

WRITTEN TESTIMONY OF THE HONORABLE DAVID VITTER  
RANKING MEMBER, ENVIRONMENT AND PUBLIC WORKS COMMITTEE  
BEFORE THE  
HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
“MANAGEMENT FAILURES: OVERSIGHT OF EPA”  
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Chairman Issa, Ranking Member Cummings – thank you for inviting me to testify before your Committee today about Management Failures: Oversight of the EPA. As the Ranking Member of the Senate Environment and Public Works Committee, I have a responsibility to oversee the Environmental Protection Agency (EPA). Unfortunately, under the current leadership in the Senate, our committee has yet to hold a single oversight hearing on this matter – contending that a perfunctory Member’s briefing was sufficient. That is why your work and your efforts are incredibly important. While there are some serious policy debates about the Agency and its role in regulating our energy supply, that is not what I am here to discuss or what today’s hearing is about. Rather, my testimony will focus on my work over the last year that has uncovered what appears to be a systematic breakdown in EPA operations that have wasted millions of taxpayer dollars. I am pleased to have this opportunity today to share my findings alongside my colleague from the Environment and Public Works Committee.

In July 2013, I was contacted by a whistleblower who described serious and systematic time and attendance problems at the EPA. Some of these problems involved situations where senior EPA managers discouraged remedial action against chronic offenders because it was easier to ignore the problem than fix it. Based on this information I requested the EPA’s Office of Inspector General (OIG) brief me on the time and attendance problems they were investigating at the Agency. I was expecting an account of the instances reported by the whistleblower, but instead I learned the bizarre tale of John Beale – the fake CIA agent who pled the 5<sup>th</sup> in this hearing room.

When we made the Beale saga public, I was aware of the underlying symptoms of abuse going on at the Agency. Therefore, it was immediately apparent to me that the Agency's claim that Beale was a "lone wolf" was completely false and that anyone who argued he was a solo actor was glossing over the truth. Since then, I have been focused on uncovering the circumstances and management weaknesses that allowed Beale's fraud to continue for so long – literally for decades. These management failures have facilitated wasting millions upon millions of taxpayer dollars and undermined congressional oversight.

In August 2013, I requested the OIG immediately launch an investigation into the Agency's policies and process that facilitated Beale's fraud, and to make recommendations to ensure this never happens again. When the OIG issued reports in December 2013 on Beale's travel and pay issues, the findings were scant and prompted more questions, such as who knew or should have known what Beale was up to and when did they first have reason to believe Beale was defrauding the Agency. So I asked the OIG to "show their work." My staff then poured through all of the OIG's supporting documentation and interview notes in hopes of answering these key questions. The results of our review were the subject of a series of memoranda issued in February and March of this year, which are attached to my written testimony today.

The key findings of these memoranda include:

1. Beale could not have accomplished his massive fraud without assistance, knowingly or unknowingly, from former and current EPA officials who have not been held accountable.
2. One of the key facilitators of Beale's fraud was Deputy Administrator Perciasepe, who signed key documents and contributed to the delay in reporting Beale to the OIG.

3. The timeline offered by EPA and the OIG that concluded Administrator McCarthy was the first person to report suspicions of Beale is suspect.
4. Other EPA employees had an opportunity to be proactive and should have done more to prevent the fraud, but chose to defer to senior officials rather than report their concerns to the OIG.

In addition to these memoranda, my investigation went beyond Beale's monetary fraud and uncovered a plethora of questionable, but lasting, policymaking decisions Beale made during his tenure at EPA, which were detailed in a Committee report issued in March titled *EPA's Playbook Unveiled: A Story of Fraud, Deceit and Secret Science*.

I acknowledge Beale's fraud stretched through several Administrations, both Republican and Democratic, and that it is easy to second guess their actions with the benefit of hindsight. However, this does not change the fact that many individuals at EPA had knowledge, or were willfully ignorant, of Beale's ongoing fraud. These individuals have never been held accountable. I also accept that not every EPA employee is a bad apple and that we have dedicated public servants working long hours to protect our air and our water. However – when an agency is in the process of aggressively expanding its jurisdiction and regulating something as significant as our energy supply, they have a keen responsibility to make sure that their own house is in order. Regretfully, EPA's house is not.

Aside from the case of Beale, I have learned more about the dysfunction of the EPA – again – thanks to courageous whistleblowers. As an example, a whistleblower informed my staff that there was a dispute between the Office of Homeland Security and the OIG. When I learned of the dispute, I was immediately struck by the “coincidence” that the same actors who delayed providing the OIG with critical information about Beale were the same individuals involved in an altercation with the OIG investigator. We now know there are

additional instances where EPA employees refused to cooperate with OIG investigations, and received no reprimand. I understand that as recently as yesterday – this issue remains unresolved.

Because of our joint efforts, a veil has been pulled back revealing that wasted taxpayer resources and mismanagement permeates the Agency. Given that much of our efforts to uncover waste, fraud, and abuse at the Agency derive from the voice of undaunted whistleblowers, I encourage additional concerned EPA staff to come forward at any juncture. We can work together to reform and rehabilitate the troubled agency. As my testimony today demonstrates – representatives in Congress do listen and do take action based on information you provide.

In closing, I would like to commend this Committee for taking issues of waste, fraud, and abuse at the EPA seriously and for holding today's hearing. I believe that as Congressional investigators, many of you instinctively knew that there was more to the story than what the Agency represented to the public and Congress. Those instincts were correct. John Beale and his crimes were just the tip of the iceberg.