements.

We did not identify any conditions requiring corrective actions or make any recommendations.

(Report No. 2006-P-00018, EPA Provided Quality and Timely Information Regarding Wastewater after Hurricane Katrina, March 28, 2006 – Report Cost: \$182,517)

Inspector General Retires

Inspector General Nikki L. Tinsley Retires; Acting Inspector General Named

On March 3, 2006, Nikki L. Tinsley resigned from her position as Inspector General of the U.S. Environmental Protection Agency and retired from Federal service after nearly 35 years. She had been the Inspector General since October 1997.

Bill A. Roderick, the Deputy Inspector General, is serving as the Acting Inspector General.



EPA Administrator Stephen Johnson providing a certificate to Nikki Tinsley at her retirement ceremony (EPA OIG photo).

In her resignation letter to President Bush, Ms. Tinsley highlighted some of her proudest accomplishments as Inspector General, including the role the OIG played in helping EPA become one of the first Federal agencies to achieve green in financial management on the President's Management Agenda Scorecard. She noted that during her tenure, the OIG began evaluating the results of EPA's programs "beyond traditional audit work." She also cited her leadership role in producing a guide on improving grant accountability, and her role as Chair of the President's Council on Integrity and Efficiency's Human Resources Committee, where she helped create a leadership program to develop career employees to become future leaders.

Ms. Tinsley was widely praised by congressional leaders and others. Senator James Inhofe (R-OK), Chairman of the Senate Environment and Public Works Committee, congratulated her on three decades of public service. Senator James Jeffords (I-VT), Ranking Member of the same committee, said Ms. Tinsley had "proven herself to be an independent voice at a

time when it was most needed," and noted she fulfilled her oversight role "in a most professional manner."

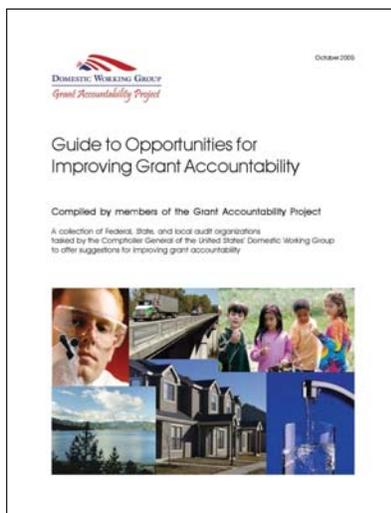
Mr. Roderick will serve as the Acting Inspector General until a replacement is nominated by the President and confirmed by the Senate. Mr. Roderick began his Government career in 1974 with the U.S. Army Audit Agency, and also worked for the Department of Defense Inspector General. Mr. Roderick joined the Naval Audit Service in 1988, and in 1996 was promoted into the Senior Executive Service. He had served as the Naval Audit Service's Assistant Auditor General for Manpower and Reserve Affairs Audits before becoming the EPA's Deputy Inspector General in 2005. Mr. Roderick is a Certified Public Accountant, a Certified Information Systems Auditor, and a Certified Fraud Examiner.

Domestic Working Group

Guide to Improving Grant Accountability Draws Praise

A guide showing specific promising practices for improving grant accountability, spearheaded by the EPA Inspector General on behalf of the U.S. Comptroller General's Domestic Working Group, has drawn praise from a number of people.

“Thank you so much for sending me the *Guide for Improving Grant Accountability*. It is an excellent document. I plan on sending the *Guide* to all city and school district department heads that administer grant programs,” wrote Albert Scaperotto, Deputy Controller for the City of Philadelphia. Various Federal officials, including David M. Walker, Comptroller General of the United States, also praised the *Guide*.



Former EPA Inspector General Nikki L. Tinsley led a group of Federal, State, and local auditors in developing the *Guide*, designed to provide executives at all levels of government with specific ideas to manage grants better. More than a dozen organizations worked together to collect and share success stories.

Grants are an important tool used by government agencies to achieve goals in such areas as healthcare, transportation, and education. The 2006 Federal budget includes approximately \$450 billion for over 700 grant programs. “Given the significant amount of dollars the Federal Government spends in grants each year and plans to spend on Hurricane Katrina response and rebuilding efforts, taxpayers should be assured that these funds are properly used and their desired results achieved. The *Guide* will help government executives at the Federal, State, and local levels better manage grants,” Ms. Tinsley said.

The intergovernmental team working on the project found that opportunities for improvement exist throughout the grant process. The *Guide* noted the following areas of potential improvement:

- Internal Control Systems – preparing policies and procedures before issuing grants
- Performance Measures – linking activities with program goals
- Pre-Award Process – assessing applicant capabilities and competition
- Managing Performance – monitoring financial status and performance of grants
- Assessing and Using Results – noting successes and areas for improvement

The *Guide* is intended not only to identify areas for improvement, but also to provide specific examples of how various organizations have already implemented, or are implementing, new practices successfully. More than 50 examples are provided. Government executives at the Federal, State, and local levels should be able to look at these approaches and apply them to their own organizations.

(Guide to Opportunities for Improving Grant Accountability, issued October 2005 by the Domestic Working Group Grant Accountability Project – Report Cost: \$401,336)

Other Significant OIG Activity

Air

Helping to make air safe and healthy to breathe.

EPA Can Improve Emissions Factors Development and Management

EPA has made progress in developing air emissions factors since our last review, but a large number of factors continue to be rated low.

Emissions factors are broad estimates of air emissions from a source, such as a factory, and are used nationally for about 80 percent of the emissions reporting used to make environmental decisions. Recently, States and industry have been developing the factors and submitting them to EPA.

The number of EPA-rated factors rose from 8,838 during our last review in 1996 to 17,110 in 2004, an increase of 94 percent. However, the percentage of emissions factors rated below average or poor increased from 56 percent in 1996 to 62 percent in 2004.

Emissions factors, intended for use in developing emissions inventories, have been inappropriately used for key environmental decisions beyond their intended purpose. For three industry sectors EPA examined – petroleum refineries, wood products, and ethanol production – inappropriate use of emissions factors contributed to more than one million tons of pollutants not being controlled. As EPA and the States work to identify and regulate sources emitting excess levels of air pollution, the demand for emissions factors is increasing, especially emissions factors for sources of fine particulate matter. If EPA can improve the quality of its factors it should be able to improve environmental decisionmaking for reducing air pollution.

Key Uses of Emissions Factors

- Classify facilities to help determine control equipment needed
- Establish and enforce permit limits
- Calculate annual fees for facilities
- Issue Maximum Achievable Control Technology Standards
- Measure environmental progress

We recommended that EPA develop emissions factors guidance; establish a rating system to address factor uncertainty; establish a workgroup to develop a comprehensive strategic plan; and work with industry, State and local agencies, and others in developing factors. Agency officials indicated our recommendations generally align with their current improvement efforts.

(Report No. 2006-P-00017, EPA Can Improve Emissions Factors Development and Management, March 22, 2006 – Report Cost: \$403,919)

EPA Can Better Manage Superfund Resources

In response to a congressional request, we examined EPA's Superfund resources and found that EPA needs to overcome challenges in accounting for those resources.

Created in 1980, the Superfund program has cleaned up over 1,500 of the Nation's highest priority hazardous waste sites. But funding for the program has decreased over the years; in Fiscal Years 2004 and 2005, all Superfund appropriations came from general tax revenue rather than the Superfund Trust Fund. Two recent OIG studies have reported shortages in funding, and have identified needed improvements in how the program is managed.

We found several obstacles that have prevented EPA from efficiently and effectively managing the Superfund program for performance and adequately accounting for Superfund resources. EPA has been unable to manage the program effectively because of the way it accounts for program resources, manages by functions, supplements the program with other funds, relies on an outdated workload model, and maintains unliquidated Superfund obligations and funds in special accounts.

We recommended changes to help EPA overcome these obstacles and better manage its Superfund resources, actions that enable the Agency to direct additional funds to Superfund cleanup, and an action Congress could take to help improve the Superfund program. The Agency is developing a plan to implement our recommendations.

(Report No. 2006-P-00013, EPA Can Better Manage Superfund Resources, February 28, 2006 – Report Cost: \$860,768)

Industrial Wipes Rulemaking Met Requirements

EPA met all legal and internal requirements when it developed a 2003 industrial wipes proposed rule, but the Agency could have taken additional actions to avoid the perception of impropriety.

Industrial wipes are used to wipe down machinery, floors, and other surfaces, and come in both disposable (paper) and reusable (cloth) forms. In November 2003, EPA proposed a rule to conditionally exclude disposable industrial wipes contaminated with hazardous solvents from the definition of hazardous waste. The rule also proposed excluding reusable wipes contaminated with hazardous solvents and sent for laundering from the definition of solid waste. Congress asked us to look at the possibility of undue outside influence on EPA's decisionmaking.

We found that EPA met all legal and internal requirements, including the Administrative Procedure Act, but we noted the Administrative Procedure Act has no provisions addressing contact with outside parties. Not only did EPA officials and staff have extensive contact with representatives of the industrial laundry industry, but also with the disposable wipes

industry and others. Seeking input from stakeholders is a standard EPA practice; no one indicated they were excluded from the rulemaking process. While the industrial laundry industry exerted considerable influence on the decision to exclude reusable wipes from solid waste regulations, we found no evidence that the decision was directly influenced by external political events or pressure, including campaign contributions.

Certain EPA actions, related to sharing a small portion of the preamble language and not documenting all contacts in the docket, contributed to public perceptions of impropriety. We recommended that EPA draft guidance designed to avoid favoritism or even the appearance of favoritism, and to define docketing procedures. EPA generally agreed with our recommendations.

(Report No. 2006-P-00001, Rulemaking on Solvent-Contaminated Industrial Wipes, October 4, 2005 – Report Cost: \$287,601)

EPA Can Better Manage Efforts to Clean Up Contaminated Sediments

EPA needs to better manage cleaning up contaminated sediments to cut down on the adverse effects on human health and the environment.

Contaminated sediments are the soils and other materials that accumulate at the bottom of water bodies and contain toxic or hazardous materials. As of 2004, over 3,200 fish consumption advisories were in place in the United States covering 24 percent of the Nation's river miles and 35 percent of its lake acres.

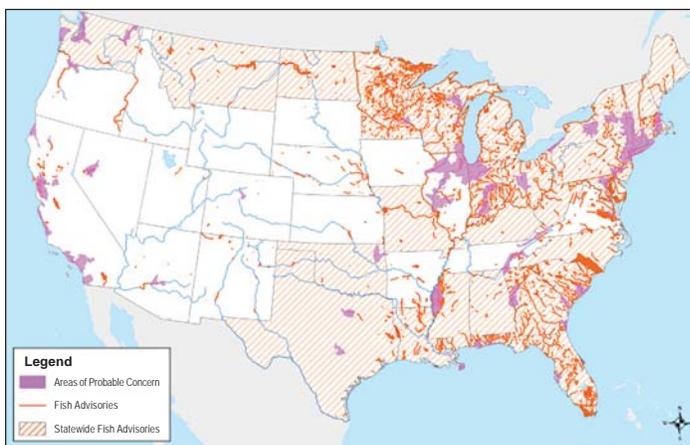
EPA has made progress with its Contaminated Sediment Management Strategy, but more improvement is needed. Program offices generally did not use National Sediment

Inventory data for decisionmaking, even though the inventory is the most comprehensive data source available. Also, EPA's various program offices did not fully coordinate their activities, develop adequate sediment quality criteria to ensure comparability, effectively coordinate and communicate with other Federal agencies, or develop sufficient performance measures.

We recommended that EPA assign responsibility for overseeing and evaluating its Contaminated Sediment Management Strategy to a committee or office, develop better performance measures, evaluate the need to develop sediment criteria, continue to improve research

coordination, and develop and implement a plan to provide a comprehensive national assessment of contaminated sediments. The Agency generally agreed with our recommendations.

(Report No. 2006-P-00016, EPA Can Better Implement Its Strategy for Managing Contaminated Sediments, March 15, 2006 – Report Cost: \$684,610)



Areas of Probable Concern and Fish Advisories

EPA Can Improve Steps to Protect Children Under the Food Quality Protection Act

EPA has taken many steps to ensure adequate protection of children under the Food Quality Protection Act, but can take additional measures to improve public confidence and data quality.

The Food Quality Protection Act of 1996 changed the way EPA regulates pesticides and placed greater emphasis on protecting infants and children. The Act imposed many new regulations on EPA, including the need to review and reregister older pesticides, take into account children's unique patterns of exposure and vulnerability, and measure progress.



The Food Quality Protection Act emphasizes the need to protect children from pesticides (EPA/OIG photo).

For one report, we looked at whether EPA allowed for sufficient public participation in the pesticide decision-making process. Despite numerous improvements to the process, internal and external stakeholders expressed continued reservations. Although EPA solicited public comments at various times, it did not always do so formally; we recommended that EPA allow at least one formal public comment period prior to issuing final and interim reregistration decisions. Also, EPA lacks a methodology to identify and assess major subgroups of consumers, such as farm children, and needs such a methodology. Further, EPA needs to respond more promptly and directly to requests and petitions from external stakeholders. EPA generally agreed with our recommendations.

For a second report, we evaluated how EPA collected data on risk. EPA made substantial changes to how it collects data on risk, but significant challenges remain. EPA should develop a standard evaluation procedure, evaluate certain testing methods, and take steps to reduce uncertainties. Further, EPA can

improve its procedures to assess risk, including updating databases and expanding partnerships with other Federal organizations. EPA can also take steps to enhance accountability, act on science policy papers, try alternative testing strategies, and develop a long-term strategic plan. Again, the Agency generally concurred with our recommendations.

A third report, addressing the measures and indicators for measuring progress in implementing the Food Quality Protection Act, is in progress.

(Report No. 2006-P-00003, Changes Needed to Improve Public Confidence in EPA's Implementation of the Food Quality Protection Act, October 19, 2005 – Report Cost: \$379,174; and Report No. 2006-P-00009, Opportunities to Improve Data Quality and Children's Health through the Food Quality Protection Act, January 10, 2006 – Report Cost: \$413,801)

EPA Performance Measures Do Not Effectively Track Compliance Outcomes

The current publicly-reported performance measures that the Office of Enforcement and Compliance Assurance (OECA) uses lack compliance rates and other reliable outcome data.

Performance measures allow EPA to track its progress against its goals to ensure compliance with environmental laws and regulations. EPA must publicly report its progress in the clearest way so that stakeholders can determine whether OECA's strategies, policies, and programs are effective.

OECA's 2005 publicly-reported Government Performance and Results Act performance measures do not effectively characterize changes in compliance or other outcomes because OECA lacks reliable outcome data. Instead, OECA reports proxies for compliance to the public, not knowing if compliance is actually going up or down. Thus, OECA does not have all the data it needs to make management and program decisions. Some measures do not clearly link to OECA's strategic goals, and OECA frequently changed its performance measures from year to year.

We recommended that OECA develop a pilot project to verify outcomes, improve aligning goals and measures in EPA documents to improve clarity and usefulness, and continue to improve enforcement and compliance measures. EPA agreed with all of our recommendations.

(Report No. 2006-P-00006, EPA Performance Measures Do Not Effectively Track Compliance Outcomes, December 15, 2005 – Report Cost: \$422,060)

Three State Revolving Water Funds Receive Unqualified Opinions

We rendered unqualified opinions on the financial statements for three separate State Revolving Fund water programs – two for Nevada and one for Oregon.

We rendered unqualified opinions for Nevada's Drinking Water and Clean Water State Revolving Fund programs for the year ended June 30, 2004. We also rendered an unqualified opinion for Oregon's Clean Water State Revolving Fund program for the year ended June 30, 2005. For all three programs, we found that the financial statements presented fairly, in all material respects, the financial position of the program. Further, for all three programs, we found that the States complied, in all material respects, with applicable program requirements. We found no matters involving internal control over financial reporting and operations that we considered to be material weaknesses.

(Report No. 2006-1-00018, State of Nevada Drinking Water State Revolving Fund Program Financial Statements for Year Ended June 30, 2004, dated November 29, 2005; Report No. 2006-1-00024, State of Nevada Clean Water State Revolving Fund Program Financial Statements for Year Ended June 30, 2004, dated January 23, 2006; and Report No. 2006-1-00021, State of Oregon Clean Water State Revolving Fund Program Financial Statements for the Year Ended June 30, 2005, dated January 12, 2006 – Combined costs for the three reports: \$366,535)

\$2.5 Million in Oglala Sioux Tribe Grant Expenditures Questioned

Based on Single Audit Act reviews of EPA grants awarded to the Oglala Sioux Tribe of South Dakota, for the 4-year period ended December 31, 2003, we questioned all \$2.5 million in expenditures related to those grants due to numerous deficiencies.

For each of the 4 years, the independent auditor issued a disclaimer of opinion on the financial statements and a qualified opinion on the report on major program compliance. For various major Federal programs during this 4-year period, the certified public accountant questioned a total of \$44.7 million in costs due to accounting and control deficiencies. These deficiencies included lack of support for labor charges and equipment purchases, and failure to submit required reports timely.

Because of the magnitude and type of findings reported by the single auditor, we questioned all \$2.5 million of the EPA expenditures reported by the grantee. We recommended that Region 8 determine that this grantee be considered "high risk," and institute grant restrictions accordingly.

(Report No. 2006-3-00034, Oglala Sioux Tribe, South Dakota, FY 2000, December 2, 2005; Report No. 2006-3-00035, Oglala Sioux Tribe, South Dakota, FY 2001, December 2, 2005; Report No. 2006-3-00036, Oglala Sioux Tribe, South Dakota, FY 2002, December 2, 2005; and Report No. 2006-3-00037, Oglala Sioux Tribe, South Dakota, FY 2003, December 15, 2005 – Report costs for individual Single Audits are not available.)

Two Key EPA Offices Can Improve Efforts to Limit Level-of-Effort Contracts

The EPA Office of Air and Radiation and Office of Water need to do more to limit using level-of-effort contracts.

Level-of-effort contracts are cost-plus-fixed-fee contracts that generally are not performance-based. Rather, they require the contractor to provide required hours over a specified time, with no interim or final product or deliverable specifically required. By using other contract types, including those where compensation is based on results rather than effort, EPA can reduce its financial risk and increase the possibilities to reduce costs and increase competition.

In reviewing 169 contracts issued by the two offices in 2004, we determined that \$288 million of the \$383 million in cumulative obligations for those contracts, or 75 percent, were for level-of-effort contracts. Upon closer examination of 14 cost-plus-fixed-fee contracts, we found that 28 percent of the work assignments could have been contracted out as other than level-of-effort procurements.

We recommended that the Office of Air and Radiation and Office of Water better define contract requirements to better use other contract types and increase efforts to identify opportunities for performance-based acquisitions. The Agency generally agreed and has initiated steps to reduce reliance on level-of-effort contracts.

(Report No. 2006-P-00015, EPA Office of Air and Radiation and Office of Water Can Further Limit Use of Level-of-Effort Contracts, March 14, 2006 – Report Cost: \$528,328)

Office of Underground Storage Tanks Improved Contract Administration but More Action Needed

In a followup review on a 2004 audit, we found that EPA's Office of Underground Storage Tanks sufficiently acted on eight of nine corrective actions on contract administration, but problems in properly charging to appropriations remained.

The Office of Underground Storage Tanks took various actions to improve contract administration, such as stopping the obligation of funds to contracts without identifying corresponding work, and we commend the Office. However, we did note two concerns. First, the amount of Leaking Underground Storage Tank funds obligated to a contract but not expended had grown from \$134,000 to \$395,000. Second, when correcting \$140,000 in work paid with inappropriate funds, the Office erroneously used future year funds. The Office of Underground Storage Tanks agreed to monitor the status of funds obligated to contracts on a monthly basis and issued a contract modification to charge the correct appropriation.

(Report No. 2006-P-00012, Office of Underground Storage Tanks Has Improved Contract Administration, But Further Action Needed, February 28, 2006 – Report Cost: \$83,675)

EPA Earns Unqualified Opinion on Financial Statements

EPA earned an unqualified opinion on its fiscal 2005 financial statements. However, in evaluating EPA's internal controls, we noted nine reportable conditions.

Our unqualified, or clean, opinion means that we found EPA's financial statements to be fairly presented and free of material misstatements. The reportable conditions noted do not represent weaknesses that would cause a material misstatement of financial statement amounts; rather, they represent significant deficiencies in designing or operating internal controls. The nine reportable conditions are:

- EPA inappropriately made approximately \$74,000 in payments to separated (transferred, retired, or resigned) employees under the new PeoplePlus payroll system.
- Employees received salary payments in excess of the biweekly maximum limitations.
- Errors led to overstating State Superfund Contract unearned revenue by \$31 million and unbilled oversight by \$14 million.
- Certain regional offices did not properly adjust their accounts receivable and allowance for doubtful accounts after transferring those accounts to the finance center.
- Although EPA has made advances in performing quality assurance reviews, the reviews were still limited in scope and not adequately documented.
- EPA overstated the year-end distribution of amounts recorded in a budget-clearing account.
- EPA made \$89 million in adjustments to entries in the Integrated Financial Management System without proper and adequate documentation.
- EPA did not correct, in a timely manner, PeoplePlus data that the Integrated Financial Management System rejected during the transfer process.
- Contingency plans did not fully comply with guidelines for several Office of the Chief Financial Officer applications at the Research Triangle Park campus in North Carolina.

We also found that EPA did not fully comply with accounting standards requiring it to provide full costs per output to management in a timely fashion, and continued to experience difficulties in reconciling intragovernmental transactions due to some Federal entities not providing needed information. However, these instances of noncompliance with laws and regulations did not result in material misstatements to the audited financial statements.

The Agency agreed with the issues raised and stated it has begun to evaluate the best methods to address each issue.

(Report No. 2006-1-00015, Audit of EPA's Fiscal 2005 and 2004 Consolidated Financial Statements, November 14, 2005 – Report Cost: \$3,859,374)

Information Technology *Helping the Agency maintain its systems and data.*

In November 2005, the Office of Audit reorganized to more effectively serve customer needs. The Office combined its Data Mining and Analysis Staff with the Business Systems Audit Staff, and established a separate product line focused on Information Technology (IT) audits. This realignment allows for greater emphasis on business system audits and data analysis efforts while carrying out important IT audit efforts.

The Business Systems product line retains the responsibility for auditing the Agency's strategic planning, performance measurement, and human capital investments. In light of increasingly tight Agency budgets, these areas are of vital importance in accomplishing EPA's mission and reporting on the Agency's results to Congress and other stakeholders. Agency reporting requirements include the Government Performance and Results Act, Program Assessment Rating Tool, and President's Management Agenda. The results of these reporting requirements are used to evaluate and improve the effectiveness of Agency programs. The Data Mining and Analysis Staff continues to support audit, evaluation, and investigative assignments by obtaining and analyzing large amounts of data from automated systems. The staff assisted auditors reviewing contractor charges for Hurricane Katrina cleanup work by using data analysis tools to convert financial data into a user-friendly format.

Our IT audit staff continues its important evaluations of the Agency's acquiring, implementing, operating, and maintaining critical Agency networks and information systems. EPA is increasingly dependent on IT systems to accomplish its mission, and requested \$600 million for system development and maintenance for Fiscal Years 2006 and 2007.

EPA's Compliance with the Federal Information Security Management Act

Although EPA program offices had complied with many of the security controls reviewed, EPA could improve processes to comply with Federal and EPA information security requirements.

The Federal Information Security Management Act requires the OIG to perform an annual independent evaluation of EPA's information security program practices.

For Fiscal Year 2005, we found major applications that lacked (1) complete certification and accreditation documents, (2) key security tasks completed in a timely manner, (3) contingency plans or plan testing, and (4) a process to monitor production servers for known security vulnerabilities. Therefore, EPA's Chief Information Officer was not receiving timely and accurate information to plan, implement, evaluate, and report on its information technology security program. We recommended that EPA develop and implement various processes and strategies to verify and validate compliance with requirements, and ensure that program offices establish needed Plans of Actions and Milestones. The Agency concurred with our recommendations.

We also completed the Fiscal Year 2005 Federal Information Security Management Act Reporting Template, as prescribed by the Office of Management and Budget. In addition, we looked at separate information systems and prepared individual reports with recommendations for each responsible program office. We issued reports on the following systems:

- Integrated Contract Management System
- Comprehensive Environmental Response, Compensation, and Liability Information System
- Safe Drinking Water Information System
- Integrated Compliance Information System

For those systems where we identified problems, the responsible Agency offices generally took immediate steps to remediate the identified weaknesses and initiated plans to develop and test needed contingency plans, improve monitoring production servers, re-evaluate security oversight, update key security documents, complete risk assessments, and perform other necessary reviews.

We are awaiting the Agency's response to our draft report on a fifth system, the Clean Air Markets Division Business System.

(Report No. 2006-P-00002, EPA Could Improve Its Information Security by Strengthening Verification and Validation Processes, October 17, 2005; Report No. 2006-S-00001, Federal Information Security Management Act: Fiscal Year 2005 Status of EPA's Computer Security Program [Reporting Template], October 3, 2005; Report No. 2006-P-00010, Information Security Series: Security Practices – Integrated Contract Management System, January 31, 2006; Report No. 2006-P-00019, Information Security Series: Security Practices – Comprehensive Environmental Response, Compensation, and Liability Information System, March 28, 2006; Report No. 2006-P-00020, Information Security Series: Security Practices – Integrated Compliance Information System, March 29, 2006; and Report No. 2006-P-00021, Information Security Series: Security Practices – Safe Drinking Water Information System, March 30, 2006 – Combined costs for the six reports: \$325,797)

EPA Could Improve Physical Access and Service Continuity/Contingency Controls

Physical access and service continuity/contingency controls for financial systems, while in place in many cases, need improving to reduce risk at EPA's Research Triangle Park campus.

We contracted with a public accounting firm to audit physical access controls and service continuity/contingency planning controls for select financial systems at EPA's Research Triangle Park campus in North Carolina. The contractor found that physical access controls needed improvement in areas such as visitor access to facilities, use of contractor access badges, and general physical access to the National Computer Center and other locations. Continuity/contingency controls needed to be improved in areas such as completing a Business Impact Analysis, application contingency plans, authorization to move backup data between key facilities, and environmental controls.

While EPA had compensating controls in place, the contractor believed that controls could be further improved to reduce risks. The contractor recommended that EPA improve physical access controls, processes, and procedures; provide additional training; revisit service continuity strategies; and improve environmental controls. While EPA management believed that some controls were already in place, management agreed with a majority of the findings and recommendations, and indicated it is taking steps to improve security.

(Report No. 2006-P-00005, EPA Could Improve Physical Access and Service Continuity/Contingency Controls for Financial and Mixed-Financial Systems Located at its Research Triangle Park Campus, December 14, 2005 – Report Cost: \$223,395)

More Information Needed on Toxaphene Degradation Products

The current methods EPA uses to identify and measure toxaphene are not designed to identify toxaphene degradation products, but other methods are available.

The Glynn Environmental Coalition, a nonprofit community organization, brought to the Ombudsman's attention concerns about toxaphene at a Superfund site in Georgia.



An airplane applying pesticides to a field (EPA OIG photo).

Toxaphene, an agricultural pesticide heavily used in the United States in the 1960s and 1970s, was totally banned by 1990 because of its effect on humans and the environment.

Toxaphene in the environment changes, or degrades, into products different from the original material in chemical composition and how they appear to testing instruments. EPA's current methods to test for toxaphene do not test for the degradation products. However, a new testing method used by others specifically tests for toxaphene degradation products.

The OIG recommended that EPA validate, approve, and use the new method, as well as arrange for specific research needed to determine the risk that toxaphene degradation products may pose to people. In general, EPA officials concurred with the recommendations.

(Report No. 2006-P-00007, More Information Is Needed On Toxaphene Degradation Products, December 16, 2005 – Report Cost: \$177,934²)

Corrective Action Taken in Response to a Complaint Regarding a Cooperative Agreement

We found a number of problems with a cooperative agreement with the University of Nevada, Reno.

A complainant expressed concern regarding activities of a cooperative agreement with the University of Nevada, Reno. EPA's Office of Research and Development had awarded a \$400,000 cooperative agreement to the university. The agreement created a biological baseline for the Humboldt watershed and devised protocols for the State of Nevada that could effectively assess the biological conditions of perennial streams and rivers.

We found that the recipient had not submitted a complete report on the project; recipient personnel worked on other Federal grant projects while paid from EPA funds; the

² The report cost of \$177,934 represents 50 percent of the total cost for two reports issued on toxaphene degradation products.

recipient did not allocate expenses to the appropriate Federal grant or cooperative agreement; and the project officer did not require the recipient to complete plans, progress reports, and status reports. We made recommendations to address these findings. The Office of Research and Development concurred with the findings, prepared a corrective action report, and initiated immediate corrective actions to address the recommendations.

(Report No. 2006-P-00008, Review of Complaint on the University of Nevada, Reno, Regional Environmental Monitoring and Assessment Program Cooperative Agreement CR 826293-01, December 28, 2005 – Report Cost: \$166,923)

Hotline Activity

The following table provides EPA OIG Hotline activity regarding complaints of fraud, waste, and abuse in EPA programs and operations that occurred during the past semiannual period:

	Semiannual Period (October 1, 2005 - March 31, 2006)
Inquiries and Complaints Received During Period	310
Issues Handled by EPA OIG	90
Inquiries Addressed Without Opening a Complaint	72
Complaints Opened	18
Complaints Closed	16
Complaints Open - Beginning of Period	26
Complaints Open - End of Period	28
Issues Referred to Others	220
EPA Program Offices	69
EPA Criminal Investigation Division	11
Other Federal Agencies	61
State/Local Agencies	79

Financial Fraud

Four Multinational Firms Repay Millions to Settle Allegations of Overbilling

In December 2005, while making no admission of wrongdoing or liability, Bearingpoint, Inc.; Booz Allen Hamilton, Inc.; Ernst & Young, LLP; and KPMG, LLP, each settled lawsuits concerning alleged false claims for travel reimbursement submitted to numerous Federal agencies, including EPA. Bearingpoint has agreed to pay \$15.0 million to settle the matter, Booz Allen \$3.37 million, Ernst & Young \$4.47 million, and KPMG \$2.77 million.

In relation to work performed for the Government, all four firms received rebates on travel expenses from airlines, credit card companies, hotels, rental car agencies, and travel service providers. The companies did not consistently disclose the existence of these travel rebates to the United States and did not reduce travel reimbursement claims by the amounts of the rebates. The lawsuits alleged that Bearingpoint, Booz Allen, Ernst & Young, and KPMG each knowingly presented claims for payment to the United States for amounts greater than the travel expenses actually incurred, violating contractual provisions and the applicable provisions of the Federal Acquisition Regulations.

The settlement resolved suits filed by Neal A. Roberts in January 2001 under the qui tam, or whistleblower, provisions of the False Claims Act. The False Claims Act qui tam statute allows persons who file successful actions alleging fraud against the Government to receive a share of any resulting recovery. Mr. Roberts will receive an amount to be determined in the near future.

This investigation was conducted by the Civil Division of the U.S. Department of Justice; the U.S. Attorney's Office for the Central District on California; the U.S. Army Criminal Investigation Command (Major Procurement Fraud Unit); the Defense Criminal Investigative Service; the Defense Contract Audit Agency; and the Offices of Inspector General for the U.S. Department of Energy, National Aeronautics and Space Administration, U.S. Department of Transportation, General Services Administration, U.S. Postal Service, Agency for International Development, U.S. Department of Treasury, and U.S. Environmental Protection Agency. (Case Cost: \$64,143)

Contractor Enters into \$1 Million Settlement Agreement

On December 23, 2005, while making no admission of wrongdoing or liability, Washington Group International, Inc. (WGI), formerly known as Morrison Knudson Corporation, entered into a \$1 million settlement agreement with the U.S. Department of Justice, Civil Division, and the U.S. Attorney's Office for the Northern District of Oklahoma.

In its case, the Government alleged that between 1996 and 2003, WGI submitted false representations and certifications in progress reports submitted to the Government. WGI

also improperly billed costs during its performance of a U.S. Army Corps of Engineers contract funded by EPA to perform cleanup activities at the Tar Creek Superfund Site, Northern Ottawa County, Oklahoma. These false representations and claims resulted in the Government paying more for the cleanup contract than was necessary. Specifically, it was alleged that WGI required truck drivers and others to falsely record, on truck tickets and other reports, more cubic yardage, truck loads, and/or full loads than were actually hauled; directed or caused truck drivers to give the false appearance that the trucks were being fully and efficiently utilized for their intended purpose; paid full salary to workers who had been injured on the job and therefore should have been paid worker's compensation benefits rather than wages; and billed the Government for time and expenses associated with transporting injured workers to medical care.

The settlement resolved a suit filed under the qui tam, or whistleblower, provisions of the False Claims Act, initially filed in January 2000 by several former employees and subcontractors. The False Claims Act qui tam statute allows persons who file successful actions alleging fraud against the Government to receive a share of any resulting recovery. The former employees will receive approximately \$294,000.

WGI also entered into a compliance agreement with the EPA Suspension and Debarment Division. According to the agreement, WGI must continue to maintain its internal audit program, program efficiency and cost accountability system, code of business conduct, and ethics and compliance training program.

This investigation was conducted jointly with the Defense Criminal Investigative Service and the U.S. Army Criminal Investigation Command. (Case Cost: \$358,404)

University of Connecticut Agrees to Pay \$2.5 Million to Settle False Claims Allegations

On January 6, 2006, the University of Connecticut (UConn) agreed to pay \$2.5 million in damages and penalties to settle civil allegations that the university submitted false claims on approximately 500 Federal grants awarded to UConn from July 1997 through October 2004.

The Federal Government awarded the grants for work to be performed by two of UConn's specialized service facilities: the Environmental Research Institute and Booth Research Center. The grant awards were made by numerous Federal agencies including the U.S. Department of Defense, the National Science Foundation, the National Aeronautics and Space Administration, and EPA.

The Government specifically alleged that UConn submitted grant applications containing incorrect or overstated information about anticipated expenses for the Environmental Research Institute and Booth Research Center. The Government further alleged that UConn charged certain expenses that were not properly chargeable and submitted invoices to the Government for three types of improper grant expenses. First, the Government alleged that UConn did not utilize a proper basis for setting and regularly updating its billing rate structure, as required by Federal law. UConn's failure to revise and appropriately set its billing rate structure resulted in it submitting numerous false claims to the United States for payment. Second, the Government alleged that UConn

failed to follow Federal law for calculating how extra compensation should be paid to UConn faculty members for additional work on grant-supported research activity at the Environmental Research Institute and Booth Research Center, and that improper excess charges were therefore charged to the grants. Finally, the Government alleged that certain of the grants required cost sharing or matching by UConn and that the university failed to provide the requisite cost sharing or matching.

UConn has also entered into a compliance agreement with the Federal Government that requires the university to make significant changes in its grant administration program. The changes include implementing written policies regarding complying with Federal grant laws and regulations, implementing additional training programs for grant administrators, and submitting an annual report to the Government detailing UConn's compliance efforts. By July 1, 2006, UConn must certify that it has in place an adequate compliance program for preventing fraud and false billings to Federal grants.

This investigation was conducted jointly with the Defense Criminal Investigative Service, the Defense Contract Audit Agency, and the U.S. Army Criminal Investigation Command. (Case Cost: \$259,416)

Laboratory Fraud

Lab Technician Sentenced for Submitting a False Statement

On October 24, 2005, lab technician William Joseph Rutherford was sentenced in U.S. District Court, Eastern District of Tennessee, to 2 years probation and 150 hours of community service, and ordered to pay a \$250 fine and a \$100 special assessment. This sentencing follows Rutherford's guilty plea to making a material false statement on documents filed and maintained under the Clean Water Act.

As part of its administration of the Clean Water Act, EPA periodically monitors and ensures the quality of data reported by wastewater facilities and the independent laboratories that analyze wastewater samples on behalf of the facilities. These quality assurance studies are known as Discharge Monitoring Report – Quality Assurance studies. The Discharge Monitoring Report – Quality Assurance studies entail a process by which samples of water with concentrations of various pollutants known to EPA are provided to facilities for analysis. The facility and/or its usual independent laboratory performs the analyses and forwards the results to EPA. EPA compares the reported results of the analyses to its known results to determine whether the facility and/or its independent laboratory is properly performing the analyses.

In July 2002, the Caryville-Jackson Utilities Commission was notified that it was being required to participate in EPA's Discharge Monitoring Report – Quality Assurance study and was told to have its usual laboratory analyze the EPA provided samples. The Caryville-Jackson Utilities Commission routinely contracted with Standard Laboratories, Jacksboro, Tennessee, to perform certain analyses of its wastewater samples. Rutherford is employed as a laboratory technician by Standard Laboratories.

Rutherford received the EPA samples, but instead of performing the tests at Standard Laboratories, he contacted another laboratory to obtain their Discharge Monitoring Report

– Quality Assurance study results. Rutherford then falsely reported to the Caryville-Jackson Utilities Commission that the testing had been performed by Standard Laboratories when he knew that the results came from another laboratory. The Caryville-Jackson Utilities Commission subsequently submitted the Discharge Monitoring Report – Quality Assurance report that contained a material false statement, i.e., that the results of the sample analyses were obtained from Standard Laboratories when they were in fact obtained from another laboratory.

This investigation was conducted jointly with the EPA Criminal Investigation Division and the Office of Inspector General, Tennessee Valley Authority. (Case Cost: \$36,694)

Computer Crimes

Two Employees Suspended for Using a Government Computer to Access Pornography

In two separate instances, EPA employees received suspensions for using Government computers to access pornographic Web sites.

On October 31, 2005, a Region 5 employee was suspended for 5 days for inappropriate use of EPA's computer network. An OIG investigation developed evidence that the employee violated EPA Order 2100.3A1, Policy on Limited Personal Use of Government Office Equipment, between January and September 2004, by attempting to access numerous pornographic Web sites and downloading sexually explicit pictures during the work day.

On January 4, 2006, another Region 5 employee was suspended without pay for 30 days as a result of another OIG investigation. This investigation focused on the employee's repeatedly misusing his Government computer to access adult Internet sites and downloading sexually explicit pictures, despite numerous reminders that using Government equipment to access sexually explicit materials is prohibited.

Such misuse of Agency equipment negatively impacts productivity and potentially exposes the EPA network and its users to risks from suspect Web sites. The OIG will continue to work with EPA Information Security personnel to ensure the integrity of EPA's systems.

(Combined cost of these two cases: \$55,467)

Other Activities

OIG Conference Emphasizes Helping EPA Improve

Helping EPA achieve its environmental goals in an efficient and economical manner was one of the key messages stressed during the EPA OIG's National Training Conference, held in December 2005 in Orlando, Florida.

“Job number one is improving the environment. . . . No matter what you’re working on, it’s really important that you understand how your piece fits regarding the environment,” then



EPA's Michael Brody presenting “Environmental Futurism: The New Frontier” at the National Training Conference (EPA OIG photo).

EPA Inspector General Nikki Tinsley noted during her welcoming remarks at the OIG's fourth biannual conference. Ms. Tinsley stressed that while the OIG has strategic, multiyear, and annual plans, priorities change and “we have to adapt to customer needs.” She cited the OIG's oversight efforts as EPA helps the Gulf Coast area recover from Hurricane Katrina as an example of how the OIG adapts.

The concept of the National Training Conference was to provide the members of the EPA OIG with an opportunity to come together from around the Nation, in the spirit of “One OIG,” for a common learning experience. The conference featured a combination of external speakers from EPA, industry, academia, other Federal agencies, and Congress, as well as EPA OIG staff.

The conference offered 42 topic sessions with 65 speakers, providing OIG staff will the opportunity to earn 19 to 22 Continuing Professional Education credits. Plenary and specialized sessions were planned around the following conference themes:

- Environmental Innovation: Exploring Risks, Costs, and Green Opportunities
- The Power of Data: Leveraging Accountability, Credibility, and Change
- Exercising Our Authority to Promote Integrity
- Taking Care of Business: Ourselves and Our Organization



Nikki Tinsley with Richard Frandsen (left) and Joseph Graziano (EPA OIG photo).

At one session, “Oversight of EPA: Perspectives from Capitol Hill,” two congressional staffers on a panel disagreed on various issues regarding EPA progress, but both noted the importance of the EPA OIG in ensuring that EPA effectively performs its mission. “We really rely on the IGs (Inspectors General) . . . to give us the information . . . we need to give recommendations to Congress. The work you do is very important,” noted Joseph Graziano, professional majority staff member, Oversight and Investigations, House Transportation and Infrastructure Committee. Richard Frandsen, senior minority counsel, House Energy and Commerce Committee, also praised the

work of the EPA OIG. The speakers cited EPA OIG work on grants and Superfund dollar shortfalls as being particularly useful.

Other topics included the Sarbanes Oxley Act/A-123, attestation standards, performance measuring, detecting and preventing fraud, innovation at EPA, data/risk analysis, and environmental challenges.

Inspector General Addresses Key Issues During Presentations

Prior to her March 2006 retirement, former Inspector General Nikki Tinsley had presented several talks during the semiannual period to highlight the EPA OIG's efforts to strengthen Government accountability in grants management, employee performance training, and natural disaster response.

At the Conference on Accountability in Public Management, held in October 2005, Ms. Tinsley presented "Auditors Working to Improve Grant Accountability." She highlighted the work of the Domestic Working Group, made up of Federal Inspectors General, Government Accountability Office, State, and local auditors. One of the group's achievements of which Ms. Tinsley was particularly proud was a collaboration that she led to produce a *Guide to Opportunities for Improving Grant Accountability*. The *Guide* will help ensure that the nearly \$450 billion the Federal Government spends annually on grants produces real benefits for the public. Ms. Tinsley also discussed this Domestic Working Group project at a January 2006 talk before the Chicago Chapter of the Association of Government Accountants.

In November 2005, the Inspector General discussed "The IG Journey to Improved Performance," at the Commonwealth Center for High-Performance Organizations' Performance Improvement Conference, in Charlottesville, Virginia. Ms. Tinsley outlined how her office has been developing leaders and managers, including initiatives such as a new course being offered to all OIG staff on Project Management and access to an e-learning pilot, available 24/7.

At the Mid-Atlantic Intergovernmental Audit Forum in December 2005, the Inspector General covered "Disaster-Related Activities of the EPA Office of Inspector General" following Hurricanes Katrina and Rita. She explained not only the ongoing response to the hurricanes but also observations on lessons still being learned from EPA's response to the World Trade Center collapse. Focal areas included evaluations of drinking water, wastewater, and debris and waste.

OIG Implements Cost Accounting Model

To differentiate and determine the costs of specific OIG work products associated with disaster relief, the EPA OIG successfully developed and applied a cost accounting methodology to all OIG mission products and services. The OIG had been considering approaches to apply cost accounting in conjunction with its performance measurement process. However, it had not yet implemented a model to recognize the differences in the cost structure of its variety of activities, products, and services.

We separated costs into the traditional categories of direct, indirect, and overhead (general and administrative); grouped the costs by office products; and developed a model to comply with Generally Accepted Cost Accounting Principles and Standards. Our model included

developing an overhead cost rate that could be consistently applied to incremental cost factors for specific products and services, resulting in fully-loaded billable staff day costs. We validated our methodology by equating the cost of total billable hours to the total budget expended.

In a separate analysis we identified and classified activities and related outputs. After additional experience with product cost accounting, we will apply our methodology to component activities and outputs for full activity-based costing.

Legislation and Regulations Reviewed

Section 4 (a) of the Inspector General Act requires the Inspector General to review existing and proposed legislation and regulations relating to the program and operation of EPA and to make recommendations concerning their impact. Our comments are primarily based on the audit, evaluation, investigation, and legislative experiences of the Office of Inspector General, as well as our participation on the President's Council on Integrity and Efficiency.

During the reporting period, we reviewed 13 proposed changes to legislation, regulations, policy, and procedures that could affect EPA. We also reviewed drafts of Office of Management and Budget Circulars, program operations manuals, directives, and reorganizations. Details on several items follow.

Proposed Office of Human Resources (OHR) Reorganization: We suggested that OHR develop a set of measurable objectives to ensure that the promised benefits of the reorganization are realized. OHR should document a baseline of current performance to measure against the anticipated new results. We also suggested that OHR develop an implementation plan to ensure that the reorganization effort has a reasonable opportunity for success. Finally, we suggested that OHR develop a partnership with OHR employees to engage their staff to be an active partner in the reorganization process. The support and commitment of OHR managers is instrumental in ensuring OHR staff will support and actively assist with the reorganization effort. Senior OHR managers should communicate with all OHR staff to ensure a common understanding of how OHR will benefit from the successful implementation of the reorganization.

Proposed Interim EPA Personal Property Policy and Procedures Manual: We commented that the term "personal property" was defined ambiguously and inconsistently. The document used two different definitions, and it appeared that these two different definitions pointed back to one another. We also suggested adding a paragraph on theft, and that suspected theft should be reported to the OIG for possible criminal investigation.

Proposed Office of Air Quality Planning and Standards (OAQPS) Reorganization: We suggested that OAQPS obtain a baseline analysis of underrepresented positions and grade-levels, pre-reorganization, for inclusion as part of the final reorganization proposal package for subsequent comparison with post-reorganization efforts. Such baseline diversity information will help OAQPS show how well the reorganization increased opportunities for the advancement of minorities and women. We also suggested that OAQPS work with the EPA Office of Civil Rights, which gathers and maintains this type of information.

Significant EPA Actions as a Result of OIG Activity

EPA and States Report Expected Environmental Benefits for \$7.2 Billion Worth of Clean Water State Revolving Fund Projects

In response to an OIG recommendation, States and communities began reporting environmental data to EPA in 2005 regarding expected environmental benefits from Clean Water State Revolving Fund (CWSRF) loan projects. All 50 States and Puerto Rico have agreed to submit data to EPA. To date, 42 States have already done so. As of March 1, 2006, EPA had received data for about 1,250 projects totaling \$7.2 billion.

In June 2004, we issued a report (*Stronger Leadership Needed to Develop Environmental Measures for Clean Water State Revolving Fund*) stating that although EPA had been working with some States to develop measures since 1998, the Agency had not developed a uniform set of measures to assess the environmental impact of this multi-billion dollar program. EPA was unable to determine the environmental impact of the program without data, and therefore was also unable to compare the value of the CWSRF with other water quality programs when deciding how to allocate resources to maximize results.

In response to our recommendation, EPA and States developed and agreed to use a suite of measures to assess the potential benefits from loan projects. States and EPA will use the information reported to communicate the programs' environmental accomplishments to stakeholders. EPA has already begun using the data to produce reports on CWSRF environmental accomplishments and highlight the environmental impact of CWSRF loans in its 2005 Annual Report. EPA also expects that the established measures will serve as a tool to help States examine, challenge, and improve their own funding decisions. States in particular are using the information as an outreach tool to promote the CWSRF to potential borrowers and show the importance of the CWSRF to State legislatures and Governors' offices.

EPA also estimates that \$2.2 billion in costs have been saved. According to EPA, it estimated that the 834 communities that have reported data would have spent about \$2.2 billion more to conduct the same projects if those communities had gone to a private bank for a loan instead of using the CWSRF loan program.

Statistical Data

Audit Report Resolution

Status Report on Perpetual Inventory of Reports in Resolution Process for Semiannual Period Ending March 31, 2006

Report Category	No. of Reports	Report Issuance (\$ in thousands)		Report Resolution Costs Sustained (\$ in thousands)	
		Questioned Costs	Recommended Efficiencies	To Be Recovered	As Efficiencies
A. For which no management decision was made by October 1, 2005 *	173	\$89,565	\$9,492	\$4,736	\$57
B. Which were issued during the reporting period	259	11,458	3,729	299	3,608
C. Which were issued during the reporting period that required no resolution	124	0	0	0	0
Subtotals (A + B - C)	308	101,023	13,221	5,035	3,665
D. For which a management decision was made during the reporting period	148	9,642	4,759	5,035	3,665
E. For which no management decision was made by March 31, 2006	160	91,381	8,462	0	0
F. Reports for which no management decision was made within 6 months of issuance	85	81,352	8,341	0	0

* Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Status of Management Decisions on Inspector General Reports

This section presents statistical information as required by the Inspector General Act of 1978, as amended, on the status of EPA management decisions on reports issued by the OIG involving monetary recommendations. As presented, information contained in Tables 1 and 2 cannot be used to assess results of reviews performed or controlled by this office. Many of the reports were prepared by other Federal auditors or independent public accountants. EPA OIG staff do not manage or control such assignments. Auditees frequently provide additional documentation to support the allowability of such costs subsequent to report issuance.

Table 1 - Inspector General-Issued Reports with Questioned Costs for Semiannual Period Ending March 31, 2006 (dollar value in thousands)

Report Category	Number of Reports	Questioned Costs *	Unsupported Costs
A. For which no management decision was made by October 1, 2005 **	85	\$89,565	\$37,549
B. New reports issued during period	40	11,458	8,728
Subtotals (A + B)	125	101,023	46,277
C. For which a management decision was made during the reporting period	42	9,642	3,051
(i) Dollar value of disallowed costs	27	5,036	1,846
(ii) Dollar value of costs not disallowed	15	4,606	1,205
D. For which no management decision was made by March 31, 2006	83	91,381	43,226
Reports for which no management decision was made within 6 months of issuance	54	81,352	35,234

* Questioned costs include the unsupported costs.

** Any difference in number of reports and amounts of questioned costs between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Table 2 - Inspector General-Issued Reports with Recommendations that Funds Be Put to Better Use for Semiannual Period Ending March 31, 2006 (dollar value in thousands)

Report Category	Number of Reports	Dollar Value
A. For which no management decision was made by October 1, 2005 *	8	\$9,492
B. Which were issued during the reporting period	3	3,729
Subtotals (A + B)	11	13,221
C. For which a management decision was made during the reporting period	4	4,759
(i) Dollar value of recommendations from reports that were agreed to by management	3	3,665
(ii) Dollar value of recommendations from reports that were not agreed to by management	1	1,094
(iii) Dollar value of non-awards or unsuccessful bidders	0	0
D. For which no management decision was made by March 31, 2006	7	8,462
Reports for which no management decision was made within 6 months of issuance	6	8,341

* Any difference in number of reports and amounts of funds put to better use between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Audits with No Final Action as of March 31, 2006, Which Are Over 365 Days Past the Date of the Accepted Management Decision

Audits	Total	Percentage
Program	25	71%
Assistance Agreements	2	6%
Contract Audits	0	0%
Single Audits	8	23%
Financial Statement Audits	0	0%
Total	35	100%

Summary of Investigative Results

Summary of Investigative Activity During Period

Cases open as of September 30, 2005	218
Cases opened during period	73
Cases closed during period *	79
Cases pending as of March 31, 2006	212

Investigations Pending by Type as of March 31, 2006

	Superfund	Management	Total
Contract	16	11	27
Assistance Agreement	1	42	43
Employee Integrity	3	22	25
Program Integrity	3	42	45
Computer Crime	0	11	11
Laboratory Fraud	10	45	55
Other	1	5	6
Total	34	178	212

Results of Prosecutive Actions

	EPA OIG Only	Joint **	Total
Criminal Indictments / Informations	2	5	7
Convictions	2	13	15
Civil Judgments / Settlements / Filings	0	6	6
Fines and Recoveries (includes Civil)	0	\$29,439,542	\$29,439,542
Probation	0	78 months	78 months
Community Service	0	175 hours	175 hours

Administrative Actions

	EPA OIG Only	Joint **	Total
Suspensions	1	1	2
Debarments	0	9	9
Voluntary Exclusions	2	0	2
Compliance Agreements	1	0	1
Other Administrative Actions	10	3	13
Total	14	13	27

* Includes one case closed in a prior period.

** With another Federal agency.

Scoreboard of Results

Scoreboard of Results at Mid-Year (March 31, 2006) Compared to Fiscal 2006 Annual Performance Goal Targets

All results reported in Fiscal Year 2006, from current and prior year's work, as reported in the OIG Performance Measurement and Results System and the Inspector General Operations Reporting system. Quarterly data not verified. Incremental goal is 50 percent.

Strategic Goals; With Government Performance and Results Act Annual Performance Targets Compared to Fiscal 2006 Results Reported	Supporting Measures
Goal 1. Contribute to Improved Human Health and Environmental Quality	
Environmental Improvements/Actions/Changes <ul style="list-style-type: none"> ▪ Target: 50 ▪ Reported: 23 (46%) 	<ul style="list-style-type: none"> 0 Legislative changes/decisions 0 Regulatory changes/decisions 22 EPA policy, process, practice changes 1 Example of environmental improvement 0 Best environmental practices implemented
Environmental Risks Reduced or Eliminated <ul style="list-style-type: none"> ▪ Target: 28 ▪ Reported: 21 (75%) 	<ul style="list-style-type: none"> 9 Environmental risks reduced/eliminated 5 Certifications/validations/verifications 7 Critical congressional/public issues addressed
Environmental Recommendations, Best Practices, Risks Identified <ul style="list-style-type: none"> ▪ Target: 105 ▪ Reported: 33 (31%) 	<ul style="list-style-type: none"> 29 Environmental recommendations 1 Environmental best practice identified 3 Environmental risks identified
Goal 2. Improve EPA's Management, Accountability, and Program Operations	
Return on Investment: Potential dollar return as percentage of OIG budget (\$49 million) <ul style="list-style-type: none"> ▪ Target: \$73.5 million ▪ Reported: \$97.2 million (132%) 	<i>(dollars in millions)</i> <ul style="list-style-type: none"> \$ 64.1 Questioned costs \$ 3.7 Recommended efficiencies, costs saved \$ 29.4 Fines, recoveries, settlements
Criminal, Civil, and Administrative Actions Reducing Risk of Loss/Operational Integrity <ul style="list-style-type: none"> ▪ Target: 80 ▪ Reported: 56 (69%) 	<ul style="list-style-type: none"> 15 Criminal convictions 7 Indictments/informations/complaints 6 Civil judgments/settlements/filings 28 Administrative actions ¹
Improvements in Business/Systems/Efficiency <ul style="list-style-type: none"> ▪ Target: 225 ▪ Reported: 185 (82%) 	<ul style="list-style-type: none"> 22 Policy process, practice, control changes 1 Corrective action on FMFIA/Mgt. challenges 3 Best practices implemented 148 Certifications/validations/verifications 3 Allegations disproved 6 Critical congressional or public management concerns addressed 2 Management actions taken - not reported
Recommendations, Best Practices, Challenges Identified <ul style="list-style-type: none"> ▪ Target: 820 ▪ Reported: 449 (55%) 	<ul style="list-style-type: none"> 442 Recommendations 1 Best practice identified 1 FMFIA/management challenge identified 5 Referrals for Agency action

¹ Includes one from audits

● = At or over 50 percent annual target ● = At or over 40 percent annual target ● = Below 40 percent annual target

Appendices

Appendix 1 - Reports Issued

The Inspector General Act requires a listing, subdivided according to subject matter, of each report issued by the OIG during the reporting period. For each report, where applicable, the Inspector General Act also requires a listing of the dollar value of questioned costs and the dollar value of recommendations that funds be put to better use.

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
PERFORMANCE REPORTS						
2006-P-00001	Industrial Wipes Congressional Request	04-OCT-05	0	0	0	0
2006-P-00002	EPA Could Improve Information Security	13-OCT-05	0	0	0	0
2006-P-00003	Impact of FPQA on EPA's Pesticide Registration Program	18-OCT-05	0	0	0	0
2006-P-00004	E&E Needs To Improve Information Technology General Controls	21-NOV-05	0	0	0	0
2006-P-00005	IS Service Continuity & Physical Access Controls at NCC	14-DEC-05	0	0	0	0
2006-P-00006	Performance Measurement and Reporting for Enforcement and Co	14-DEC-05	0	0	0	0
2006-P-00007	More Information Is Needed On Toxaphene Degradation Products	15-DEC-05	0	0	0	0
2006-P-00008	University of Nevada Reno REMAP Grants	28-DEC-05	0	0	0	0
2006-P-00009	Impact of Data Gaps on EPA's Implementation of FQPA	10-JAN-06	0	0	0	0
2006-P-00010	Information Security Series: Security Practices – ICMS	31-JAN-06	0	0	0	0
2006-P-00011	Katrina - Water Mississippi	13-FEB-06	0	0	0	0
2006-P-00012	Contract Administration Followup	28-FEB-06	0	0	0	\$395,000
2006-P-00013	SF Mandate: Program Efficiencies	07-MAR-06	0	0	0	0
2006-P-00014	Katrina - Water	07-MAR-06	0	0	0	0
2006-P-00015	EPA OAR and OW Can Further Limit Use of LOE Contracts	13-MAR-06	0	0	0	0
2006-P-00016	EPA's Management Strategy for Contaminated Sediments	14-MAR-06	0	0	0	0
2006-P-00017	Emissions Factors Management, Use, and Benefits	22-MAR-06	0	0	0	0
2006-P-00018	Katrina – Wastewater	28-MAR-06	0	0	0	0
2006-P-00019	Information Security Series: Security Practices – CERCLIS	28-MAR-06	0	0	0	0
2006-P-00020	Information Security Series: Security Practices – ICIS	29-MAR-06	0	0	0	0
2006-P-00021	Information Security Series: Security Practices – SDWIS	30-MAR-06	0	0	0	0
	TOTAL PERFORMANCE REPORTS = 21		\$0	\$0	\$0	\$395,000
ASSISTANCE AGREEMENT REPORTS						
2006-1-00018	Nevada Drinking Water State Revolving Fund June 30 2004	29-NOV-05	0	0	0	0
2006-1-00021	SRF - Oregon Clean Water 2005	12-JAN-06	0	0	0	0
2006-1-00024	Nevada Clean Water SRF 6/30/04 Financial Statements	23-JAN-06	0	0	0	0
	TOTAL ASSISTANCE AGREEMENT REPORTS = 3		\$0	\$0	\$0	\$0
SINGLE AUDIT REPORTS						
2006-3-00001	Sault Ste. Marie tribe of Chippewa Indians FY 2003	04-OCT-05	0	0	0	0
2006-3-00002	Fort Independence Indian Reservation FY 2003	04-OCT-05	0	0	0	0
2006-3-00003	Westfield, Town of FY 2003	05-OCT-05	\$348,714	0	0	0
2006-3-00004	Ely Shoshone Tribe FY 2003	05-OCT-05	0	0	0	0
2006-3-00005	Fallon Paiute-Shoshone Tribe, FY 2002	12-OCT-05	0	0	0	0
2006-3-00006	Alfred University, FY 2004	13-OCT-05	0	0	0	0
2006-3-00007	Fallon Paiute-Shoshone Tribe, FY 2003	20-OCT-05	0	0	0	0
2006-3-00008	Mason City, City of FY 2004	20-OCT-05	0	\$84,729	0	0
2006-3-00009	Spokane Tribe of Indians - FY 2001	20-OCT-05	0	0	0	0
2006-3-00010	Spokane Tribe of Indians - FY 2002	20-OCT-05	0	0	0	0
2006-3-00011	Eight Northern Indian Pueblos Council, FY 2004	25-OCT-05	0	0	0	0
2006-3-00012	Spokane Tribe of Indians - FY 2003	26-OCT-05	0	0	0	0
2006-3-00013	Stevens Village Council - FYs 2000 & 2001	27-OCT-05	0	0	0	0
2006-3-00014	Stevens Village Council - FY 2002	27-OCT-05	0	0	0	0
2006-3-00015	Combes, Town of FY 2002	01-NOV-05	0	0	0	0
2006-3-00016	Eight Northern Indian Pueblos Council, FY 2003	01-NOV-05	0	0	0	0
2006-3-00017	Thlopthlocco Tribal Town, FY 2002	01-NOV-05	0	0	0	0
2006-3-00018	Thlopthlocco Tribal Town, FY 2003	01-NOV-05	0	0	0	0
2006-3-00019	White Mountain Apache Tribe, FY 2002	01-NOV-05	0	0	0	0
2006-3-00020	White Mountain Apache Tribe, FY 2004	01-NOV-05	0	0	0	0
2006-3-00021	Senior Service America - MD, FY 2004	03-NOV-05	0	0	0	0
2006-3-00022	National Alliance for Hispanic Health, FY 2003	07-NOV-05	0	0	0	0
2006-3-00023	Lower Sioux Indian Community, FY 2002	07-NOV-05	0	0	0	0

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
2006-3-00024	Lower Sioux Indian Community, FY 2003	09-NOV-05	0	0	0	0
2006-3-00025	Lynchburg, City of FY 2004	09-NOV-05	0	0	0	0
2006-3-00026	Nat'l Assoc. for Equal Opportunity in Higher Education, FY04	09-NOV-05	0	0	0	0
2006-3-00027	Sherwood Valley Band of Pomo Indians - FY 2003	14-NOV-05	0	0	0	0
2006-3-00028	Howard University, FY 2004	14-NOV-05	0	0	0	0
2006-3-00029	Smith River Rancheria, FY 2002	15-NOV-05	0	0	0	0
2006-3-00030	Trinidad Rancheria, FY 2003	15-NOV-05	0	0	0	0
2006-3-00031	Shoshone & Arapaho Joint Prog. of the Wind River Reservation	15-NOV-05	0	0	0	0
2006-3-00032	Tyrone, Borough of FY 2003	17-NOV-05	0	0	0	0
2006-3-00033	Shreveport, City of FY 2004	17-NOV-05	0	\$35,571	0	0
2006-3-00034	OGLALA SIOUX TRIBE FY 2000	02-DEC-05	0	\$626,279	0	0
2006-3-00035	Oglala Sioux Tribe FY 2001	02-DEC-05	0	\$668,417	0	0
2006-3-00036	Oglala Sioux Tribe FY 2002	05-DEC-05	0	\$635,284	0	0
2006-3-00037	Oglala Sioux Tribe, FY 2003	15-DEC-05	0	\$586,232	0	0
2006-3-00038	Iowa Rural Water Authority, FY 2003	15-DEC-05	0	0	0	0
2006-3-00039	Cherokee Nation, Oklahoma, FY 2004	19-DEC-05	\$44,090	0	0	0
2006-3-00040	Hawaii Department of Health, FY 2004	19-DEC-05	0	0	0	0
2006-3-00041	Agua Sana Water Users Association	21-DEC-05	0	0	0	0
2006-3-00042	Rhode Island, State of FY 2004	29-DEC-05	0	0	0	0
2006-3-00043	American Water Works Association, FY 2003	30-DEC-05	0	\$3,774,275	0	0
2006-3-00044	Vermont State Colleges FY 2003	05-JAN-06	0	0	0	0
2006-3-00045	Florida, State of FY 2004	10-JAN-06	\$105	\$984	0	0
2006-3-00046	Trees Forever, Inc. FY 2002	12-JAN-06	0	0	0	0
2006-3-00047	Trees Forever, Inc. FY 2003	12-JAN-06	0	0	0	0
2006-3-00048	Illinois, State of FY 2004	26-JAN-06	0	0	0	0
2006-3-00049	Vermont, State of FY 2003	26-JAN-06	0	0	0	0
2006-3-00050	New Hampshire, State of FY 2004	26-JAN-06	0	\$616,500	0	0
2006-3-00051	United States-Mexico Foundation of Science FY 2003	07-FEB-06	0	\$249,606	0	0
2006-3-00052	United States-Mexico Foundation of Science FY 2004	07-FEB-06	0	\$221,406	0	0
2006-3-00053	Hoonah Indian Association, FY 2003	06-FEB-06	0	0	0	0
2006-3-00054	Rensselaer Polytechnic Institute FY 2004	08-FEB-06	0	0	0	0
2006-3-00055	Samish Indian Nation FY 2003	08-FEB-06	0	0	0	0
2006-3-00056	Aberdeen Area Tribal Chairmen's Health Board FY 2002	08-FEB-06	0	0	0	0
2006-3-00057	Aberdeen Area Tribal Chairmen's Health Board FY 2003	08-FEB-06	0	0	0	0
2006-3-00058	Utah, State of FY 2004	09-FEB-06	0	0	0	0
2006-3-00059	Nebraska, State of FY 2004	13-FEB-06	0	0	0	0
2006-3-00060	Yupit of Andreafski - FY 2003	13-FEB-06	0	0	0	0
2006-3-00061	Pennsylvania State University, FY 2004	14-FEB-06	0	0	0	0
2006-3-00063	North Lake Recreational Sewer & Water District - FY 2003	16-FEB-06	0	0	0	0
2006-3-00064	Arkansas, State of FY 2004	16-FEB-06	0	0	0	0
2006-3-00065	Samish Indian Nation FY 2004	22-FEB-06	0	0	0	0
2006-3-00066	Great Lakes Commission FY 2004	22-FEB-06	0	0	0	0
2006-3-00067	Alabama Quassarte Tribal Town FY 2004	22-FEB-06	\$30,897	0	0	0
2006-3-00068	Caribbean Environmental & Development Institute FY 1999	22-FEB-06	0	\$653,425	0	0
2006-3-00069	Caribbean Environment & Development Institute FY 2000	22-FEB-06	0	\$492,250	0	0
2006-3-00070	North Dakota Rural Water System Association, FY 2004	23-FEB-06	0	0	0	0
2006-3-00071	Texas, State of FY 2004	23-FEB-06	0	0	0	0
2006-3-00072	Maryland, State of FY 2004	27-FEB-06	0	0	0	0
2006-3-00073	Louisiana, State of FY 2004	27-FEB-06	\$10,217	0	0	0
2006-3-00074	Smithsonian Institution - FY 2002	07-MAR-06	0	0	0	0
2006-3-00075	Pennsylvania, Commonwealth of FY 2004	07-MAR-06	0	0	0	0
2006-3-00076	Rand Corporation, The - FY 2002	07-MAR-06	0	0	0	0
2006-3-00077	Rand Corporation, The - FY 2003	07-MAR-06	0	0	0	0
2006-3-00078	Water Environment Federation - FY 2004	13-MAR-06	0	0	0	0
2006-3-00079	Alliance for the Chesapeake Bay, Inc. - FY 2004	13-MAR-06	0	0	0	0
2006-3-00080	Puerto Rico Safe Drinking Water Treatment RLF - FY 2002	13-MAR-06	0	0	0	0
2006-3-00081	Florida Rural Water association, FY 2002	13-MAR-06	0	0	0	0
2006-3-00082	Florida Rural Water Association, FY 2003	13-MAR-06	0	0	0	0
2006-3-00083	Florida Rural Water Association, FY 2004	13-MAR-06	0	0	0	0
2006-3-00084	Clarksburg, City of FY 2004	13-MAR-06	0	0	0	0
2006-3-00085	Stevens Village Council FY 2003	14-MAR-06	\$117,785	0	0	0
2006-3-00086	Mille Lacs Band of Chippewa Indians FY 2004	14-MAR-06	\$1,012,500	0	0	0
2006-3-00087	Puerto Rico Safe Drinking Water Treatment RLF - FY 2003	16-MAR-06	0	0	0	0
2006-3-00088	Puerto Rico Safe Drinking Water Treatment RLF - FY 2004	16-MAR-06	0	0	0	0
2006-3-00089	Huntsville, City of - FY 2004	16-MAR-06	0	0	0	0
2006-3-00090	Centralina Council of Governments - FY 2004	16-MAR-06	0	\$82,551	0	0
2006-3-00091	Monroe, City of FY 2004	21-MAR-06	0	0	0	0
2006-3-00092	South Miami, City of FY 2004	21-MAR-06	0	0	0	0
2006-3-00093	Sumner, City of FY 2004	23-MAR-06	0	0	0	0
2006-3-00094	Adair, City of FY 2004	23-MAR-06	0	0	0	0
2006-3-00095	Shepherdstown, Corporation of - FY 2004	28-MAR-06	0	0	0	0
2006-3-00096	Ridgeley, Town of - FY 2004	29-MAR-06	0	0	0	0
TOTAL SINGLE AUDIT REPORTS = 95			\$1,564,308	\$8,727,509	\$0	\$0

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
OIG ISSUED CONTRACT REPORTS						
2006-2-00008	E&E Agreed Upon Procedures RFP-PR-R7-05-10029	29-NOV-05	0	0	0	0
2006-4-00025	CO - E&E Adequacy of CFY 2004 Incurred Cost Proposal	28-OCT-05	0	0	0	0
2006-4-00026	Illinois Credit Claim for the Ottawa Radiation Site	31-OCT-05	0	0	0	\$3,213,181
2006-4-00027	White House Oil Pits Superfund Site Mixed Funding Claim	31-OCT-05	\$28,407	0	0	0
2006-4-00051	E&E Revised ES Disclosure Statement (Effective Aug. 1999)	28-DEC-05	0	0	0	0
2006-4-00052	E&E Revised HR Disclosure Statement (Eff 8/1/1999)	28-DEC-05	0	0	0	0
2006-4-00056	E&E 2005 Floorcheck	10-JAN-06	0	0	0	0
	TOTAL OIG ISSUED CONTRACT REPORTS = 7		\$28,407	\$0	\$0	\$3,213,181
DCAA CONTRACT REPORTS						
2006-1-00001	SPS Technologies, Inc. — FYE 9/30/2002 Incurred Cost	04-OCT-05	0	0	0	0
2006-1-00002	Eastern Research Group FY 2003 Incurred Cost	05-OCT-05	0	0	0	0
2006-1-00003	Environmental Quality Management, Inc. FY 2003 Incurred Cost	05-OCT-05	0	0	0	0
2006-1-00004	D & R International, LTD. FY 2003 Incurred Cost	06-OCT-05	0	0	0	0
2006-1-00005	Battelle Columbus Laboratories - FYE 9/30/2004 Incurred Cost	06-OCT-05	0	0	0	0
2006-1-00006	Tetra Tech EMI - CFYE 9/30/2003 Incurred Cost	11-OCT-05	\$80,936	0	0	0
2006-1-00007	ABT Associates Inc. - FY 2001 Incurred Cost	14-OCT-05	\$172,968	0	0	0
2006-1-00008	Excalibur Associates, Inc. - FY 12/31/2004 Incurred Cost	19-OCT-05	0	0	0	0
2006-1-00009	Herrera Environmental Consultants - FY 2003 Incurred Cost	25-OCT-05	\$1,221	0	0	0
2006-1-00010	Metcalfe & Eddy Inc. - FY 2000 Incurred Cost	09-NOV-05	\$57,867	0	0	0
2006-1-00011	STG, Inc. - FYE 12/31/2001 Incurred Cost	09-NOV-05	0	0	0	0
2006-1-00012	CH2M Hill, Inc. - FY 2003 Incurred Cost	09-NOV-05	\$175,678	0	0	0
2006-1-00013	Computer Based Systems, Inc c/o Titan Sys FY 2003 Incurred Cost	10-NOV-05	0	0	0	0
2006-1-00014	TN & Associates - FY 2003 Incurred Cost	10-NOV-05	0	0	0	0
2006-1-00016	Weston Solutions Inc. - CACS - 68-W5-0019	17-NOV-05	0	0	0	0
2006-1-00017	Battelle Columbus Laboratories - FYE 9/30/2004 Incurred Cost	17-NOV-05	0	0	0	0
2006-1-00019	Arcadis Geraghty & Miller FYE 12/31/2003 Incurred Cost	01-DEC-05	\$1,038	0	0	0
2006-1-00020	MACTEC Fed Prog (former Pacific Env Svc) - FY 2002 Incurred Cost	14-DEC-05	0	0	0	0
2006-1-00022	Planners Collaborative Inc (PCI) - FYE 12/31/2002 Incurred Cost	13-JAN-06	0	0	0	0
2006-1-00023	GeoLogics Corporation - FYE 12/31/2002 Incurred Cost	13-JAN-06	0	0	0	0
2006-1-00025	Bristol Environ & Engineering - FY 3/31/2005 Incurred Cost	30-JAN-06	0	0	0	0
2006-1-00026	Alpha-Gamma Technologies Inc. - FY 2001 Incurred Cost	31-JAN-06	\$446	0	0	0
2006-1-00027	GeoLogics Corporation - FYE 12/31/2002 Incurred Cost	01-FEB-06	0	0	0	0
2006-1-00028	Gannett Fleming Environ Engr, Inc. - FYE 2003 Incurred Cost	23-FEB-06	\$2,553	0	0	0
2006-1-00030	National Academy of Sciences FYE 12/31/2003 Incurred Cost	13-MAR-06	\$1,172	0	0	0
2006-1-00031	Computer Sciences Corp. (CSC) - CFYE 3/31/2002 Incurred Cost	15-MAR-06	\$519,860	0	0	0
2006-1-00032	Bevilacqua Knight (formerly Clean Air) - FYE 12/31/04 I/C	20-MAR-06	0	0	0	0
2006-1-00033	Alpha-Gamma Technologies, Inc. - FYE 12/31/02 Incurred Cost	21-MAR-06	\$580	0	0	0
2006-1-00034	Southwest Research Institute - FY 9/30/2004 Incurred Cost	22-MAR-06	0	0	0	0
2006-1-00035	Aarcher, Inc. - FY 12/31/2004 Incurred Cost	23-MAR-06	\$710	0	0	0
2006-1-00036	Washington Group Int'l-formerly Morrison Knudsen FY 2003 RAC	28-MAR-06	\$46,422	0	0	0
2006-1-00037	Trinity Engineering Associates - FY 12/31/2004 Incurred Cost	30-MAR-06	0	0	0	0
2006-1-00038	Wilson Environmental Lab - FYE 12/31/2004 Incurred Cost	30-MAR-06	0	0	0	0
2006-1-00039	Trinity Engineering Associates FY 2003 Incurred Cost	30-MAR-06	0	0	0	0
2006-1-00040	Tetra Tech NUS, Inc. - CFYE 9/30/2003 Incurred Cost	30-MAR-06	0	0	0	0
2006-1-00041	Environomics - FY 12/31/2004 Incurred Cost	31-MAR-06	0	0	0	0
2006-2-00001	CH2M Hill Inc - FY 2002 RAC Annual Close-Out 68-W6-0036	07-OCT-05	0	0	0	0
2006-2-00002	CH2M Hill Inc - FY 2001 RAC Annual Close-Out	11-OCT-05	\$24,660	0	0	0
2006-2-00003	Universe Technologies, Inc. - FY 2002 Incurred Cost	25-OCT-05	0	0	0	0
2006-2-00004	Tetra Tech FW, Inc. - FY 2003 RAC 68-W9-8214	28-OCT-05	\$474	0	0	0
2006-2-00005	Tetra Tech FW, Inc. - FY 2002 RAC - 68-W9-8214	28-OCT-05	\$952	0	0	0
2006-2-00006	Westat Inc. - FYE 12/31/2004 Incurred Cost	08-NOV-05	0	0	0	0
2006-2-00007	Westat, Inc. - FY 2003 Incurred Cost	08-NOV-05	0	0	0	0
2006-2-00009	Pegasus Technical Services - Voucher Review	11-JAN-06	\$38,764	0	0	0
2006-2-00010	CH2M Hill, Inc. - FY 2003 RAC - 68-W6-0036	18-JAN-06	\$2,036	0	0	0
2006-2-00011	Scientific Consulting Group, Inc - FY 12/31/2004 I/C	16-FEB-06	0	0	0	0
2006-2-00012	Tetra Tech, EMI - Preaward - PR-R5-05-10017	01-MAR-06	0	0	0	0
2006-2-00013	Weston Solution, Inc. - FY 2003 RAC - 68-W7-0026	03-MAR-06	0	0	0	0
2006-2-00014	ASRC MS, Inc. - FY 2006 Overhead Rate in RFP PR-R1-05-10021	22-MAR-06	0	0	0	\$120,550
2006-2-00015	Matrix Environmental & Geotechnical Services FY 2004 I/C	28-MAR-06	\$9,652	0	0	0
2006-4-00001	Shaw Environmental & Infrastructure, Inc. - CAS 403	04-OCT-05	0	0	0	0
2006-4-00002	EG&G - CAS 404	04-OCT-05	0	0	0	0
2006-4-00003	SAIC - Company 9 - CAS 408	04-OCT-05	0	0	0	0
2006-4-00004	EG&G - CAS 408	04-OCT-05	0	0	0	0
2006-4-00005	Shaw Environmental & Infrastructure, Inc. - Voucher Dir. Pay	04-OCT-05	0	0	0	0
2006-4-00006	Arcadis Geraghty & Miller - FY 2005 Dir ct Voucher Review	04-OCT-05	0	0	0	0
2006-4-00007	Syracuse Research Corporation (SRC) - Accounting System	04-OCT-05	0	0	0	0
2006-4-00008	Tetra Tech - FY 2005 Billing System Audit	04-OCT-05	0	0	0	0
2006-4-00009	Tetra Tech EMI - FY 2005 MAAR 13 Purch Existence/Consumption	04-OCT-05	0	0	0	0
2006-4-00010	Stratus Consulting, Inc. - FYE 12/31/2003 Incurred Cost	05-OCT-05	0	0	0	0

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
2006-4-00011	EG&G EDP - General Controls (ICR)	06-OCT-05	0	0	0	0
2006-4-00012	Systems Research & Applications - Labor C	06-OCT-05	0	0	0	0
2006-4-00013	Eastern Research Group - ESD Disclosure Statement	06-OCT-05	0	0	0	0
2006-4-00014	Eastern Research Group -GFY 2005 Floor Check (MAAR 6)	07-OCT-05	0	0	0	0
2006-4-00015	Tetra Tech, Inc. - FY 2005 Floorcheck	14-OCT-05	0	0	0	0
2006-4-00016	Shaw Environmental & Infrastructure, Inc. -FY 2005 Billing Sys	14-OCT-05	0	0	0	0
2006-4-00017	Tetra Tech, Inc. - FY 2005 Purchasing System Audit	14-OCT-05	0	0	0	0
2006-4-00018	EG&G - Indirect ODC Follow-Up	14-OCT-05	0	0	0	0
2006-4-00019	EG&G - Floorcheck	14-OCT-05	0	0	0	0
2006-4-00020	Tetra Tech NUS, Inc - FY 2005 Floorcheck	19-OCT-05	0	0	0	0
2006-4-00021	Cadmus Group Inc. - CAS 408 Compliance Audit	19-OCT-05	0	0	0	0
2006-4-00022	Eastern Research Group - Corporate Disclosure Statement	20-OCT-05	0	0	0	0
2006-4-00023	Environmental Quality Management-FY 2005 PurchasingSysReview	20-OCT-05	0	0	0	0
2006-4-00024	Battelle - ESS (ICR) - Estimating Systems	25-OCT-05	0	0	0	0
2006-4-00028	Systems Research & Applications Corp - FY 2005 CAS 409	04-NOV-05	0	0	0	0
2006-4-00029	SAIC-Company 6 - CAS 411	04-NOV-05	0	0	0	0
2006-4-00030	Syracuse Research Corporation (SRC) - MAAR 13	04-NOV-05	0	0	0	0
2006-4-00031	Syracuse Research Corporation (SRC) - MAAR 6	04-NOV-05	0	0	0	0
2006-4-00032	SAIC - Company 1, 6 and 9 - Floorchecks	04-NOV-05	0	0	0	0
2006-4-00033	SAIC - Company 1 and 6 - MAAR 13	04-NOV-05	0	0	0	0
2006-4-00034	CH2M Hill Inc (INC) - CAS 418	15-NOV-05	0	0	0	0
2006-4-00035	CH2M Hill Inc (INC)- FY 2004 Labor System/Floorcheck	15-NOV-05	0	0	0	0
2006-4-00036	EERGC c/o GE Energy & Envl -FY 2003 Incurred Cost	17-NOV-05	0	0	0	0
2006-4-00037	CH2M Hill, Inc. (INC) - Labor System Floorcheck	17-NOV-05	0	0	0	0
2006-4-00038	ABT Associates, Inc. - FY 2004 Billing System	17-NOV-05	0	0	0	0
2006-4-00039	Arcadis Geraghty & Miller - FY 2005 MAAR 6	17-NOV-05	0	0	0	0
2006-4-00040	SAIC- Company 9 - Financial Condition Risk Assessment	22-NOV-05	0	0	0	0
2006-4-00041	InfoPro Incorporated - FYE 9/30/2004 Incurred Cost	25-NOV-05	0	0	0	0
2006-4-00042	Systems Research & Applications, Corp - FY 2006 CAS 418	25-NOV-05	0	0	0	0
2006-4-00043	Toeroek Associates, Inc. FY2003 Incurred Cost	25-NOV-05	0	0	0	0
2006-4-00044	EG&G - CAS Cost Impact Statement (Price Adjustment)	01-DEC-05	0	0	0	0
2006-4-00045	EG&G - Exam of Paid Vouchers - Direct Billing	01-DEC-05	0	0	0	0
2006-4-00046	SAIC - FY 2004 Compensation System Review	14-DEC-05	0	0	0	0
2006-4-00047	Tetra Tech EMI - FY 2005 MAAR 6 Floorcheck	14-DEC-05	0	0	0	0
2006-4-00048	DPRA, Inc. - FY 2006 Financial Capability Assessment	20-DEC-05	0	0	0	0
2006-4-00049	Syracuse Research Corporation - FY 2006 CAS 408	20-DEC-05	0	0	0	0
2006-4-00050	Mactec Federal Programs(formerly Pacific Env Serv)-Fin.Audit	20-DEC-05	0	0	0	0
2006-4-00053	Tetra Tech, Inc. A&E Division - FY 2006 CAS 409	28-DEC-05	0	0	0	0
2006-4-00054	Tetra Tech (A&E Division) - CAS 404	28-DEC-05	0	0	0	0
2006-4-00055	SAIC - Company 1 - Budget System & Financial Control	28-DEC-05	0	0	0	0
2006-4-00057	Toeroek Associates, Inc. - FY 2005 Floorcheck	11-JAN-06	0	0	0	0
2006-4-00058	Pegasus Technical Services - Accounting System	17-JAN-06	0	0	0	0
2006-4-00059	Gannett Fleming, Inc. - FY 12/31/2005 Floor Check	19-JAN-06	0	0	0	0
2006-4-00060	Toeroek Associates, Inc. - FY 2005 Accounting System Review	24-JAN-06	0	0	0	0
2006-4-00061	Abt Associates, Inc. - FYE 2006 Billing System Follow-Up	24-JAN-06	0	0	0	0
2006-4-00062	Battelle - BCO - FY 2006 410	25-JAN-06	0	0	0	0
2006-4-00063	Battelle - BSTI - FY 2006 CAS 403	25-JAN-06	0	0	0	0
2006-4-00064	Tetra Tech NUS - CAS 404	25-JAN-06	0	0	0	0
2006-4-00065	Tetra Tech, Inc. - Disclosure Statement Rev 2, dated 9/30/02	0	0	0	0	0
2006-4-00066	Black & Veatch SPC- FY 2005 D/S Rev No. 5 Effective 1/1/05	25-JAN-06	0	0	0	0
2006-4-00067	Weston Solutions, Inc. - CFY 2005 Floor Checks	30-JAN-06	0	0	0	0
2006-4-00068	Battelle - OCEO - FY 2006 CAS 412	01-FEB-06	0	0	0	0
2006-4-00069	Battelle - BCO - FY 2006 CAS 408	02-FEB-06	0	0	0	0
2006-4-00070	Battelle -BCO - FY 2006 CAS 418	02-FEB-06	0	0	0	0
2006-4-00072	SAIC-Company 9 - Accounting System	03-FEB-06	0	0	0	0
2006-4-00073	DPRA, Inc. - FY 2006 Paid Vouchers Review	08-FEB-06	0	0	0	0
2006-4-00074	SAIC - FY 2004 Billing System Review	09-FEB-06	0	0	0	0
2006-4-00075	SAIC - FY 2004 Budget System Review	09-FEB-06	0	0	0	0
2006-4-00076	Eastern Research Group - ERG Segment-D/S Rev. 3 on 10/27/05	28-FEB-06	0	0	0	0
2006-4-00077	Tetra Tech NUS - FY 2006 CAS 409	28-FEB-06	0	0	0	0
2006-4-00078	National Academy of Sciences - FY 2006 CAS 415	02-MAR-06	0	0	0	0
2006-4-00079	Eastern Research Group - ESD Division D/S Rev 3 10/27/05	02-MAR-06	0	0	0	0
2006-4-00080	CH2M Hill Inc (INC)- FY2004 Budgeting System	07-MAR-06	0	0	0	0
2006-4-00081	Eastern Research Group-ERG Corporate Home D/S Rev 3 10/27/05	16-MAR-06	0	0	0	0
2006-4-00082	Battelle-OCEO- Budget System	16-MAR-06	0	0	0	0
2006-4-00083	Environmental Quality Management, Inc. - FY 2006 Floorcheck	22-MAR-06	0	0	0	0
2006-4-00084	Systems Research & Applications - FY 2006 CAS 410	22-MAR-06	0	0	0	0
2006-4-00085	CH2M Hill Inc (INC) - CAS 420	23-MAR-06	0	0	0	0
2006-4-00086	Tetra Tech, Inc. (A&E Division) - CAS 420	24-MAR-06	0	0	0	0
2006-4-00087	CH2M Hill Inc (I&E) - CAS 403	27-MAR-06	0	0	0	0
2006-4-00088	Black & Veatch Special Proj Corp - Rev. Disclosure Statement	28-MAR-06	0	0	0	0
	TOTAL DCAA CONTRACT REPORTS = 131		\$1,137,989	\$0	\$0	\$120,550

Report Number	Title	Final Report Issued	Questioned Costs			Recommended Efficiencies (Funds Be Put To Better Use)
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
FINANCIAL STATEMENT REPORTS						
2006-1-00015	2005 AGENCY F/S - GENERAL (MASTER)	14-NOV-05	0	0	0	0
	TOTAL FINANCIAL STATEMENT REPORTS = 1		\$0	\$0	\$0	\$0
SPECIAL REVIEW REPORTS						
2006-S-00001	2005 Federal Information Security Management Act	03-OCT-05	0	0	0	0
	TOTAL SPECIAL REVIEW REPORTS = 1		\$0	\$0	\$0	\$0
	TOTAL REPORTS ISSUED = 259		\$2,730,704	\$8,727,509	\$0	\$3,728,731

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Back cover photos: *Clockwise from top:* A coastal Mississippi residential neighborhood; household hazardous waste items collected by EPA; residential devastation in Mississippi; and refrigerator freon and content removal at a Louisiana landfill. (EPA OIG photos)



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