

# CORD

## The Science of Splurging: Wasteful Grants and Egregious Spending at the EPA

Item Type	Senate Minority Staff Report
Download date	2026-03-15 01:40:10
Link to Item	<a href="https://hdl.handle.net/20.500.14300/1408">https://hdl.handle.net/20.500.14300/1408</a>

A grayscale background image featuring a microscope in the foreground and several US dollar bills (including a \$100 bill) in the background, suggesting a connection between science and spending.

# THE SCIENCE OF SPLURGING

*Wasteful Grants &  
Egregious Spending at the EPA*

SENATOR JEFF FLAKE  
*December 2014*



Dear Taxpayers,

Regardless of where one falls on the political spectrum, the Environmental Protection Agency (EPA) tends to generate strongly held opinions. The agency, funded at roughly \$8 billion annually in recent years, is charged with protecting human health and the environment. For the most part, this is achieved by carrying out relevant statutes through the creation, implementation, and enforcement of environmental regulations.

Recent controversy involving the agency has focused on what some consider mission creep or efforts to expand its regulatory reach. Critics point to the EPA trying to regulate every puddle from a rain storm or molecule of carbon from an exhaust pipe. Their mission has also translated into a long list of varied and often expensive rambling activities that include passing out grants, carrying out studies, and sponsoring partnerships. In fact, the EPA's own description of its mission cites that nearly half of its budget "goes into grants to state environmental programs, non-profits, educational institutions, and others." Unfortunately, when it comes to that kind of spending, it's all too easy to find places where taxpayer dollars have been squandered.

If we can't trust them with the relatively small things, how can they expect to be trusted with the kinds of monumental things they are reaching for (which many of us oppose in the first place)?

In my view, the EPA isn't the only one to blame for the current situation. The tried and true method of holding agencies accountable has long been the amendment process associated with annual appropriations measures. Sadly, with respect to the Senate getting its work done on individual appropriations bills, it would appear the practice has all but been given up. It is entirely unlikely that any of the twelve individual appropriations bills for fiscal year 2015 will be individually considered in the Senate. Similarly, the Senate failed to pass a single individual appropriations bill last year or the year before. In fact, one has to go back to 2011 before you can find a year in which the Senate initially passed even one standalone appropriations measure.

It is easy to see why Congress has come to rely on the blunt instruments of the continuing resolution and omnibus appropriations bill to keep the government funded. It is also easy to see how agencies have been able to waste taxpayer funds with near abandon. Our national debt is approaching \$18 trillion. The best news we've heard on out-of-control spending is that last year's federal deficit will *only* be \$483 billion instead of higher earlier projections. However we can, we owe it to taxpayers to focus on wasteful spending.

In the following pages are more than a dozen examples of wasteful grants and egregious spending. When it comes to the EPA's spending, we can do better. I hope you agree.

Sincerely,



JEFF FLAKE  
United States Senator

## TABLE OF CONTENTS

FERRIS BUELLER’S DAY OFF – EPA STYLE.....	4
WAREHOUSING OUR WAY TO A BETTER ENVIRONMENT? .....	5
CASE OF THE PAN-CONTINENTAL PORCINE GAS-PASSERS .....	6
EPA’S VERY OWN SECRET AGENT MAN! .....	7
CALLING ALL SNIFFLING TWEETERS .....	9
DON’T WORRY, PUT IT ON THE TAXPAYER’S TAB .....	10
FEDERALLY SPONSORED MAN CAVES.....	11
FISCAL HEALTH TRAINING FOR LOCALS? .....	12
EPA DUMPS MONEY INTO STOPPING ILLEGAL DUMPING .....	13
A PORTRAIT OF (NO) FISCAL RESTRAINT.....	14
EPA IN THE STATE CAPITAL BEAUTIFICATION BUSINESS .....	15
(ERRONEOUS) BONUSES FOR ONE! BONUSES FOR ALL! .....	16
LITERALLY ‘LEAVING NO TRACE’ IN EPA’S OFFICES.....	17
FALLING DOWN ON THE JOB...TRAINING .....	18
WASTING FUNDS FASTER THAN A SPEEDING LOCOMOTIVE .....	19
EPA SCIENTIST’S SALARY? MAKE IT A DOUBLE.....	21
BOOKING TIME WITH THE ENVIRONMENT...IN A HOTEL .....	22

## **FERRIS BUELLER’S DAY OFF – EPA STYLE**

### *EPA Employees on Paid Administrative Leave for Years*

Bueller?... Bueller?... Bueller?

According to the EPA Office of Inspector General (OIG), eight employees recorded years on the job without every showing up to work. The OIG stated that the “administrative leave recorded by these eight employees totaled 20,926 hours and cost the government an estimated \$1,096,868. Each of these employees was on extended administrative leave for four or more months. For four of the eight employees, the administrative leave covered more than a year.”<sup>1</sup>



The Government Accountability Office (GAO) has stated there is no general statutory authority for the use of paid administrative leave.<sup>2</sup> However, the U.S. Office of Personnel Management has given permission for agency to use it.<sup>3</sup> And use it the EPA does. According to the EPA OIG records, one EPA employee missed as many as 787 days and costing taxpayers \$351,000.<sup>4</sup> In total, eight EPA employees cost taxpayers more than a million dollars and spent 2,615 days on leave or more than seven years.<sup>5</sup>

**Table 1: Administrative leave information for sampled EPA employees<sup>2</sup>**

Employee No.	Administrative leave hours	Period when leave was taken <sup>3</sup>	Total estimated cost
1	1,820	07/28/13 – 09/20/14	\$69,593
2	5,883	01/03/10 – 09/20/14	300,671
3	767	01/12/14 – 09/20/14	35,226
4	6,300	05/09/10 – 09/20/14	351,300
5	3,916	01/16/11 – 01/11/14	239,600
6	1,050	03/09/14 – 09/20/14	61,145
7	300	09/08/13 – 01/11/14	15,385
8	890	04/06/14 – 09/20/14	23,948
<b>Total</b>	<b>20,926</b>		<b>\$1,096,868</b>

Sources: OIG analysis and EPA's Compass Financial Data Warehouse.

<sup>1</sup> U.S. Environmental Protection Agency Office of Inspector General, “Early Warning Report: Some EPA Employees Found to Be on Administrative Leave for Years,” At a Glance, November 19, 2014, <http://www.epa.gov/oig/reports/2014/20141119-15-N-0025.pdf>.

<sup>2</sup> IBID, At a Glance.

<sup>3</sup> IBID, At a Glance.

<sup>4</sup> IBID, p. 3.

<sup>5</sup> U.S. Environmental Protection Agency Office of Inspector General, “Early Warning Report: Some EPA Employees Found to Be on Administrative Leave for Years,” p. 3, November 19, 2014, <http://www.epa.gov/oig/reports/2014/20141119-15-N-0025.pdf>.

The EPA OIG briefed EPA Administrator McCarthy on October 30, 2014 on the matter and provided additional information to the Administrator on November 5, 2014.<sup>6</sup> The EPA OIG intends to release more information to the public in the future. As of now, the EPA OIG report is only an early warning report for informational purposes as no recommendations for the agency have been issued.<sup>7</sup> Here's hoping taxpayers can look forward to continued attention to this and that the details don't include federal officials tooling around downtown Chicago in Cameron's dad's Ferrari.

## **WAREHOUSING OUR WAY TO A BETTER ENVIRONMENT?** *Storing Old Reports Cost Taxpayers \$1.5 Million Annually*

The EPA spent millions of taxpayers' dollars to store out-of-date and unwanted publications at an Ohio warehouse, rather than recycle the materials in an environmentally friendly manner. According to an EPA OIG report released in 2014, the EPA actually spent more than \$1.5 million a year to store excess publications, such as workbooks for schools and technical manuals, in a warehouse it leases in Blue Ash, Ohio.<sup>8</sup>



In fact, roughly six years' worth of inventory was kept at the National Service Center for Environmental Publications. The stored material included hard copy environmental publications, CD-ROMs, and digital and non-digital publications. As of December 2013, the Ohio warehouse held more than 18 million publications. Strangely, the facility shipped fewer than three million publications annually.<sup>9</sup>

Noting this, the Inspector General issued an early warning report with a recommendation that the agency change its storage requirements and actually integrate the realistic demand from customers. According to the EPA OIG, the EPA was "tying up funds by storing and caring for excess stock at an annual cost of up to \$1.2 million."<sup>10</sup> An additional \$359,000 per year was spent on costs associated with other warehouse activities and leasing.<sup>11</sup>

<sup>6</sup> IBID, At a Glance.

<sup>7</sup> IBID, At a Glance.

<sup>8</sup> Office of Inspector General, Environmental Protection Agency, "Early Warning Report: National Service Center for Environmental Publications in Blue Ash, Ohio, Spent \$1.5 Million to Store Excess Publications," March 11, 2014, At a Glance, <http://www.epa.gov/oig/reports/2014/20140311-14-P-0132.pdf>

<sup>9</sup> Robin Bravender, "Agency Wasting Cash to Store Old Reports – IG," E&E News, March 13, 2014, <http://www.eenews.net/eenewspm/2014/03/13/stories/1059996118>.

<sup>10</sup> Office of Inspector General, Environmental Protection Agency, "Early Warning Report: National Service Center for Environmental Publications in Blue Ash, Ohio, Spent \$1.5 Million to Store Excess Publications," March 11, 2014, At a Glance, <http://www.epa.gov/oig/reports/2014/20140311-14-P-0132.pdf>.

<sup>11</sup> IBID, At a Glance.

According to the EPA OIG, the EPA had “an inventory-management belief that it is better to have more than enough products on hand than to try to manage with just the amount of stock needed.”<sup>12</sup> Another way to describe that is wasting taxpayer dollars. Seeing the error of their ways after the practice was highlighted in the Inspector General’s report, the EPA has discarded more than two million items or a whopping 140 tons of printed materials at the Ohio facility from June to October 2013.<sup>13</sup> Apparently, in cleaning up the environment, it’s never too late to start a little spring cleaning.

## **CASE OF THE PAN-CONTINENTAL PORCINE GAS-PASSERS** *EPA Wastes Millions on Grants Around the Globe*

It appears the EPA has sent their fiscal discipline packing. As if managing our domestic environmental challenges isn’t sufficient, the EPA continues to expand its reach to include projects around the world.

The EPA has administered more than \$180 million in foreign grants since 2001, sometimes to wealthy nations or countries that are downright unfriendly toward us.<sup>14</sup> Incredibly, in fiscal year 2011, the EPA spent nearly \$30 million on foreign grants. Since that year, funding has somewhat fluctuated but remains high. International programs and foreign grants cost U.S. taxpayers \$20.4 million in 2012. That amount dropped to \$8.1 million in 2013 and crept back up in 2014 to \$13.8 million.<sup>15</sup> These grants have been sent directly to foreign governments, universities, and non-governmental organizations as well as to domestic grantees for work performed outside the United States.<sup>16</sup>



In 2011, the House Energy and Commerce Committee examined where these funds actually went and it’s enough to make you say ‘Bon Voyage!’ to your fiscal sanity. Take, for example, their Global Methane Initiative, an effort aimed at limiting pollution abroad and developing commercial opportunities for U.S. businesses in foreign markets.<sup>17</sup> Frankly, one has to stretch the EPA’s environmental mission farther than the Great Wall of China to justify serving as a marketing department for U.S. companies. Even then, this spending fails to pass the smell test.

<sup>12</sup> IBID, p. 6.

<sup>13</sup> Office of Inspector General, Environmental Protection Agency, “Early Warning Report: National Service Center for Environmental Publications in Blue Ash, Ohio, Spent \$1.5 Million to Store Excess Publications,” March 11, 2014, At a Glance, <http://www.epa.gov/oig/reports/2014/20140311-14-P-0132.pdf>.

<sup>14</sup> EPA Document Sent To Staff of Senator Flake; United States House of Representatives Committee on Energy and Commerce, EPA’s Foreign Grant Program, June 27, 2011, <http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/analysis/20110627Grants.pdf>.

<sup>15</sup> EPA Document Sent To Staff of Senator Flake.

<sup>16</sup> House of Representatives Committee on Energy and Commerce, EPA’s Foreign Grant Program, June 27, 2011, p 2, <http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/analysis/20110627Grants.pdf>.

<sup>17</sup> EPA, Global Methane Initiative, Overview, <http://www.epa.gov/globalmethane/initiative.htm>.

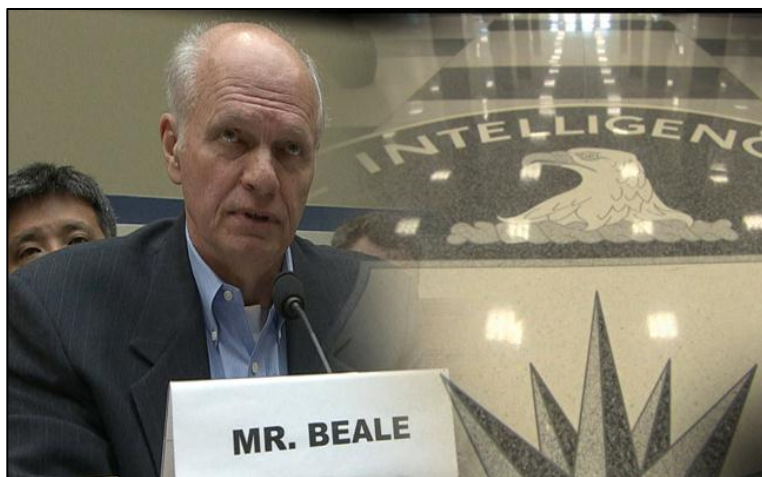
Under this initiative alone, the EPA spent more than \$2 million on grants and projects to capture methane gas from agricultural waste and landfills in foreign countries.<sup>18</sup> Without even a whiff of fiscal restraint, the EPA spent a tidy \$700,000 in Thailand to help reduce methane from swine farms that is emitted from pig flatulence.<sup>19</sup> Similarly, no U.S. taxpayers were likely toasting the more than \$100,000 given out in India to look at the feasibility of “capturing methane from distillery and winery waste.”<sup>20</sup>

And the list goes on. A House Energy and Commerce Committee investigation found that the EPA gave \$150,000 to international crime fighters at Interpol to support a “climate-change project which will ensure that markets operate properly, and that fraud is detected promptly with regard to carbon trading.”<sup>21</sup> This is despite Americans having rejected such schemes domestically. Not to be outdone, the United Nations Environment Programme netted \$1.2 million from the EPA for a “global initiative promoting cleaner fuels and vehicles in developing and transitioning countries.”<sup>22</sup> This is, of course, on top of our already-generous United Nations funding. Not to be left out, the World Health Organization received a grant worth nearly half a million dollars to “link together existing institutions and personnel to work on shared goals including sound environmental management.”<sup>23</sup> For the sake of U.S. taxpayers, here’s hoping the shared goals don’t include getting more money for wasteful international programs and grants out of the EPA.

## **EPA’S VERY OWN SECRET AGENT MAN!**

### *Fake Spy Caper Takes Agency for Almost \$1 Million*

According to a report by U.S. Sen. David Vitter’s (R-LA) Committee on Environmental and Public Works staff, John Beale was a top agency official and the highest paid employee at the EPA despite having virtually no experience and getting his job through the help of a college friend.<sup>24</sup> But his double life didn’t end there. He apparently also defrauded the EPA of nearly \$900,000 in salary, benefits, and improper bonuses by pretending to be a Central



<sup>18</sup> Ryan Christiansen, “EPA Funds Methane to Markets projects,” Biomass Magazine, December 2008, p. 20, [http://issuu.com/bbiinternational/docs/dec\\_bmm08?e=2317201/7370211](http://issuu.com/bbiinternational/docs/dec_bmm08?e=2317201/7370211).

<sup>19</sup> IBID.

<sup>20</sup> Ryan Christiansen, “EPA Funds Methane to Markets projects,” Biomass Magazine, December 2008, p. 20, [http://issuu.com/bbiinternational/docs/dec\\_bmm08?e=2317201/7370211](http://issuu.com/bbiinternational/docs/dec_bmm08?e=2317201/7370211).

<sup>21</sup> John Rossomando, “EPA stimulating environmental regulations abroad,” *The Daily Caller*, <http://dailycaller.com/2011/07/07/epa-stimulating-environmental-regulations-abroad/#ixzz39k23WyRm>.

<sup>22</sup> IBID.

<sup>23</sup> IBID.

<sup>24</sup> Congressional Western Caucus, “The Bull Report: Convicted Con Man Responsible for Controversial EPA Air Regulations, April 4, 2014, <http://westerncaucus.pearce.house.gov/index.cfm?sectionid=49&itemid=1463>.

Intelligence Agency (CIA) spy.<sup>25</sup>

Now in prison for theft of government property, Beale would leave his EPA office for months at a time on imaginary secret missions from Langley. Incredibly, Beale was absent from work for a total of two and half years from the start of his career as a “secret agent” in 2000 until he was caught. Beale’s own lawyer acknowledged in court that Beale did “absolutely no work” for an 18 month period starting in June 2011.<sup>26</sup>

What excuse did Beale provide to his superiors for his long absences? He told senior EPA officials, including EPA Administrator Gina McCarthy, that he was engaged in clandestine intelligence work for the CIA, either at CIA Headquarters or in Pakistan. In fact, at one point Beale claimed he was needed posthaste in Pakistan due to the fact that the Taliban was torturing his CIA replacement.<sup>27</sup> Beale didn’t show up for work for six months in 2008. Not to worry, Beale told his boss, he was part of a secret “candidate security” mission through a special multi-agency election-year project.<sup>28</sup> How did Beale really spend his time away from his EPA-related duties? According to the EPA OIG, “he was purportedly working for the CIA at his Northern Virginia home riding bikes, doing housework and reading books, or at a vacation house on Cape Cod.”<sup>29</sup>

Beale’s penchant for deception was not limited to his elaborate spy ruse. For example, he had a note from a chiropractor claiming severe back problems that conveniently required him to only fly first class. The claim was never checked, despite the fact that Beale was often seen riding his bike to work. With those first class tickets in hand, Beale booked five trips to California on the government dime to visit his parents and for other personal reasons... costing taxpayers \$45,094.<sup>30</sup>

Was Beale just a master of espionage and deception possibly worthy of a position with the CIA? No. The EPA’s Office of Inspector General discovered the fraud within one week of examining the case. Beale, who has no connection to the CIA at all, didn’t even have a security clearance and the EPA’s internal controls failed to discover the fraud for 13 years.<sup>31</sup> Unfortunately, far from a top secret thrill-a-minute espionage page turner, taxpayers simply have to file this kind of waste under “you can’t make this stuff up.”

---

<sup>25</sup> Andrew Zajac, “Ex-EPA Official Admits to Faking CIA Job for Unearned Pay,” *Bloomberg News*, September 27, 2013, <http://www.bloomberg.com/news/2013-09-27/ex-epa-official-admits-to-faking-cia-job-for-unearned-pay.html>.

<sup>26</sup> Michael Isikoff, “Climate Change Expert’s Fraud was ‘Crime of Massive Proportion,’ say Feds,” *NBC News*, December 16, 2013, <http://www.nbcnews.com/news/other/climate-change-experts-fraud-was-crime-massive-proportion-say-feds-f2D11751587>.

<sup>27</sup> IBID.

<sup>28</sup> IBID.

<sup>29</sup> IBID.

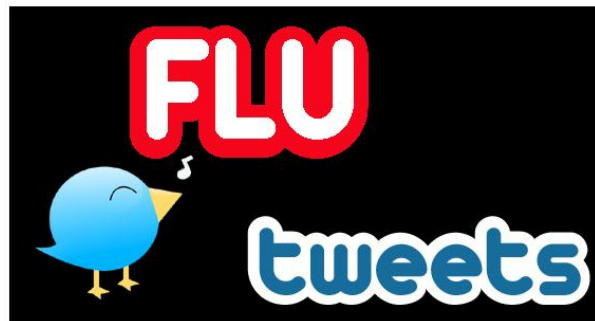
<sup>30</sup> EPA Office of Inspector General, Early Warning Report: Internal Controls and Management Actions Concerning John C. Beale’s Travel, December 11, 2013, p 3, <http://www.epa.gov/oig/reports/2014/20131211014-P-0037.pdf>.

<sup>31</sup> Republican Staff of the Senate Environment and Public Works Committee, “EPA Employee’s Theft & Fraud Case Shows Major Failings at Agency,” December 18, 2013, [http://www.epw.senate.gov/public/index.cfm?FuseAction=PressRoom.PressReleases&ContentRecord\\_id=412db669-a82e-0d90-6674-2aa89100203c](http://www.epw.senate.gov/public/index.cfm?FuseAction=PressRoom.PressReleases&ContentRecord_id=412db669-a82e-0d90-6674-2aa89100203c).

## CALLING ALL SNIFFLING TWEETERS

### *EPA to Conduct Twitter Study on Stomach Flu*

The EPA has proposed a five-year study using social media to research rates of infection. At first glance, this is an admirable goal. However, taxpayer dollars are going to be spent to analyze tweets about the flu, with someone being paid to have the stomach-churning task of surfing social media to look for messages about nausea, vomiting, and diarrhea.<sup>32</sup>



In January 2014, the EPA sought a blanket purchase agreement (BPA) to buy tweets to research causes and effects of the flu. According to the EPA's solicitation, "The BPA is conducting a study to develop the use of social media to identify individuals in the United States that are suffering from Acute Gastroenteritis Infections (AGI) [...] The following example search terms are considered evidence of AGI: Stomach flu, stomach bug, stomach ache, nausea, vomiting, and diarrhea."<sup>33</sup> The Twittersphere will be analyzed by "human health specialists" to diagnose whether the "tweeter" is in fact suffering from the flu. The date of the tweets will then be crosschecked with epidemiological data from the Centers of Disease Control to determine if the tweets correlate with flu rates.<sup>34</sup> Of course, one could reasonably ask: if we have the CDC's epidemiological data in the first place, why would need to plumb the depths of the internet for tweets about throwing up?

To settle some naturally occurring queasiness over the merits of the study, the EPA insists that the study involves more than just the stomach flu. In addition, the EPA has set strict standards when it comes to what results they are hoping to garner from this Twitter study.<sup>35</sup> Recognizing that data quality and the veracity of comments made on social media are seemingly always an issue, the EPA had to make clear that the comments on flu symptoms they are buying are to be related to humans, and specifically not about one's cat or dog.<sup>36</sup>

The EPA claims it will gain groundbreaking knowledge by using Twitter to monitor the overall flu experience. This is the same groundbreaking knowledge that typically any parent with a thermometer has. If the methodology and validity of such a study seem questionable, it's because they are. While the EPA has not released any cost figures for the 60-month project, it will likely be more than taxpayers can stomach. Recent studies of Facebook, Instagram, and Twitter looking at drug abuse over a three-year period by the National Institutes of Health (NIH) cost \$5 million.<sup>37</sup> NIH awarded another grant worth nearly \$83,000 for a one-year research

<sup>32</sup> Elizabeth Harrington, "EPA Wants to Buy Tweets for Research on Stomach Flu," *The Washington Free Beacon*, January 24, 2014, <http://freebeacon.com/issues/epa-wants-to-buy-tweets-for-research-on-stomach-flu/>.

<sup>33</sup> IBID.

<sup>34</sup> IBID.

<sup>35</sup> IBID.

<sup>36</sup> IBID.

<sup>37</sup> Elizabeth Harrington, "NIH Commits \$5 million to 'Mine' Facebook, Instagram, Twitter to Study Drug Abuse," *The Washington Free Beacon*, January 13, 2014, <http://freebeacon.com/issues/nih-commits-5-million-to-mine-facebook-instagram-twitter-to-study-drug-abuse/>.

project on how to use Twitter to monitor depressed people.<sup>38</sup> This latest ridiculous undertaking by the EPA is simply another symptom of the wasteful spending epidemic that is plaguing Washington, D.C. The details are enough to make taxpayers sick.

## **DON'T WORRY, PUT IT ON THE TAXPAYER'S TAB**

### *EPA Running Amok with America's Credit Cards*

It turns out that EPA employees might have misused just a mere \$15 million of taxpayer money.<sup>39</sup> An EPA Inspector General's report released in March 2014 found that federally issued charge cards were used to make unauthorized purchases, including gym memberships, meals, DVDs, and gift cards. The purchase card program, established to streamline the federal acquisition process, has apparently also streamlined fraud and waste.<sup>40</sup>

In 2012, the EPA had nearly 1,400 active cardholders making a total of \$29 million in purchases. That comes to about \$21,000 per cardholder.<sup>41</sup> Incredibly, over half of sampled transactions were prohibited, improper, or erroneous in nature. For example, one transaction included twenty American Express gift cards valued at \$1,588.<sup>42</sup> They were purchased as "on-the-spot awards" and without any verification. In another example, appetizers and entrees were purchased at a price tag of nearly \$3,000 in the name of "recognition ceremonies."<sup>43</sup> It goes without saying that after such ceremonies, employees would need a good workout. There were three instances of gym membership purchases at a cost of \$2,867. These memberships reportedly covered family members and not just EPA employees!<sup>44</sup>



In their review, the Inspector General sampled an extremely small number of transactions during the time period it was reviewing, just 80 out of the 67,000 total transactions.<sup>45</sup> It's tough to imagine that they just got lucky, or in fact unlucky, and hit the only wasteful or inappropriate charges that were made. Unfortunately, there are likely many more instances of improper charge card use. If

<sup>38</sup> Elizabeth Harrington, "Feds Studying How to Use Twitter For 'Depression Surveillance,'" *The Washington Free Beacon*, January 13, 2014, <http://freebeacon.com/issues/feds-studying-how-to-use-twitter-for-depression-surveillance/>.

<sup>39</sup> Jillian Kay Melchior, "Feds Get a Card Check," *National Review Online*, March 28, 2014, <http://www.nationalreview.com/article/374427/feds-get-card-check-jillian-kay-melchior>

<sup>40</sup> OIG Report, U.S. EPA, Ineffective Oversight of Purchase Cards Result in Inappropriate Purchases at EPA, March 4, 2014, At a Glance, <http://www.epa.gov/oig/reports/2014/20140304-14-P-0128.pdf>.

<sup>41</sup> IBID, At A Glance, p. 2.

<sup>42</sup> IBID, p. 9.

<sup>43</sup> IBID, p. 9.

<sup>44</sup> IBID, p. 7.

<sup>45</sup> IBID, p. 3-4.

you extrapolate the error rate found by the OIG, the potential cost of fraud and waste could be as high as \$15 million.

With internal controls failing to prevent or stop these brazen purchases, agency oversight was glaringly ineffective. As the OIG noted, “these funds could have been put to better use, and inadequate oversight put funds at risk.”<sup>46</sup> Taxpayers are already facing a massive amount of federal debt; the last thing they need is agency employees running up their credit card balances with waste like this.

## **FEDERALLY SPONSORED MAN CAVES**

### *A Life of Leisure and Luxury as an EPA Contractor*

As made famous by U.S. Sen Tom Coburn’s (R-OK) *2013 Waste Book*, the EPA may not be good at saving taxpayers’ dollars but they are excellent at providing plush “man caves” for government contractors.<sup>47</sup>

Take for example a 70,000 square foot warehouse owned by the General Services Administration. The space, leased to the EPA for about \$750,000 per year, was found with all one would need for a perfectly relaxing home away from home.<sup>48</sup> The warehouse was staffed by Apex Logistics contractors from 2007 until 2013 and was complete with computers, exercise equipment, televisions, refrigerators, microwaves and couches.<sup>49</sup> The EPA’s cozy quarters also had pin-ups, books, magazines, and videos. It was reported that the exercise equipment that the warehouse sported could have rivaled those of commercial gyms like Bally’s or Planet Fitness.

To avoid detection, Apex employees positioned their hideaways out of the sight of security cameras by using screens, partitions, and piled-up boxes.<sup>50</sup> This was instrumental in providing them a perfectly hidden oasis for avoiding work and wasting taxpayers’ dollars. Of course, this was also facilitated by the EPA’s lax oversight. According to investigators, the EPA management had not visited



---

<sup>46</sup> OIG Report, U.S. EPA, *Ineffective Oversight of Purchase Cards Result in Inappropriate Purchases at EPA*, March 4, 2014p. 9., <http://www.epa.gov/oig/reports/2014/20140304-14-P-0128.pdf>.

<sup>47</sup> Senator Tom Coburn, *Wastebook 2013*, p. 66, [http://www.coburn.senate.gov/public/index.cfm?a=Files.Serve&File\\_id=d204730e-4a24-4711-b1db-99bb6c29d4b6](http://www.coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=d204730e-4a24-4711-b1db-99bb6c29d4b6)

<sup>48</sup> Abby Ellin, “EPA Warehouse Has Secret ‘Man Caves,’” *ABC News*, June 6, 2013, <http://abcnews.go.com/blogs/business/2013/06/epa-warehouse-has-secret-man-caves/>.

<sup>49</sup> IBID.

<sup>50</sup> IBID.

or toured the warehouse prior to the Office of Inspector General raising concerns regarding the facility.<sup>51</sup>

At a time when average Americans are forced to tighten their belts and part ways with many luxuries like their own gym memberships, it is unacceptable that they are footing the bill for these kinds of clandestine luxuries and workplace time-wasters. Rather than pumping iron in secret hideouts, the EPA ought to be working double time to ensure taxpayers aren't being given the runaround.

## **FISCAL HEALTH TRAINING FOR LOCALS?**

### *The Irony of EPA Providing Tips on Financial Well-Being*

In 2014, Queensbury, New York and 17 other communities were selected to receive a free “Planning for Economic and Fiscal Health” workshop with Smart Growth America, a Washington, D.C.-based training and consulting firm.<sup>52</sup> A consultant from the firm travels to these lucky communities to conduct one or two-day training sessions about planning for future development. The training was funded through a federal EPA grant. In fact, Smart Growth America received \$330,000 from the EPA in 2013 alone and a total of \$3,536,316 since 2007.<sup>53</sup>

The other communities that received instructions in fiscal health from the nearly \$18 trillion-indebted federal government in 2014 included: Cedar Hill, Texas; Des Moines, Iowa; East Central Florida Regional Planning Council, Florida; Emmett, Idaho; Fort Peck Assiniboine/Sioux Tribes, Montana Green River, Wyoming; Hot Springs, Arkansas; Huntington, West Virginia; Indianapolis, Indiana; Kauai County, Hawaii; Kenosha County, Wisconsin; Memphis, Tennessee; Pasco County, Florida; Person County, North Carolina; Portsmouth, New Hampshire; Salisbury, Maryland; San Diego, California.<sup>54</sup>



Insightful takeaways on how to increase the financial well-being of cities included: “increasing tax revenues and reducing tax burdens; attracting new businesses; increasing the efficiency of the labor market; providing greater stability in times of uncertainty and rising energy costs; investing

---

<sup>51</sup> U.S. Environmental Protection Agency Office of Inspector General. Early Warning Report: Main EPA Headquarters Warehouse in Landover, Maryland, Requires Immediate EPA Attention. Report No. 13-P-0272. EPA OIG. Washington, D.C. 31 May 2013, p. 1, Print.

<sup>52</sup> Smart Growth America, Queensbury, NY hosts workshop for revitalizing town’s Main Street.”  
<http://www.smartgrowthamerica.org/2014/04/28/queensbury-ny-hosts-workshop-for-revitalizing-citys-main-street>.

<sup>53</sup> USA Spending.gov, Prime Award Spending Data, Smart Growth America, accessed May 5, 2015,  
[http://usaspending.gov/search?form\\_fields=%7B%22search\\_term%22%3A%22smart+growth+america%22%2C%22fyear%22%3A%5B%222013%22%5D%7D&sort\\_by=dollars&per\\_page=25](http://usaspending.gov/search?form_fields=%7B%22search_term%22%3A%22smart+growth+america%22%2C%22fyear%22%3A%5B%222013%22%5D%7D&sort_by=dollars&per_page=25)

<sup>54</sup> Environmental Protection Agency, “Building Blocks for Sustainable Communities,” accessed May 5, 2014,  
<http://www.epa.gov/smartgrowth/buildingblocks.htm#2013>.

public funds to stimulate private investment; increasing local capital circulation; providing a foundation for long term fiscal and economic health and competitiveness.”<sup>55</sup>

The irony of the EPA going out of its way to provide fiscal tips to communities is almost too rich to take. Notwithstanding any consideration of how much this does or does not fit within the mission of the agency, an agency focused on environmental health could take a hefty dose of “physician heal thyself.” Whether it’s the man caves, the faux-spy employees, or the warehouses full of waste, the EPA could use a little brush up on its own fiscal practices. Perhaps that should be the focus before they find new and inventive ways to squander hundreds of thousands of taxpayers’ dollars.

## **EPA DUMPS MONEY INTO STOPPING ILLEGAL DUMPING** *Spending Like this Doesn’t Even Pass the Smell Test*

The Environmental Protection Agency recently gave the city of Pharr, Texas a \$20,000 grant to develop a public outreach campaign to combat illegal dumping.<sup>56</sup> The outreach program, called “*Keeping Pharr Beautiful...Starts at Home*,” is bilingual, will be conducted by the Pharr Recycling Center, and seeks to reduce illegal dumping. The project is part of the EPA’s Border 2020 U.S.-Mexico Environmental Program, which in 2013 awarded over \$884,000 in grants to cities across the U.S.-Mexico border region to improve the sustainability of the environment.<sup>57</sup>

The purported goal is to increase the city’s overall beautification efforts through greater volunteer opportunities such as last year’s Operation Clean Sweep.<sup>58</sup> The city will also christen local residents as environmental stewards to prevent illegal dumping and improve the general beauty of the city.<sup>59</sup>

These are certainly laudable goals. Who can argue with local efforts to clean up trash, increase volunteerism, and make a particular urban area more beautiful? The real question is: whose responsibility is it? While the EPA has a mandate to protect human health and the environment, one is hard pressed to rationalize that into a justification for the EPA handing out hard-earned taxpayer dollars to ensure that the federal government gets to play garbage collector in every city across the country. There are state, regional and local illegal dumping prevention programs around the country. Clearly, given the nearly \$18 trillion in debt that is already trashing our fiscal future, federal funds cannot be used to fund them all. It’s too bad the EPA isn’t as interested in cleaning up its own act as handing out \$20,000 grants like these.

---

<sup>55</sup> Smart Growth America, “Tool: Planning for Economic and Fiscal Health,” accessed May 5, 2014, [http://www.smartgrowthamerica.org/wp/wp-content/uploads/planning\\_for\\_fiscal\\_and\\_economic\\_health4.pdf](http://www.smartgrowthamerica.org/wp/wp-content/uploads/planning_for_fiscal_and_economic_health4.pdf).

<sup>56</sup> City of Pharr Press Release, U.S. EPA, Border 2020 program Announces A Border Environmental Grant for the City of Pharr, February 4, 2014, <http://pharr-tx.gov/2014/02/04/u-s-epa-border-2020-program-announces-a-border-environmental-grant-for-the-city-of-pharr/>.

<sup>57</sup> IBID.

<sup>58</sup> IBID.

<sup>59</sup> IBID.

## A PORTRAIT OF (NO) FISCAL RESTRAINT

### *EPA Commissions a \$40,000 Portrait of Administrator*

We all know the old cliché that a picture is worth a thousand words. Well, at the EPA and other federal branches, agencies, and departments, that picture may well cost taxpayers as much as \$40,000.

The Environmental Protection Agency commissioned a nearly \$40,000 portrait of Administrator Lisa P. Jackson.<sup>60</sup> This pricey perk is an outdated tradition that has been maintained by the EPA and federal entities as a ceremonial rite of passage for outgoing Administrators and officials. Both political parties are guilty of this lavish use of taxpayer dollars. There was a similar commission for a \$30,000 portrait of former EPA Administrator Stephen Johnson.<sup>61</sup>

This archaic tradition and grandiose display of power has a long history, the breadth of which would likely surprise many citizens. It is often argued that official portraits for Presidents and other high held positions are not unusual and hold both historical and artistic importance. According to Ann Fader, president of Portrait Consultants in Washington, D.C., “these are done for future generations to see how we live now, and it’s really a tribute as well as part of a person’s legacy... It’s a tremendous privilege to paint a portrait of somebody as accomplished as these people.”<sup>62</sup>



Sadly, as the federal government continues to plummet further into debt, federal portrait seekers continue to paint the town with this practice on the taxpayer’s dime. For instance, the federal government spent at least \$180,000 for official portraits in 2011.<sup>63</sup> Thousands upon thousands of dollars are spent on paintings that are often hung deep inside the halls of federal buildings in Washington, D.C. and well beyond the public view. It is just as likely that, instead of immortalizing anything of historical significance, these portraits are more about bolstering egos. If we are to paint a portrait of a fiscal future that will be prosperous, wasteful spending like this has to stop. Federal taxpayer money should not be spent to immortalize federal bureaucrats and members of Congress.

---

<sup>60</sup> Jim McElhatton, “Picture This: Cabinet Portraits for Big Bucks,” *The Washington Times*, November 11, 2012, <http://www.washingtontimes.com/news/2012/nov/11/picture-this-cabinet-portraits-for-big-bucks/?page=1>.

<sup>61</sup> IBID.

<sup>62</sup> IBID.

<sup>63</sup> IBID.

## **EPA IN THE STATE CAPITAL BEAUTIFICATION BUSINESS** *Trashing our Fiscal Future while Greening State Capitals*

The Environmental Protection Agency has gotten into the beautification business with a program that provides federal dollars to help create, facilitate, and implement a “vision of environmentally friendly neighborhoods that incorporate innovative green infrastructure strategies.”<sup>64</sup> While the federal government continues to run in the red, the EPA’s “Greening America’s Capitals” program provides funds to state capitals to make their communities more eco-friendly.<sup>65</sup>

With the help of other agencies, the program is administered through the EPA’s Partnership for Sustainable Communities. The EPA states that the program was designed “to help support sustainable communities that protect the environment, economy, and public health and to inspire state leaders to expand this work elsewhere.”<sup>66</sup> To reach their goal of greener capital cities, the EPA hires a team of designers to visit the chosen cities and design a green city plan. The state capitals are treated to “schematic designs and exciting illustrations intended to catalyze or complement a larger planning process for the pilot neighborhood.”<sup>67</sup>

Since its inception, the EPA’s “Greening America’s Capitals” has spent nearly \$1.4 million on 17 cities.<sup>68</sup> The total cost to taxpayers for greening parts of capitals in Massachusetts, Connecticut, Missouri, West Virginia, and Arkansas was \$357,000 in 2010.<sup>69</sup> In 2011, \$378,000 federal dollars went to the beautification of cities like Washington, D.C. and Phoenix, Arizona, which received grants ranging between \$67,000 and \$79,000.<sup>70</sup> The tab taxpayers picked up for prettying state capitals in 2012 was only slightly cheaper at \$363,000 for Baton Rouge, Helena, Indianapolis, Des Moines, and Frankfort.<sup>71</sup> It was a bargain year in 2013, with only \$142,000 being spent in Wisconsin and Michigan.<sup>72</sup>



<sup>64</sup> Environmental Protection Agency, Greening America’s Capitals, <http://www.epa.gov/smartgrowth/greencapitals.htm>.

<sup>65</sup> IBID.

<sup>66</sup> IBID.

<sup>67</sup> IBID.

<sup>68</sup> Environmental Protection Agency, Internal Memo to Senator Flake’s Staff, EPA’s Greening America’s Capitals—Contract Award Amounts for 2010-2013.

<sup>69</sup> IBID.

<sup>70</sup> IBID.

<sup>71</sup> IBID.

<sup>72</sup> IBID.

To get an idea of what it looks like when federal dollars are spent to beautify a state capital, look no further than Phoenix's green projects. The city's "Greening Lower Grand Avenue" project placed 55 cement planters along the street. The EPA also encouraged a so-called "road diet" or, in layman's terms, a plan to increase traffic and congestion on Grand Avenue. The greening of Phoenix included reducing traffic lanes on Grand Avenue from five to three, with the added obstacles of new lovely gray planters and a bike lane.<sup>73</sup>

Apparently, the EPA's goal is some sort of perverse fiscal pump priming, with the hope being that state officials will expand their greening citywide and even statewide. No word yet on the willingness of state legislatures to spend their own money on creating sustainable eco-oases. Unfortunately, the EPA's Green America's Capitals project is just another form of community redevelopment that is not the role of the federal government. Frankly, if the definition of "green" is grey planters and increased traffic, it's time to prune this kind of spending from the budget.

## **(ERRONEOUS) BONUSES FOR ONE! BONUSES FOR ALL!** *EPA Wrongly Awarded More than Half a Million in Extra Pay*

It would seem the infamous John Beale (see *EPA'S Very Own Secret Agent Man!*) was not the only EPA employee receiving improper bonuses. It was recently uncovered that numerous EPA employees were paid inappropriate retention bonuses. Erroneous bonus payments, purportedly earmarked to "retain employees with unique qualifications," totaled \$667,376 between 2006 and 2013.<sup>74</sup> The EPA's justification of these types of bonuses is likely just as unique as the employees they are trying to retain. It's a pity EPA officials weren't as interested in retaining their fiscal credibility.



A report by the EPA Office of Inspector General (OIG) concluded that these bonuses, doled out to 13 EPA employees, did not comply with the Office of Personnel Management's (OPM) regulations or agency requirements.<sup>75</sup> Annual documentation was not provided for 10 of the employees that received them. EPA rules state that bonuses like these should be ended following a promotion.<sup>76</sup> At least one employee was apparently paid more than \$100,000 four years beyond the date of promotion.<sup>77</sup> Not only did these violate OPM policies but the statutory limits of government employees' salaries as well.<sup>78</sup> At least in terms of violating requirements, the EPA was getting a big bang for their buck.

<sup>73</sup> Carolyn Corcoran, "Grand Avenue implements planter project, enhances community," *Downtown Devil*, February 4, 2014.

<http://downtowndevil.com/2014/02/04/54392/grand-avenue-members-association-creates-adopt-a-planter-program/>

<sup>74</sup> Robin Bravender, "EPA: Beale was among many who were handed improper bonuses – IG," E&E News, May 2, 2014, <http://www.eenews.net/login?r=%2Feenewspm%2Fstories%2F105998945%2Fsearch%3Fkeyword%3DBeale%2Bwas%2Bamong%2Bmany%2Bwho%2Bwere%2Bhanded%2Bimproper%2Bbonuses%2B--%2BIG>.

<sup>75</sup> OIG Report, U.S. EPA, EPA Compliance With Retention Incentive Regulations and Policies, May 2, 2014, At a Glance, <http://www.epa.gov/oig/reports/2014/20140502-14-P-0245.pdf>.

<sup>76</sup> IBID, At a Glance.

<sup>77</sup> IBID, p. 8-9.

<sup>78</sup> Robin Bravender, "EPA: Beale was among many who were handed improper bonuses – IG," E&E News, May 2, 2014,

<http://www.eenews.net/login?r=%2Feenewspm%2Fstories%2F105998945%2Fsearch%3Fkeyword%3DBeale%2Bwas%2Bamong%2Bmany%2Bwho%2Bwere%2Bhanded%2Bimproper%2Bbonuses%2B--%2BIG>.

The revelations related to these inappropriate retention bonuses stem from our infamous employee-turned-CIA agent John Beale. As mentioned, Beale was found guilty of defrauding the agency of nearly \$900,000 - including bonuses from this policy. He was awarded a 25 percent retention bonus to be paid from 2000 to 2003, but ended up receiving it all the way through 2013. Beale's bonuses alone resulted in tens of thousands of taxpayers' dollars being paid to him each year. In fact, the bonuses Beale received pushed his salary above the government pay scale limits, making him the highest paid non-elected federal employee.<sup>79</sup> Say what you will about Mr. Beale, he was certainly unique – though it turns out not the kind of employee the EPA should have been trying to retain.

Interestingly enough, the OIG also found that it had committed overpayment. From 2006 to 2009, the OIG paid two employees more than \$60,000 in retention bonuses without any clear documentation to justify them.<sup>80</sup> Admittedly, the OIG found it was "...lacking internal controls to track, notify and automatically discontinue retention incentive pay if not properly authorized," and confused over requirements to review pay from year to year.<sup>81</sup> While the OIG does yeoman's work trying to keep the EPA on sound fiscal footing, in terms of inappropriate bonuses, taxpayers may need someone to watch the agency and then someone to watch the watchers that are watching the agency.

## **LITERALLY 'LEAVING NO TRACE' IN EPA'S OFFICES**

### *Preserving the Planet One Unused Square Foot at a Time*

We all know that the EPA is charged with preserving our environment, but when did it become their job to conserve the natural beauty of unused office space? A 2013 report by the EPA's Office of Inspector General (OIG) concluded that the EPA could save millions of dollars by simply leasing their unused space.<sup>82</sup>

Having begun to release unused space in 2007, the EPA has a bureaucratically slow process for releasing unneeded facilities while hundreds of thousands of square feet remain on the EPA's books and sit unused or under-utilized. According to the most recent OIG report, "At 13 of the 16 facilities reviewed, we estimated that EPA had 433,336



<sup>79</sup> U.S. Senate Committee on Environmental and Public Works Minority Staff Report, "EPA's Playbook Unveiled: A Story of Fraud, Deceit, and Secret Science," March 19, 2014, p. iv, [http://www.epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore\\_id=b90f742e-b797-4a82-a0a3-e6848467832a](http://www.epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=b90f742e-b797-4a82-a0a3-e6848467832a).

<sup>80</sup> Robin Bravender, "EPA: Beale was among many who were handed improper bonuses – IG," E&E News, May 2, 2014, <http://www.eenews.net/login?r=%2Feenewspm%2Fstories%2F105998945%2Fsearch%3Fkeyword%3DBeale%2Bwas%2Bamong%2Bmany%2Bwho%2Bwere%2Bhanded%2Bimproper%2Bbonuses%2B--%2BIG>.

<sup>81</sup> OIG Report, U.S. EPA, EPA Compliance With Retention Incentive Regulations and Policies, May 2, 2014, At a Glance, <http://www.epa.gov/oig/reports/2014/20140502-14-P-0245.pdf>.

<sup>82</sup> Environmental Protection Agency Office of Inspector General, "EPA Can Further Reduce Space in Under-Utilized Facilities, February 20, 2013, At A Glance, <http://www.epa.gov/oig/reports/2013/20130220-13-P-0162.pdf>.

square feet of under-utilized space as of February 2012...If all under-utilized space in our sample was marketable, we estimate EPA could save up to \$21.6 million annually by releasing under-utilized space.”<sup>83</sup>

In addition to apparently lacking a policy for when it should house contractors in its own facilities, the EPA doesn’t even know what it doesn’t know. The agency is unable to keep proper track of the property it uses and does not use. According to the OIG report, “EPA lacks accurate, current, and complete information on the number of personnel and usable square feet (USF) in its Strategic Lease and Asset Tracking Enterprise (SLATE) system for its GSA-owned/leased offices. As of April 2012, SLATE had incorrect personnel information for 13 of the 16 facilities sampled (81 percent), and 5 of 16 facilities sampled (31 percent) had incorrect information on USF.”<sup>84</sup> The OIG noted that the lack of some of this up-to-date and correct information stemmed from “sporadic and inconsistent” updating of SLATE reporting by the EPA.<sup>85</sup>

It is time that the EPA stop wasting taxpayer dollars for unused and under-utilized spaces which only add to the concrete jungle. Rather, the EPA could clean up its own environment by allowing this space to be rented or sold by the federal government, which could help generate needed revenues to pay down our nearly \$18 trillion national debt.

## **FALLING DOWN ON THE JOB...TRAINING**

### *EPA Adds to Duplicative Federal Jobs Training Programs*



The EPA has joined the federal government’s apparent strategy for solving unemployment: create more jobs for bureaucrats in Washington with duplicative and wasteful job training programs. While their mission is enforcing environmental laws, the agency has decided that it must also participate in workforce development with Environmental Workforce Development and Job Training (EWDJT) grants.

For fiscal year 2014, the EPA has announced that it will give away \$3.6 million for 18 EWDJT grants.<sup>86</sup> This initiative, part of the EPA Brownfields programs, provides grants to nonprofit organizations, workforce investment boards, and state and local governments to train individuals in skills related to environmental assessment and cleanup.<sup>87</sup> Running for two years now, its job training includes “land remediation, recycling, wastewater treatment, underground storage tank removal,” and other environmental projects.<sup>88</sup>

---

<sup>83</sup> IBID, At a Glance.

<sup>84</sup> Environmental Protection Agency Office of Inspector General, “EPA Can Further Reduce Space in Under-Utilized Facilities, February 20, 2013, At A Glance, <http://www.epa.gov/oig/reports/2013/20130220-13-P-0162.pdf> .

<sup>85</sup> IBID, At a Glance.

<sup>86</sup> Environmental Protection Agency, Grant Announcements, Brownfields and Land Revitalization, [http://www.epa.gov/brownfields/pilot\\_grants.htm](http://www.epa.gov/brownfields/pilot_grants.htm).

<sup>87</sup> IBID.

<sup>88</sup> Environmental Protection Agency, Environmental Workforce Development and Job Training, Brownfields and Land Revitalization, <http://www.epa.gov/brownfields/job.htm>

Here's the problem: this program adds to the nearly four dozen duplicative federal government job training programs that already exist. According to a 2011 GAO report, the federal government spent \$18 billion in 2009 on 47 duplicative job training programs across nine federal agencies.<sup>89</sup> And if the fact that these program were duplicative wasn't troubling enough, it turns out they are wasteful as well. GAO found no evidence that these job training programs are actually helping anyone find jobs.<sup>90</sup>

Even if you could point to a need for environmental job training specifically, the EPA's jobs training grants duplicate existing training programs already focused on so-called "green jobs" at other agencies. For example, the National Institutes of Health's National Institute of Environmental Health Sciences (NIEHS) administers the Hazardous Waste Worker Training Program that trains workers in occupational safety and health training for activities related to hazardous waste removal, containment, or chemical emergency response.<sup>91</sup> Additionally, the Minority Worker Training Program, also administered by the NIEHS, offers training in environmental restoration or hazardous materials fields for young people<sup>92</sup> and is duplicative to the EWDJT. The Nuclear Worker Training Program is a joint NIEHS and Department of Energy (DOE) program that focuses on training for jobs related to environmental restoration, waste treatment, and emergency response for DOE nuclear weapons complexes.<sup>93</sup> The NIEHS Hazmat Disaster Preparedness Training Program also teaches current hazardous materials workers and chemical responders how to train other response workers to handle national disaster situations.<sup>94</sup>

Unfortunately, there is little incentive for the EPA to put these programs into retirement. For fiscal year 2014, Congress kept all 47 duplicative job training programs on the books and only defunded five.<sup>95</sup> One thing is clear: taxpayers are going to have to dig into the want ads if they are to find anyone with some fiscal sense when it comes to federal jobs training waste and duplication.

## **WASTING FUNDS FASTER THAN A SPEEDING LOCOMOTIVE** *Concerns Raised on EPA Spending for Train Refurbishing*

The EPA must feel like it missed its stop after it cannot account for almost \$9 million in funds purportedly spent to create jobs and reduce air pollution in southern California. Following the financial crisis, the EPA doled out taxpayers' money to the California Air Resources Board

---

<sup>89</sup> Government Accountability Office, "Multiple Employment and Training Programs, Providing Information on Collocating Services and Consolidating Administrative Structures Could Promote Efficiencies, January 2011, Executive Summary, <http://www.gao.gov/new.items/d1192.pdf>.

<sup>90</sup> IBID.

<sup>91</sup> National Institute of Environmental Health Sciences, Hazardous Waste Worker Training Program, <http://www.niehs.nih.gov/careers/hazmat/programs/hwwt/index.cfm>.

<sup>92</sup> National Institute of Environmental Health Sciences, Minority Worker Training Program, <http://www.niehs.nih.gov/careers/hazmat/programs/mwt/index.cfm>.

<sup>93</sup> National Institute of Environmental Health Sciences, NIEHS/DOE Nuclear Worker Training Program, <http://www.niehs.nih.gov/careers/hazmat/programs/doe/index.cfm>.

<sup>94</sup> National Institute of Environmental Health Sciences, Hazmat Disaster Preparedness Training Program, <http://www.niehs.nih.gov/careers/hazmat/programs/hdpt/index.cfm>.

<sup>95</sup> Congressional Research Service, Data Set Collection, Sent Via Email to Staff.

(CARB) to refurbish locomotive trains in 2009. A new internal report found that this project could not prove that it reduced pollution or created any jobs.<sup>96</sup>

The grant, provided as part of so-called stimulus funding, sought to reduce toxic emissions of eight locomotives by up to 90 percent. The EPA's Office of Inspector General (OIG) found that no records were kept and CARB could not prove that any emissions were actually reduced.<sup>97</sup> While the partnered railroad company claimed they met the standards of the contract, the OIG report found that CARB's handling of this grant "disclosed material weakness in... compliance with laws, regulations, and the terms and conditions of the cooperative agreement."<sup>98</sup> In fact, despite the agreement, none of the existing engines that were remanufactured as old polluting engines were allowed to be moved out of state - only shifting the problem. Unfortunately, CARB simply waved off these concerns and claimed that providing accurate emissions data would be "cost-prohibitive" to the railroad companies.<sup>99</sup> The report also revealed that it was impossible to track any jobs being produced as a result of the project. While the railroad provided the number of man hours needed to complete the project, no proof was provided showing that any new jobs were actually created from the federal dollars allocated.<sup>100</sup>

In the end, the OIG determined that CARB should return over \$8 million of federal funds used for this project - almost the entire grant allocated.<sup>101</sup> This is certainly not the only wasteful spending to be associated with stimulus projects, but it never gets easier to learn of taxpayer dollars being squandered like a runaway freight train. Certainly, it is hoped that the EPA will get "all aboard" with the kinds of oversight and spending controls critical for fiscal discipline.



<sup>96</sup> Phillip Swarts, "IG questions EPA stimulus spending on train refurbishing in California," The Washington Times, March 11, 2014, <http://www.washingtontimes.com/news/2014/mar/11/ig-questions-epa-stimulus-spending-on-train-refurb/>.

<sup>97</sup> OIG Report, "U.S. EPA, Unless California Air Resources Board Fully Complies with Laws and Regulations, Emission Reductions and Human Health Benefits Are Unknown," March 6, 2014, At A Glance, <http://www.epa.gov/oig/reports/2014/20140306-14-R-0130.pdf>.

<sup>98</sup> IBID, At A Glance.

<sup>99</sup> Phillip Swarts, "IG questions EPA stimulus spending on train refurbishing in California," The Washington Times, March 11, 2014, <http://www.washingtontimes.com/news/2014/mar/11/ig-questions-epa-stimulus-spending-on-train-refurb/>.

<sup>100</sup> IBID.

<sup>101</sup> IBID.

## **EPA SCIENTIST'S SALARY? MAKE IT A DOUBLE**

### *Questions Asked about Potential Abuse of Federal Pay Scale*

Apparently it could pay for taxpayers if we look a little more closely at EPA employees' pay stubs. The EPA has been put on notice for potentially abusing the federal pay scale for salaries of almost two dozen employees.

Under normal circumstances, the salary of regular federal workers is limited to no more than \$130,000.<sup>102</sup> However, under a program meant for the Department of Health and Human Services (HHS), the EPA began hiring above this rate.<sup>103</sup> Starting in 2004, under a Title 42 program, HHS was allowed to offer increased salaries to specialized scientists to conduct research. Following the successful hire of some 7,000 to 8,000 of these highly paid employees at HHS, the EPA followed suit with almost two dozen of their own.<sup>104</sup> To justify these highly paid hires, the EPA claims shared oversight responsibilities of pesticides with HHS. Not only has this led to ballooning budgets for federal pay, but it risks spreading the practice of putting salaries on steroids under the Title 42 program to other agencies.<sup>105</sup> This is no idle threat to the Treasury; some salaries under this program have been as high as \$350,000.<sup>106</sup>

While the EPA claims to have the authority to double down on wages, the agency has received recriminations over its remunerations. The EPA Office of Inspector General (OIG) announced it would look into these possible abuses of the Title 42 hiring authority. Intended for rare use, there are now thousands of employees breaking previous salary caps. With virtually no oversight of this program, the total waste is unknown. As if increased salaries weren't enough, the OIG has also flagged potential ethical issues. They found both a lack of ethical guidelines and that employees were allowed to own stock in companies affected by their research.<sup>107</sup> While the OIG continues to look into this issue, the EPA should dial back on the dialing up of employee's salaries.



---

<sup>102</sup> Phillip Swarts, "Golden Hammer: Agencies Stock Up on Scientists with Superpay," *The Washington Times*, April 3, 2014, <http://www.washingtontimes.com/news/2014/apr/3/golden-hammer-agencies-stock-up-on-scientists-with/?page=all#pagebreak>.

<sup>103</sup> IBID.

<sup>104</sup> IBID.

<sup>105</sup> IBID.

<sup>106</sup> IBID.

<sup>107</sup> IBID.

## **BOOKING TIME WITH THE ENVIRONMENT...IN A HOTEL** *EPA Spends Thousands on Overnight Stays*

While the national debt clock keeps ticking upwards faster than anyone count, the EPA is planning to spend more than \$40,000 to put up employees in a swanky hotel to attend a conference this fall.

Since 1994, the EPA has awarded grants totaling more than \$24 million to promote its program focused on environmental justice.<sup>108</sup> As a federal advisory committee of the EPA, the National Environmental Justice Advisory Council hosted this year's environmental justice meeting starting in October with the stated purpose of elaborating on the program's goals. Taxpayers had to foot the bill to help educate EPA workers so they better understand the advisory committee's recommendations. The EPA-sponsored conference will end up costing the taxpayers more than \$40,000 for employees to stay at the hotel, using the government per diem rate of \$219.<sup>109</sup>



The agency has rented rooms in a lavish hotel for almost an entire month for employees to attend this conference focused on the agency's "lack of cultural competency" and the "lack of trust" that they think hinders environmental justice around the country.<sup>110</sup> It's too bad the EPA doesn't seem as concerned with taxpayers' lack of trust due to the EPA's spending habits.

---

<sup>108</sup> United States Environmental Protection Agency, *Environmental Justice Small Grants Program*, <http://www.epa.gov/environmentaljustice/grants/ej-smgrants.html>.

<sup>109</sup> Elizabeth Harrington, *The Washington Free Beacon*, June 27, 2014, <http://freebeacon.com/issues/epa-spending-more-than-40000-on-hotel-for-environmental-justice-conference/>.

<sup>110</sup> IBID.