

**OPENING STATEMENT OF  
GINA McCARTHY  
ADMINISTRATOR  
U.S. ENVIRONMENTAL PROTECTION AGENCY  
BEFORE THE  
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
U. S. HOUSE OF REPRESENTATIVES**

**June 25, 2014**

Chairman Issa, Ranking Member Cummings, and members of the Committee, thank you for the opportunity to testify today. It is an honor to serve as Administrator of the United States Environmental Protection Agency (EPA). The EPA's mission, to protect human health and the environment, is important to every one of us, and our families, and I understand and greatly appreciate this Committee's keen interest in the EPA's work.

In order to best achieve EPA's mission, one of the themes for my tenure as Administrator has been "embracing EPA as a high performing organization." This means using our limited resources effectively, supporting our talented and dedicated workforce so that EPA employees have the tools they need to do the important work we ask of them every day, and ensuring that the Agency continues to rely on a faithful application of the law and science.

Effective oversight is an important assurance that the Agency's work remains faithful to its mission and mandates. In support of Congressional oversight, the EPA works daily to respond to letters and various requests for information from this Committee and others. Over the last six months, the EPA has produced thousands of documents -- tens of thousands of pages -- to this Committee alone. Cooperation with our overseers is not just EPA's policy, but is, and has always been, part of EPA's culture.

EPA employees have also provided extensive information and support to facilitate the oversight work of EPA's Inspector General. The Inspector General plays a special role in helping me to ensure the Agency is operating at its best, and I, along with my entire leadership team, remain committed to supporting the important work of that office to prevent, detect and correct any fraud, waste, or abuse in Agency programs or operations.

The responsible and accurate reporting of time and attendance Agency-wide has been a significant focus for both the EPA and our Inspector General. Through investigations of the conduct of John C. Beale, the former EPA employee who defrauded the Agency and is now serving time in jail, we identified several weaknesses in Agency systems that allowed that fraud to occur and persist.

In December 2013, the EPA released its *Report of Evaluation and Corrective Actions* related to that case. Based on those findings, EPA has taken extensive steps to ensure this type of fraud cannot be repeated. In April, the EPA completed a broader analysis entitled *Report on Internal Control Assessments of EPA's Sensitive Payment Areas*. This 50+ page report used an assessment process informed by the Government Accountability Office's *Standard for Internal Controls of the Federal Government* to analyze seven key areas: Executive Payroll Approvals, Employee Departures, Statutory Pay Limits, Parking and Transit Subsidy, Retention Incentive, Travel Reimbursements Above the Per Diem Rate, and Executive Travel Approval.

It is also important to note that even though John Beale has been criminally prosecuted and is currently serving time in jail, the Agency continues to seek restitution for the fraud he perpetrated against the Agency and the taxpayer. In addition to the \$1.4 million recovered from Mr. Beale during the criminal process the Agency is seeking to recover costs related to unwarranted retention incentives, fraudulent travel costs, and we are working with the Office of Personnel Management to lower his retirement annuity.

Eliminating waste fraud and abuse is critically important to me for two key reasons: First, as Administrator, I believe it is my obligation to provide the leadership and stewardship needed to ensure we grow the kind of organization that the dedicated, hardworking, professional public servants at EPA deserve: I am proud of them, and I want each of them to be proud of EPA.

And second: Because the work we at EPA have to do is so important. The health and environmental protections we administer benefit every person in the United States, strengthen our economy, and preserve our environmental resources for generations to come. We do this work with public trust and public resources, and we cannot afford to fail.

Nowhere is that more true than in our work to address climate change. Climate change is one of our greatest challenges, indeed, one of the greatest challenges of our time. It already threatens human health and welfare and economic well-being, and without decisive action, it will have devastating impacts on the United States and the planet.

The science is clear. The risks are clear. And the high costs of climate inaction are clear. We must act. That's why President Obama laid out a Climate Action Plan and why on June 2, I signed the proposed Clean

Power Plan -- to cut carbon pollution, build a more resilient nation, and lead the world in our global climate fight.

EPA's proposed Clean Power plan is a critical step forward. It will cut hundreds of millions of tons of carbon pollution and hundreds of thousands of tons of other harmful air pollutants. Together these reductions will provide important health benefits to our most vulnerable citizens, including our children.

The EPA's stakeholder outreach and public engagement in preparation for this rulemaking was unprecedented. We held eleven public listening sessions around the country. We participated in hundreds of meetings with a broad range of stakeholders, and we talked with every state. Our plan is built on advice and information from states, cities, businesses, utilities, and thousands of people about the actions they are already taking to reduce carbon dioxide emissions.

All told, in 2030 when states meet their individual goals through their own flexible compliance path, our proposal would result in about 30 percent less carbon pollution from the power sector across the United States, as compared with 2005. That is 730 million metric tons of carbon dioxide out of our air. In addition, we will cut pollution that causes smog and soot by 25

percent. The first year that these standards go into effect, we'll avoid up to 100,000 asthma attacks and 2,100 heart attacks -- and those numbers go up from there.

In 2030, the Clean Power Plan will deliver climate and health benefits of up to \$90 billion dollars. And for soot and smog reductions alone, that means for every dollar we invest in the plan, families will see \$7 dollars in health benefits. And because energy efficiency is such a smart, cost-effective strategy, we predict that, in 2030, average electricity bills for American families will be 8 percent cheaper.

This is the kind of remarkable progress we can make when we have forward-looking policy, engaged stakeholders, and a high-functioning EPA.

I look forward to answering any questions you may have.