

Congress of the United States

House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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September 27, 2013

Hon. Eugene Dodaro
Comptroller General
U.S. Government Accountability Office
441 G St., NW
Washington, DC 20548

Dear Mr. Dodaro,

As you know, a former career employee at the Environmental Protection Agency has plead guilty to a series of charges that represent an expensive fraud against the agency and the United States. Though the story has a number of facets, including a scam that he would be away from the agency for periods of time due to his work for the Central Intelligence Agency, an important element of his fraud related to abuse of the retention incentive package program. In fact, for 23 of his 24 years with EPA, Mr. Beale received a 25% annual retention bonus.

These “retention bonuses” are an important tool for the government to retain the services of key staff who might otherwise leave public service in pursuit of higher pay or better conditions. The program allows for up to a 25% “bonus” on an employee’s base pay, which is a substantial incentive to stay with the government. According to the EPA Inspector General, at EPA a bonus is supposed to end after three years. There are specific requirements from the Office of Personnel Management, and EPA, regarding the kind of documentation required to justify such a retention package. The Inspector General found that the records for Mr. Beale were far from complete.

In the case of Mr. Beale, he was twice put in for a retention bonus—in 1990 and again in 2000 when he was moved from the GS15 level he had been hired at to a Senior Level executive appointment. In both cases once the bonus was put in place, it was never terminated. Mr. Beale received his bonus for 23 consecutive years. In neither case did the Inspector General at EPA find documentation showing that Mr. Beale had a legitimate job offer to justify the retention package.

While it was wrong for Mr. Beale to continue to receive the retention bonus after three years without seeking to end it, and it may have been wrong for him to seek it in the first place, it is also shocking that EPA could make such mistakes in the first place. Mr. Beale was able to abuse the system because the system appears to have been badly managed at the agency. Based on what was found in this extraordinary case, the EPA Inspector General is concerned enough that they are doing a broader audit of the retention incentive program at EPA.

I would ask that you undertake a review of the use of this program at other government agencies. Specifically, I believe you should look at its use at the Departments of Energy and Commerce to ensure that the appropriate safeguards are in place. I would encourage you to consider expanding this survey to check other agencies as well and ask that you discuss the scope of this work with my staff.

Mr. Beale's case is astonishing precisely because it is so unusual. Gifted con artists are rare, but administrative mistakes are all too common. If agencies are routinely mismanaging retention incentive programs, it is possible that millions of dollars are at risk. I seek your help to insure that taxpayer resources are protected from such abuse.

Sincerely,



EDDIE BERNICE JOHNSON

Ranking Member

Committee on Science, Space, & Technology