

**Environmental Protection Agency  
2007 Annual Performance Plan and Congressional Justification**

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**APPROPRIATION: Inspector General  
Resource Summary Table  
(Dollars in Thousands)**

	<b>FY 2005 Obligations</b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Pres Bud</b>	<b>FY 2007 Pres Bud v. FY 2006 Enacted</b>
<b>Inspector General</b>				
Budget Authority / Obligations	\$45,007.1	\$36,904.0	\$35,100.0	(\$1,804.0)
Total Workyears	270.8	267.7	267.7	0.0

**BILL LANGUAGE: OFFICE OF INSPECTOR GENERAL**

*For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for [construction,] alteration, repair, rehabilitation, and renovation of facilities, not to exceed \$85,000 per project, \$35,100,000, [\$37,455,000], to remain available until September 30, [2007] 2008.*

**Program Projects in IG  
(Dollars in Thousands)**

<b>Program Project</b>	<b>FY 2005 Obligations</b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Pres Bud</b>	<b>FY 2007 Pres Bud v. FY 2006 Enacted</b>
Audits, Evaluations, and Investigations				
Audits, Evaluations, and Investigations	\$44,580.7	\$36,904.0	\$35,100.0	(\$1,804.0)
Inspector General Congressionally Mandated Projects				
Congressionally Mandated Projects	\$426.4	\$0.0	\$0.0	\$0.0
Subtotal, Congressionally Mandated Projects	\$426.4	\$0.0	\$0.0	\$0.0

## **Program Area: Audits, Evaluations and Investigations**

## Audits, Evaluations, and Investigations

Program Area: Audits, Evaluations, and Investigations

Goal: Provide Agency-wide support for multiple goals to achieve their objectives. This support involves Agency-wide activities primarily provided by EPA's six (6) support offices - the Office of Administration and Resources Management (OARM), Office of the Chief Financial Officer (OCFO), Office of Environmental Information (OEI), Office of General Counsel (OGC), Office of the Administrator (OA), and the Office of Inspector General (OIG).

(Dollars in Thousands)

	<b>FY 2005 Obligations</b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Pres Bud</b>	<b>FY 2007 Pres Bud v. FY 2006 Enacted</b>
<b><i>Inspector General</i></b>	<b><i>\$44,580.7</i></b>	<b><i>\$36,904.0</i></b>	<b><i>\$35,100.0</i></b>	<b><i>(\$1,804.0)</i></b>
Hazardous Substance Superfund	\$15,182.0	\$13,337.0	\$13,316.0	(\$21.0)
Total Budget Authority / Obligations	\$59,762.7	\$50,241.0	\$48,416.0	(\$1,825.0)
Total Workyears	357.8	361.8	361.8	0.0

### **Program Project Description:**

EPA's Inspector General (IG) provides audit, evaluation, investigative, public liaison, and advisory services that fulfill the requirements of the Inspector General Act, as amended, by contributing to improved human health and environmental quality and promoting the economy, efficiency, and effectiveness of Agency operations. These activities add value and enhance public trust by providing the Agency and Congress with best practices, independent analyses, and recommendations to address management challenges, efficiently accomplish environmental objectives, achieve Government Performance and Results Act goals, and safeguard resources. They also result in the prevention, detection, and prosecution of financial fraud, laboratory fraud, and cyber crime. The EPA IG also serves as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB).

### **FY 2007 Activities and Performance Plan:**

The Office of Inspector General seeks to assist the Agency in its efforts to reduce environmental and human health risks, improve business systems and program operations, save taxpayer dollars, and resolve major management challenges. Work in FY 2007 will emphasize improved Agency business systems including strengthening accountability and data integrity leading to positive environmental impacts and the attainment of EPA's Strategic Goals. Further, issues relating to environmental stewardship, watershed management, voluntary programs, state and Federal roles, grants and contracts will increasingly become integrative elements of OIG work.

### Audits and Evaluations

#### *Air*

Evaluations will focus on how EPA can: 1) maximize the effectiveness of its fine particulate matter (PM 2.5) ambient monitoring and emissions control strategies; 2) better execute its ozone reduction strategies; 3) improve the effectiveness of major risk reduction strategies, including

multi-pollutant strategies; and 4) obtain air data more cost-effectively while improving its reliability in relation to program needs. The OIG will also focus on the use of market mechanisms, such as emissions trading, to promote achievement of air quality goals.

### *Water*

Evaluations will determine how EPA can cost effectively achieve water quality goals. We will evaluate: 1) how EPA works with its state partners to more effectively and efficiently control, protect, and monitor watersheds, non-point sources of pollution, and water quality; 2) how EPA can effectively use and improve regulatory and non-regulatory tools to reduce water pollution loadings; 3) EPA's use of market mechanisms and economic incentives to help communities finance and support new and existing wastewater and drinking water infrastructure; and 4) how EPA can improve the quality of its water data to support incentives for compliance, infrastructure financing, and conservation. Further, the Office of Inspector General will determine how effective EPA's plans, approaches and investments are in addressing the need for critical and expensive repairs and improvements to the nation's water infrastructure.

### *Land*

In addition to the Superfund work, evaluations will focus on: 1) opportunities to improve cost effectiveness in providing oversight and assistance to states implementing hazardous material management programs and underground storage tank programs; and 2) factors underlying EPA's progress in achieving reductions of priority chemicals and other voluntary initiatives to achieve resource conservation and environmental protection.

### *Cross-Media*

Evaluations will concentrate on how EPA can: 1) best execute its Homeland Security Strategic Plan to prevent, prepare for, and respond to a possible terrorist attack to minimize adverse impacts on human health and the environment; 2) determine which voluntary programs are cost effectively achieving their environmental goals; 3) employ established environmental protection tools, programs and approaches to protect, sustain, and restore community health; and 4) optimize the use of traditional and market-based enforcement techniques to cost effectively improve regulatory compliance.

Evaluations of the U.S. Chemical Safety and Hazard Investigation Board (CSB) will focus on how efficiently and effectively the CSB: 1) protects its customers and their surrounding communities from hazardous chemical plant practices; 2) minimizes risks from both natural and intentional events, and 3) reduces chemical accident rates.

### *Good Government*

Audits will focus on whether EPA (1) assistance agreements and contracts are efficiently and effectively administered to accomplish the Agency's mission; (2) information technology systems have cost-effective controls to provide timely, accurate, complete, useful and secure financial and performance data for decision making and accountability; (3) systems, including planning, budgeting, management, and human capital, effectively support accomplishment of

environmental goals; and (4) financial statements are fairly presented. A significant portion of audit resources will be devoted to mandated work involving the financial statements of EPA and the Chemical Safety and Hazard Investigation Board (CSB), the information security practices of EPA and CSB required by the Federal Information Security Management Act, financial audits of costs claimed by recipients of EPA assistance agreements conducted pursuant to the Single Audit Act, and the processing of financial audits of EPA contractors performed by the Defense Contract Audit Agency. Discretionary work will involve: (1) financial audits of costs claimed by certain assistance agreement recipients and EPA contractors; (2) audits of grant and contract administration, including Superfund contracts; (3) results achieved with Clean Water and Drinking Water Revolving Funds; and (4) audits and studies of EPA's business systems.

### Investigations

The OIG will conduct investigations into allegations or indications, and seek prosecution, of criminal activity and serious misconduct in EPA programs and operations that undermine the integrity of or confidence in programs and create imminent environmental risks. Investigations focus on: (1) fraudulent activities in the awarding, performance, and payment of funds under EPA contracts, grants, and other assistance agreements to individuals, companies and organizations; (2) criminal activity or serious misconduct affecting EPA programs or involving EPA personnel (such as false certifications for asbestos removal and fraudulent use of the Agency seal) which could undermine or erode the public trust; (3) laboratory fraud focusing on erroneous environmental testing data and results that could undermine the bases for EPA decision-making, regulatory compliance, and enforcement actions; and (4) intrusions into and attacks against EPA's network as well as incidents of computer misuse and theft of intellectual property. In addition, we assist EPA in testing its network infrastructure to provide a threat and vulnerability assessment used to minimize or mitigate hostile infrastructure attacks. In response to an attack, the OIG will provide protection of EPA information and resources, will coordinate with state, local, and other Federal law enforcement authorities, will increase awareness of fraud indicators, and will create a network of potential resources.

### Public Liaison

Public liaison work will continue addressing critical public and governmental concerns in FY 2007. This activity involves responding to requests from the public, Congress, EPA employees, or other government entities to provide information and to conduct reviews in response to complaints or allegations of fraud, waste, abuse, or mismanagement in EPA programs. To accomplish this work, the Office of Inspector General initiates reviews and if needed contracts with subject matter experts to assist with such reviews, and coordinates these efforts with ongoing audits, evaluations, or investigations.

### **Performance Targets:**

Work under this program supports multiple objectives. The performance measures are included in the Program Performance and Assessment section.

**FY 2007 Change from FY 2006 Enacted Budget (Dollars in Thousands):**

- (-\$2,579.9) This decrease reflects a general reduction to the Inspector General Appropriation.
- (-\$500.0) This decrease reflects a reduction to the Chemical Safety and Hazard Investigation Board activities.
- (+\$1,276.0) This reflects an increase for payroll and cost of living for existing FTE.

**Statutory Authority:**

Inspector General Act, as amended; Government Management Reform Act; Reports Consolidation Act; Single Audit Act; and Pesticides Registration Improvement Act; CFO Act; CERLA; FFMIA; FISMA; FQPA.



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**Inspector General**

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