

**TESTIMONY OF  
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U.S. ENVIRONMENTAL PROTECTION AGENCY  
BEFORE THE  
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
U. S. HOUSE OF REPRESENTATIVES  
May 7, 2014**

Chairman Issa, Ranking Member Cummings, and members of the Committee, thank you for the opportunity to testify today. I want to begin by assuring the Committee that the Environmental Protection Agency (EPA) shares the goal of the Committee and of the Office of the Inspector General of preventing and correcting any waste, fraud or abuse in any agency programs or operations. The EPA values the Inspector General as an important partner in achieving that goal.

Since 2009, employees of the Environmental Protection Agency have provided their information, knowledge, and support to over 2,600 audits, investigations, and actions of the Office of the Inspector General. Many of the issues identified in those actions have persisted through multiple administrations, and this administration has stepped up to meet the challenge of remedying them. Agency employees routinely work cooperatively to provide information to the Inspector General to ensure their important work is achieved. That has always been not only the EPA policy, but a part of EPA's culture.

Unfortunately, some have recently questioned the Agency's commitment to ensuring that the program offices within EPA provide timely, complete assistance to the Office of the Inspector General. I can assure this Committee that the EPA remains

committed to ensuring that our Office of Inspector General is successful in its efforts to root out waste, fraud, and abuse in every program office across the agency.

I was last before this Committee after the EPA and our Inspector General exposed the criminal fraud of John C. Beale. All of us at the agency were offended by the actions of Mr. Beale. The EPA has risen to the challenge required by Mr. Beale's massive fraud with steady action. First, in December 2013, the EPA released its 19 page *Report of Evaluation and Corrective Actions* related to that case. That document evaluates each aspect of Mr. Beale's conduct, how Mr. Beale evaded the agency's existing controls, and the Agency's planned corrective actions. Since that time we have taken steps to put measures in place to help ensure this type of fraud cannot be repeated.

In April, the EPA completed a second review of the issues raised by that case, entitled *Report on Internal Control Assessments of EPA's Sensitive Payment Areas*. This 50+ page report used an assessment process informed by the Government Accountability Office's *Standard for Internal Controls of the Federal Government* to analyze seven key areas: Executive Payroll Approvals, Employee Departures, Statutory Pay Limits, Parking and Transit Subsidy, Retention Incentive, Travel Reimbursements Above the Per Diem Rate, and Executive Travel Approval. That report was provided to the Office of Inspector General on April 17, 2014.

While undertaking our review, EPA has ensured that the program offices have provided the Office of Inspector General with any necessary assistance with their on-going audits related to this matter. Indeed, to ensure swift responses to their needs, the

EPA requested biweekly meetings with the Office of Inspector General audit teams to ensure proper coordination and support for the Office of Inspector General's efforts. These meetings are attended by senior officials from every office involved in responding to the audits, and specifically includes an opportunity for the Office of Inspector General to identify any outstanding data requests or concerns about the agency's level of support. In over a decade of service to the EPA, I am not aware of another instance where the EPA has committed this level senior leader attention to a single set of Office of Inspector General audits. We look forward to receiving their reports, and to working cooperatively with them to ensure that all appropriate corrective actions are taken.

Finally, I would like to take this opportunity to recognize that the overwhelming majority of the approximately 16,000 EPA employees are dedicated, hardworking, professional public servants. A point on which I know the Inspector General agrees with me. I remain very proud of both the EPA's achievements in protecting human health and the environment on behalf of the American people, and of the EPA employees who work hard every day to make those achievements possible.

I look forward to answering any questions you may have.