



The Commonwealth of Massachusetts
Office of the Inspector General

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December 20, 2010

Commissioner Laurie Burt
Department of Environmental Protection
One Winter Street
Boston, MA 02108

Dear Commissioner Burt:

Thank you for the Department of Environmental Protection's (DEP) response of October 14, 2010 regarding the Office of the Inspector General's (OIG) request for information concerning KPMG LLP's August 2009 "Readiness Assessment" for compliance with the requirements under the American Recovery and Reinvestment Act (ARRA).

Your responses indicate your agency's understanding of the accountability and transparency mandates of ARRA as expressed in KPMG's findings and recommendations. We appreciate DEP's willingness to cooperate with our staff, and we commend your agency for taking the initiative to accept and implement KPMG's recommendations.

As a follow up to your October 2010 letter, the OIG would like to offer the following comments:

In response to the KPMG issue "Fraud, Waste, and Abuse (Prevention, Detection, and Response)," you stated that, "The EPA Office of the Inspector General has developed fraud, waste, and abuse prevention, detection, and reporting program plans that are specific to the SRF [state revolving fund] program, and on April 30, 2009, conducted EPA SRF Webcast Training on ARRA fraud prevention, which was attended by MassDEP staff."

The OIG suggests that, if not already done, the referenced fraud, waste and abuse program be made part of an on-going agency-wide effort consisting of periodic staff training, risk assessments, compliance reviews, selected audits or reviews, and

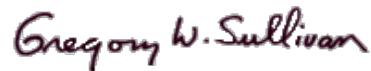
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other prevention and detection protocols. This program could be managed by in-house staff with the cooperation and support of both state and federal oversight agencies.

As you know, the prevention of fraud, waste, and abuse must be a continuous effort that is made a part of everyday programmatic activity. Prevention activity should not be a one-time effort. The incorporation of these preventative measures into every major agency practice will also ensure heightened awareness to fraud risks, as well as create a proactive approach for dealing with potential issues of fraud, waste, and abuse. We encourage you to continue to implement and maintain the recommendations put forth in KPMG's "Readiness Assessment."

If you have any questions or concerns, please contact Deputy Inspector General Neil Cohen at (617)722-8819. Again, thank you for your cooperation and assistance in this matter.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The signature is written in a cursive, slightly slanted style.

Gregory W. Sullivan
Inspector General

cc: Doug Rice, MA Recovery and Reinvestment Office
Peter Scavotto, Office of the State Comptroller