



## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

August 6, 2021

OFFICE OF THE  
CHIEF FINANCIAL OFFICER

### MEMORANDUM

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

**FROM:** Faisal Amin, Chief Financial Officer      Amin,  
Office of the Chief Financial Officer      Faisal

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Date: 2021.08.06  
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**TO:** Sean W. O'Donnell, Inspector General  
Office of Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject report. The following is the Office of the Chief Financial Officer's response to the unresolved recommendations numbered 1, 2, 12, and 14.

### AGENCY'S OVERALL POSITION

The OCFO is providing a status update on the aforementioned corrective action plan. The OCFO is requesting the Office of Inspector General revisit the OCFO's responses to recommendations numbered 1 and 2.

The OIG audit recommendation number 1, and parallel language in recommendation 2, as well as the follow up memorandum of June 29, 2020, asked the OCFO to "evaluate and determine whether the increased airfare costs estimated at \$123,942....should be recovered and if so, from which responsible official(s)...." The recommendation asserts that the travel took place "without sufficient justification and proper approval."

In our response on March 30, 2020, the OCFO indicated that it had performed the required determination and would not seek to recover the costs. The OIG memorandum of June 29, 2020, asserted that the OCFO's action did not respond to the recommendation because it did not review and validate the security risk justification and, therefore, recommendations 1 and 2 remain unresolved. The OCFO would like to reiterate it is not within our authority to make security risk determinations regarding the Administrator or any other U.S. Environmental Protection Agency employee. The OCFO is responsible for determining whether travel costs while on official duty are compliant with the Federal Travel Regulation and the agency's travel policy, Resource Management Directive System 2550B – Official Travel.

The authority to make such a security determination rests with the Office of Enforcement and Compliance Assurance's Office of Enforcement, Forensic and Training's Protective Service Detail.

Your memorandum dated June 29, 2020, further indicated that your office interprets the legal opinion cited by the EPA in its response to the OIG report number 18-P-0239 “does not specifically address the authorization of protective service detail agents to determine when a security risk exists.” However, in consultation on this issue with the Office of General Counsel, the OGC has indicated that such a determination is considered part of the standard work of a security detail, and its legal opinion on the overarching authority applies to all relevant standard work. For this reason, the OCFO reiterates that the OECA has the authority to make such determinations and the OCFO does not have the authority to evaluate them on their merits. Our responsibility under the FTR, rather, is to ensure that the justification has been prepared and submitted.

The OCFO did, however, perform an analysis of the \$123,942 in estimated airfare costs related to former Administrator Pruitt’s use of first/business-class travel, for the period March 1, 2017, through his resignation in July 2018, and determined \$61,971 of this amount required a higher level approval. The FTR permits the use of other than coach-class accommodations (first/business-class) when “...exceptional security circumstances are determined by [the] agency....” 41 C.F.R. § 301-10.123(a)(3). Based upon the security risks assessed by the OECA, the OCFO believes these costs are allowable. Although proper justification was not provided prior to the use of first/business-class travel, the use of first/business-class accommodations was justified and after-the-fact approvals were obtained for each occurrence. The agency’s travel system has been updated to reflect the appropriate retroactive approvals regarding the former Administrator’s first/business class travel.

The OCFO will record the identified amount as an improper payment in the FY 2021 Agency Financial Report. The payment qualifies as improper because of the procedural error, not the merits. The full documentation was not provided at the time of the approvals. The OCFO has provided the details of the analysis to your staff as background information, under separate cover.

**AGENCY’S RESPONSE TO REPORT RECOMMENDATIONS**

**Agreements**

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion Date
1	Evaluate and determine whether the increased airfare costs estimated at \$123,942 related to former Administrator Pruitt’s use of first/business-class travel without sufficient justification and proper approval, for the period March 1, 2017, through December 31, 2017, should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.	1.1 – The OCFO conducted an evaluation that determined \$61,971 required approvals at a higher level. Based upon the security risks assessed at the time of the travel, other than coach-class travel was permitted under the FTR and the OCFO need not recover any costs.  1.2 – The OCFO will report the amounts without appropriate approvals as improper payments in the 2021 Agency Financial Report.	Completed 6/26/2019          11/30/2021
2	For the period January 1, 2018, through his resignation in July 2018, evaluate and determine whether any costs related to former Administrator	The agency conducted an evaluation and determined former Administrator Pruitt did not have any first/business-	Completed 6/26/2019

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion Date
	Pruitt's use of first/business-class travel without sufficient justification and proper approval should be recovered and, if so, from which responsible official or officials, and direct recovery of the funds.	class travel approved without sufficient justification.	
12	Implement controls to verify that the use of first/business-class travel complies with the requirements of the Federal Travel Regulation and EPA policy in Resource Management Directive System 2550B prior to approval of the travel authorization.	<p>12.1 – The agency updated its travel policy, RMDS 2550B, to include language clarifying the Travel Management Center's adherence to the FTR.</p> <p>12.2 – The agency launched an annual travel training course, which all travel cardholders must take to keep up to date and comply with the FTR. The training features a separate "Updates &amp; Highlights" section specifically highlighting recent changes in travel policy related to high dollar travel and cost comparisons, which strengthens internal controls and the verification process as it relates to first/business-class travel.</p>	<p>Completed 2/3/2020</p> <p>Completed 12/30/2020</p>
14	Identify and review all business-class travel claimed for the staff and Protective Service Detail agents who accompanied the former Administrator on travel from March 2017 through his resignation in July 2018 for proper approval. Where policy was not followed, recover any excess costs claimed for the use of business class.	<p>14.1 – The OCFO conducted an evaluation for the Protective Service Detail for the time period March 2017 through July 2018 and identified \$35,980 of travel costs required approvals at a higher level. Based upon the security risks assessed at the time of the travel, other than coach-class travel was permitted under the FTR and the OCFO need not recover any costs from Protective Service Detail agents.</p> <p>14.2 – The OCFO will report the amounts without appropriate approvals as improper payments in the 2021 Agency Financial Report.</p> <p>14.3 – The OCFO also conducted a review of the former Administrator's support staff during the period of March 2017 through July 2018 and</p>	<p>Completed 6/26/2019</p> <p>11/30/2021</p> <p>Completed 7/7/2021</p>

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion Date
		identified two exceptions for first/business-class travel. Justification was provided to the OIG for each exception under separate cover	

**CONTACT INFORMATION**

If you have any questions regarding this response, please contact the OCFO Audit Follow-up Coordinator, Andrew LeBlanc, at [leblanc.andrew@epa.gov](mailto:leblanc.andrew@epa.gov) or (202) 564-1761.

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