

U.S. EPA Office of Inspector General

Kevin W Collins
EPA Office of Inspector General
Forensic Audit Unit

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“Physical Observation”

The Forensic auditor’s best but least used tool.

Kevin W Collins



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- **Why do we tour a facility or operation at the start of an audit?**
- **Yellow Book**
- **This is your chance-Do not waste it.**
- **What would your parents say?**
- **So as you walk through with your eyes open, you see something, ask, “What the heck is that?”**

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- If you see a closed door?
- if there is a mess?
- Water damage, construction, spare items
- if there is loose material, ^{Observations} documents, parts, chemicals, funds, records etc.?
- Take a picture, find a serial number, document number, office, name and follow up.

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**Observations at EPA Warehouse,
Landover, MD**

Presented to Agency on May 16 , 2013

Updated on May 30, 2013 for Public Release

How We Got Involved

On December 20, 2012, the Office of Inspector General of the U.S. Environmental Protection Agency initiated a review of Contract No. EP-W-07-053.

As part of review, we evaluated the contractor's performance related to the contract requirements, including the warehouse functions.



Warehouse Background

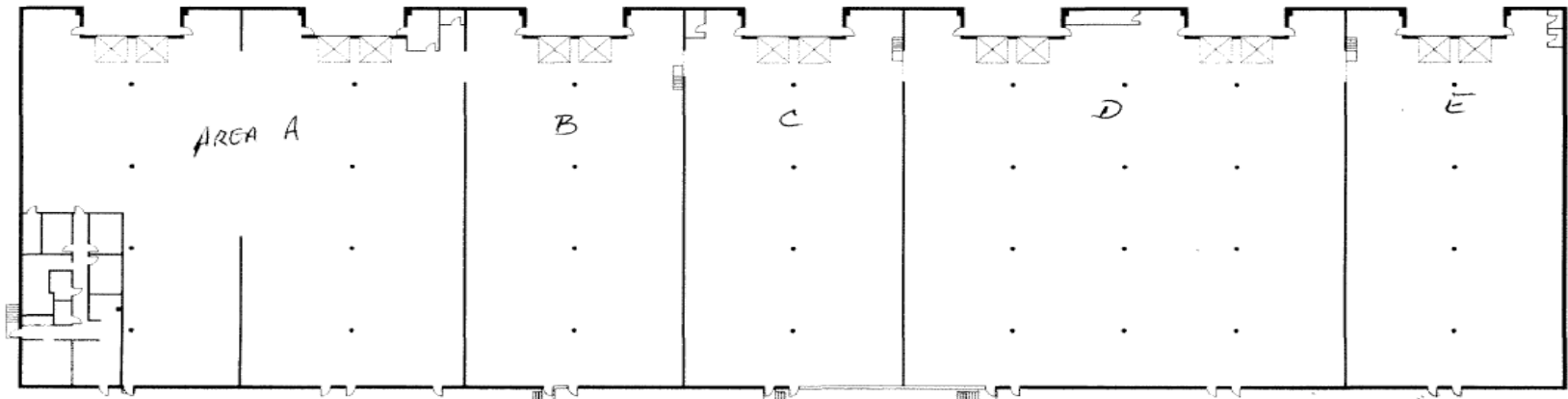


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Warehouse Background

Space Plan for EPA Landover Warehouse,
Ardwick Industrial Plaza, 8335-8361 Ardmore Ardwick, Landover Maryland



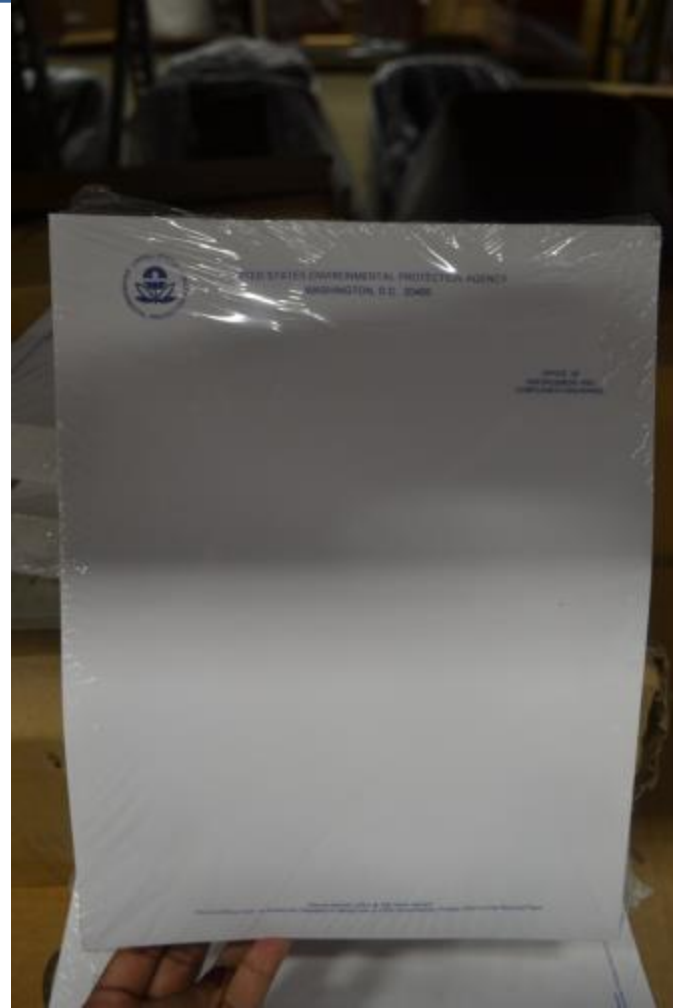
1. This is GSA leased space
2. The overall square footage of the warehouse is 69,000 sq ft.
3. The square footage of office space in the warehouse is 60 ft x 30 ft.
4. There are no "bulk" or "bin" storage areas.
5. There are 49 storage racks (rows); 1,150 Sections of 8 ft x 5.5 ft.
6. The clearance between aisles measures 11 ft.
7. There are two secure area for sensitive items? Both are lockable cages. One measures 64 ft x 32 ft, the other 32 ft x 32 ft.
8. There are restroom facilities in the warehouse.
9. There is a break room in the warehouse. No appliances are provided, but may be made available from surplus inventory.
10. There is no GFP included on this contract. All warehouse equipment must be provided by the contractor.
11. The two bays in "Area D" are the loading dock.
12. Area "E" is currently being used by another contractor.



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Warehouse Contents



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Warehouse Background



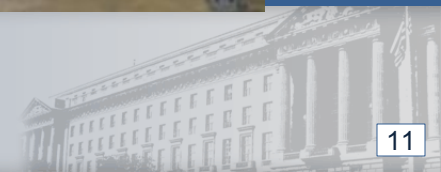
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Warehouse Background



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Warehouse Background



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Warehouse Contents



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Warehouse Contents



General Warehouse Conditions



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Warehouse Contents



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Warehouse Contents/Excessive Purchasing



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Contents / Old Cubicle Units and Parts



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Personal Use Items / Cubicles



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Personal Use Items / Cubicles



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Personal Use Items / Cubicles



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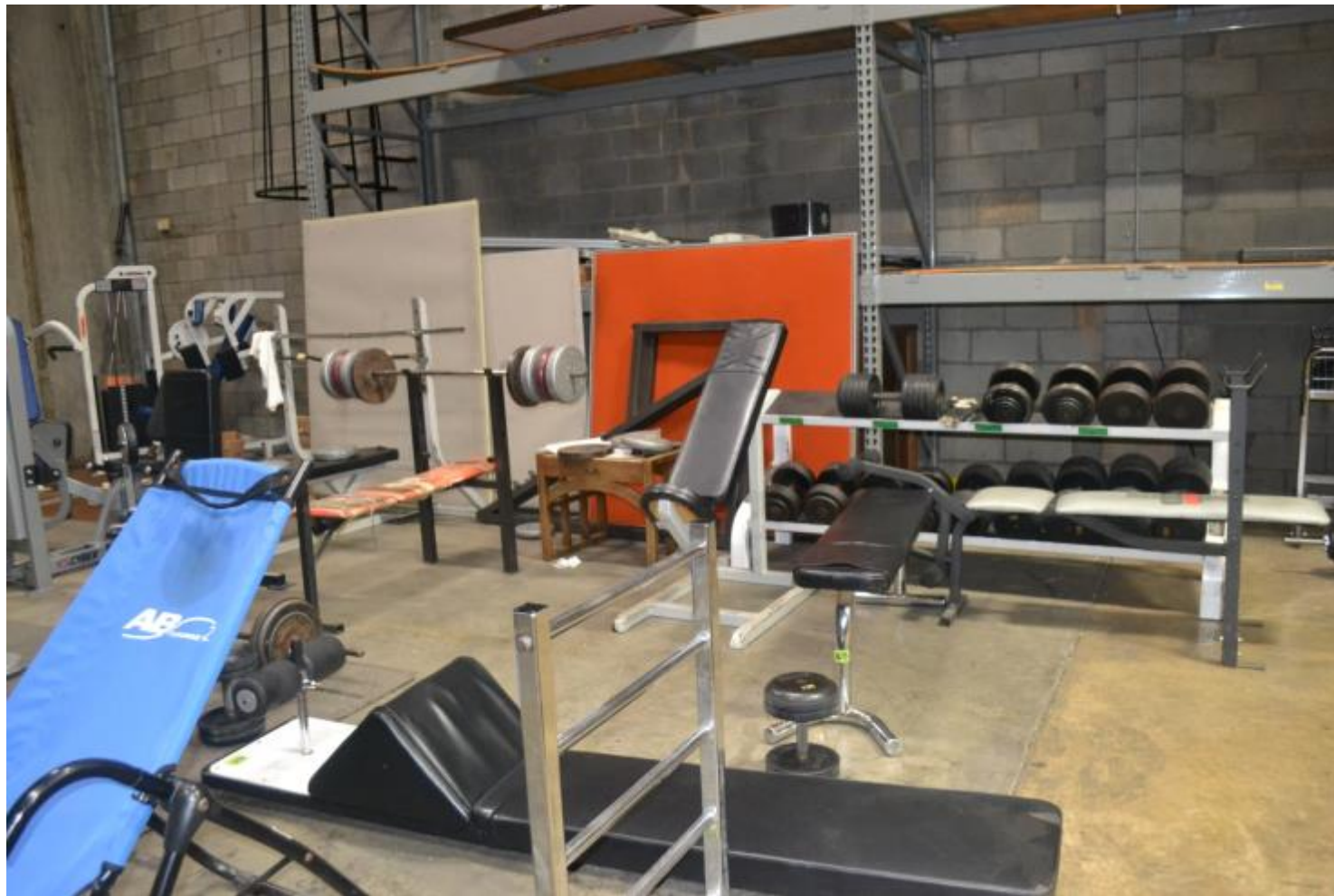
Personal Use Items / Cubicles



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Personal Use Items / Gym



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Personal Use Items / Gym



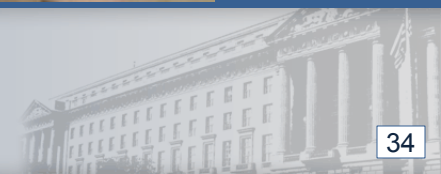
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Personal Use Items / Gym



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Personal Use Items / Gym



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Personal Use Items / Gym



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Security/Safety Issues



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Security/Safety Issues



Security/Safety Issues



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General Warehouse Conditions

- ❑ Corroded doors and jambs.
- ❑ Dirt, dust, vermin feces.
- ❑ Surplus items and copy paper stored in different places.
- ❑ Old computer bags molding and rotting.
- ❑ Many items unsecured on pallets/bindings removed.
- ❑ Many boxes opened on pallets.



General Warehouse Conditions



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General Warehouse Conditions



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General Warehouse Conditions



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Summary of Observations

- ❑ Warehouse recordkeeping system (Warehouse Management Module) is incomplete and inaccurate.
- ❑ System does not accurately reflect the warehouse's contents, condition and location; and includes no dollar value of the items, including new, surplus, or storage items.
- ❑ Warehouse is not adequately maintained.
- ❑ Warehouse is operating as a long-term storage facility filled with a considerable amount of unusable, inoperable, and obsolete furniture and other items.



Summary of Observations

- ❑ There does not appear to be an efficient rotation of paper stock, resulting in outdated, damaged, and unusable paper, print shop materials, and supplies.
- ❑ There does not appear to be an efficient use of warehouse labor and storage space.
- ❑ There does not appear to be an efficient purchasing policy for low-cost, easily obtainable items.
- ❑ Warehouse personnel are using items for personal use.
- ❑ We also identified potential fire and safety hazards, as well as security issues.





Soldier admits to killing 16 Afghans

In plea hearing, Hales offers no explanation for 2012 civilian massacre

BY PAUL FINN

JUST AS IT BECAME CLEAR that the military is in a re-examination of its role in the war in Afghanistan, a soldier admitted to killing 16 Afghan civilians and burning many of their bodies.

When asked in military plea hearing held earlier last month, the 29-year-old Hales was unrepentant in his response. The soldier has spent more than a million dollars and there is not a good reason in the world for the homicide, he said.

The exchange occurred shortly before the judge, Col. Jeffrey M. Moore, accepted plea from Hales on charges of murder, attempted murder and aggravated assault as well as the maintenance of arms and about a U.S. military camp in Kandahar province in exchange, he will avoid the death penalty that would be imposed in August.

Hales, an Ohio native and father of two, had served four years but was before the judge. His attorney said their client, who had suffered a brain injury, was not aware of the position or the charges associated with the plea. Hales entered the military in November 2001, after the Sept. 11 attacks and he had served three years.

The shock and killing Hales, who was his first service, was due to the hearing, told the court Wednesday that before the killing he had been receiving the usual treatment for several months to get "fitter and looser" and had a couple of beer bottles, which allowed him to see the drug three times a week. He said he also received a lot of stress-management classes at the military camp with Special Forces operators.

Prosecutors noted that Hales said in a signed statement of facts that he was "drugged" and "not integrated to get job."

On March 11, 2012, Hales left Camp Babelue before being notified by the people of village of Alkozai that they arrived with a

PHOTO COURTESY OF AFM

A Capitol Hill landmark burns



FBI, firefighters, more than 200 in all, battle a blaze at Frager's Hardware, a senior-old neighborhood institution in the 1100 block of Pennsylvania Avenue SE. The fire also engulfed Frager's paint and equipment rental stores. STORY BY

Report: Verizon giving call data to NSA

Court order may require disclosure of U.S. surveillance effort

BY EILEEN NAKAMURA

The National Security Agency appears to be collecting the telephone records of tens of millions of American citizens, according to a report from the agency's largest phone companies, made a September court order issued in April. The order appears to require a

Verizon subsidiary to provide the NSA with call information and telephone calls by its customers within the United States and their foreign destinations into the United States.

The order, which was signed by a judge from the secret court that oversees domestic surveillance, was first reported on the front page of the Canadian newspaper, The Globe and Mail, in a copy of the order, which the Justice Dept. says is not to be disclosed.

If the document is genuine, it could represent the broadest sur-

PHOTO COURTESY OF AFM

Obama signals new approach on national security

A BIGGER U.S. ROLE ABROAD

In shuffle, Rice replaces Donilon as adviser

BY SCOTT WILSON

President Obama announced a major shuffle of his national security team on Wednesday, including such a senior Washington insider and clearing two longtime proponents of a larger American role in promoting free-trade agreements and protecting human rights.

The shuffling also signaled the president's new approach to the challenges of the domestic front has remained a constant goal, and has several faces.

Scott E. Rice, whom Obama named Wednesday to succeed Thomas E. Donilon as national security adviser, and Samantha Power, announced to follow Rice as U.S. ambassador, will have the opportunity to move as the administration seeks to push on Syria, strike down the war in Afghanistan and seek to stop Iran's nuclear enrichment program.

In a few weeks, however, Obama called Rice, who does not need Senate confirmation, "a fierce challenger for job."



Scott E. Rice: The White House announced on Wednesday that Rice would replace Donilon as national security adviser.



Samantha Power: The new ambassador to Ireland, who was named to succeed Donilon as U.S. ambassador to Ireland.

Rice and Power are "two of the most talented people I have ever known," Obama said. "I'm excited to have such talented people in the White House."

PHOTO COURTESY OF AFM

EPA warehouse turned into workers' play area

Contract employees' activities hidden amid disorder, report says

BY LESSE BRISSETTE

In a large Environmental Protection Agency warehouse in Louisiana, contracting workers made sure that they had all the comforts of home. They created personal no-man's-land with televisions, radios, chairs and couches. On the walls were photos, calendars and pumps. For entertainment, they had books, magazines and videos. If they got hungry, they could grab something from a refrigerator and pop it into a mic-

rowave. The seven-jord of their lifestyle — which stored EPA office equipment — was hidden behind a cluttered, cluttered warehouse. EPA gear, equipment and files on a table in a corner of the warehouse were inventory items, according to a recently released inspector general's report.

All of it was carefully hidden from security cameras. In particular, the EPA set up the workers' quarters of 1200 employees, the contractor that ran the warehouse said the EPA security cameras overlooking the site should be turned off.

Also scattered around the

PHOTO COURTESY OF AFM



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CNN Wolf Blitzer Interview

THE WITH SITUATION ROOM WOLF BLITZER

National Security Politics International Affairs

Auditors for the Environmental Protection Agency found lounges with televisions and couches hidden at a warehouse connected to the agency.

EPA warehouse 'man caves'

1 2 3 4 5 6 7 8 9

HIDE



Audit of EPA Passport Controls



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Audit of EPA Passport Controls

Report No. 14-P-0243

May 1, 2014



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Gilt Edge Mine ARRA



Railroad Research Foundation

In This Audit because physically viewing the Train engines would prove very little, we determined another method to physically review the trains - Federally mandated Railroad logs

And we discovered :

the repowered locomotives were not being used in the nonattainment area specified in the application. We reviewed the Equipment Event Activity report for the month of November 2010 for each of the five repowered locomotives. These reports show the locomotives' daily locations and movements during the month.

The closest any of the GP40 locomotives traveled near Baton Rouge was about 100 miles; the furthest point from Baton Rouge was estimated at more than 400 miles.



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