

Fw: Property Questionnaire_Larry Fisher_111805_V2.doc
LarryF Fisher to: Douglas Barrett

11/29/2005 02:50 PM

FYI

— Forwarded by LarryF Fisher/RTP/USEPA/US on 11/29/2005 02:49 PM —

LarryF
Fisher/RTP/USEPA/US
11/28/2005 03:23 PM

To Pendergrast Kesha <pendergrast_kesha@bah.com>
cc LarryF Fisher/RTP/USEPA/US@EPA
Subject Re: Property Questionnaire_Larry Fisher_111805_V2.doc

Harry Richardson
Rick Lloyd

Hi Kesha,

My input regarding our OMB Circular A-123 interview is as follows. Thanks.

Larry

On November 18, 2005, you conducted an OMB Circular A-123 interview for Booz Allen Hamilton regarding EPA's internal equipment controls. In question 45 of that interview, I stated that the agency's controls were fairly sound simply because I did not have the time nor the energy to, once again, detail the accounting control weaknesses that I have consistently reported to EPA's managers over the past 8 years. Management has been apprized of other serious accounting weaknesses involving EPA's Working Capital Fund. These accounting deficiencies were addressed by intentionally hiding them and eliminating the accountants and accountant managers who exposed them.

EPA has ostracized me from all management level meetings because of the following internal control weaknesses that I have reported and questioned: Equipment - 1920's style worksheets and Lotus spreadsheets to record and account for all equipment transactions, \$500,000 to \$1,000,000 in monthly adjustments just to get the equipment statements to reconcile, unlimited opportunities to defraud the agency of its assets, and accounting technician (green eye shade) solutions to very basic accountant-related problems. Working Capital Fund (WCF) - The WCF process replicates a 3-foot long programmer flow chart that was never questioned or explained, lacks the most basic documentation, defies accounting logic, possesses no internal accounting controls, includes depreciation rates that are routinely modified to fit the whims of the WCF staff, and year-end profit and loss totals that are adjusted as needed. In one fiscal year, the WCF staff mysteriously changed a \$7 million dollar deficit into a \$3 million dollar surplus. The WCF monthly accrual process, like the other processes, defy explanation, and are used simply because they exist.

OMB Circular A-123 revolves around a single basic premise. That is, each agency management team is responsible for developing and maintaining effective internal accounting

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controls to ensure the integrity of the their respective agency accounting and budgeting data. The Cental Agencies' management team (General Accountability Office, Office of Management and Budget, and Treasury Department) establishes the government-wide accounting standard and financial system internal controls that drive each of the agency-level processes. Because these processes are very complex, government managers should possess the technical college accounting and computer science degrees needed to identify and address internal accounting and system-related control weaknesses. Since no such educational standard exists, agency-level managers are not in a position of addressing their own specific agency accounting control deficiencies or effectively critiquing the bizarre and flawed Central Agency accounting and financial system standards.

My input regarding your interview is that EPA should not be considered to be in compliance with OMB Circular A-123 until they address the accounting control deficiencies that I have identified in paragraph 2, above. If there are any questions regarding this memo, I can be contacted on 919-541-4790

Pendergrast Kesha <pendergrast_kesha@bah.com>



Pendergrast Kesha
<pendergrast_kesha@bah.com>

11/18/2005 02:02 PM

To LarryF Fisher/RTP/USEPA/US@EPA

cc

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Hi Larry,

Thank you for your time and feedback last week during the property interview. Based on your feedback, I have attached my draft notes from our discussion for your review and feedback. Please review the attached document and let me know if there are areas where I may have inadvertently misstated your comments, omitted information, or if there are any additional thoughts you think should be included. Please review the notes as I may have inadvertently omitted key information or misstated key information and provide feedback to the overall questionnaire within 5 business days from receipt, I would greatly appreciate it.

If you have any questions or need to reach me, please feel free to contact me at 703-377-6497.

Thanks again for your assistance.

Regards,



Kesha Property Questionnaire_Larry Fisher_111805_V2.doc

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