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6	EPA OVERSIGHT: UNIMPLEMENTED INSPECTOR
7	GENERAL AND GAO RECOMMENDATIONS
8	WEDNESDAY, SEPTEMBER 6, 2017
9	House of Representatives
10	Subcommittee on Oversight and Investigations
11	Committee on Energy and Commerce
12	Washington, D.C.
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16	The subcommittee met, pursuant to call, at 10:15 a.m., in
17	Room 2322 Rayburn House Office Building, Hon. Tim Murphy [chairman
18	of the subcommittee] presiding.
19	Members present: Representatives Murphy, Griffith, Burgess,
20	Brooks, Collins, Barton, Walters, Costello, Carter, Walden (ex
21	officio), Castor, Tonko, Clarke, Ruiz, and Pallone (ex officio).
22	Staff present: Ray Baum, Staff Director; Mike Bloomquist,
23	Deputy Staff Director; Jerry Couri, Chief Environmental Advisor;
24	Lamar Echols, Counsel, Oversight and Investigations; Paul
25	Edattel, Chief Counsel, Health; Ali Fulling, Legislative Clerk,

Oversight and Investigations, Digital Commerce and Consumer
Protection; Alex Miller, Video Production Aide and Press
Assistant; John Ohly, Professional Staff, Oversight and
Investigations; Christopher Santini, Counsel, Oversight and
Investigations; Sam Spector, Policy Coordinator, Oversight and
Investigations; Peter Spencer, Professional Staff Member,
Energy; Jeff Carroll, Minority Staff Director; Jacqueline Cohen,
Minority Chief Environment Counsel; Chris Knauer, Minority
Oversight Staff Director; Miles Lichtman, Minority Policy
Analyst; Jon Monger, Minority Counsel; Dino Papanastasiou,
Minority GAO Detailee; and C.J. Young, Minority Press Secretary.

Mr. Murphy. [presiding] Good morning, everyone, and welcome to our hearing of the Oversight and Investigations Subcommittee on Energy and Commerce.

The subcommittee convenes this hearing today to examine unimplemented recommendations by the Environmental Protection Agency's Office of Inspector General and Government Accountability Office. Acting on these recommendations would improve EPA's ability to carry out its core mission, protecting human health and the environment. This mission is never more important than during times of natural disaster like the one the Gulf Coast is experiencing right now in Hurricane Harvey, and we are about to be hit with another hurricane on the Florida coast.

First of all, on behalf of the committee, I want to express my sincere sorrow to everyone impacted by the storm. Hurricane Harvey is one of the worst natural disasters the United States has ever faced, and it is still too early to tell the full extent of the devastation that has displaced thousands of people.

Members of this committee on both sides of the aisle represent constituents experiencing loss and destruction from the storm, and our thoughts and prayers are with these families as they begin to rebuild their lives from this national tragedy.

During the storm and in the aftermath, EPA continues to play a critical role in the federal response to Hurricane Harvey.

While EPA is still in the midst of initial response efforts, its work has only just begun. We look forward to monitoring the

agency's response to the disaster and learn the full extent of the environmental impact and the challenges that lie ahead.

The loss and destruction of Hurricane Harvey make today's hearing even more important. The committee has the opportunity to learn about ways to strengthen the EPA, including highlighting unimplemented recommendations that may improve the EPA's ability to protect the environment and human health during recovery efforts or future natural disasters. And I go back and reflect on what we are about to face in Florida and Puerto Rico and the disasters that are looming there.

Now the Constitution provides Congress with the authority to conduct oversight of the Executive Branch, and in partnership with the Government Accountability Office and Office of Inspector General, we work together to root out waste, fraud, and abuse at federal agencies such as the EPA. Through investigations and audits, both GAO and OIG often make recommendations on ways to improve the efficiency and effectiveness of EPA. And after these recommendations are issued, GAO and OIG work with the agency to ensure that EPA acts on their findings.

Today the committee will learn that, even when EPA agrees with the recommendations, it may take years to implement them, and some are never fully adopted by the agency. As a result, many of the open recommendations span multiple administrations, some dating as far back as the Bush administration. While EPA adopts recommendations at a rate around the federal government average,

there are still unimplemented recommendations in many critical areas of the agency.

According to the OIG's most recent semiannual report to Congress, released in May 2017, the EPA has the potential to save \$103.3 million by implementing OIG's open recommendations. The semiannual report showed 43 open recommendations with past due completion dates and 56 with due dates set in the future.

The GAO will testify that EPA has implemented 191 of the 318 recommendations made since 2007, with 127 recommendations still unimplemented. OIG and GAO have both highlighted deficiencies in EPA's management and operations, including concerns about EPA's information security posture, workforce management, and grant administration.

For example, EPA OIG recently conducted an audit focusing on flaws relating to EPA's information security posture during fiscal years 2015 and 2016. The OIG reported that the agency lacks an understanding of which contractors of the EPA have significant information security responsibilities, raising questions about the agency's network integrity. The OIG recommended that EPA develop a process for identifying these contractors. The EPA is not expected to implement this recommendation until December 31st of 2018.

GAO and OIG have also uncovered waste and mismanagement in EPA's grant programs. This is particularly troubling because grants comprise almost half of the EPA's budget, about \$4 billion

annually. In 2016, GAO found that EPA's grant-monitoring practice may impact the agency's ability to efficiently monitor results and increase administrative costs.

Additionally, in 2017, GAO reported that the EPA did not have the information it needed to allocate grant management resources effectively. GAO recommendations range from standardizing the format of grant recipient progress reports to developing a process to analyze workloads. All 12 recommendations in these two reports remain unimplemented.

These are just some of the many reports and audits conducted by the OIG and GAO. We will discuss more of them today. Both the EPA OIG and GAO have done excellent work to highlight the problems within EPA and find solutions to solve these issues. So, I am grateful for your work and look forward to hearing more about your findings.

I want to add here, with things looming in Florida and with the tragedies in Texas, I can probably speak for the committee that we better not find out that EPA has dawdled on anything that is causing harm. We know there is a great deal of water pollution that is out there because of overwhelming of sewer systems. We are concerned about the increase in Zika mosquitoes in Texas. We don't know if some of that has to do with some issues with water management and other things within the jurisdiction of EPA. We will keep a close watch on all of those and see if there are any errors that have occurred related to weaknesses in the agency's

implementing things that are causing these problems.

So, I thank our witnesses today for your dedication and work to ensure that EPA is carrying out its mission. I want to especially recognize Alfred Gomez, our witness from GAO. He is a Houston native who has two nephews serving in the fire department there. Are they doing okay? They are doing okay. Mr. Gomez says they are. We appreciate their service and sacrifice during Hurricane Harvey and its aftermath.

Now I turn to my colleague from Florida and recognize her for an opening statement.

Ms. Castor. Mr. Chairman, thank you for convening this hearing today, and thank you to our witnesses for their work.

The hearing subject, while important, pales in comparison of the true oversight needed of the Trump Environmental Protection Agency. EPA is, and always has been, a critical partner to our states and communities back home. Most of what EPA does is to support our communities back in cleaning up polluted sites, helping protect the air we breathe and the water we drink. And I thank the professionals and scientists at the Environmental Protection Agency for their work.

But President Trump and Administrator Scott Pruitt have a very different vision, unfortunately, and they have been acting to weaken support for our communities back home that comes through the EPA. And it is particularly troubling that EPA Administrator Pruitt has not appeared before the Energy and Commerce Committee

to date. This committee has direct oversight of the EPA, and it is simply unprecedented and unacceptable that the Administrator has not appeared before the committee.

Now the importance of the EPA is particularly clear as Texas learns more about the scope and extent of the destruction caused by Hurricane Harvey. There is nothing like a disaster response that demonstrates how critical toxic chemical, Superfund, and other EPA local initiatives are to the health and safety of our neighbors.

As a Floridian, I know all to well the devastation that massive hurricanes can bring to homes, businesses, and communities, and the recovery from such a storm is long, expensive, and challenging. And our thoughts are with the residents of Puerto Rico, the Virgin Islands, and Floridians as they are in the path of another extremely dangerous storm in Hurricane Irma.

Hurricane Harvey slammed into the Gulf Coast as a Category

4. So far, it has left at least 60 people dead and billions of
dollars in damage, and a death total and estimated cost of recovery
is likely to continue to rise in the coming weeks.

Ranking member of the Subcommittee on Health, Representative

Gene Green -- I just saw him at the other subcommittee meeting

-- represents the city of Houston and has seen much of his district

flooded. And our thoughts are with him and his constituents at
this time.

And, Mr. Gomez, I want to thank, recognize you for being here today in what is surely a difficult time for you and your family.

The EPA has been a key agency responding to Harvey. And for this reason, this hearing should be a timely and important step in exploring how to strengthen the agency as it supports local responders and begins to assess the possible environmental impact of the flooding, toxic releases.

But this hearing, unfortunately, is devoted to a much less significant topic. The scope of potential environmental risk caused by this ongoing crisis, while still coming into focus, is considerable. People are evacuating through dirty and contaminated floodwaters that may contain bacteria and toxic substances. There have also been reports of fires at chemical facilities which may involve the release of toxic pollutants. Additional reports have also suggested possible damage to leaking gas tanks at fuel facilities which, if true, may pose environmental concerns that the EPA will need to address.

And I am particularly concerned about reports of flooding Superfund sites and what damage they may have caused. For example, according to EPA, 13 of the 41 former and current toxic waste sites in Harvey-impacted areas have flooded and may have experienced some damage.

Additionally, the city of Houston contains approximately 450 petrochemical plants. News reports indicate these plants have contributed to 74 instances of excess air pollution since Harvey

hit, emitting more than 1 million pounds of hazardous substances into the air.

See, our local communities need the expertise of the EPA to prevent and mitigate such releases, but the Trump administration has been working overtime to weaken EPA's ability to help back home. And now, it is really showing at a time of disaster.

The storm also raises ongoing concerns of drinking water safety. According to EPA, 4,500 drinking water systems are potentially threatened by floodwaters, disrupted sewage systems.

Now, after Hurricane Katrina, Energy and Commerce professional staff were on the ground to help, and this committee should consider oversight hearings in Texas in the near term. But today's hearing, rather than focusing on the big picture, examines unimplemented recommendations for EPA, at a time when the real issue is the decimation of the EPA professional workforce proposed by President Trump and Administrator Pruitt. And yet, we respond to the grave environmental and human health risk of Hurricane Harvey and other catastrophes at this time, but the overall EPA has never been more important.

Mr. Chairman, I am deeply troubled by the direction of the agency under the Trump administration, and I implore you and my Republican colleagues to conduct true oversight of the damage being done to our bedrock environmental protections built through decades of bipartisan work. And we need to do it before deep and lasting damage is inflicted across America.

The Trump EPA is waging an aggressive rollback of environmental and human health protections through politicization of the agency, extreme proposed budget and staffing cuts, repealing or delaying rulemaking, and attacking fundamental science. The Trump administration proposed extreme budget cuts that cut to the heart of our local communities and threaten the health and environment of Americans in every state.

The Trump budget would slash EPA's budget by nearly \$2.6 billion, reduce the professional workforce there by over 3,000

The Trump budget would slash EPA's budget by nearly \$2.6 billion, reduce the professional workforce there by over 3,000 employees, and the damage will be done to our air quality, diesel emission reductions, lead safety, and it goes on and on. Already there is evidence of conflicts of interest, favoritism towards certain businesses, and grants changed to exact political revenge. This is not acceptable and this is what needs oversight. The ongoing crisis unfolding on the Gulf Coast demonstrates the dangers of the Trump administration's extreme assault on environmental protection.

Mr. Chairman, we want to work with you to make sure the EPA implements the workforce and contractor recommendations. But, if we are serious about ensuring that the agency is able to protect human health and the environment, then we must work together to conduct true oversight of the fundamental damage being done to this agency and our neighbors back home.

Thank you, and I yield back.

Mr. Murphy. Thank you.

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The Chair now recognizes the chairman of the full committee, Mr. Walden, for 5 minutes.

The Chairman. I thank the gentleman.

Just in response to my friend from Florida, our Committee staff, the Oversight Committee has worked diligently throughout the last several weeks in clear communication with the various agencies involved in the hurricane. This hearing was put together before Harvey had a name. So, we will do our oversight and continue to. At the appropriate time, I anticipate there will be a delegation that will go and hold hearings or do appropriate review.

I am one, when there is an emergency going on, who tries to stay out of the way of the first responders and let them do their job. And so, at the right time we will do that, and we will have Administrator Pruitt before our committee sooner rather than later. I share frustration that there has been a long delay in getting some of these positions filled, partly by our friends in the Senate, but the time has come for these agency heads to come before our committee, and they will.

Now, as to this hearing, I appreciate Subcommittee Chairman Murphy having this and his opening comments. We care deeply about what has happened in Texas. We care deeply about what is about to happen in Florida. My own district is on fire and much destruction going on there. All these things matter.

You want to talk about air quality. We could use your

support on some of our forestry legislation to reduce the fuel loads, so we don't poison people with fires and destroy watersheds.

Now we know that these recovery efforts will continue for years. Recovering from any disaster, whether it is Hurricane Harvey or Irma or the destructive wildfires burning out of control throughout the West, requires coordination at every level of the government, and the EPA is a critical part of that. The challenges facing the EPA that pertain to Harvey are significant, but I hope the agency seizes upon the lessons learned in responses to previous natural disasters such as Hurricanes Katrina and Sandy.

Today's hearing represents the first opportunity to hear from the EPA Office of Inspector General and the Government Accountability Office regarding any outstanding recommendations that, if implemented, could enable the agency to better achieve or do its job better.

We will also examine some of the areas of concern that have been identified and commented upon by the OIG and the GAO, but whose recommendations remain unimplemented by the EPA. We should be mindful, however, that many of the OIG and GAO's unimplemented recommendations span multiple administrations and, therefore, represent longstanding challenges for the agency. For example, we have learned the EPA has failed to complete an agencywide workload analysis in more than 20 years.

Similarly, both OIG and GAO have consistently identified 1 2 issues that generate serious concerns as to whether EPA has knowledge of, or adequately monitors, the activities of its 3 contractors and grant recipients, despite the significant portion 4 5 of the agency's annual budget that is awarded to third parties. 6 Addressing these issues will increase transparency and 7 accountability to EPA in addition to enabling the agency to make 8 better-informed budgetary decisions. I believe that all Americans want a healthy environment for themselves, their 9 10 families, and their communities. And I would like to thank Alan Larsen from the EPA OIG and 11 Alfredo Gomez from the GAO for joining us today to provide 12 testimony and to expand upon their organizations' findings and 13 14 recommendations. 15 I would also like to recognize and thank Mr. Gomez's nephews who I understand are serving the Houston Fire Department. 16 17 you for their work as first responders who bravely have assisted 18 so many of their fellow citizens during Hurricane Harvey. I am looking forward to productive discussion this morning 19 regarding actions EPA can take which will enable the agency to 20 21 better accomplish its core mission of protecting human health and 22 the environment. With that, Mr. Chairman, I yield back the balance of my time. 23 24 Mr. Murphy. I appreciate the gentleman's yielding back, and 25 I recognize the ranking member, Mr. Pallone, for 5 minutes.

Mr. Pallone. Thank you, Mr. Chairman.

It has been a week and a half since Hurricane Harvey hit
Texas, and as the scope of the environmental disaster only begins
to become known, thousands remain displaced, their homes and
businesses flooded. And I know firsthand the immense devastation
caused by such natural disasters. In 2012, my district was hit
hard by Hurricane Sandy, and I had never seen worse storm damage
in our area in my lifetime. For many, this storm was the
worst-case scenario, lives lots, homes flooded, businesses lost.
Our nation is now experiencing historic levels of destruction and
loss on the Gulf Coast in the wake of Hurricane Harvey.

Our fellow Members of Congress, including five members of the Texas delegation on this committee, are working hard with federal, state, and local officials, and first responders to help those affected by the storm. And as the cleanup continues, many grave environmental and human health risks exist. In the days since Hurricane Harvey came to shore we have seen chemical plants on fire, fuel tanks leaking, mass releases of toxic pollutants into the air, and flooded federal Superfund sites. I am deeply concerned of the potential risk to human health and the environment caused by exposure to the hazardous materials kept at these sites, and this committee must work to understand the impact some of these facilities may have on public health.

The Trump administration recently delayed amendments to the Risk Management Program which included safety requirements for

companies that store large quantities of dangerous chemicals.

Moreover, the environmental issues resulting from the hurricane also underscore the need for robust implementation of the Emergency Planning and Community Right-to-Know Act, or EPCRA.

Communities have the right to know important details about the type and amount of harmful chemicals released in their neighborhoods. All of these risks underscore the need for a strong and capable EPA.

Today we are discussing recommendations by the EPA Inspector General and the Government Accountability Office regarding the EPA, and I want to thank our witnesses for their testimony and work on these recommendations. However, I would argue that recommendations for improving EPA's performance are part of a much wider need to ensure that the agency is high-performing, efficient, and effective in accomplishing the agency's mission of protecting human health and the environment. Over the last six months EPA has been doing everything possible to operate in secrecy. Administrator Pruitt has no interest in transparency, and that should be unacceptable to every member of this committee. Administrator Pruitt repeatedly disregards oversight inquiries from the Democrats on this committee, and that should be unacceptable to anyone who believes we have an oversight responsibility.

And the Trump EPA has proposed aggressive cuts to environment and human health protections, dismissed scientists from important

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advisory boards, and proposed severe budget and staffing reductions at EPA. These actions taken in totality serve to directly undermine the agency's ability to effectively protect human health and the environment.

A robust and effective EPA is key in responding to natural disasters like Hurricane Harvey, and EPA currently has 143 personnel supporting the response efforts for Hurricane Harvey and has established a unified command with state and local partners, but that number is going to increase dramatically in the coming weeks. At its peak after Hurricane Katrina, about 1600 EPA staff and contractors worked in the Gulf Coast region assisting with response and cleanup activities, in addition to thousands of additional EPA employees supporting response efforts from EPA headquarters and regional offices around the country. With the employee cuts and buyouts that the administration has proposed, we need to ensure that EPA will actually have the employees in place to conduct this critical work.

So, Mr. Chairman, I want to work with you to make sure we have a robust and effective EPA. The committee must conduct active oversight of the agency, particularly drinking water, infrastructure, and regulation, clean air protections, and the impacts of climate change. We must also conduct ongoing oversight over EPA and other agencies' efforts to assist the Gulf Coast rebuild.

And the Trump administration's ongoing efforts to weaken

environmental health protections, attack fundamental science, 1 2 and also to propose extreme budget and staff reductions will do nothing, in my opinion, but undermine EPA's efforts to protect 3 human health and the environment not only with regard to Hurricane 4 5 Harvey, but in so many other areas. So, I am concerned and I hope that we can work together. 6 7 And again, thanks to everyone. 8 I yield back. 9 Looking forward to your comments to the panel. 10 Thank you, Mr. Chairman. Mr. Murphy. I thank the gentleman for his comments. 11 12 I ask unanimous consent that the members' written opening statements be introduced into the record and, without objection, 13 14 the documents will be entered into the record. 15 I would now like to introduce our panel of federal witnesses for today's hearing. First, we have Mr. Alan Larsen. 16 17 counsel to the Inspector General for the Environmental Protection 18 Agency. We also have Mr. Alfredo Gomez who serves as the Director 19 of Natural Resources and Environment for the Government 20 Accountability Office. 21 And we thank you for being here today and providing 22 We look forward to the opportunity to discuss open testimony. 23 and unimplemented recommendations made to the EPA. 24 You are aware the committee is holding an investigative 25 hearing and, when doing so, has the practice of taking testimony

under oath. Do you have any objections to taking testimony under 1 2 oath? 3 Seeing none, then, the Chair advises you under the rules of the House and rules of the committee, you are entitled to be 4 5 advised by counsel. Do either of you desire to be advised by counsel during the testimony today? 6 7 Neither one has asked for that. So, in that case, will you 8 please rise and raise your right hand, and I will swear you in. 9 [Witnesses sworn.] 10 Well, you have answered in the affirmative, and you are now under oath and subject to the penalties set forth in Title 18, 11 12 Section 1001, of the United States Code. I will ask that each of you give a 5-minute summary of your 13 14 written statement. We will being with you, Mr. Larsen.

STATEMENT OF ALAN S. LARSEN, COUNSEL TO THE INSPECTOR GENERAL,
U.S. ENVIRONMENTAL PROTECTION AGENCY, AND ALFREDO GOMEZ, DIRECTOR
OF NATURAL RESOURCES AND ENVIRONMENT, GOVERNMENT ACCOUNTABILITY
OFFICE

STATEMENT OF ALAN S. LARSEN

Mr. Larsen. Good morning, Chairman Murphy, Representative Castor, and members of the subcommittee. I am Alan Larsen, counsel to the Inspector General for both the Environmental Protection Agency and the Chemical Safety and Hazard Investigation Board.

I thank this committee for highlighting the importance of acting on unimplemented OIG recommendations. As you know, an Office of Inspector General cannot direct an agency's actions. Our influence is through our recommendations, which can result in substantial cost savings and major improvements in agency programs, but only if an agency chooses to implement them.

Our OIG undertakes a risk-based work planning process to determine which issues we will review during the coming year. Our plan, however, is always subject to change, as we inevitably receive hotline requests and congressional requests. We conduct those reviews and issue final reports, which generally will include one or more recommendations to address our findings.

As required by the Inspector General Act, the EPA OIG publishes a cumulative list of unimplemented recommendations in

our semiannual reports to Congress. Our most recent report cited 43 open recommendations with past due completion dates and 56 with future dates. Notably, potential cost savings for the unimplemented recommendations listed amount to over \$100 million.

Now I will briefly discuss some of the OIG's recommendations to the EPA that remain unimplemented. You will see that some are quite recent. I highlight them because of their potential impact.

In July 2017, we completed a review of the processes the EPA uses to verify that agency contractors have the training needed to protect the agency from cyberattacks. We found that the EPA is unaware of the number of contractors who require specialized training. The OIG recommended that the EPA implement a process to maintain a listing of contractors who require the specialized training and that the agency report this information to its Chief Information Security Officer. While the agency has committed to implement a process for verifying that agency contractors are appropriately trained, our recommendation remains unimplemented, posing a continuing risk to the agency's information, data, and network.

Through another audit completed in August of 2014, we looked at the agency's oversight of cloud computing initiatives. We found that the EPA's lack of oversight over vendors resulted in missed opportunities for significant savings. The EPA paid over \$2 million for services that were not fully rendered or did not

comply with federal requirements. We recommended several corrective actions to the agency, such as improving its policies and performing documented cost-benefit analyses. To date, the agency has not fully implemented all of our recommendations.

In April of 2017, we completed a review of Puerto Rico's state revolving funds based on a hotline complaint from the EPA. The EPA reported that the Puerto Rico Government Development Bank did not have funds to honor a combined balance of approximately \$188 million. The OIG determined that over \$774 million is at risk due to Puerto Rico's financial crisis and that the restoration of funds in the near future is highly unlikely. The OIG recommended that the EPA evaluate options to restore the viability of the revolving funds or implement new strategies better suited to the needs of Puerto Rico. While the agency has committed to considering future approaches to grant funding, the OIG's recommendation is as yet unimplemented.

These are just a few of the examples of OIG's recommendations to the agency. We will continue to work actively with the EPA and keep Congress fully advised regarding actions to address our recommendations.

Accomplishing our work requires sufficient appropriated funds from Congress. Our funding clearly represents a fruitful investment for the American taxpayer, as the OIG returned \$22 for every \$1 given to us in fiscal year 2016. While I'm aware that this is not an appropriations committee, I respectfully ask for

1	any help you can provide us in this regard.	
2	Mr. Chairman, this concludes my prepared statement.	I'm
3	happy to answer any questions. Thank you.	
4	[The prepared statement of Mr. Larsen follows:]	
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1 Mr. Murphy. Thank you, Mr. Larsen.

2 Mr. Gomez, you are recognized for 5 minutes, please.

STATEMENT OF ALFREDO GOMEZ

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Mr. Gomez. Thank you.

Chairman Murphy, Congresswoman Castor, and members of the subcommittee, good morning, and I'm pleased to be here today to talk to you about the status of recommendations GAO has made to the Environmental Protection Agency.

As you know, the mission of the EPA is to protect human health and the environment. We have conducted reviews focused on various aspects of EPA's operations, such as managing grants, workforce planning, and its programs. And through these reviews, we have made numerous recommendations to improve EPA's performance and the efficiency and effectiveness of its operations and programs.

My statement today will focus on two main areas. First, the status of EPA's implementation of GAO's recommendations since fiscal year 2007 and how these recommendations relate to EPA's operations and programs. And, two, examples of benefits realized by EPA and others based on our work.

As part of our process, we follow up on recommendations we have made and report on their status to Congress. Agencies also have a responsibility to monitor and maintain accurate records on the status of our recommendations. We now follow up with EPA twice a year to determine the extent to which our recommendations have been implemented and the benefits that have been realized.

We consider a recommendation implemented when the agency has taken actions to address the issue or deficiency that we have identified.

With regard to the first area on the status of GAO's recommendations, we have found that, of the 318 recommendations we made to EPA, they had implemented 191. The remaining 127 recommendations remain open or not implemented.

And just to give you some more information, for recommendations that we made over four years ago, that is, recommendations from fiscal year 2007 to 2012, EPA has implemented 77 percent. For recommendations we made within the last four years, that is, since fiscal year 2013, the EPA has implemented 34 percent.

Experience has shown that it takes time for some recommendations to be implemented. For this reason, we actively track each unaddressed or open recommendation for four years.

The 318 recommendations we have made fall into six broad categories, such as management and operations, water-related issues, and environmental contamination and cleanup.

For example, in January 2017, we reported on EPA's management of grants to states, local governments, and others which make up almost 50 percent of the agency's budget. We found that EPA does not have sufficient information about the workload associated with these grants. Consequently, the agency is not able to effectively and efficiently allocate staff across its offices and

regions to manage these grants.

Because the agency did not know its grants workload, it sometimes has to shift staff from other mission areas to address the work. We recommended that EPA collect and analyze data about grants management workloads and use these data to inform staff allocations. EPA agreed with this recommendation and has initiated steps to address it, and we will continue to monitor EPA's actions to figure out what the status of the recs are.

We have also identified many benefits such as programmatic and process improvements based on EPA taking actions on our recommendations. For example, we issued several reports on drinking water and wastewater infrastructure issues. In particular, we reported on drinking water and wastewater infrastructure needs of rural and small communities. We found that some communities faced potentially duplicative application requirements such as separate environmental analyses for each program that they applied for, resulting in delays and increased cost to communities. We recommended that EPA and the Department of Agriculture work together with state and other officials to develop guidelines to assist states in developing uniform environmental analyses, and they have done so.

In summary, our recommendations provide a good opportunity to improve the government's fiscal position, better serve the public, and make government programs more effective and efficient. The EPA's implementation of our recommendations will

help the agency continue to improve its performance and the 1 2 efficiency and effectiveness of its operations, and we will 3 continue to work with Congress to monitor and draw attention to 4 these important issues. 5 Chairman Murphy, Congresswoman Castor, members of the subcommittee, this concludes my statement. I'd be happy to 6 7 answer any questions. 8 And I also just wanted to add thank you for your words of support to my family in Texas and my nephews, but also all the 9 10 other families in Texas. Thank you. [The prepared statement of Mr. Gomez follows:] 11 12 13 ******* INSERT 2 ******

Mr. Murphy. Thank you, Mr. Larsen and Mr. Gomez.

I will recognize myself for 5 minutes here for questions.

First of all, your organizations have consistently highlighted EPA's failures to perform adequate workforce and workload analysis as being an area of concern warranting some corrective action by the agency, which has not occurred. So, Mr. Gomez, I will start with you. Could you explain how EPA's failure to assess its workforce and workload, grants, whatever, hinders its ability to respond in natural disasters like Hurricane Harvey and Irma?

So, what we've talked in our work looking at Mr. Gomez. workforce planning and grants management is that it's really important for the agency, as you said, to have good information on workload. So, data on workload is important because the agency doesn't really ensure that it has the right people in the right places with the right skills and competencies to accomplish the mission of the agency, whether that is to focus on areas that are short term or long term. We want to make sure that the agency has that information. It is something that the agency has struggled with for decades. So, we continue to make those recommendations. I know the IG has made recommendations in the So, we think that's really important, again, to ensure that past. it has the right people in the right places with the right skill sets in the right locations.

Mr. Murphy. Mr. Larsen, could you comment on that, how it

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affects our ability to respond to these hurricanes?

Mr. Larsen. The IG's work I think is directly aligned with the GAO's work in this area. We've issued reports with recommendations. As of July of this year, the agency has responded to and acted on the last of the open recommendations. However, for the last several years, including the current management challenges report that we gave to the agency, we continue to highlight workforce planning as a challenge that the agency needs to address.

I guess the simple answer to your question, Mr. Chairman, is that if the agency doesn't know what its work requirements are, it cannot assign and align people to those requirements. And we are urging them to, as Mr. Gomez says, identify the data that allows them to make those comparisons and align their work with their workforce.

Mr. Murphy. And will you oftentimes find weaknesses when it is a time of challenge, which we are facing now? Now every year since 2015 the GAO has sent a letter to the EPA highlighting high-priority recommendations, and GAO considers these recommendations to be critical to EPA's mission of protecting human health and the environment.

So, Mr. Gomez, as EPA responds to Hurricane Harvey, as it prepares to respond to Hurricane Irma, are there any high-priority recommendations that, if implemented, could have impacted EPA's response to the hurricane? I mean, what are their high priorities

right now that need to be done?

Mr. Gomez. So, this high-priority letter that we've sent to EPA, we've done that since 2015. And what we've done is really looked at the recommendations that GAO has made and identified those areas that we saw as high priority, either areas that GAO has identified as high risk. We have a number of recommendations that are focusing on water infrastructure.

So, I think one of the priority recommendations that we think does have relevance to Harvey and other future disasters is the area of water infrastructure. So, for example, we've done work looking at how small and rural utilities use asset management, which is a really important tool to understand what infrastructure these utilities have, perhaps where the areas are in that infrastructure that are vulnerable or at high risk. So that, when a disaster does take place, they're better prepared, both to respond to it, but also, if they have to rebuild, they can rebuild with resilience in mind.

So, we've made a number of recommendations to EPA, getting EPA to work with the Department of Agriculture to come up with better guidelines and information and to encourage the states and the utilities to use asset management. Small utilities are challenged because they don't have the technical expertise necessarily. But we should do whatever we can in the federal family and others to help these communities better prepare for these disasters.

Mr. Murphy. Finally, in June of 2007, GAO released a report on Hurricane Katrina that made several recommendations related to enhancing disaster response. One of these recommendations is still open after 10 years. Mr. Gomez, why is that recommendation still open? What was it, and is going to affect how things are in Texas, Louisiana, Florida, and Puerto Rico?

Mr. Gomez. Sure. So, what we did in that report from 2007 is we were looking at EPA's response to Katrina and, also, to the subsequent cleanup. One of the recommendations that we kept open over the years was we had recommended that EPA work with other federal land management agencies, DHS, and FEMA to better coordinate responses to cleanup. And the reason we did that is because we found in the work that National Wildlife Refuges, which there are several in Louisiana, had been contaminated and the contamination lasted over a year. And so, there was not really good planning to come together and clean up that contamination. Some of the refuges were closed for over a year.

So now, what's happened since then is Congress passed the Post-Katrina Act which put in place better national preparedness and, also, put in place the National Response Framework, of which EPA has a key role now in responding to hazardous waste and oil spills. So, in theory, we expect that EPA is putting in place, for example, in Florida any response that's needed as the hurricane may come to that region. So, we're going to look at that recommendation based on what's happened now and potentially

close it because we think it might address what we had been talking about.

Mr. Murphy. Thank you.

And I see my time has expired. Ms. Castor, you are recognized for 5 minutes.

Ms. Castor. Thank you, Mr. Chairman.

Thanks again, gentlemen.

As the agency goes forward to implement what has not been implemented to date, it would seem that the Trump administration's kind of assault on the professional staff there and personnel would have a real impact on the ability to follow through with your recommendations. The Trump administration has still failed to provide nominees for almost all Senate-confirmed leadership positions at EPA. Most Regional Administrator positions are also without political leadership, including EPA Region 6 in Dallas responding to Hurricane Harvey.

The Trump administration, a lot of this, we blame a lot on the Senate, but you can't put too much blame on the Senate here because the Trump administration has not nominated people for Deputy Administrator, Assistant Administrator for the Office of Air and Radiation, Assistant Administrator for the Office of Chemical Safety and Pollution Prevention, the Chief Financial Officer, the Assistant Administrator for Environmental Information, International and Tribal Affairs, Land and Emergency Management, Research and Development, and Water.

1 Do you all agree that when you don't have folks in charge 2 that it complicates the ability of the agency to follow through 3 with your recommendations? Well, the short answer is yes. 4 Mr. Larsen. 5 answer is we have career people who remain in place who do carry out the work of the agency. But, as you indicate, the statutory 6 7 mandates remain in place, and it's up to the agency to figure out 8 a way to carry out those mandates. And it is more difficult if 9 you don't have the leadership. 10 Ms. Castor. Yes? 11 Mr. Gomez. Yes, I would agree that it's important to have 12 all the staff that you need at all levels of the agency to carry 13 out its mission. 14 Ms. Castor. And, Mr. Gomez, you said that GAO meets with 15 folks at EPA every six months. Have you met with Administrator 16 Is it typical that you would meet with the Administrator 17 or leadership to go over recommendations from GAO? 18 So, what our Comptroller General likes to do is Mr. Gomez. he likes to meet with all of the new Cabinet Secretaries and 19 20 leaders of other offices. So, GAO is in the process of scheduling 21 a meeting with Administrator Pruitt, and I would go to that meeting 22 as well with --But that has not been done here in the first 23 Ms. Castor. 24 nine-month --25 We have not scheduled it, yes. Mr. Gomez.

Ms. Castor. You are just like the Energy and Commerce Committee that has yet to see the EPA Administrator.

Gentlemen, there is a very disturbing press report that came out just a few days ago that the EPA has taken the unusual step of putting a political operative in charge of vetting hundreds of millions of dollars in grants that the EPA distributes annually, assigning the funding decisions to a former Trump campaign aide with little environmental policy experience, who has already cancelled close to \$2 million in competitively-awarded grants to university and nonprofit organizations. It really does appear like this is being politicized.

It says -- this is from The Washington Post on September 4th -- "Earlier this summer, on the same day that Senator Lisa Murkowski of Alaska joined with two other Republicans in voting down a GOP healthcare bill, EPA staffers were instructed, without any explanation, to halt all grants to the regional office that covers Alaska, Washington, Oregon, and Ohio. That hole was quickly narrowed to just Alaska and remained in place for nearly two weeks."

The former Bush EPA Administrator, Christine Todd Whitman, said, "This is out of the ordinary. We didn't do a political screening on every grant because many of them were based on science, and political appointees don't have that kind of background."

1 Have you all opened any kind of investigation into what is 2 happening here yet? 3 Mr. Larsen. We've read those reports. We've not received complaints from Congress so far or from members of the public or 4 5 from organizations about this. 6 Ms. Castor. Okay. 7 If you could or if you would, I'd offer a general Mr. Larsen. 8 and a specific answer to your question. 9 Ms. Castor. Quickly, because I have one more question. 10 Mr. Larsen. Okay. The general answer is EPA has always been a lightning rod. We get complaints, on the one hand, that 11 12 EPA is ignoring its statutory obligations and allowing --Ms. Castor. Let me ask -- I thank you for that. You have, 13 14 I believe, opened an investigation last week into Administrator 15 Pruitt's travel because it is so out of the ordinary. It says, 16 "Officials in the EPA's Office of Inspector General notified 17 agency leadership last week that Pruitt was in Oklahoma, or en 18 route there, for nearly half of his first three months in office." 19 Maybe that is why GAO can't get a meeting and he can't appear before 20 the Energy and Commerce Committee. But the problem is that it 21 looks like he has been using taxpayer funds for this excessive 22 travel. How long will it take for the OIG to get to the bottom of 23 24 this investigation? 25 Mr. Larsen. Ma'am, in our world we distinguish between

investigations and audits and it's probably a distinction most
people don't care about. But we are doing an audit. They tend
to take longer. We're going to look not only at the specifics
of Mr. Pruitt's travel, but the robustness of the controls that
govern travel generally and whether they're sufficient.
Ms. Castor. Thank you very much.
I yield back.
Mr. Murphy. Thank you.
The Chair recognizes Mr. Griffith for 5 minutes.
Mr. Griffith. Let me follow up on that real quick. And
correct me if I am wrong, but an investigation means you are
looking into something that might have wrongdoing and an audit
means you are checking into the money to see whether or not we
need to put different parameters around it? Would that be a fair
assessment or something along those lines?
Mr. Larsen. That, generally, yes. Investigations tend to
look at criminality. They can look at administrative violations.
This is not either of those.
Mr. Griffith. This is just an audit to see what we can do
better?
Mr. Larsen. Well, it's also going to look at whether there
were violations of agency requirements.
Mr. Griffith. Okay. All right. I appreciate that.
Thank you.
Let me get down to where I was going to go initially, and

that would be that I am concerned about the workforce and the workload questions. EPA's Office of Inspector General -- that would be you all -- reported, "EPA has not conducted workload analysis in over 20 years, making it difficult for EPA to implement corrective actions and allocate its budget effectively."

And I guess what I am looking at there is that we have heard talk today about a few months where certain positions aren't filled, but here we are looking at 20 years, both Republican and Democrat administrations that have not at the EPA gone in and looked at their workload analysis. And then, we see with Hurricane Harvey that we had 13 Superfund sites that were affected. Am I not correct that, if we had performed a workload analysis over time, I am not saying all 13 of them would have been cleaned up, but that we might have more of these Superfunds being cleaned up?

And I also referenced, because we are talking about Harvey so much now, but I remember testimony in a previous hearing in a different subcommittee where they were talking about a site in St. Louis that hadn't been acted on or in the St. Louis vicinity that had not been acted on in decades as well that was a Superfund site.

So, can you help me out? Of those things that would have helped both before a disaster and just in general, if we had a workload analysis, so we could say these were the worst ones, let's put most of our people there? And I am happy to take answers from

either of you.

Mr. Larsen. Sure. I'll give my short answer, and, then, Mr. Gomez can respond. My short answer is it's difficult to draw a direct line between the lack of a workforce plan and a specific failure to be able to cover something. I think we can all say, if you knew more precisely where your requirements are and how many people, and what kinds of people you need to address those, you would probably have a better result. But I can't draw a direct one-to-one correlation.

Mr. Griffith. Mr. Gomez?

Mr. Gomez. And I'll just pivot from that last comment. And I think that our point on our work on workforce planning has been exactly that point, is to understand, again, from data where your people are, what skill sets you need, the locations you need them in. So that you have a better sense of how to meet that mission. And that mission could be that you focus on cleaning up hazardous waste sites. But doing a workforce analysis I think would help you, hopefully, do that better.

Mr. Griffith. Well, and a workforce analysis would help us, as legislators, as well. Although this is not an appropriating committee, we hear all the time that folks need more money. Well, if I know that you need more money because you are going to help rural communities -- and I appreciated, as you mentioned, rural communities with water and wastewater -- help those communities instead of just send edicts down from the alabaster towers in

Washington, "Here's what you've got to do," without helping those 1 2 folks figure out how they are going to do with the money that they 3 That creates big problems. If you had a workload analysis, we might be able to figure 4 5 out where we could appropriate the money more advantageously to 6 prevent problems before they happen, whether it be after a 7 hurricane or when you have got a serious problem like we had in 8 Flint, Michigan, or issues in my very rural, mountainous district 9 where there are problems we don't know how to solve and we are 10 afraid to ask, for fear that, instead of coming in to help us, they will just come in and try to punish folks who are trying to 11 12 do the best they can under limited circumstances in a rural areas. So, I do appreciate that as well. 13 14 So, thank you, and thank you for putting that in both your 15 oral and your written testimony. 16 Mr. Larsen. Sir, I have one more comment --17 Mr. Griffith. Yes, sir? 18 -- that's responsive to your question. Mr. Larsen. is, our OIG Office of Program Evaluations, similar to audits, has 19 a current project underway looking at Superfund workforce 20 21 planning. And we'll keep you and your staff informed on the 22 progress of that effort. Mr. Griffith. Well, I greatly appreciate that very much. 23 24 You know, we are just beginning the Hurricane Harvey efforts, 25 and that will continue for years, and the environmental impacts

that are already occurring and yet to be seen. And we talked about 1 2 the Superfund sites there. Is there anything that you see that is not being done by the EPA currently -- and I know it is really 3 early -- in the Hurricane Harvey area that we ought to be concerned 4 about? 5 Mr. Larsen. Again, I'll give my answer. It's always a 6 7 dilemma for us. As Chairman Walden said, you don't want to wade 8 into the middle of the cleanup effort. On the other hand, you 9 don't want to wait so long that your efforts are valueless. 10 we're always trying to figure out when it is that we get into it. I guess what I fall back on is the National Response Framework 11 that Mr. Gomez alluded to, and it does give certain 12 responsibilities to the EPA. We cannot mandate that EPA take any 13 14 specific steps. After the fact, I think we would evaluate whether 15 they took the appropriate steps under the Framework. But I don't see a role for the OIG jumping in right now in the middle of a 16 17 cleanup effort. 18 Thank you. And unfortunately, my time is up, Mr. Griffith. 19 and I yield back. 20 Mr. Murphy. Thank you. 21 Mr. Pallone, you are recognized for 5 minutes. 22 Mr. Pallone. Thank you, Mr. Chairman. I just want to remind my colleagues, I heard my colleague 23 24 from Virginia talk about Superfund or Superfund cleanup in action. 25 I mean, in reality, there is no Superfund. I have had a bill for years to try to get the Superfund, the trust fund, if you will.

There is a Superfund Program, but there is, essentially, no

Superfund trust fund anymore to pay for anything.

And that, you know, back when the Republicans first took the Congress -- I know it is ancient history now -- with Newt Gingrich as the Speaker, it expired. And I begged him and Democrats begged him at the time to renew, and he refused.

I still have the bill out there, and I would ask at anytime if our chairman or the Speaker would allow us to reauthorize the Superfund trust fund, because, then, we would have the money to do these cleanups. On an annual basis, I go before the appropriators, because that is the only way to get the money now, through general revenue, unfortunately, and ask for more funding. And we always get less, significantly less, than what we ask for.

So, it is nice to talk about Superfund cleanup, but the reality is it was essentially stopped by the Republican Congress, but not to say that they are totally to blame, but they certainly were the ones. And you could bring it up anytime and I will support you, passing it in committee or on the Floor.

I just wanted to say, I wanted to thank the EPA OIG for recently accepting the committee's request to review the propriety of Administrator Pruitt's use of taxpayer funds for travel to and from his home state of Oklahoma. I know that we have already mentioned that.

But, unfortunately, the Trump administration has launched

a continuous assault against fundamental science and proposed significant cuts to EPA's budget and staff that threaten to undermine the agency's ongoing efforts to protect human health and the environment.

Mr. Gomez, in your testimony you state that GAO has made 318 recommendations to EPA since fiscal year 2007, including 49 recommendations focused on environmental contamination and cleanup. And these include taking actions for improving cleanup management of hazardous waste sites, enhancing responses to disasters such as Hurricane Katrina. My question is, is that correct, and how might GAO's recommendations regarding enhancing EPA's response to disasters inform the agency's ongoing response to Hurricane Harvey?

Mr. Gomez. Yes, that is correct. And again, I think, as I mentioned earlier, one of the areas where we see EPA's recommendations contributing to the response in Harvey and other future disasters is in the area of water infrastructure, where we have recommended that EPA work with states and others to really assist the small communities.

We have all heard that in Texas there were many water systems that were under boiled water notices and, then, over 50 systems, I believe, were actually shut down. So, we think that it's really important in the area of asset management, which is a really important tool for these utilities to use, to understand, again, what they have, what are the areas that are vulnerable, so they

can address them and they can use funds to, then, build them or restore them, and, again, building in resilience, so that they're better prepared. So, I think that's the one area where I would sort of call attention, based on our recommendations, where there's some immediate benefit.

Mr. Pallone. All right. Thank you.

I don't want to keep repeating all the budget cuts that the Trump administration has proposed to the EPA, buyouts, all kinds of things that would result in fewer employees. And that could include hundreds of positions in EPA's Region 6 headquarters in Dallas, where employees are currently responding to Hurricane Harvey.

So, let me ask you about these proposed cuts to your office, to Mr. Larsen. How are current and expected budget limitations impacting staffing levels and the ability of EPA's Office of Inspector General? Specifically, how are they impacting your ability to conduct audits, evaluations, and investigations, if you will.

Mr. Larsen. Thank you for that question. It's a serious challenge to us. We have had to cut our workforce year by year by year, and we are down from 360 or so, down to 270, and we anticipate having to go fewer than that, based on the most likely budget scenarios.

If the original President's budget proposal were to be adopted by Congress, we'd have to cut very substantially the

amount of work we did. As you know, we gave you a fairly detailed explanation of where those cuts would occur, which offices, which kinds of projects.

What we do is, on an annual basis, plan for the work that

we would hope to do based on how much value the project would bring in terms of cost savings or changes in how EPA does business. We will have to do many fewer such projects in any given year, based on the likely budget outcomes.

Mr. Pallone. Thank you. Thank you, Mr. Chairman.

Mr. Murphy. Mr. Collins, you are recognized for 5 minutes.

Mr. Collins. Thank you, Mr. Chairman.

Maybe I am going to go down a little bit different road, but really talking about, Mr. Gomez, if I look back over 10 years, and I am looking right now just in the environmental area. I am looking at the suggestions you made for spill prevention, none of which have been implemented.

So, I guess the question is this: you are doing these audits, making these recommendations. Do you prioritize them in some way with any kind of ranking system, like one star to five stars? And when you see something like this, and now 10 years have gone by, could I assume these would have been considered perhaps lower priority? And then, at some point do you go revisit that with someone, and who is that someone, to say, "Hey, it's been 10 years. You haven't done any of these things."? Or are these just thrown into the hopper and, then, kind of catch as catch

can, they work on these; they don't work on those?

I am trying to just kind of wrap my mind around the day-by-day, year-by-year interaction between your agency and those folks that are supposed to implement it, to make sure high-priority things are done and, you know, squeaky wheel, that you are kind of jabbing at them, "Why didn't you get this done?", and so forth. Could you maybe just help us all a little better understand how that all works, the interaction?

Mr. Gomez. Sure. So, first of all, I just want to say that we take recommendations to EPA very seriously. And so, what we do is we have a process in place where we're actively following recommendations that we've made in the last four years.

What can happen to some of the older recommendations is, if we learn from the agency that either they're not going to implement it or that we make an assessment that things have changed or it's no longer a priority, we'll go ahead and close it. It's not implemented.

Now there are recommendations, though, that are old, older than four years, that we're still keeping track of because we have an indication that EPA is still working and we hope that they actually do take action. We can go back at anytime and open up any old recommendation that was not implemented if we think it's important or if others have brought it to our attention.

Our recommendations and the status of the recommendations are public. So, you can go to any of our reports. You can click

on the recommendation status. You can see what the rec was and what the status was.

So, we do have this separate letter that we mentioned earlier, which is a priority rec letter that our Comptroller General sends to all of the Cabinet agencies and other offices calling attention to recommendations that we see as a high priority.

And for EPA, we've identified those recommendations that deal with the high-risk area of managing toxic chemicals and, then, some of the recommendations that deal with water infrastructure and also pollution of our waters.

So, that letter can also change year from year if we go through the history and identify other recs that we think are important. So, we do that process as well.

Now I also mentioned that we work with EPA sort of on an ongoing basis as we are doing audits, but, formally, we go to them twice a year with a long list of all our recommendations to say, "Here they are; they're still open. Let us know what's happening. Let us know which we can close." So, we do that twice a year formally, but we're in contact with them throughout the year.

Mr. Collins. That is really helpful because I think sometimes we may not understand how that all works and think you just throw it in and go on about your business. And I think it is actually reassuring to me, certainly for one, that you have got it sounds like pretty good interaction. Would you say that?

2 Mr. Collins. That you are making them aware; they are 3 It is back and forth? listening. Right. I mean, there are some recommendations 4 5 where the agency will disagree with us. And so, we may be at a 6 point where they disagree; we disagree. We still think it's a 7 good recommendation. And so, there's some like that, and those 8 might be closed as not implemented. 9 But EPA has taken our recommendations seriously and they want 10 to close them out. They want to do what we're saying. It's just in some cases some of our recommendations might take a little 11 12 longer to do. For example, if we're recommending that an IT system, for example, be revised or a new IT system be put in place, 13 14 that may take a while longer than if we just recommend that the agency use existing web tools, for example, to provide better 15 16 information to the public. We don't see that as taking a long 17 time or it shouldn't take a long time. 18 Mr. Collins. Well, I appreciate that overview. That was 19 very helpful for me. And, Mr. Chairman, I yield back the balance of my time. 20 21 Mr. Murphy. I now recognize Ms. Clarke for 5 minutes. 22 I thank you, Mr. Chairman, and I thank our Ms. Clarke. ranking member, Ms. Castor, and I thank our witnesses for joining 23 24 us today. 25 Like Mr. Pallone, my district in New York sustained very

Yes.

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Mr. Gomez. Yes.

substantial damage as a result of Superstorm Sandy. So, I am very sensitive to the conditions on the ground in Houston as well as concerned about the rest of hurricane season, quite frankly. And so, standing up a robust operation with the EPA I know is critical at this time.

There have been a number of reports about unfolding environmental concerns stemming from Harvey right now. And so, Mr. Larsen, I recognize that your role at EPA may not directly involve you in emergency response efforts. However, to the extent that you are able, could you please inform us of the EPA's role in responding to unfolding environmental threats?

Mr. Larsen. Sure. As Mr. Gomez alluded to earlier, I think the primary set of responsibilities that EPA has here stem from the National Response Framework, which came after some of the earlier natural disasters. And that means that EPA has responsibility as a support agency for certain functions, and it's got a primary responsibility for certain functions. And the areas where we would expect to see EPA involved are assessing and addressing fuel shortages, monitoring public water systems, securing Superfund sites, and assessing conditions at major industrial facilities.

Ms. Clarke. Very well. And, Mr. Gomez, how will GAO evaluate the EPA's efforts to respond to the environmental threats posed by hurricane season, Hurricane Harvey being the most recent example?

Mr. Gomez. So, GAO in the past, you know, we looked at the Katrina recovery efforts. So, that was something that we did. We're happy to assist Congress in any reviews or oversight that you would like us to do as a result of Hurricane Harvey.

Ms. Clarke. Mr. Larsen, addressing the numerous cleanup issues related to Harvey's flooding will likely be very costly to both local and the federal government. What roles do you envision your office will be playing to ensure that federal money the EPA uses to contract for Harvey cleanup will be safeguarded from fraud and abuse?

Mr. Larsen. Yes. Thank you.

We're going to do two things. One is EPA OIG specific work. The other thing I wanted to mention is that the organization of IGs across the federal government, the CIGIE, has learned from the past and in the past had a Disaster Assistance Working Group which is basically the IGs from the various agencies that are going to have to play a role here. And so, EPA will be participating in that effort, this agencywide IG or governmentwide OIG effort to make sure that everybody's doing what they need to do and not duplicating each other.

For ourselves, we'll probably, as you allude to, be looking at contracting issues, whether there was fraud involved. That could take the form of audits or investigations, as we distinguished earlier. That is, was there criminal activity going on or was there sloppy practice with regard to contracting?

1 So, those are the areas that we would see fairly early on getting 2 involved in. 3 Ms. Clarke. Very well. And, Mr. Gomez, given that post-Harvey cleanup will be 4 5 lengthy and costly, and I am assuming if we are hit with Irma and any other hurricanes coming down the pike, what areas do you 6 7 anticipate your GAO team will be interested in examining? 8 Mr. Gomez. Well, again, you know, we're here to assist 9 So, whatever Congress asks us to do, as we've seen from 10 at least what's becoming clear in Texas with the Superfund sites and all the water infrastructure systems that are down, that maybe 11 12 those are areas where potentially we could look at. But, again, we can have discussions with anyone in Congress who's interested 13 14 in having GAO look at the response efforts. 15 Ms. Clarke. Very well. I cannot emphasize enough that we need to address any environmental threats posed to the residents 16 17 of the Harvey-affected region and perhaps even Florida coming down 18 the pike. My thoughts are with the people of Houston, the responders assisting on the scene, and let's be sure to get these 19 folks what they need to help them get back on their feet. 20 21 With that, Mr. Chairman, I yield back. 22 The gentlelady yields back, and I now recognize Mr. Murphy. the gentleman from Pennsylvania, Mr. Costello, for 5 minutes. 23 24 Mr. Costello. Thank you, Mr. Chairman. 25 Thank you for your testimony here today.

Mr. Gomez, I would like to start with you. Your written testimony mentions that in 2015 the EPA awarded approximately \$3.9 billion, or nearly half of its budget, in grants to state and local governments for important projects such as repairing aging wood or infrastructure, preventing pollution, improving air quality, and cleaning up hazardous waste sites. However, GAO found weaknesses in EPA's ability to manage these grants efficiently and effectively.

My question is, would you please elaborate on the weaknesses GAO identified in EPA's grant management procedures? Second, how have these grant management inefficiencies and weaknesses impacted grant recipients? I think that is a very important question. And then, finally, have these inefficiencies contributed to the wasting of grant money or made it more difficult for recipients to use grant funding for its intended purposes?

Thank you for those questions.

So, we have done a body of work on grants management. And that particular report, well, we looked at also, we are looking to see for recipients, for example, where they were doing duplicative reporting. So, currently, under the grants management at EPA, recipients, grant recipients, have to provide performance reports and, then, they also have to provide more information and data when EPA asks for it.

So, we identified a number of places where there was duplicative reporting by the recipients. And so, we've

Mr. Gomez.

Sure.

recommended that EPA identify all of those places and try to do 1 2 away with the duplication, so that recipients aren't having to spend additional time and resources in doing the reporting. 3 that's one area where we called attention to it. 4 And really for EPA also to streamline, and EPA does have a 5 streamline initiative in place in its grants management. 6 7 were calling attention to those places where they can do away with 8 duplication, so that the recipients can carry on with the grants 9 and not have to do a lot of reporting. Mr. Costello. Mr. Larsen, the OIG made similar findings 10 with respect to areas for improvement in EPA's management of 11 Do you have anything to add to the line of questioning 12 that I have posed to Mr. Gomez relative to the management of 13 14 grants? 15 As Representative Clarke noted, Mr. Larsen. I wish I did. 16 I'm an expert in some areas, not so much in others. 17 Mr. Costello. I often say that myself. 18 But what I would be happy to do is organize and Mr. Larsen. 19 get back to you and your staff with the primary findings that we've 20 had in those areas. 21 Mr. Costello. Thank you. I will yield back the balance of 22 my time. Mr. Murphy. The gentleman yields back. 23 24 I now recognize Dr. Ruiz of California for 5 minutes. 25 Thank you, Mr. Chairman. Mr. Ruiz.

Thank you to our witnesses for taking the time in joining us this morning.

We have heard about the EPA's role in the emergency response programs for natural disasters like Hurricane Harvey and your coordinating efforts with FEMA, state, local. I am interested in your efforts to coordinate with tribes. And what have you done to reach out and engage tribes with your efforts in Hurricane Harvey?

Mr. Larsen. So far, we've not reached out to anybody. As I said, at this point we don't want to wander onto the battlefield while the battle is underway.

The CIGIE -- that is the IG community-wide effort that I alluded to earlier -- is, among other things, going to coordinate among the various IGs and also with the tribes and the states.

Mr. Ruiz. Well, I think that is important to take back to this group not to neglect the sovereignty of tribes and the role that tribes have in order to maintain their environment during natural disasters as well. And so, reaching out to them and coordinating. Some tribes actually have equipment and the technology that can help the disaster response, like we have seen in my district with the Agua Caliente Band of Cahuilla Indians utilizing helicopters and other surveillance technology in coordination with the fire departments to put out some wildfires. So, I would highly recommend that you take it back and you start coordinating, also, with tribes as a sovereign nation and a

1 governmental entity themselves. They can be very, very helpful 2 for the region. Given the OIG's review of the EPA's response to environmental 3 threats, what are some of the lessons learned that we might see 4 5 for future storm threats in an area where the IG might consider additional audit work? 6 7 Mr. Larsen. Sure. We've, unfortunately, had Katrina. 8 We've had Superstorm Sandy. We've learned from both. Among the 9 things that we learned were that the coordination between EPA and 10 the Corps of Engineers wasn't necessarily what it could have been 11 or should have been. Coordination with state and local officials 12 probably could have been done better. We've addressed those to the agency. Presumably, this time 13 14 around you'll see better coordination. Most likely, we'll be 15 coming in and seeing whether, in fact, that occurred. 16 Mr. Ruiz. Are you, then, prepared to assess that? 17 Mr. Larsen. Yes. 18 And the difference on whether or not those Mr. Ruiz. 19 recommendations were followed? 20 I can't commit that we're going to; I expect Mr. Larsen. 21 that we will. To Mr. Pallone's question earlier, we're 22 resources-constrained, but that would be a high priority for us. So, if you were to pick -- and this is a question 23 Mr. Ruiz. 24 for both of you -- if you were to pick a No. 1 barrier for you 25 to do your jobs, is EPA involved either in coordination or

protecting Superfund sites or protecting water infrastructure, 1 2 et cetera, so that they're not contaminated, what would that If you were to pick the biggest barrier, what would 3 barrier be? 4 it be, Mr. Larsen? I'm sorry, I don't mean to sound dense, but are 5 Mr. Larsen. you talking about EPA's response or the OIG's evaluation of the 6 7 EPA's response? Well, the EPA's response. 8 Mr. Ruiz. Okay. 9 Mr. Larsen. 10 Mr. Ruiz. You evaluate the EPA. So, what would you say would be the EPA's barrier in doing its job in these --11 12 Boy, you're putting me in the position of Mr. Larsen. speaking for them, but I would think it's the resources, people 13 14 and money. 15 People and money. Mr. Ruiz. 16 Mr. Gomez? 17 Mr. Gomez. So, I would say, in the areas that we're seeing 18 unfolding, right, which is in water infrastructure and in the Superfund sites, at least in Texas, that are flooded, it is making 19 sure that they have enough people there on the ground to respond 20 21 to those two immediate areas where potentially there are risks 22 So, I would say that that would be, if that is a barrier, that they should have enough folks there to address it 23 24 right now.

And so, what can Congress do to address that

Mr. Ruiz.

1 Mr. Larsen? barrier? 2 Well, in my view, you've already got the Mr. Larsen. substantive requirements in place. You've got the Clean Air Act. 3 You've got the Clean Water Act. And it's up to EPA to execute 4 5 They need the people, and they need the policy on that. 6 determination to carry forward. 7 Mr. Gomez. I think it's what you're doing now. It's the 8 oversight, right, of looking to see how that's being done, and 9 even after the fact, how was it done and could something be done 10 better. Mr. Ruiz. So, the oversight is the diagnostic workup, 11 12 And you're telling us that the diagnosis is lack of funding, lack of people. So, the treatment is the next step. 13 14 you can't just diagnose a problem and walk away. You have to act 15 on it and give the treatment to the patient. And so, the treatment is the funding and policies that will help bring more people onsite 16 17 to manage the situation, not only in the short, acute disaster, 18 but in the long-term public health recuperation. I have disaster training in my background. 19 20 fellowship at Harvard in the humanitarian disaster response. So, 21 that is where I am speaking from. 22 Thank you very much. I yield back. Thank you, and I recognize Ms. Brooks for 5 23 Mr. Murphy.

Thank you, Mr. Chairman.

Ms. Brooks.

minutes.

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1 And I want to thank our panelists for being here today and 2 for your work to improve the EPA. We have been very focused on the people, and agencies aren't 3 just agencies; they are people. And as my colleagues have noted, 4 5 it is about the people. But I am concerned that this agency for a long period of time has not accepted your recommendations when 6 7 it comes to people and when it comes to their workforce. 8 In 2010, GAO issued a report recommending the EPA establish 9 mechanisms to evaluate workforce planning, which are people, 10 placement of people, but the recommendation is currently closed 11 and unimplemented. 12 So, Mr. Gomez, why was this recommendation closed before EPA was able to implement it, if you know? 13 14 Mr. Gomez. So, again, we track recommendations for four 15 And if we have an indication that the agency is not going 16 to do it, we close it as not implemented. Obviously, we've done 17 some recent work that's focused on grants management, but also 18 looking at workforce issues, in particular, which is a large part 19 of EPA. So, EPA has told us that, currently, they are giving 20 21 workforce planning a priority. So, we are going to look to see 22 how much of a priority that is and, in fact, what they're going 23 to do. 24 You know, we've been talking about that it's basically about 25 They don't have good workforce data. They don't have good data.

information on the types of work that each of their staff is doing across offices and across regions. So, if you don't have that data, then you, again, don't ensure that you have the right people in the right places with the right skill sets to accomplish the mission that's needed. Those are the management challenges that you Ms. Brooks. are dealing with them and have dealt with them for years. sounds like this is not new. Is that correct? Mr. Gomez. That is correct. Ms. Brooks. And do you have any sense what percentage of EPA's funding goes to private sector contract work versus the public sector work? So, in our 2010 report we did look at Mr. Gomez. contractors, and at the time there were 6,000 contractors at EPA. And so, I'm not sure exactly what that translates to in terms of budget, but I think it's a considerable chunk of their budget. And so, what we also found in that report was that contractors were not part of EPA's planning, either, were not incorporated. And we learned from EPA recently that they're still not incorporated in their planning, and we think that that should be something that they should do. When they employ 6,000 contractors, they're not Ms. Brooks. taken into consideration in their strategic plans? Mr. Gomez. Correct. And have they agreed recently to take all of Ms. Brooks.

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those thousands of contractors into account in their plans?

Mr. Gomez. So far, what we've learned is that they haven't done it yet still. So, I'm sure if they're agreeing or disagreeing. The explanation they gave us was that OMB didn't require them in their planning to include contractors. And so, that's why they didn't do it.

Ms. Brooks. Is it fair to say -- and I am going to ask you, Mr. Larsen -- relative to I have also been very concerned about information security issues. And for the IG, that is what you focus on as well. And there are a number of contractors, as I understand, and if some bad actors were wrong, you know, wrongdoers want to wreak a bit of havoc in systems, they could certainly do it through information technology. Can you talk with us about the lack of understanding at EPA relative to sensitive data, the access to sensitive data, and what you have found about the information, or lack of information, about the knowledge of EPA and the access to sensitive data?

Mr. Larsen. Sure. I think what we talk about is risk as opposed to actual problems that have manifested. That is, we have not investigated an insider threat where an individual breached his obligations and created a vulnerability.

What we're talking about is, if we don't address the vulnerabilities, then the potential is out there. So, that's what we've been looking at, and we find that the agency doesn't know how serious a problem that is and they haven't taken the steps

to mitigate the potential risks that we've identified. 1 2 Ms. Brooks. And that was just in your July of 2017 report that the agency just issued? 3 4 Mr. Larsen. That's correct. 5 Ms. Brooks. Okay. Thank you. I yield back. The gentlelady yields back. 6 Mr. Murphy. 7 I recognize Mr. Tonko for 5 minutes. 8 Mr. Tonko. Thank you, Mr. Chair. First, I want to express my deepest condolences to our fellow 9 10 Americans who are suffering from the devastation of Hurricane Harvey. Everyone has witnessed this day-by-day reporting with 11 12 just deep concern and sadness for the folks who are enduring. EPA has, therefore, an important role to play in disaster 13 14 response and recovery, ensuring the environmental monitoring and 15 remediation needed to protect public health. And these storms, these natural disasters don't know for Republican or Democrat. 16 17 So, it ought to be a universally agreed-to approach that we take 18 here in Washington. But that can only be done if EPA has the resources and 19 20 personnel to do so. This weekend the EPA released statements 21 highlighting just some of the work they will need to do in the 22 That includes assessing 13 days, weeks, and months ahead. 23 existing Superfund sites that were flooded and could be damaged, 24 addressing the many drinking and wastewater systems that remain 25 shut down or damaged or are dealing with health advisories,

assisting with testing for private wells, and supporting local first responders with monitoring and cleanup following chemical fires at the Arkema facility in Crosby, Texas.

The need for a strong, robust EPA is outstandingly clear, and massive budget and workforce cuts, and proposals to weaken understaffed or even eliminate regional offices are not the answer. Beyond that, I have to believe it is tremendously demoralizing to the professional staff of the agency, many of whom offer their lifetime career to the agency and to the betterment of Americans across the country.

So, I want to thank you, Mr. Gomez and Mr. Larsen, for being here this morning. The recommendations proposed by GAO and the IG's office can continue to make EPA a more efficient and successful agency.

Sadly, this administration, the Trump administration, is aggressively working to dismantle the EPA through regulatory rollbacks, extreme budget cuts, and staff eliminations, and ongoing assault on science. These are foolish cuts, proven to be very foolish when we see disasters displayed right before our very eyes.

Mr. Gomez, GAO released a report on EPA, Interior, and Forest Service workforce planning in March of 2010 which concluded that the agencies' efforts have, I quote, "particularly fallen short in aligning the agency's workforce plans with their strategic plans." The report concludes that agencies are at risk of not

having the appropriately-skilled workforce they need to 1 2 effectively achieve their missions. 3 So, are you generally familiar with that report of 2010? 4 Mr. Gomez. Yes. 5 Mr. Gomez, did EPA take action to address that? Mr. Tonko. They have not yet. 6 Mr. Gomez. 7 Mr. Tonko. What about further actions? Will they be doing 8 anything that you know of in respect to workforce planning to 9 correct the numbers that they require? 10 Mr. Gomez. No. That's still an outstanding recommendation, again, to properly align its workforce plan with 11 12 its strategic plan and its budget. And the Trump administration proposed cutting 13 14 funding to the agency by nearly \$2.6 billion -- that's about a 15 31-percent reduction -- and proposed reducing the workforce by some 3800 employees. Nearly 50 programs to protect our air and 16 17 water, address climate change, and strengthen chemical safety 18 were highlighted for elimination. Just unbelievable cuts. This included the Chemical Safety Board, the independent federal 19 agency tasked with investigating chemical accidents such as the 20 21 recent fires at the Arkema chemical plant in Crosby, Texas. 22 Mr. Gomez, in your testimony today you note that the March 2010 report found that, I quote, "The ability of federal agencies 23 24 to achieve their mission and carry out their responsibilities 25 depends in large part on whether they can sustain a workforce that

1 possesses the necessary education, knowledge, skills, and other 2 Is that correct? competencies." 3 Mr. Gomez. Yes, that's correct. Well, I thank you, Mr. Chair. 4 Mr. Tonko. We should all be concerned about how extreme the budget cuts 5 proposed are and that the staffing reductions proposed would 6 7 undermine EPA's ability to accomplish its mission, especially in 8 the face of disasters. These are troubling cuts and proven day 9 by day now with these disasters to be the most foolish approach 10 to an agency that was envisioned by President Nixon to address safe water that we drink, clean air that we breathe, and all the 11 environmental benefits that should be associated with our rights 12 as Americans to enjoy that environment as fully as possible. 13 14 So, I do appreciate the work you are doing to draw the 15 attention of the American public to these cuts and to the essential 16 elements that these agencies require in order to respond fully 17 and effectively to their mission. 18 And with that, I yield back. The gentleman yields back. 19 Mr. Murphy. 2.0 And seeing we have no more members here, we will conclude 21 this hearing. 22 I would like to thank all the witnesses and members who have participated in today's hearing. 23 24 I realize a lot of this was along the lines of what else are 25 we going to be doing. We felt that very important to get it on the record for EPA to hear. We expect them to take care of these issues, to fill those positions that are needed, to take some accounting of what is going on, because we will be asking more questions about what has happened in terms of preparedness and response here. None of us want to see any loss of life or property caused by some problems with an agency fulfilling their duties as you have outlined them for us.

So, we thank you for your observations and your comments today.

I remember members they have 10 business days to submit questions for the record. I ask that the witnesses all agree to respond promptly to the questions.

With that, this committee is adjourned.

[Whereupon, at 11:46 a.m., the subcommittee was adjourned.]

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