

ONE HUNDRED FIFTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115  
Majority (202) 225-2927  
Minority (202) 225-3641

July 3, 2018

The Honorable Scott Pruitt  
Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

Dear Administrator Pruitt:

Pursuant to Rules X and XI of the U.S. House of Representatives, the Committee on Energy and Commerce is continuing its oversight of the Environmental Protection Agency's (EPA) management of contractors. Specifically, the Committee is examining whether the agency has the internal controls necessary to effectively manage the agency's contractor workforce.

According to the EPA Office of Inspector General's (OIG) *Fiscal Year 2018 Management Challenges* memorandum, "the agency lacks a holistic approach to managing accountability over its contractors and lacks follow-up on corrective actions taken."<sup>1</sup> The Government Accountability Office (GAO) raised similar concerns during a hearing before the Subcommittee on Oversight and Investigations in September 2017.<sup>2</sup> GAO testified that contractors make up "a considerable chunk of [EPA's] budget" yet contractors "are "still not incorporated in their planning, and we think that should be something they should do."<sup>3</sup> GAO stated that when it last examined EPA contractors in 2010, "there were 6,000 contractors at EPA."<sup>4</sup> However, it appears that EPA currently does not have a clear understanding of how many contractors are currently employed by the agency.

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<sup>1</sup> U.S. Environmental Protection Agency, Office of Inspector General, *FY 2018 EPA Management Challenges*, Report No. 18-N-0174, May 2018, available at [https://www.epa.gov/sites/production/files/2018-05/documents/\\_epaig\\_20180508-18-n-0174.pdf](https://www.epa.gov/sites/production/files/2018-05/documents/_epaig_20180508-18-n-0174.pdf).

<sup>2</sup> *EPA Oversight: Unimplemented Inspector General & GAO Recommendations*, Hearing Before the H. Comm. on Energy & Comm., Subcomm. on Oversight & Investigations, 115th Cong., Sept. 6, 2017.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

EPA has struggled with contractor oversight for years.<sup>5</sup> For example, according to the EPA OIG, an EPA call center contractor overbilled EPA over \$900,000 by increasing task order pricing.<sup>6</sup> Another contractor failed to properly review contractor bills for its Superfund Technical Assessment and Response Team contract valued at approximately \$54 million, resulting in double billing, missed deadlines, and staffing by contractors whose qualifications did not meet contract requirements.<sup>7</sup> EPA OIG also found that “inadequate oversight of the Office of Water’s Permit management Oversight System contractor resulted in inadequate controls over EPA data.”<sup>8</sup>

Last year, EPA OIG found “EPA is unaware of the number of contractors who have significant information security responsibilities” at the agency.<sup>9</sup> Additionally, EPA OIG found that the agency lacks processes for determining whether “contractors who play a key role in agency operations have the training required to fulfill their responsibilities, or have completed required background investigations for contractor personnel in high-risk positions.”<sup>10</sup> While EPA has taken steps to address these issues, recent audit work by EPA OIG continues to demonstrate challenges relating to the EPA’s management of contractors<sup>11</sup>

Between fiscal year 2013 and fiscal year 2017, EPA spent over \$6 billion on contracts.<sup>12</sup> Given the agency’s substantial investment in contracts and the important role of contractors at EPA, it is important to have processes and procedures in place to effectively oversee the contractor workforce. To assist the Committee in its work, we request EPA provide the following documents and information by July 17, 2018:

1. The total amount of funds EPA obligated for contracts in Fiscal Year 2016 and Fiscal Year 2017, including the total number of contracts and contractors supported by these funds.

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<sup>5</sup> See U.S. Gov’t Accountability Office, *Agencies Need to Improve Oversight of Contractor Controls*, GAO-14-612, Sept. 2014, available at <http://www.gao.gov/assets/670/665246.pdf>; see also U.S. Environmental Protection Agency, Office of Inspector General, *Incomplete Contractor Systems Inventory and a Lack of Oversight Limit EPA’s Ability to Facilitate IT Governance*, Report No. 15-P-0290, Sept. 2015, available at <https://www.epa.gov/sites/production/files/2015-09/documents/20150921-15-p-0290.pdf>.

<sup>6</sup> U.S. Environmental Protection Agency, Office of Inspector General, *Semiannual Report to Congress*, Report No. 15-001, May 2015, available at [https://www.epa.gov/sites/production/files/2015-09/documents/semiannual\\_report\\_to\\_congress-march\\_2015\\_0.pdf](https://www.epa.gov/sites/production/files/2015-09/documents/semiannual_report_to_congress-march_2015_0.pdf).

<sup>7</sup> U.S. Environmental Protection Agency, Office of Inspector General, *Semiannual Report to Congress*, Report No. 15-002, Nov. 2015, available at [https://www.epa.gov/sites/production/files/2015-11/documents/semiannual\\_report\\_to\\_congress-september\\_2015\\_3.pdf](https://www.epa.gov/sites/production/files/2015-11/documents/semiannual_report_to_congress-september_2015_3.pdf).

<sup>8</sup> U.S. Environmental Protection Agency, Office of Inspector General, *EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water’s Permit Management Oversight System*, GAO-15-P-0295, Sept. 2015, available at <https://www.epa.gov/sites/production/files/2015-09/documents/20150924-15-p-0295.pdf>.

<sup>9</sup> See U.S. Environmental Protection Agency, Office of Inspector General, *EPA Lacks Processes to Validate Whether Contractors Receive Specialized Role-Based Training for Network and Data Protection*, Report No. 17-P-0344, July 31, 2017, available at [https://www.epa.gov/sites/production/files/2017-07/documents/epaig\\_20170731-17-p-0344.pdf](https://www.epa.gov/sites/production/files/2017-07/documents/epaig_20170731-17-p-0344.pdf).

<sup>10</sup> OIG 2018 Management Challenges, *supra* note 1.

<sup>11</sup> *Id.*

<sup>12</sup> Office of Mgmt. & Budget, Agency Profile: Environmental Protection Agency, <https://www.usaspending.gov/transparency/Pages/AgencySummary.aspx?AgencyCode=6800>

2. The number of positions at EPA that are currently held by contractors.
3. The number of contract positions at EPA that require a security clearance, including specific clearance levels.
4. All EPA policies that address contractor engagement, management, and oversight.
5. Does EPA require the firms it contracts with to notify the agency when individual contractors are either taken off or added to projects relating to the agency, including instances when contractors have significant information security responsibilities or are required to maintain a security clearance?
6. The total number of contractors that have been removed from EPA contracts for wrongdoing since 2012.
7. Does EPA have safeguards in place to ensure that individuals who are removed from EPA contracts for wrongdoing are not staffed on subsequent agency contracts?

An attachment to this letter provides additional information about responding to the Committee's request. If you have any questions, please contact Lamar Echols or Christopher Santini of the Committee Staff at 202-225-2927. Thank you for your attention to this matter.

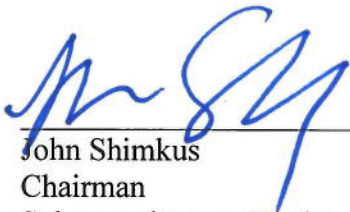
Sincerely,



Greg Walden  
Chairman



Gregg Harper  
Chairman  
Subcommittee on Oversight  
and Investigations



John Shimkus  
Chairman  
Subcommittee on Environment

cc: The Honorable Frank Pallone, Jr., Ranking Member  
Committee on Energy and Commerce

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The Honorable Diana DeGette, Ranking Member  
Subcommittee on Oversight and Investigations

The Honorable Paul Tonko, Ranking Member  
Subcommittee on Environment

Attachment