

Semiannual Report to Congress: April 1, 2024–September 30, 2024

Published November 2024

OIG Report No. 25-N-0003

EPA Publication No. 350-F-24-0002



Index of Inspector General Act Semiannual Reporting Requirements

Requirement	Subject	Addressed in
Section 5(a)(1)	Description of significant problems, abuses, and deficiencies relating to programs and operations and associated reports and recommendations for corrective action	Section 2.1
Section 5(a)(2)	Identification of each recommendation made before the reporting period for which corrective action has not been completed and potential cost savings associated with the recommendation	Section 1.4 and Appendix 3
Section 5(a)(3)	Summary of significant investigations closed during the reporting period	Section 2.2
Section 5(a)(4)	Identification of the total number of convictions during the reporting period resulting from investigations	Section 3.1
Section 5(a)(5)	A list identifying each audit, inspection, or evaluation report issuing during the reporting period; along with the total value of questioned costs (to include unsupported costs); total value of recommendations that funds to put to better use; and whether a management decision had been made by the end of the reporting period	Appendix 1
Section 5(a)(6)	Information regarding any management decision made during the reporting period with respect to an audit, inspection or evaluation report issued during a previous reporting period	Appendix 2
Section 5(a)(7)	Information described under section 804(b) of the Federal Financial Management Improvement Act of 1996	Section 1.4
Section 5(a)(8–10)	Information with respect to peer reviews conducted	Appendix 5
Section 5(a)(11–12)	Statistics on investigative reports, referrals, prosecutions, and indictments	Section 3.1
Section 5(a)(13)	Information with respect to substantiated investigations involving senior government employees	Section 2.2 and Appendix 4
Section 5(a)(14)	Information with respect to instances of whistleblower retaliation	Section 2.3
Section 5(a)(15)	Detailed description of any establishment attempts to interfere with OIG independence; summary of each report made to the agency head under Inspector General Act section 6(c)(2)	Section 2.3
Section 5(a)(16)	Detailed description of closed audits, inspections, and evaluations, as well as of closed investigations involving senior employees, not disclosed to the public	Section 2.1 and Appendix 4

Source: Inspector General Act of 1978, as amended.

Abbreviations

C.F.R.	Code of Federal Regulations
CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
GS	General Schedule
IIJA	Infrastructure Investment and Jobs Act
IRA	Inflation Reduction Act
OIG	Office of Inspector General
Pub. L.	Public Law
SRF	State Revolving Fund
U.S.C.	United States Code

Cover Image

From top to bottom: School buses; imagery depicting fraud reporting and whistleblowing; and soda ash silos and intake pumps at O.B. Curtis Water Treatment Plant in Jackson, Mississippi. (EPA OIG images)

Are you aware of fraud, waste, or abuse in an EPA or CSB program?

EPA Inspector General Hotline

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OIG.Hotline@epa.gov

Learn more about our [OIG Hotline](#).

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Message to Congress

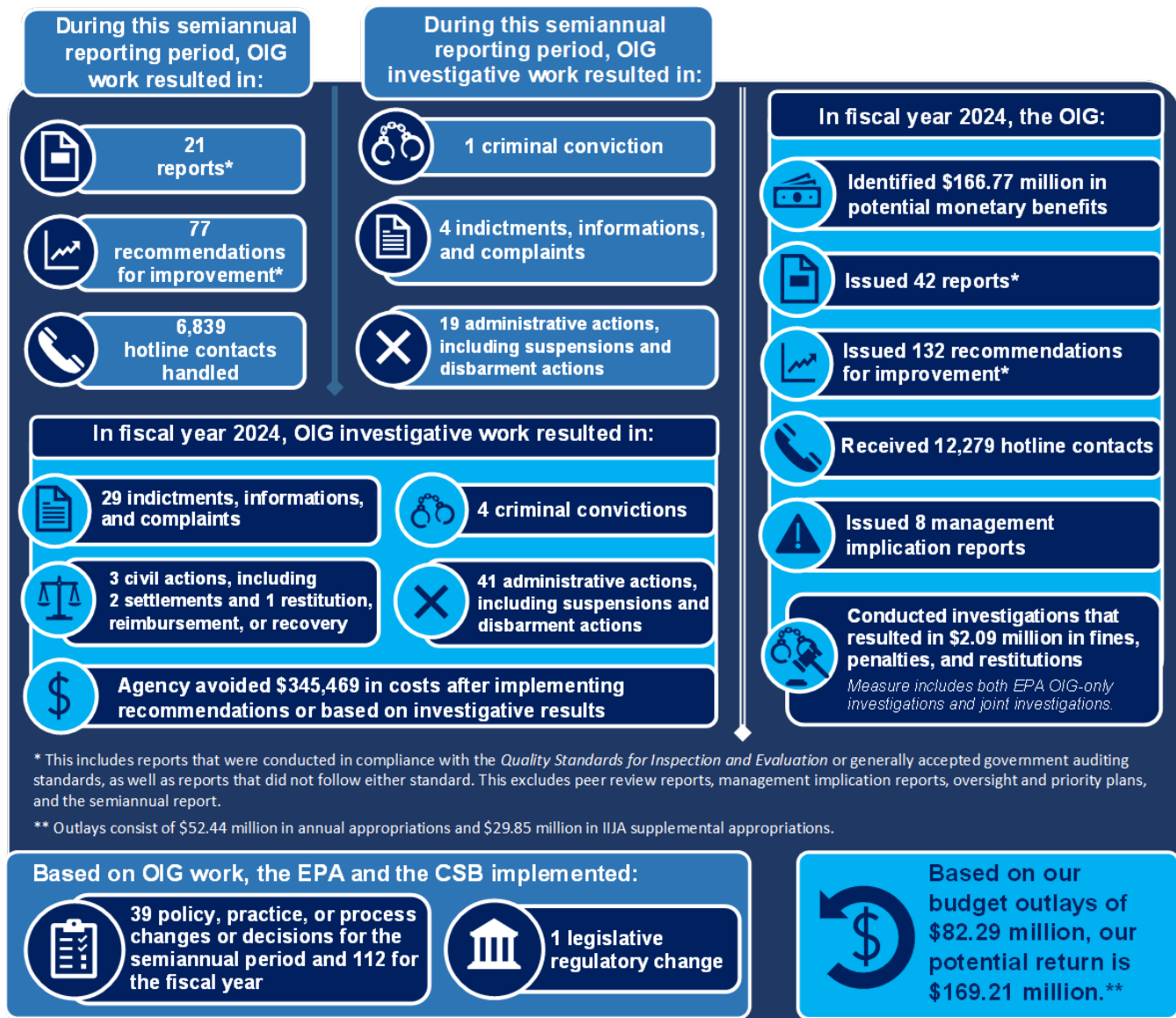
On behalf of the U.S. Environmental Protection Agency Office of Inspector General, I am pleased to present our Semiannual Report to Congress. This report summarizes our work and accomplishments from April 1 through September 30, 2024. Our staff of dedicated oversight professionals provided independent, objective, and evidence-based oversight of the EPA and the U.S. Chemical Safety and Hazard Investigation Board, delivering a strong return on investment, identifying over \$2 in fraud, waste, and abuse for every \$1 provided by Congress, and pinpointing areas where the EPA can improve its operations and savings moving forward.



Sean W. O'Donnell

Providing Infrastructure Investment and Jobs Act and Inflation Reduction Act Oversight. During this semiannual period, we continued providing effective oversight of the EPA's implementation of more than \$60 billion from the Infrastructure Investment and Jobs Act, or IIJA. In May 2024, we issued our [IIJA Oversight Plan—Year Three](#). This document outlines our ongoing and planned IIJA oversight work, including several projects related to state revolving funds, or SRFs, which will receive more than 70 percent of the EPA's IIJA appropriation. Altogether, we issued 11 IIJA-related oversight products, which can be found on our [IIJA website](#). Among other important findings, these reports highlighted the Agency's issues with data reliability in its allocation of funding for lead service line replacement; its failure to track Build America, Buy America Act waivers; and its need for improved internal controls in the Clean School Bus Program. We also raised a significant concern regarding mandatory state audits of SRFs after discovering that at least nine states did not provide audit reports for their SRF programs. Without these audits, the risk of fraud, waste, and abuse increases for about \$13 billion in total assets, as well as nearly \$4.7 billion the EPA plans to award to these states. Our oversight of the EPA's IIJA-related programs, and the systemic issues we have observed so far, only emphasize the need for independent oversight of the \$41.5 billion the Agency is receiving under the Inflation Reduction Act, or IRA. Unfortunately, without dedicated funding for the OIG to oversee the EPA's implementation of IRA programs, we remain significantly challenged to execute the oversight that the Agency, Congress, and the taxpayer are relying on us to provide.

Year of Fighting Fraud. Earlier this year, we proclaimed 2024 the "Year of Fighting Fraud" and launched a new oversight campaign to ramp up our fraud prevention and detection efforts, which we discuss in more detail later in this report. As the premier fraud-fighting organization in the environmental space, the OIG is on a mission to ensure that EPA dollars are invested with integrity and accountability and in service to the American people. With more than \$100 billion in IIJA and IRA dollars on the line, the stakes have never been higher. However, robust oversight also relies upon cooperation from the Agency. As I testified before Congress in September, preventing and detecting fraud, waste, and abuse is a shared responsibility among everyone in the EPA, from senior executives to staff. Despite the EPA administrator's cooperative "tone from the top," our efforts to vigorously pursue and root out fraud have often been met with resistance. The EPA's Criminal Investigation Division in particular has developed a troubling pattern of undermining the OIG's statutory mission by withholding information, impeding our investigative work, and excluding us from key engagements. Our fight against fraud will continue beyond 2024. Our success will depend, in part, on whether the Agency meets its commitment to be our partner in this fight.



Scientific Integrity. The OIG has long identified promoting ethical conduct and protecting scientific integrity as critical challenges for the EPA. By its own account, the EPA’s ability to achieve its mission depends upon the integrity of the science on which it relies. As the EPA’s only independent and objective unit, the OIG is uniquely positioned to investigate possible breaches of scientific integrity, including interference, censorship, and retaliation. No other EPA entity has the OIG’s statutory authorities, from the requirement to protect the confidentiality of whistleblowers to the right to timely access to Agency information. Yet the Agency has continued to resist the OIG’s important oversight role in protecting scientific integrity at the EPA, from delaying corrective actions related to its Scientific Integrity Policy by as long as six years to refusing to update that policy to require that the OIG be immediately notified of scientific integrity concerns. Furthermore, despite years of negotiation, the Agency continues to resist revising coordination procedures between the OIG and its Scientific Integrity Program to require the prompt reporting of political interference by senior Agency officials and other misconduct to the OIG. In September, we issued five [reports of investigation](#) addressing allegations of retaliation by EPA officials. Five Agency scientists reported retaliation for expressing differing scientific opinions in chemical

assessments. They alleged they were further retaliated against for disclosing allegations of harassment, retaliation, and violations of EPA policy to the OIG. While the EPA administrator has emphasized the Agency's commitment to scientific integrity and science-based decision making, these investigations demonstrate that more work is needed to meet that commitment and underscore our indispensable role in protecting scientific integrity and whistleblowers at the EPA.

Supporting and Protecting Whistleblowers. Our oversight work would be far more difficult without the courage of whistleblowers who step forward to expose fraud, waste, and abuse. To address the increasing reports to our OIG Hotline, we have expanded our Administrative Investigations Directorate, bringing on additional staff to investigate allegations of misconduct by senior Agency employees and complaints of whistleblower reprisal by Agency employees and others. Meanwhile, our whistleblower outreach and education efforts continued with our fourth annual Whistleblower Appreciation Presentation, which drew more than 1,100 attendees and highlighted the critical role whistleblowers play in ensuring government accountability. We also launched a social media campaign to educate EPA and CSB employees, contractors, and grantees, as well as the public, about whistleblower rights, protections, and reporting avenues.

Keeping Government Accountable and Honest. My office remains focused on conducting high-quality, relevant oversight work with long-lasting impact. We issued several important findings and recommendations during the reporting period, including two reports related to gaps in oversight and financial support for safe drinking water in Jackson, Mississippi. In an August [evaluation](#), we reported that the Mississippi Department of Health failed to enforce the Safe Drinking Water Act, leading to significant issues with Jackson's public water system. Had the department acted earlier, much of the city's prolonged drinking water issues could have been prevented. Additionally, a May [audit](#) identified that Jackson may have better and more timely addressed the crisis if it had sufficient technical, managerial, and financial capacity and had received more funding options and assistance from Mississippi. Another important [report](#) uncovered problems with the EPA's preparation to implement requirements to notify the public when lead in drinking water poses serious risks to human health. We found that further delays could occur if the EPA did not develop a plan to implement these requirements, which go into effect in October 2024, as well as to identify and report lead exceedances to the public. The EPA should act to ensure that the Agency, states, and water systems are ready to comply with the requirements to prevent prolonging the public's exposure to the health risks of lead in drinking water without timely notification.

Looking Ahead. In fiscal year 2025, we will continue delivering robust, objective oversight of the EPA and the CSB. Our upcoming reports will tackle critical issues such as water infrastructure, EPA grants management and workforce planning, and remediation efforts at brownfield and Superfund sites. We also expect to share the results of our evaluation of the Agency's deployment of ASPECT flight technology during the train derailment emergency in East Palestine, Ohio. We will issue FY 2025 top management challenge reports for both agencies and a new oversight plan. While there are challenges ahead, given the substantial need for oversight and limited oversight dollars, we are committed to continuing to provide some of the most effective oversight in the federal government and drive lasting improvements.



Sean W. O'Donnell
Inspector General

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Section 1: Overview



1.1 About the EPA, the CSB, and the OIG

The U.S. Environmental Protection Agency

The mission of the U.S. Environmental Protection Agency is to protect human health and the environment. To carry out this mission, the EPA develops and enforces regulations, provides grants, researches environmental issues, sponsors partnerships, educates people about the environment, and publishes information about its activities.

The U.S. Chemical Safety and Hazard Investigation Board

The U.S. Chemical Safety and Hazard Investigation Board is an independent federal agency that investigates chemical incidents to determine the cause or probable cause. The CSB’s mission is “to drive chemical safety excellence through independent investigations to protect communities, workers, and the environment.”

The EPA Office of Inspector General

The Office of Inspector General is an independent office in the EPA that detects and prevents fraud, waste, and abuse to help the Agency protect human health and the environment in a more efficient and cost-effective manner. The office was created pursuant to the Inspector General Act of 1978, as amended, 5 U.S.C. §§ 401–424. Since 2004, Congress has designated the EPA inspector general to also serve as the CSB inspector general. The EPA OIG has the responsibility to audit, evaluate, inspect, and investigate EPA and CSB programs and operations, as well as to review proposed laws and regulations to determine their potential impact on these programs and operations.

Our Vision

Engaged oversight professionals inspiring innovation.

Our Mission

To drive change by fighting fraud, promoting ethical conduct, and recommending improvement in the environmental space.

Our Goals

1. Be an employer of choice within the oversight community.
2. Improve the effectiveness and efficiency of our oversight and business processes.
3. Deliver high-impact oversight results.

Our People

Our staff consists of auditors, program analysts, investigators, social scientists, and other professionals. We are based in Washington, D.C., and in a dozen other cities across the country, as shown in Figure 1.

With staff throughout the United States, we can quickly begin oversight in response to environmental emergencies and can ensure continuity of operations.






Figure 1: OIG office locations



Note: DC = District of Columbia; NYC = New York City; RTP = Research Triangle Park.

Source: OIG office data. (EPA OIG image)



1.2 OIG Strategic Planning

The OIG’s strategic planning documents guide us as we design and execute audits, evaluations, and investigations. When determining which audits, evaluations, and investigations to undertake, we consider the top management and performance challenges facing the EPA and the CSB. We also consider how our oversight work supports the EPA’s and the CSB’s mission-related efforts. Some of our work is required by law, some is discretionary, and some follows up on the corrective actions that the EPA and CSB have implemented to verify their responsiveness to prior OIG recommendations. In this semiannual report, we identify which top management challenges our audits and evaluations address, as applicable, next to the following symbol: . We also identify what aspect of the Agency’s mission each report addresses (); whether the work was statutorily mandated () or a follow-up project (); and whether we provide supplemental materials for each report, such as a video or podcast (.

Top Management Challenges

The Reports Consolidation Act of 2000 requires each inspector general to prepare an annual statement summarizing what the inspector general considers to be “the most serious management and performance challenges facing the agency” and to briefly assess the agency’s progress in addressing those challenges.

EPA Top Management Challenges



Report No. [24-N-0008](#) | Issued November 15, 2023 |  

For FY 2024, we identified seven top management challenges facing the EPA. We retained five of the eight challenges we identified in FY 2023, albeit with some modifications, while we revised and combined the three other FY 2023 challenges to create two new challenges. We expect to publish our report on the EPA’s top management challenges for FY 2025 in the next semiannual reporting period.

The EPA’s FY 2024 Top Management Challenges

1. Mitigating the causes and adapting to the impacts of climate change.
2. Integrating and implementing environmental justice.
3. Safeguarding the use and disposal of chemicals.
4. Promoting ethical conduct and protecting scientific integrity.
5. Managing grants, contracts, and data systems.
6. Maximizing compliance with environmental laws and regulations.
7. Overseeing, protecting, and investing in water and wastewater systems.

CSB Top Management Challenges

Report No. [24-N-0010](#) | Issued December 6, 2023 |  

For the management challenges facing the CSB in FY 2024, we retained the three that we identified in FY 2023 and added a fourth: promoting ethical conduct. We expect to publish our report on the CSB’s top management challenges for FY 2025 in the next semiannual reporting period.

The CSB’s FY 2024 Top Management Challenges

1. Operating effectively without a full board.
2. Minimizing mission-critical staff vacancies and attrition rates.
3. Improving cybersecurity.
4. Promoting ethical conduct.

Fiscal Year 2024 Oversight Plan

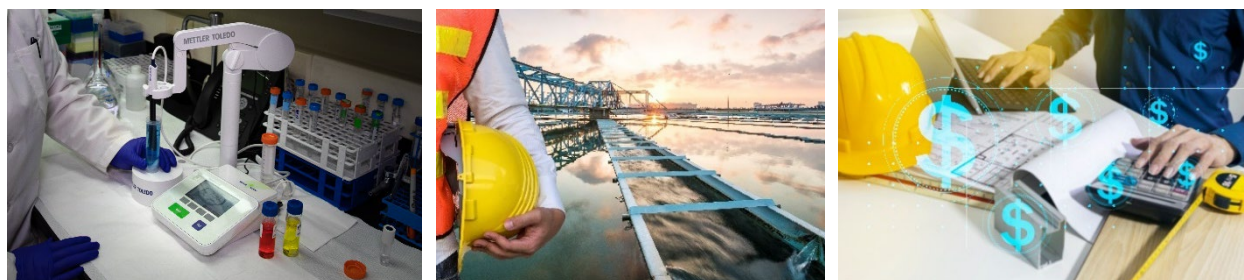
Report No. [24-N-0015](#) | Issued January 17, 2024

The *Fiscal Year 2024 Oversight Plan* describes the planned and ongoing oversight projects we intend to conduct during the fiscal year to achieve our mission, as of December 31, 2023. We outline 71 projects for oversight of the EPA and five projects for oversight of the CSB; however, our plan is subject to change based on our identification of emerging risks and new priorities. We typically accomplish our oversight mission through audits, evaluations, and investigations related to EPA and CSB programs and operations, as required by law or as we deem necessary through our planning processes. We expect to publish our FY 2025 *Oversight Plan* in the next semiannual reporting period.

Office of Investigations Overview and Investigative Priorities

Report No. [24-N-0016](#) | Issued January 17, 2024 | 

Our *Investigative Priorities* document describes the primary areas of focus for our Office of Investigations. We identified four investigative priorities for FY 2024: environmental infrastructure, grant fraud, program fraud, and laboratory fraud. These priorities are subject to change as new challenges and risks evolve and emerge. To identify these investigative priorities, we considered the top management and performance challenges facing the EPA and the CSB; the missions of these two agencies; the budgetary priorities set forth by Congress; observations from previous investigative work; emerging vulnerabilities in the drinking and wastewater sectors; and projects being planned or funded through the American Rescue Plan Act, the IIJA, and the IRA. We have begun developing our *Investigative Priorities* document for FY 2025.



Imagery representing environmental infrastructure and laboratory, grant, and program fraud. (EPA and iStock images)

Infrastructure Investment and Jobs Act Oversight Plan—Year Three

Report No. [24-N-0036](#) | Issued May 6, 2024

The IIJA, Pub. L. 117-58 (2021), provides the EPA with approximately \$60 billion for infrastructure-related purposes, including geographic programs, state and tribal assistance grants targeting clean-water initiatives, brownfields, Superfund, pollution prevention, and recycling. We have received IIJA funds that will allow us to perform dedicated oversight of the EPA's execution of IIJA programming for over ten years. Our *IIJA Oversight Plan—Year Three*, published in this semiannual reporting period and built on the first two years of IIJA oversight plans, guides our audits, evaluations, and oversight engagements, so that we provide effective oversight of EPA programs receiving or impacted by IIJA funds. Each spring, we also produce an *IIJA Progress Report* that highlights our efforts to implement our

IIJA Oversight Plan. We will continue to revise our *IIJA Oversight Plan* in response to emerging challenges, crises, and priorities.



Examples of different EPA programs receiving IIJA funding. From left to right: Pollution Prevention, Water Infrastructure, and Clean School Buses. (EPA images)

The OIG’s Fiscal Year 2024–2028 Strategic Plan

Report No. [24-N-0059](#) | Issued September 9, 2024

During this semiannual period, we published our *EPA OIG Strategic Plan 2024–2028*, documenting our inspector general’s five-year vision and the OIG’s mission, along with three strategic goals and related objectives that focus on 1) our people, 2) our processes, and 3) our products. Developed with input from our component offices, this strategic plan outlines a unified direction for our office and clear expectations for success as we work toward our strategic goals of becoming an employer of choice, improving our effectiveness and efficiency, and delivering impactful oversight results.



1.3 The OIG's "Year of Fighting Fraud"

In January 2024, the OIG launched an oversight campaign dubbed the "Year of Fighting Fraud." Part of our primary purpose is to detect and prevent fraud in EPA and CSB programs, ensuring accountability for wrongdoers and addressing root causes of fraud, waste, and abuse. Guided by a robust set of investigative priorities, our oversight plan, and the top management challenges that we identified for the EPA and the CSB in FY 2024, we are providing targeted oversight of areas with the greatest risk of fraud in the EPA's core functions, as well as in its implementation of more than \$100 billion in supplemental appropriations under the IJA and IRA.

While investigations looking into violations of the law are typically not made public until the investigative work is complete, our special agents and analysts have been hard at work behind the scenes, focusing our fraud-fighting capabilities on environmental infrastructure, grant fraud, program fraud, and laboratory fraud. Our office uses data analytics and other tools to identify patterns and root out potential fraud in EPA spending. We also collaborate extensively with partner law enforcement agencies to share information, identify trends, and proactively look for indicators of fraud related to EPA funding. In one recent example, during the reporting period, we conducted a joint investigation that led to the October 3, 2024 [arrest](#) of a construction company's chief executive officer and foreperson, who were charged with conspiracy to commit wire fraud related to the Newark Lead Service Line Replacement Program in New Jersey. These individuals and others allegedly intentionally failed to replace lead pipes as required, submitting false payment applications and misleading documentation to conceal uncompleted work and taking credit for installing copper pipes that were already in place. This alleged fraud threatened not only public trust and safety but also the investment of IJA dollars.

During other investigations, we identified concerns that prompted us to issue management implication reports to draw the Agency's attention to fraud vulnerabilities. In May, we issued a management implication [report](#) regarding the EPA's lack of robust oversight mechanisms to ensure that the Wood Heater Program facilitates compliance with the Clean Air Act. As a result of the issues our report identified, wood heaters that do not meet Clean Air Act standards may end up in the marketplace, increasing risks to public health and the environment. The report also outlined concerns regarding impartiality, conflicts of interest, and enforcement of program violations, especially in cases where the EPA is allowing known noncompliance to go unaddressed. Another management implication [report](#) highlighted our concerns about potential foreign influence on the EPA's research awards. The report also proposed best practices for strengthening the administration of EPA grant funds consistent with several research protection acts. In July 2023, the OIG initiated an investigation into allegations that a major United States university was receiving funds from China while simultaneously receiving funds from multiple federal agencies, including the EPA. The Chinese government sponsors a malign foreign talent recruitment program, and the Agency's lack of mechanisms to vet grant applicants and grantees for participation in such a program could have placed federal funds in jeopardy or resulted in the unauthorized transfer of intellectual property or other nonpublic information.

Aside from investigations, another significant element of our efforts to fight fraud is educating EPA stakeholders, including Agency employees, contractors, funding recipients, and others, such as state and local governments and the public. Through regular outreach, such as fraud alerts and fraud awareness

briefings, we provide key resources and information on how to detect fraud and what to do when someone believes they have identified potential wrongdoing.

Fraud Alerts

In July 2024, we issued a [fraud alert](#) regarding a new and increasingly prevalent phishing scam targeting businesses with fraudulent EPA Notice of Violation letters. The OIG had received numerous complaints regarding falsified Notice of Violation letters demanding payment for alleged environmental violations. These deceptive letters, bearing the EPA name and logo, claimed that businesses must pay a penalty to resolve a violation of an environmental regulation. In the fraud alert, we provided information regarding how to identify a fraudulent letter and outlined the proper points of contacts for business owners who believe they may have been a victim of this scam or other fraud related to EPA programs and operations. To ensure that we reached as many EPA stakeholders who may be affected by this scam as possible, we collaborated with the Agency to distribute the fraud alert to EPA employees, contractors, and other recipients. We are committed to keeping EPA and CSB stakeholders informed of fraudulent schemes that could affect them. As we identify possible fraud mechanisms, we will continue to issue alerts as part of our fraud-fighting posture.

We issued two additional fraud alerts during the reporting period to highlight grantee and contractor responsibilities related to disclosing violations to the OIG and protecting whistleblowers. Our June [alert](#) advised of new regulatory requirements for EPA grant recipients and subrecipients to promptly disclose suspected civil and criminal violations to the OIG, and we reiterated whistleblower protections available to EPA contractors, grant recipients, and subrecipients. We produced a new “[fraudcast](#)” episode of the OIG’s podcast to provide an overview of these changes and additional insights. In August, we issued a separate [alert](#) to raise awareness of statutory and regulatory requirements for EPA contractors to report suspected fraud and other misconduct to the OIG and to provide their employees with information regarding these requirements and whistleblower protections.



Fraud Awareness Briefings

During this semiannual reporting period, we also continued our proactive outreach efforts by providing 84 fraud awareness briefings to more than 3,000 attendees across the country. Specifically, our Office of Investigations staff provided fraud awareness briefings to, among others, the EPA 2024 Small Business Innovation Research Webinar; the EPA Office of the Chief Financial Officer 2024 Technical Training Conference; Indiana Auditors and Investigators Conference; Missouri Waste Control Coalition Conference; Kansas Department of Health and Environment’s Annual Water and Wastewater Operators School; Michigan Environment, Great Lakes, and Energy Financial Division; Minnesota Environmental Crimes Working Group; Defense Criminal Investigative Service; Kansas Water Environment Association and Kansas section of the American Water Works Association Joint Annual Conference; and National Native Law Enforcement Conference in Las Vegas, Nevada.

1.4 Analysis of Unimplemented Recommendations

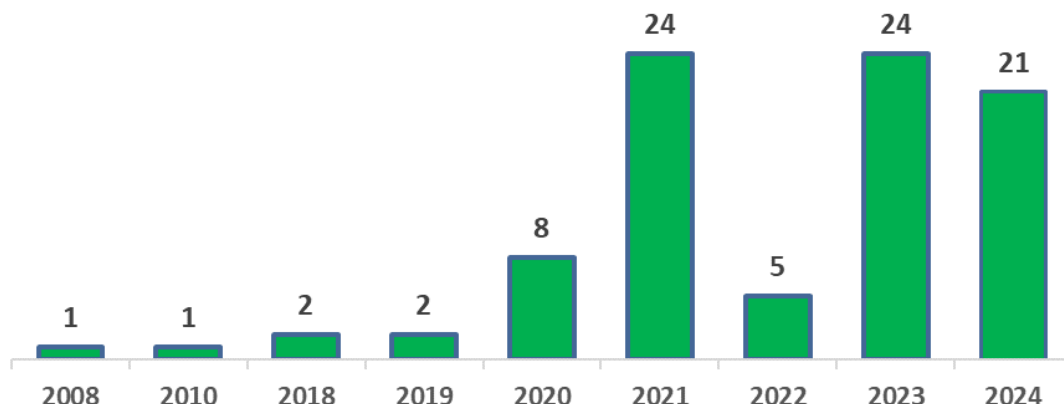
OIG audits and evaluations provide recommendations to improve EPA or CSB programs and operations. The EPA, the CSB, and the public benefit from the implementation of these recommendations, which address a range of human health, environmental, and business issues. This semiannual period, we issued a [compendium](#) that provided an in-depth analysis of all open and unresolved recommendations issued by the OIG to the EPA. The compendium also identified high-priority open and unresolved recommendations. These critical recommendations have a high dollar value, are high visibility or high impact, or have been open and unresolved for a long time and should be addressed promptly.

Before issuing a final report that contains recommendations, the OIG distributes a draft report to the EPA or the CSB, identifying a lead official for each recommendation included in the report. The lead officials can then respond to the draft report findings and recommendations. For the final report, which is posted on the OIG's website, the OIG analyzes the responses received and indicates whether each recommendation is:

- **Unresolved.** The EPA or the CSB disagrees with the recommendation or did not provide a formal, complete written response to the recommendation, or the OIG disagrees that the Agency's proposed corrective actions are responsive to the recommendation.
- **Resolved.** The EPA or the CSB and the OIG agree upon the recommendation and proposed corrective actions, but the corrective actions have not yet been completed. These recommendations are also called open recommendations and are considered unimplemented, regardless of whether their expected due dates are in the past or the future. [Appendix 3](#) lists the unimplemented recommendations issued prior to this semiannual reporting period.
- **Completed.** The EPA or the CSB and the OIG agree upon the recommendation and proposed corrective actions, and the EPA or the CSB has fully completed them. These recommendations are also called closed recommendations.

Section 5(a)(2) of the Inspector General Act, 5 U.S.C. § 405, as amended by the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, requires that we identify each recommendation described in previous semiannual reports for which corrective action has not been completed, including the potential cost savings associated with the recommendation.¹ We interpret potential cost savings to be the total of questioned costs plus funds to be put to better use. For this semiannual report, we analyzed actions taken by the EPA and the CSB regarding recommendations described in past reports, and we identified those that remained unimplemented as of March 31, 2024: 88 for the EPA and zero for the CSB. Figure 2 shows when these unimplemented recommendations were originally issued to the EPA. As shown in Table 1, the potential cost savings of the 88 recommendations issued to the EPA are approximately \$38.5 million.

¹ Effective December 27, 2022, the Inspector General Act of 1978 was reorganized and codified as 5 U.S.C. §§ 401–424; the requirements for the semiannual report to Congress appear in 5 U.S.C. § 405. Section 5273 of the National Defense Authorization Act for Fiscal Year 2023, however, amended the semiannual reporting requirements as they had appeared in section 5 of the Inspector General Act prior to the codification. These revisions are not yet codified in 5 U.S.C. § 405 and instead appear in the statutory notes as amendments not shown in the text. Accordingly, citations to particular semiannual reporting requirements will reflect the specific subsection of section 5 of the Inspector General Act and a general parallel citation to 5 U.S.C. § 405.

Figure 2: Number of unimplemented recommendations by fiscal year issued

Source: OIG analysis of OIG reports issued before the current reporting period. (EPA OIG image)

Table 1: EPA and CSB unimplemented recommendations

Agency	Number of unimplemented recommendations	Potential cost savings associated with unimplemented recommendations (\$)
EPA	88	38,536,000
CSB	0	0
Total	88	38,536,000

Source: OIG analysis of OIG reports issued before the current reporting period. (EPA OIG table)

Table 2 breaks down the 88 unimplemented recommendations issued to the EPA according to their potential health, environmental, and business benefits and their associated potential cost savings if the EPA implements the recommendations. [Appendix 3](#) includes the full text of the unimplemented recommendations, including the potential cost savings for each recommendation.

Table 2: EPA unimplemented recommendations

Category	Number of unimplemented recommendations	Potential cost savings associated with unimplemented recommendations (\$)
Administrative and Business Operations	26	10,124,000
Human Health and Environmental Issues	62	28,412,000
Total	88	38,536,000

Source: OIG analysis of OIG reports. (EPA OIG table)

Section 5(a)(7) of the Inspector General Act, 5 U.S.C. § 405, requires that we provide information described under section 804(b) of the Federal Financial Management Improvement Act of 1996. In our audit of the Agency’s FYs 2023 and 2022 Consolidated Financial Statements, we determined that the “results of our tests did not disclose any instances of noncompliance with [Federal Financial Management Improvement Act of 1996] requirements, including where the Agency’s financial management systems did not substantially comply with the applicable federal accounting standard.” Accordingly, there is no information or outstanding corrective actions to report with respect to the Federal Financial Management Improvement Act of 1996.

1.5 The OIG Hotline

The Inspector General Act, 5 U.S.C. § 420, requires each OIG to maintain a direct link on the homepage of its website for individuals to report fraud, waste, and abuse. Individuals may also report complaints to the EPA OIG via telephone, email, and postal mail. We refer to these means of receiving information collectively as the “OIG Hotline.” The purpose of the hotline is to receive complaints, including whistleblower disclosures, of fraud, waste, or abuse in EPA and CSB programs and operations, including mismanagement or violations of laws, rules, or regulations by Agency employees or program participants. The OIG also encourages people to use the hotline to submit suggestions for assessing the efficiency and effectiveness of Agency programs. Anyone may submit complaints and suggestions, including EPA and CSB employees, participants in EPA and CSB programs, Congress, organizations, and the public. As a result of these contacts, the OIG may conduct audits, evaluations, and investigations. In [Section 2.1](#), we summarize the work based on hotline contacts concluded during this semiannual reporting period.

Hotline Statistics

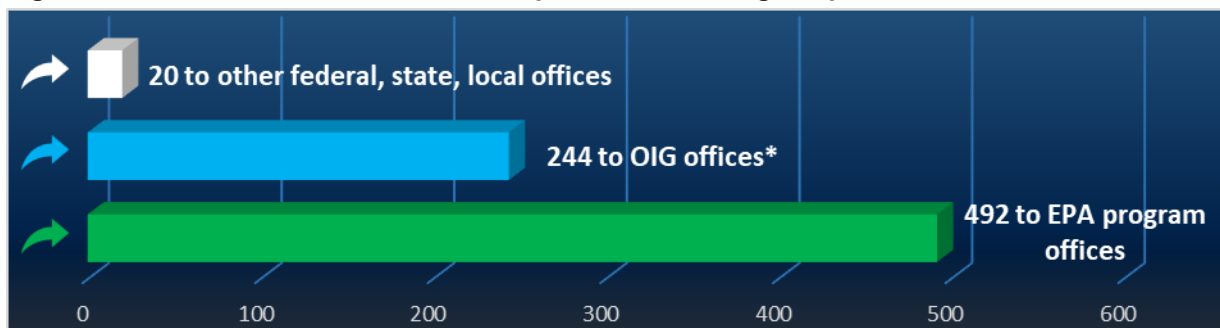
The figures below detail the number and types of contacts that the hotline received and referred for review by OIG investigation, audit, and evaluation staff; EPA program offices; and other government agencies during this semiannual period and this fiscal year. In this semiannual period, the OIG referred 708 of the 6,839 contacts we received. A contact can be referred to more than one entity. We refer contacts related to an agency program or operation but unrelated to potential fraud, waste, abuse, misconduct, or mismanagement to the appropriate EPA or CSB office. As applicable, we attempt to refer contacts unrelated to the EPA or the CSB to the appropriate government agency. More information about our hotline operations can be found on our [website](#).

Figure 3: Hotline contacts received from April 1, 2024, through September 30, 2024



Source: OIG Hotline data. (EPA OIG image)

Figure 4: Hotline contacts referred from April 1, 2024, through September 30, 2024



Source: OIG Hotline data. (EPA OIG image)

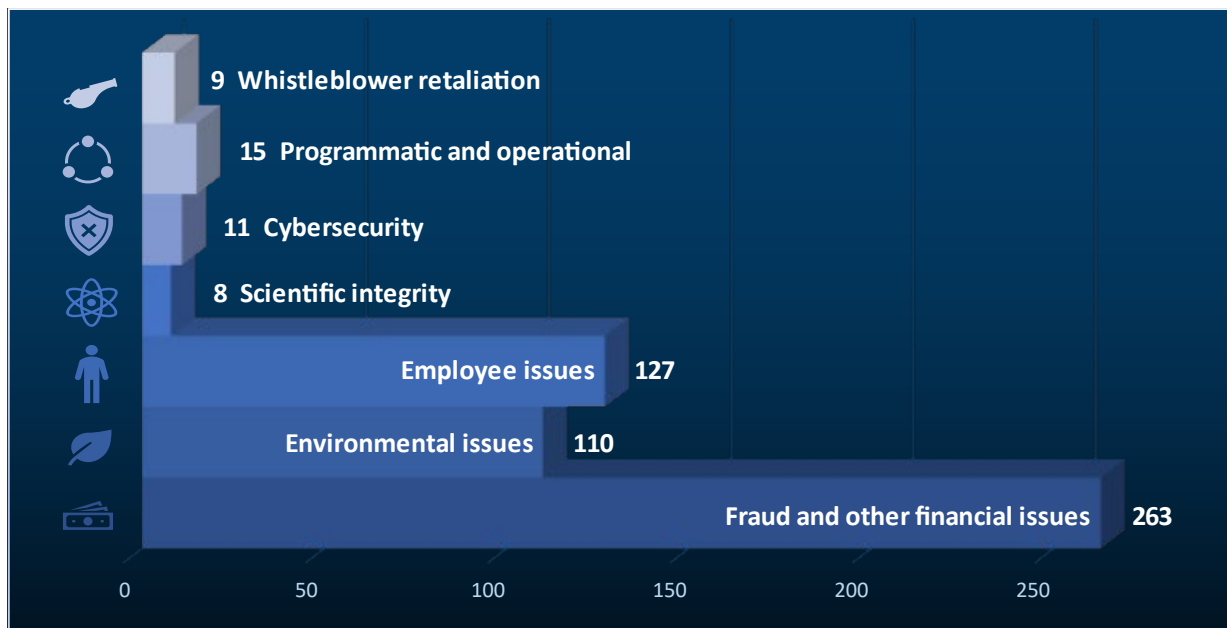
* Of these, 234 were received during this semiannual period and ten were received during the prior semiannual period from October 1, 2023, through March 31, 2024, but not referred until this period.

Figure 5: Hotline contacts received in FY 2024



Source: OIG Hotline data. (EPA OIG image)

Figure 6: Hotline referrals to OIG offices by category for FY 2024



Source: OIG Hotline data. (EPA OIG image)

Hotline Confidentiality

Individuals who contact the hotline are not required to identify themselves and may request anonymity or confidentiality when submitting allegations. However, the OIG encourages those who report allegations to identify themselves so that they can be contacted if the OIG has additional questions. Pursuant to the Inspector General Act, 5 U.S.C. § 407, the OIG will not disclose the identity of an EPA or CSB employee who provides a complaint or certain information to our office, including whistleblower disclosures, unless that employee consents or the inspector general determines that such disclosure is unavoidable during an investigation. As a matter of policy, the OIG will provide comparable protection to employees of contractors, grantees, and others who make a complaint or provide information to the OIG and request confidentiality. Also pursuant to the Inspector General Act, 5 U.S.C. § 420, the OIG will not disclose the identity of an individual who provides information via the OIG’s online complaint form unless the individual consents or the inspector general determines that such disclosure is unavoidable during an investigation. This protection applies to anyone submitting information via the online

complaint form, regardless of whether the individual is an EPA or CSB employee. Individuals concerned about confidentiality or anonymity with regard to electronic communication may submit allegations by telephone or regular mail.

To report potential fraud, waste, abuse, misconduct, or mismanagement, contact the OIG Hotline:

Online

Hotline complaint [form](#)

Email

OIG.Hotline@epa.gov

Phone

(888) 546-8740

Mail

Environmental Protection Agency
Office of Inspector General
1200 Pennsylvania Avenue, NW
Mail Code: 2410T
Washington, D.C. 20460



**WHISTLE
BLOWING**



Want to talk about it?

To reach the EPA whistleblower protection coordinator, contact:

Email

whistleblower_protection@epa.gov

Phone

(202) 566-1513

1.6 Scientific Integrity and Misconduct

Scientific integrity at the EPA helps ensure that the science conducted, communicated, and used across the Agency is of the highest quality. Scientific integrity is crucial because it safeguards science to ensure that it is objective and rigorous. In November 2021, the OIG identified scientific integrity as a top management challenge for the EPA, and it continued to be a [top management challenge](#) for the Agency in FY 2024.

The EPA issued its *Scientific Integrity Policy* in February 2012. The policy sets the expectation for all EPA employees to represent the Agency’s scientific activities clearly, accurately, honestly, objectively, thoroughly, without political or other interference, and in a timely manner, consistent with their official responsibilities. It also sets the expectation that all EPA employees will report policy breaches. The EPA’s Scientific Integrity Program consists of the EPA’s scientific integrity official, deputy scientific integrity officials from each of the EPA’s program and regional offices, and program staff who support implementing the *Scientific Integrity Policy*.

“Science is the backbone of the EPA’s decision-making. The Agency’s ability to pursue its mission to protect human health and the environment depends upon the integrity of the science on which it relies. The environmental policies, decisions, guidance, and regulations that impact the lives of all Americans every day must be grounded, at a most fundamental level, in sound, high quality science.”

—[Scientific Integrity Policy](#), Section II

The OIG has a critical role in protecting the Agency’s scientific integrity. As an independent office, the OIG can receive complaints of mismanagement, misconduct, abuse of authority, or censorship, including those related to “scientific misconduct” or “research misconduct.” Such misconduct includes fabrication, falsification, or plagiarism in proposing, performing, or reviewing research or reporting research results. Through its statutory mandate, the OIG can investigate these allegations. Also, the OIG may refer scientific integrity allegations that it receives to the scientific integrity official. The scientific integrity official and OIG staff meet every two weeks to discuss the status of cases, as appropriate, as well as other scientific integrity-related issues.

To facilitate transparency, we continue our practice, started in our *Semiannual Report to Congress* in the fall of 2020, of providing a summary of scientific integrity oversight at the Agency. The following subsections report the status of scientific integrity allegations received by the scientific integrity official and scientific misconduct allegations received by the OIG.

Scientific Integrity Allegations and Advice Queries Received by the Scientific Integrity Official

The EPA’s Scientific Integrity Program engages with Agency staff who raise potential scientific integrity concerns through two mechanisms: (1) advice and assistance to provide early intervention for the purpose of preventing lapses in scientific integrity and (2) a procedure for reporting and adjudicating allegations.

This semiannual period, the scientific integrity official reported that the Scientific Integrity Program received six new allegations and 24 new advice queries. Also, during this semiannual period, six allegations were closed or resolved. As of September 30, there were three open allegations from this semiannual reporting period and 23 open allegations from prior reporting periods.

Scientific Misconduct Allegations Received and Investigated by the OIG

At the beginning of the semiannual period, the OIG had eight open cases involving potential scientific misconduct. The OIG received two complaints with allegations involving potential scientific misconduct from Agency employees and other sources during this semiannual period and opened four new investigations. As of September 30, 2024, two investigations were closed. The OIG had no relevant results of investigation that it conducted or oversaw to report to the Agency for a determination of appropriate action.

EPA Order [3120.5](#) contains the Agency’s policy and procedures for addressing research misconduct, including the requirement for EPA employees to immediately report to the OIG any allegation of research misconduct that involves:

- Public health or safety being at risk.
- Agency resources or interests being threatened.
- Circumstances in which research activities should be suspended.
- Reasonable indication of possible violations of civil or criminal law.
- Federal action being required to protect the interests of those involved in an investigation.
- A research entity’s belief that an inquiry or investigation may be made public prematurely, so that appropriate steps can be taken to safeguard evidence and protect the rights of those involved.
- Circumstances in which the research community or public should be informed.

Additionally, EPA Manual 6500, *Functions and Activities of the Office of Inspector General*, states, “[e]ach employee is responsible for promptly reporting indications of wrongdoing or irregularity to the OIG and for cooperating and providing assistance during any audit or investigation.” [Coordination procedures](#) between the scientific integrity official and the OIG, which specify how the OIG and the Agency will work together to share information and investigate research misconduct, state that upon receiving a research misconduct allegation, the scientific integrity official will refer the allegation to the OIG Hotline. Likewise, if the OIG receives an allegation of research misconduct, OIG staff will contact the scientific integrity official to discuss the allegation, as appropriate. As noted above, the scientific integrity official and OIG staff also meet every two weeks to discuss the status of cases, as appropriate, as well as other scientific integrity-related issues.

In FY 2022, the OIG initiated discussions with the Agency to revise the coordination procedures between the OIG and the Agency's Scientific Integrity Program related to information sharing on scientific integrity. Despite years of negotiation, the Agency continues to resist the OIG's proposed language addressing allegations of interference and censorship by senior Agency employees, as well as allegations of other employee misconduct. We have several concerns with changes the Agency proposed to the OIG's revised coordination procedures. In July 2024, we provided the Agency with a written overview of these concerns and requested a meeting with the Office of Research and Development leadership to discuss the matter. As of the end of this semiannual reporting period, the Office of Research and Development had not scheduled such a meeting. Revised coordination procedures are essential to clarify the OIG's access rights and to ensure that scientific integrity concerns, as well as allegations of other wrongdoing, are routed to the proper office and addressed in the most efficient and effective manner.

At the beginning of FY 2023, the OIG began issuing monthly information requests to the Agency's Scientific Integrity Program to ensure that the OIG is receiving all relevant information on potential scientific integrity concerns. In January 2024, the Agency agreed to provide this information to the OIG without the need for a formal information request for a period of six months while the OIG and the Agency work to finalize the revised coordination procedures. As of the end of the reporting period, the Agency has continued to provide this information on a monthly basis.

1.7 Inspector General Testimony

During this semiannual reporting period, Inspector General Sean W. O’Donnell testified before one congressional committee regarding the OIG’s oversight work.

*September 19, 2024: **Testimony** before the Subcommittee on Environment, Manufacturing, and Critical Materials, Committee on Energy and Commerce, U.S. House of Representatives*

As the sole witness in this hearing, Inspector General O’Donnell testified regarding the OIG’s oversight of more than \$100 billion in supplemental appropriations under the IIJA and IRA. He provided an overview of the OIG’s oversight of IIJA funding and discussed systemic issues that pervade numerous IIJA programs and increase the risk of fraud, waste, and abuse.

Throughout the OIG’s oversight work, whether it be in audits and evaluations or in criminal and civil investigations, two recurring challenges have emerged in the EPA’s execution of IIJA programs. The first is the EPA’s management of grants and data systems—particularly the high volume of disparate grant management systems and unstructured grant data formats. The second relates to the EPA’s commitment to preventing and reporting possible fraud, waste, and abuse, particularly as this relates to sound internal controls. In his testimony, the inspector general illustrated how these issues are impacting three major IIJA programs in the EPA: the state revolving funds, the Clean School Bus Program, and Superfund.



Inspector General Sean O’Donnell testifying before the Subcommittee on Environment, Manufacturing, and Critical Materials, Committee on Energy and Commerce on September 19, 2024. (U.S. House of Representatives image)

During the hearing, Inspector General O’Donnell also discussed the OIG’s oversight responsibilities and impediments, emphasizing the OIG’s need for funding for IRA oversight—especially in light of the risks inherent in the EPA’s newly created IRA programs—and warning that these operations will not be immune to the types of challenges the OIG has seen in the EPA’s IIJA programs.

Section 2: Work Accomplished During the Semiannual Period



2.1 Oversight Work

Summaries of the reports that we issued during the semiannual period, along with the associated recommendations, are detailed below. Section 5(a)(1) of the Inspector General Act, 5 U.S.C. § 405, requires “a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the establishment” as well as the related reports and recommendations for corrective action. Section 5(a)(16)(A) of the Act requires that we provide a detailed description of closed audits, inspections, and evaluations not previously disclosed to the public; we do not have any such instances to report.


Infrastructure Investment and Jobs Act


The IIJA was signed into law on November 15, 2021. Overall, the IIJA appropriates approximately \$60 billion to the EPA for FY 2022 through 2026, most of which is available until expended. The IIJA also provides for OIG oversight of these funds. To keep the public apprised of our IIJA oversight work, we maintain a [webpage](#), “EPA OIG Infrastructure Investment and Jobs Act Oversight.” The webpage features our EPA IIJA spending dashboard, links to our *IIJA Oversight Plan* and *IIJA Progress Reports*, and lists of our ongoing and completed infrastructure oversight work.

IIJA Audit and Evaluation Work

Half the States Did Not Include Climate Adaptation or Related Resilience Efforts in Their Clean Water State Revolving Fund Intended Use Plans

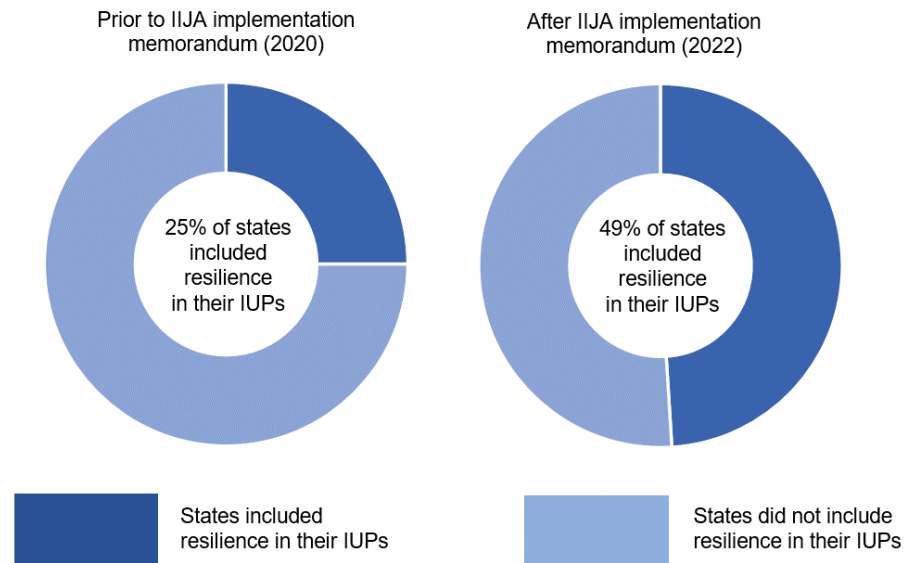
Report No. [24-P-0031](#) | Issued April 8, 2024

 Ensuring clean and safe water.

 Mitigating the causes and adapting to the impacts of climate change; Overseeing, protecting, and investing in water and wastewater systems.

The EPA had limited success in getting states to include climate adaptation or related resilience efforts into their Clean Water State Revolving Fund intended use plans. Only 49 percent of states included climate adaptation or related resilience efforts in their 2022 intended use plans and only 25 percent included a related priority. The EPA’s success was limited, in spite of the EPA prioritizing climate adaptation and providing guidance to the states while they were developing these plans. In FY 2022, the EPA awarded \$1.2 billion, which included annual and IIJA appropriations, to states that did not include climate adaptation or related resilience efforts in their plans. The long-term sustainability of projects may be at risk or projects may become inoperable if the impact of climate change is not considered.

Percent of states that included climate adaptation or related resilience efforts in their Clean Water State Revolving Fund intended use plans



Note: IUPs = intended use plans

Source: OIG analysis of EPA data. (OIG figure)

Recommendations issued to the assistant administrator for Water

No.	Recommendation
1	Implement procedures to require the EPA regions to annually discuss with state clean water state revolving fund programs the priority to fund projects that support climate adaptation and verify to the Office of Water that they held the required discussions.
2	Update guidance to the EPA regions and the state clean water state revolving fund programs on the required annual discussions between the regions and state programs, so that the priority to fund projects that support climate adaptation is consistently relayed.
3	Determine additional steps that could be taken to require state clean water state revolving fund programs to include in their intended use plans a discussion of the program’s progress with including climate adaptation in their program planning efforts.
4	Annually assess and document states’ progress with including climate adaptation in their clean water state revolving fund planning efforts and update the guidance provided to regions and state programs as needed to advance the priority of funding projects that support climate adaptation.

The EPA Needs to Improve Institutional Controls at the American Creosote Works Superfund Site in Pensacola, Florida, to Protect Public Health and IIJA-Funded Remediation

Report No. [24-E-0032](#) | Issued April 15, 2024

Cleaning up and revitalizing land; Partnering with states and other stakeholders.

Managing grants, contracts, and data systems.

The institutional controls at the American Creosote Works Inc. (Pensacola Plant) Superfund site—a former wood-treatment facility—in Pensacola, Florida, are not sufficient to prevent potential exposure to contamination. The controls did not prevent well drilling, require groundwater well plugging and abandonment, prevent potential exposure to off-facility parcel contamination, or inform the wider public of the extent of contamination. The EPA did not plan to secure permission from private property owners to plug and abandon wells that the Agency encountered during remediation, potentially wasting at least \$1.3 million in funds from the IIJA. The EPA also does not plan to implement institutional controls on off-facility parcels after remediation to prevent the disturbance of unremediated soil, potentially wasting \$5.4 million in IIJA funds allocated for the parcels’ remediation. Without strong institutional controls and effective communication, the public remains at risk of exposure to residual contamination.



Soil of unclear origin or contamination status outside the perimeter fence of the American Creosote Works Superfund site. Several community members stated that an area resident removed the soil from their yard and deposited it here, possibly contaminating it. The EPA contests this, stating that the soil was deposited here for road repairs and is not contaminated. (EPA OIG image)

Recommendations issued to the regional administrator for Region 4

No.	Recommendation
1	Seek to secure permission from private property owners to plug and abandon groundwater wells encountered during remediation of Operable Unit 3 of the American Creosote Works Inc. (Pensacola Plant) Superfund site to help protect the \$1.3 million in Infrastructure Investment and Jobs Act funding allocated for remediation. In the instances in which a private property owner does not grant permission to plug and abandon a well, provide documentation to the property owner that makes clear that the property owner received an explanation of the property owner’s responsibilities regarding any future potential contamination at the property.
2	Work with the City of Pensacola in Florida to establish a system indicator to identify contaminated areas during the construction permitting process for properties in Operable Unit 3 of the American Creosote Works Inc. (Pensacola Plant) Superfund site. This indicator would not prevent a permit nor would it be publicly viewable, but it would provide contractors with the information necessary to protect their employees and to appropriately dispose of any contaminated soil.
3	Identify and work with amenable private property owners within Operable Unit 3 of the American Creosote Works Inc. (Pensacola Plant) Superfund site and appropriate local governments to establish restrictive covenants on contaminated private parcels to prevent the disturbance and removal of impacted soil. Restrictive covenants not only would protect the public but also could protect the \$5.4 million Infrastructure Investment and Jobs Act funded remediation by keeping hard surfaces and foundations in place over unremediated soil.


No.	Recommendation
4	Seek to establish formal agreements with state and local government stakeholders to implement and oversee institutional controls for the American Creosote Works Inc. (Pensacola Plant) Superfund site, documenting a shared understanding of the intent of any interim and permanent institutional controls. The documentation should also define the roles and oversight responsibilities of the EPA and other stakeholders for the site.
5	Use a tracking or accountability tool, like an Institutional Control Implementation and Assurance Plan or the “Institutional Controls” module in the Superfund Enterprise Management System, to clarify the purpose and evaluate the performance of institutional controls at the American Creosote Works, Inc. (Pensacola Plant) Superfund site.
6	As required by the Comprehensive Environmental Response, Compensation, and Liability Act implementing regulations and EPA guidance, ensure the physical administrative record for the American Creosote Works Inc. (Pensacola Plant) Superfund site is complete. Include an index in the record at both the physical information repository and in the “Administrative Records” section of the EPA’s site profile webpage.
7	Update the American Creosote Works Inc. (Pensacola Plant) Superfund site’s Community Involvement Plan to accurately communicate the location of the local repository for the physical administrative record.
8	Prominently display the American Creosote Works Inc. (Pensacola Plant) Superfund site’s institutional control information on the EPA’s site profile webpage so that the information is thorough and consistent and clearly articulates public risk associated with the site.

Recommendation issued to the assistant administrator for Land and Emergency Management

No.	Recommendation
9	Update the Superfund geographic information system database site file for the American Creosote Works Inc. (Pensacola Plant) Superfund site to accurately reflect the extent of contamination and the Operable Unit 3 boundaries.

The EPA Does Not Always Track the Use of Build America, Buy America Act Waivers for Infrastructure Projects

Report No. [24-N-0037](#) | Issued May 8, 2024

 Operating efficiently and effectively.

 Managing grants, contracts, and data systems.


The EPA has issued 11 Build America, Buy America Act waivers for EPA-funded infrastructure projects as of December 2023 but only tracks waiver use for one of the waivers. In section 70933 of the IJA, Congress advised that “every executive agency should scrupulously monitor, enforce, and comply with Buy American laws, to the extent they apply, and minimize the use of waivers.” About \$60.3 billion in IJA projects are potentially subject to Build America, Buy America Act requirements. Without tracking the use of such waivers, the EPA may not be able to maximize the use of U.S. goods, products, and materials in EPA-funded infrastructure projects and risks being unable to determine whether it is meeting the intent of the Act.


Recommendation issued to the assistant administrator for Mission Support

No.	Recommendation
1	Develop and implement a method to track all Build America, Buy America Act waiver use across EPA-funded infrastructure projects.

Data Reliability Issues Impede the EPA’s Ability to Ensure Its Allotment of Infrastructure Investment and Jobs Act Funding for Lead Service Line Replacements Reflects Needs

Report No. [24-N-0039](#) | Issued May 15, 2024


 Ensuring clean and safe water.


 Overseeing, protecting, and investing in water and wastewater systems; Integrating and implementing environmental justice.

During our [ongoing evaluation](#) of the EPA’s IJIA allotments for lead service line replacements, we saw indications that a lack of internal controls may have caused the EPA to base its FY 2023 allotment of \$3 billion in IJIA funds on inaccurate data. We issued this report to alert the Agency of the risk that it did not allot the FY 2023 IJIA funds, and may not allot future IJIA funds, according to states’ lead-service-line-replacement needs. We did not issue any recommendations in this report.

New Mexico’s Capacity to Effectively Manage Clean Water Infrastructure Funds Faces Challenges

Report No. [24-E-0042](#) | Issued June 5, 2024 | 

 Ensuring clean and safe water.

 Managing grants, contracts, and data systems; Maximizing compliance with environmental laws and regulations; Overseeing, protecting, and investing in water and wastewater systems.

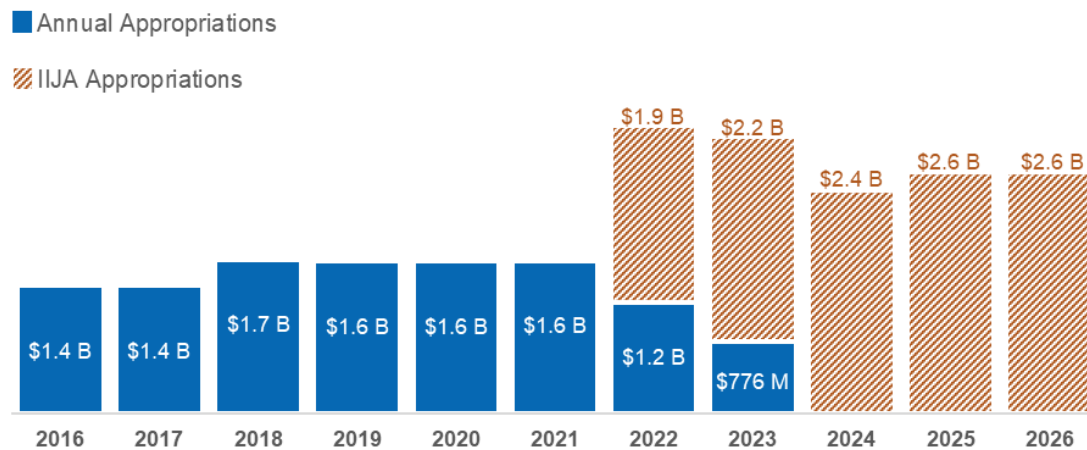
While the New Mexico Environment Department has sufficient financial and organizational capacity to manage and use IJIA funds for the state’s Clean Water State Revolving Fund Program, it faces stakeholder- and human-capital-related challenges. Stakeholder participation in the program is limited because potential loan recipients cannot afford to take out loans, generally operate only small water systems, or seek alternative funding. As a result, New Mexico is below the national average on several financial indicators that assess the overall health of the Clean Water State Revolving Funds and is projected to have a \$75.6 million excess in available funds in FY 2024. Also, the New Mexico Environment Department is not fully staffed; if program participation increases, the department may have difficulty managing the corresponding increase in workload. Limited stakeholder and human capital capacity may prevent New Mexico from fully benefitting from funds available for public health and water quality improvements.

This Report Is Part of an Oversight Series

The IJIA allocated \$12.7 billion over five years for the Clean Water State Revolving Fund Program, a federal-state partnership that provides low-cost financing to communities for water infrastructure projects. This represents an unprecedented investment in a program that received an average of \$1.6 billion annually in the five years before the IJIA was passed.

It is important that the EPA understands the capacity of states to administer and manage this significant increase in funds. To that end, the EPA OIG initiated a limited series of Clean Water State Revolving Fund capacity reviews of U.S. states and territories, with the goal of identifying both state-specific and overarching risks and challenges. This is the first report in that series. A [South Carolina](#) capacity review and a [U.S. Virgin Islands](#) capacity review are ongoing.

Total Clean Water State Revolving Fund Program appropriations, FY 2016–FY 2026



Notes: All dollar amounts are expressed in billions, except the annual appropriations for 2023, which are expressed in millions. Funding levels for annual appropriations for FY 2024 through 2026 are not included because they had not been appropriated at the time of this evaluation. The figure does not include community project funding or congressionally directed spending items, commonly referred to as earmarks, for FYs 2022 and 2023. The IIJA appropriations exclude \$1 billion in funding for Clean Water State Revolving Fund funding to address emerging contaminants.

Source: OIG summary of Clean Water State Revolving Fund annual and IIJA appropriations. (EPA OIG image)

Recommendations issued to the regional administrator for Region 6

No.	Recommendation
1	Develop and implement a plan to conduct additional monitoring of the New Mexico Environment Department Construction Programs Bureau on its hiring efforts until fiscal year 2026, when New Mexico receives its last anticipated Clean Water State Revolving Fund Infrastructure Investment and Jobs Act allotment, or until all vacancies in the Construction Programs Bureau have been filled, whichever is sooner.
2	Provide annual training on the Clean Water State Revolving Fund program through fiscal year 2026 to New Mexico Environment Department Construction Programs Bureau staff to enhance their knowledge of the program requirements and other grant requirements enacted with the passage of the Infrastructure Investment and Jobs Act.

The EPA Should Improve Oversight of Physical Access and Institutional Controls at the Escambia Wood Superfund Site

Report No. [24-E-0046](#) | Issued June 12, 2024

Cleaning up and revitalizing land; Partnering with states and other stakeholders.

Managing grants, contracts, and data systems.

The EPA is not providing sufficient oversight of the maintenance of physical access and institutional controls to protect human health and the remedy addressing soil contamination at the Escambia Wood Superfund site in Pensacola, Florida. Regarding the site’s physical access controls, site fencing was overgrown with vegetation and missing in at least one section, signage was faded and illegible, there were signs of trespassing, and a locked gate meant to prevent access had a gap large enough for an adult to pass through. In addition, the site’s institutional controls that prohibit residential or recreational use of the land were not being enforced. Specifically, there were encampments of homeless persons at the site. Insufficient oversight could harm the protectiveness of the remedy that the EPA has already spent

\$140 million on. Further, planned remediation, for which the EPA has allocated \$40 million in IJA funds, could be at risk if these deficiencies continue.



Left to right: A locked gate with a gap large enough for a person to enter the site, and a portion of fence missing at the site. (EPA OIG images)

Recommendations issued to the regional administrator for Region 4, in coordination with the Florida Department of Environmental Protection and Escambia County

No.	Recommendation
1	Ensure state and local partners implement and enforce existing institutional controls at the Escambia Wood Superfund site, including institutional controls prohibiting residential or recreational use of site parcels. This action will reduce the potential for exposure to contaminated soil, protect the remedy the EPA has already spent \$140 million on, and create conditions to ensure effective use of the \$40 million in Infrastructure Investment and Jobs Act funding for groundwater remediation.
2	Determine whether it is appropriate for the Escambia Wood Superfund site to be used for recreational or residential purposes and whether institutional controls documented in the Record of Decision and Ready for Reuse Determination are no longer needed. Document this change in remedial decision documents and, if applicable, work with appropriate stakeholders to amend the associated institutional controls.
3	Ensure that the appropriate parties perform adequate operation and maintenance of the remedy consistent with the Operations and Maintenance Plan, including inspection, maintenance, and repair of fencing.
4	Develop and execute a plan to determine whether to implement additional engineering controls to support site security and the effectiveness of existing institutional controls.

The EPA Needs to Improve Internal Controls for Selecting Recipients of Clean School Bus Program Funds

Report No. [24-E-0050](#) | Issued July 31, 2024

Improving air quality.

Managing grants, contracts, and data systems.

While the EPA followed six of the seven requirements to select recipients of Clean School Bus Program funds, the Agency did not require sufficient documentation to demonstrate that the school buses to be replaced met the fuel, weight, and operational status requirements or that the replacement buses would provide bus service for at least five years. Additionally, the EPA did not provide oversight to verify that selected recipients have school districts with suitable local conditions, such as a smaller mileage range and milder weather. There is an increased risk of potential fraud, waste, and abuse if the EPA does not follow all requirements for selecting recipients, and taxpayer dollars could be wasted if the Agency does

not establish procedures to verify that zero-emission school bus replacements are suitable for their intended school district.

IIJA requirements when selecting recipients of the Clean School Bus Program funds



Eligibility

The EPA must select only recipients that are eligible to apply. Eligible entities include local or state governments, contractors, school transportation associations, charter schools, and tribes.



50/50 Funding Pool Split

The EPA must award 50 percent of available funds to replace existing school buses with zero-emission school buses. With the other 50 percent, the EPA can make awards to replace existing school buses with clean school buses, which can include zero-emission buses. We refer to this funding split as the *clean school bus funding pool* and the *zero-emission bus funding pool*.



Four Criteria for Consideration

For the clean school bus funding pool, the EPA must take into consideration the following criteria without giving preference to any individual criterion:

1. Lowest overall cost of bus replacement.
2. Local conditions, including the length of school bus routes and weather conditions.
3. Technologies that reduce the most emissions.
4. Whether funds will bring new technologies to scale or promote cost parity between old technology and new technology.



Geographic Distribution

The EPA must ensure a broad geographic distribution of awards when selecting recipients while making sure that, to the maximum extent practicable, it achieves nationwide deployment of clean and zero-emission school buses.



Funding Parity, with No State Exceeding 10 Percent

While selecting the recipients of grants and rebates, the EPA must ensure that the amount received by all eligible entities in a state does not exceed 10 percent of the total amount available for the Clean School Bus Program in a fiscal year.

Source: OIG summary of IIJA selection requirements. (EPA OIG image)

Recommendations issued to the assistant administrator for Air and Radiation

No.	Recommendation
1	Issue guidance to Clean School Bus Program rebate and grant applicants on the types of documentation needed to support that their existing school buses are eligible for replacement and that replacement school buses will provide bus service for five years.
2	Require future Clean School Bus Program rebate and grant applicants to provide sufficient documentation to support their applications, including documentation that their existing school buses are eligible for replacement and that replacement school buses will provide bus service for five years.
3	Update the standard operating procedures and trainings for Clean School Bus Program application reviewers. The standard operating procedures and trainings should address confirming, before the EPA awards funds, the eligibility of applicants and their school buses, including that their existing school buses are eligible for replacement and that replacement school buses will provide bus service for five years.
4	Establish procedures to verify that, if an applicant is requesting Clean School Bus Program funds to replace existing school buses with zero-emission school buses, zero-emission school buses are suitable for the applicant's school district.


Management Implication Report: Some States Failed to Conduct Required Financial Audits of Their State Revolving Funds

Report No. [24-N-0060](#) | Issued September 12, 2024

For at least a decade, the states have not submitted to the OIG the required financial and compliance audits of their SRF programs. In response to an OIG request in April 2023, at least nine states did not provide audit reports for their SRF programs that specifically identified the state’s Clean Water State Revolving Fund and Drinking Water State Revolving Fund financial information. These audits serve as important tools for detecting and preventing fraud, waste, and abuse in the SRFs. Without them, the EPA’s annual reviews could fail to be complete or sufficient, putting about \$13 billion in total assets at greater risk for fraud, waste, and abuse. Additionally, the EPA has announced that it will award a total of nearly \$4.7 billion in IJIA funds to these nine states. We issued this management implication report so that the EPA may take whatever steps it deems appropriate to address state compliance with the regulations requiring SRF audits.

The EPA’s Brownfields Projects Program Is on Track to Meet Its Justice40 Goal but Overestimated Disadvantaged Community Benefits

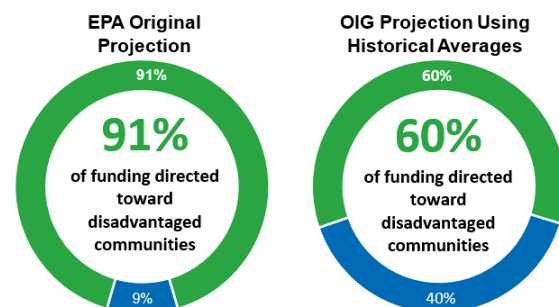
Report No. [24-P-0067](#) | Issued September 24, 2024

 Cleaning up and revitalizing land; Operating efficiently and effectively.

 Integrating and implementing environmental justice.

The EPA’s Brownfields Project Program met the Executive Office of the President’s Justice40 Initiative reporting requirements for fiscal year 2022 Infrastructure Investment and Jobs Act-funded projects. The program is also expected to meet the EPA’s internal goal of ensuring that at least 40 percent in each of its Infrastructure Investment and Jobs Act-funded Justice40-covered program benefits go to disadvantaged communities. However, the EPA’s methodology overestimated the percentage of benefits going to disadvantaged communities. The EPA projected that 91 percent of benefits will go to disadvantaged communities in fiscal year 2022, but the OIG, using historical data, calculated that 60 percent of benefits will go to disadvantaged communities. The EPA should revise its methodology so that the public has more accurate information on the percentage of benefits disadvantaged communities will receive.

The EPA’s original projection of benefits to disadvantaged communities compared to the OIG’s projection using historical averages



Source: OIG summary and recalculation of EPA data. (EPA OIG image)


Recommendations issued to the assistant administrator for Land and Emergency Management


No.	Recommendation
1	Implement a benefits methodology that more accurately projects the percentage of site assessments and cleanups that will occur in disadvantaged communities for the IIJA-funded and non-IIJA funded Brownfields Projects Program, such as by using a historical average.
2	Update the projections for FY 2022 and, if needed, FY 2023, for the IIJA-funded and non-IIJA-funded Brownfields Projects Program using the new methodology and replace projections with data on actual site assessments and cleanups completed when they become available.

Human Health and Environmental Issues

EPA Region 7 Did Not Effectively Engage with the Community Surrounding the Findett Corp. Superfund Site

Report No. [24-E-0033](#) | Issued April 17, 2024 | 

 Ensuring clean and safe water; Partnering with states and other stakeholders; Operating efficiently and effectively.

 Integrating and leading environmental justice; Maximizing compliance with environmental laws and regulations.

EPA Region 7 communicated with the community of St. Charles, Missouri, that was affected by the Findett Corp. Superfund Site in a way that was too technical; distributed information in low-circulation newspapers; and did not provide timely mediation services or technical assistance. As a result, the St. Charles community was unaware of opportunities for public participation and confused about the cleanup process, and a months-long disagreement about the risks from groundwater contamination delayed cleanup activities. Further, after an additional source of contamination was discovered, Region 7 did not develop a community involvement plan that reflected changing site conditions or that considered community feedback. Without effective community engagement, the public may not know about remediation activities, and groundwater contamination cleanup may not occur in a timely manner.

The Findett Corp. Superfund Site over time



Note: The image above is linked to a video. Click on the image or scan the QR code to view the video.


Source: OIG timeline summary of significant events at the Findett Corp. Superfund Site. (EPA OIG image and video)


Recommendations issued to the assistant administrator for the regional administrator for Region 7

No.	Recommendation
1	In coordination with the Conflict Prevention and Resolution Center, assess the need for alternative dispute resolution services at the Findett Corp. Superfund Site.
2	Develop a plan, in collaboration with community involvement coordinators, to ensure remedial project managers and Superfund and Emergency Management Division supervisors receive regular and ongoing training on the availability of the EPA’s community engagement resources and on the use of plain language in public-facing EPA documents intended for Superfund communities.
3	Implement a systematic method to help Region 7 Superfund site teams identify and prioritize community needs for technical support from the EPA’s Conflict Prevention and Resolution Center and Technical Assistance Services for Communities program.
4	Establish regular opportunities for community involvement coordinators to develop an ongoing understanding of site and community activities and to provide recommendations for community engagement.
5	Implement procedures for updating community involvement plans as site conditions change. Procedures should include a process to ensure the community involvement plans follow relevant EPA community involvement guidelines and the circumstances under which the EPA’s technical assistance programs will be used to support plan development.

Lack of State Financial Support and Local Capacity Prolonged Jackson, Mississippi Drinking Water Issues

Report No. [24-P-0038](#) | Issued May 13, 2024

 Ensuring clean and safe water; partnering with states and other stakeholders.

 Maximizing compliance with environmental laws and regulations; Overseeing, protecting, and investing in water and wastewater systems.

The Mississippi State Department of Health could have been more proactive in providing Jackson, Mississippi flexible Drinking Water State Revolving Fund loan options, such as increased loan subsidies, extended loan terms, and reduced interest. The Mississippi State Department of Health made flexible loan options available to disadvantaged communities like Jackson after June 2021 and refinanced Jackson’s loans after the city requested it in October 2022. If these flexibilities were available earlier, Jackson may have used them to lower its financing costs to improve its water system. Also, the funding did not address the capacity issues at its O.B. Curtis Water Treatment Plant that led to the Ross Barnett Reservoir flooding in August 2022, which resulted in emergency drinking water declarations, emergency funding from the federal government, and the appointment of an interim third-party manager to stabilize and improve operations at O.B. Curtis. Jackson may have addressed its drinking water issues in a timely manner if it had more funding options and sufficient technical assistance from the state.



Example of poor maintenance of pipes using duct tape at the traditional side of the O.B. Curtis plant. (EPA OIG image).

Recommendation issued to the regional administrator for Region 4

No.	Recommendation
1	Train the Mississippi State Department of Health on the DWSRF Disadvantaged Community Definitions: A Reference for States and assist it in exploring options to refine assistance programs to better support disadvantaged communities.

The EPA Should Better Prepare to Implement Public Notification Requirements When Lead in Drinking Water Poses Serious Risks to Human Health

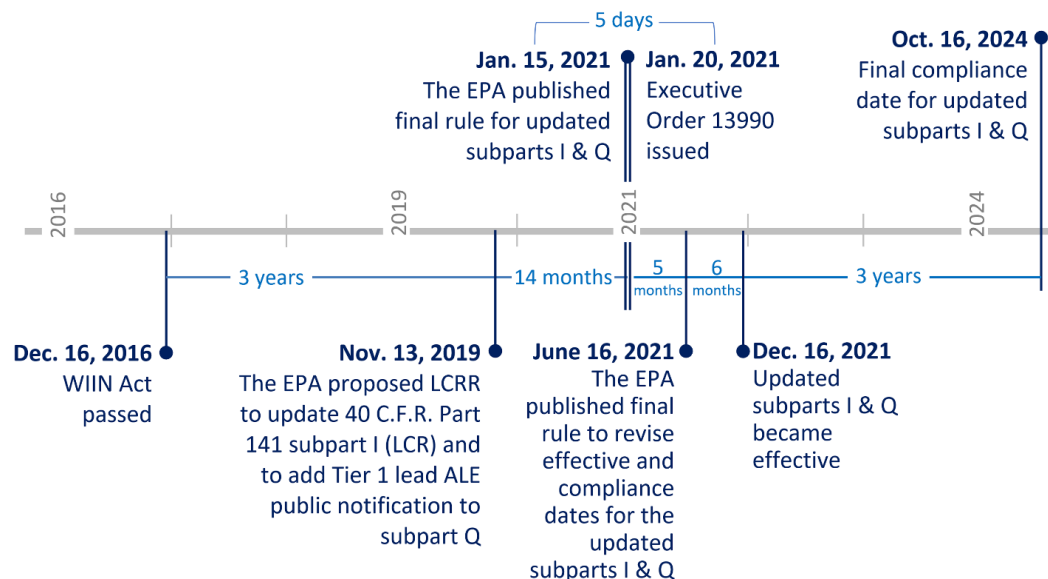
Report No. [24-P-0044](#) | Issued June 10, 2024

Operating efficiently and effectively; Ensuring clean and safe water.

Maximizing compliance with environmental laws and regulations.

At the time of our audit, the EPA was not ready to comply with the public notification requirements under section 2106 of the Water Infrastructure Improvements for the Nation Act, which states that lead-action-level exceedances require Tier 1 public notification because the EPA determined that those exceedances can have serious adverse effects on human health from short-term exposure. The Office of Water reported that it was in the process of developing a strategy, but it had not developed a plan or milestones or provided guidance to help EPA regions, states, and water systems comply with the requirements by October 16, 2024. The public could face continued exposure to lead without immediate information for mitigating health risks if the EPA, states, and water systems are not ready to be compliant by the October deadline.

Timeline for implementation of the Tier 1 lead ALE notification requirements



Note: ALE = lead-action-level exceedance; WIIN Act = Water Infrastructure Improvements for the Nation Act; LCR = Lead and Copper Rule; LCRR = Lead and Copper Rule Revisions.


Source: OIG summary of events. (EPA OIG image)


Recommendations issued to the assistant administrator for Water

No.	Recommendation
1	Establish a plan for implementing the Tier 1 lead-action-level exceedance public notification requirements, so that water systems, states, and the EPA are ready to comply by the October 16, 2024 compliance date.
2	Develop procedures to receive and track lead-action-level exceedance information as soon as it is available to the states to ensure compliance with the public notification requirements.

The EPA Did Not Ensure that Two of the Largest Air Oversight Agencies Identified and Inspected Potentially Significant Sources of Air Pollution

Report No. [24-P-0049](#) | Issued July 29, 2024

 Improving air quality; Compliance with the law; Partnering with states and other stakeholders.

 Maximizing compliance with environmental laws and regulations.

From at least 2006, the EPA did not ensure that the Texas Commission on Environmental Quality and California’s South Coast Air Quality Management District identified a subset of synthetic-minor sources of air pollution, known as SM-80s. Out of the 18 potential SM-80 facilities we identified in Texas, the Texas Commission on Environmental Quality had not visited 11 of them from 2017 through 2022. Out of the 109 potential SM-80 facilities we identified under South Coast’s jurisdiction in California, South Coast had not visited 27 of them from 2016 through 2021. The EPA’s *Clean Air Stationary Source Compliance Monitoring Strategy* states that delegated agencies should inspect SM-80s at least once every five years. The Texas Commission on Environmental Quality states that it does not identify SM-80s because there are no statutory or regulatory requirements to do so, and South Coast said that the 109 facilities are not SM-80s. The EPA’s lack of oversight over these delegated agencies increases the public’s risk of exposure to air pollution.

Definition of SM-80

An SM-80 is the highest emitting synthetic-minor source. The source voluntarily agrees to an enforceable restriction to limit its potential to emit to 80 percent or more of the major-source threshold, but less than 100 percent of the threshold.

Source: OIG analysis of EPA documents.

Recommendations issued to the assistant administrator for Enforcement and Compliance Assurance

No.	Recommendation
1	Conduct in-depth evaluations to monitor the performance of EPA regional offices’ oversight of delegated agencies’ implementation of the EPA’s <i>Clean Air Act Stationary Source Compliance Monitoring Strategy</i> .
2	Ensure that Region 9 develops a plan to conduct Clean Air Act state reviews of California’s largest air quality management districts every five years, in accordance with the <i>State Review Framework Compliance and Enforcement Program Oversight, SRF Reviewer’s Guide</i> .
3	Formalize a state review framework recommendation resolution process to ensure that the EPA’s senior managers and delegated agencies are accountable for the resolution of state review framework recommendations.
4	In collaboration with the Office of General Counsel and the Office of Air and Radiation, determine to what extent the Clean Air Act authorizes the EPA to require periodic identification and inspection of nonmajor stationary sources such as SM-80s by states, local government agencies, federally recognized Indian tribes, and U.S. territories. Document the EPA’s determination and exercise such authority, if applicable, as the EPA deems appropriate.
5	Clarify Agency policies and guidance to: <ol style="list-style-type: none"> Communicate the EPA’s expectations for the EPA regions and states, local government agencies, federally recognized Indian tribes, and U.S. territories to identify, inspect, report, and verify data for SM-80 sources. Communicate steps the EPA will take, if any, to periodically identify and inspect SM-80s if these entities do not meet such expectations. Clearly define SM-80 sources.
6	Establish routine training to reinforce EPA guidance and policies regarding delegated Agency requirements and responsibilities to identify and inspect SM-80 sources. Training is to include coordination among EPA regional managers, including division directors, deputy directors, branch chiefs, section chiefs, managers, and staff in the Office of Air and Radiation and the Office of Enforcement and Compliance Assurance.


Recommendation issued to the regional administrator for Region 6


No.	Recommendation
7	In coordination with the Office of Enforcement and Compliance Assurance and the Texas Commission on Environmental Quality, determine a complete and accurate list of SM-80 sources in Texas and ensure that each <i>Clean Air Act Stationary Source Compliance Monitoring Strategy</i> plan includes a list of SM-80s along with an expected inspection date. This corrective action should be completed by August 2025.


Recommendations issued to the regional administrator for Region 9

No.	Recommendation
8	In coordination with the Office of Enforcement and Compliance Assurance and the South Coast Air Quality Management District, confirm that California's South Coast Air Quality Management District's list of SM-80 sources is complete and accurate and ensure that the district reports SM-80 data in the EPA's data systems by August 2025.
9	Collect and review California's South Coast Air Quality Management District's <i>Clean Air Act Stationary Source Compliance Monitoring Strategy</i> plan by October 2026 and biennially thereafter and ensure that each plan includes a list of SM-80 sources along with an expected inspection date.

State Program Deficiencies and Inadequate EPA Oversight of State Enforcement Contributed to the Drinking Water Crisis in Jackson, Mississippi

Report No. [24-E-0055](#) | Issued August 12, 2024 | 

 Ensuring clean and safe water; Compliance with the law.

 Maximizing compliance with environmental laws and regulations.

Layers of inadequate oversight and enforcement contributed to the drinking water crisis in Jackson, Mississippi. The Mississippi State Department of Health did not consistently enforce the Safe Drinking Water Act, provide adequate oversight of Jackson's public water system, or have implementation procedures for its compliance and enforcement program. Consequently, the department did not take formal enforcement actions to compel Jackson to comply with the Safe Drinking Water Act. Also, the department did not consistently document deficiencies, escalate frequent deficiencies, notify Jackson of significant deficiencies, or report violations of the Safe Drinking Water Act to the EPA in a timely manner. As a result, although Jackson's public water system had been experiencing lead exceedances and other issues since 2015, the EPA remained unaware until it conducted an on-site inspection in February 2020. The findings of the inspection prompted the EPA to use its emergency enforcement authorities, and on August 30, 2022, the EPA referred Jackson to the U.S. Department of Justice, resulting in the filing of a civil litigation complaint against Jackson and the appointment of an interim third-party manager to operate, maintain, manage, and control the city's drinking water system.



Merchandise inscribed with the words "Welcome to Boil Water Alert Mississippi," like the coffee mug shown here, could be found around Jackson, Mississippi, where from 2014 through 2022, the public water system issued about 1,570 boil water notices. (EPA NEIC image)

Human health effects from lead exposure

Lead is a toxic metal, and it can accumulate in the body over time. Risk of exposure depends on the individual, water chemistry, and the amount consumed. Some populations, like children and pregnant women, are at a higher risk. Children with lead exposure may experience mental and physical developmental issues.

Recommendations issued to the regional administrator for Region 4

No.	Recommendation
1	Assess the Mississippi State Department of Health sanitary survey program to verify that it has appropriate rules, mechanisms, and authorities to ensure that public water systems take necessary steps to address significant deficiencies outlined in sanitary survey reports, per 40 C.F.R. § 142.16.
2	Develop a methodology to verify the adequacy of sanitary surveys conducted for public water systems within the state by the Mississippi State Department of Health.
4	Verify that the Mississippi State Department of Health has procedures in place to ensure that water systems report compliance monitoring data to the state pursuant to 40 C.F.R. § 141.90, to include verifying that the Mississippi Public Health Laboratory has appropriate procedures in place.
5	Train Mississippi State Department of Health personnel on using and entering data into the Safe Drinking Water Information System/State Version software.
6	Evaluate whether the Mississippi State Department of Health is implementing procedures for the enforcement of federal and state drinking water regulations. If the Mississippi State Department of Health is not implementing enforcement procedures as required by Safe Drinking Water Act section 1413, consider whether procedures for rescinding state primacy for water systems should be initiated.

Recommendation issued to the assistant administrator for Water



No.	Recommendation
3	Update the EPA's <i>Guidance Manual for Conducting Sanitary Surveys of Public Water Systems; Surface Water and Ground Water Under the Direct Influence (GWUDI) of Surface Water</i> (April 1999) and the EPA's <i>How to Conduct a Sanitary Survey of Drinking Water Systems</i> (August 2019) to include a sanitary survey checklist and a process for states to alert the EPA of public water systems with systemic issues, such as excessive distribution line breaks and frequent boil water notices, that individually may not rise to the level of a significant deficiency.

Recommendation issued to the assistant administrators for Water and for Enforcement and Compliance Assurance

No.	Recommendation
7	Develop guidance on the applicability and use of the EPA's Safe Drinking Water Act section 1442(b) grant authority to address public health in an emergency situation.

The EPA Needs to Improve the Verification of Land-Use Controls at Resource Conservation and Recovery Act Corrective Action Facilities

Report No. [24-E-0066](#) | Issued September 23, 2024

-  Cleaning up and revitalizing land; Partnering with states and other stakeholders; Operating efficiently and effectively.
-  Safeguarding the use and disposal of chemicals.

The EPA is not using its information systems or other means to track or verify that land-use controls remain operational at Resource Conservation and Recovery Act corrective action facilities where contaminants are left in place. Further, the systems contain data issues that could mislead the public and impair the EPA's analyses and decision-making. Without adequate monitoring and tracking, the EPA cannot determine whether land-use controls operate as intended. If land-use controls do not operate as intended, there is an increased risk that humans and the environment will be exposed to contaminants.

Recommendation issued to the assistant administrator for Land and Emergency Management


No.	Recommendation
1	Provide guidance to EPA regions and authorized states on methods that they can use to verify land-use control status, such as reporting or on-site assessments.
2	Define the minimum frequency for region and state verification that land-use controls remain operational—for example, verification every one, three, or five years.

No.	Recommendation
3	Update RCRAInfo to capture data on the operational status of land-use controls. This could be achieved by establishing national event codes for land-use control activities in RCRAInfo—for example, using Region 3's event codes as nationally defined event codes.
4	Provide training to help regions and authorized states input and maintain land-use control data in RCRAInfo.
5	Implement mechanisms to monitor land-use control status at the national level, such as annual reports from RCRAInfo that identify land-use controls that have not been verified at the minimum frequency to ensure they remain operational.
6	Implement business rules to address the identified issues with illogical RCRA Corrective Action Program data in RCRAInfo.
7	Implement a standard format for all regions to use when entering data into Cleanups in My Community.
8	Address the discrepancies between the RCRA corrective action facilities listed in RCRAInfo Web and those listed in Cleanups in My Community.

Business Practices and Accountability

The EPA Complied with the Payment Integrity Information Act for Fiscal Year 2023 but Needs to Improve Its Oversight Efforts for Improper and Unknown Payment Activities

Report No. [24-P-0041](#) | Issued May 29, 2024 | 

 Compliance with the law.

The EPA complied with the requirements of the Payment Integrity Information Act of 2019 and applicable Office of Management and Budget guidance for its fiscal year 2023 reporting. However, we found that the EPA lacked (1) documentation to support its conclusions for determining payment stream susceptibility to improper payments and (2) proper monitoring of the resolution of the unknown payments from the grant payment stream and agencywide payment integrity performance. Not having these items can increase the EPA's risk for ineffective management.


Recommendations issued to the chief financial officer

No.	Recommendation
1	Develop guidance for generating and maintaining documentation to support risk assessment determinations of whether EPA programs or payment streams are identified to be susceptible to significant improper payments.
2	Develop oversight guidance and mechanisms to monitor the resolution of unknown payments to make sure they are resolved in a timely manner.
3	Develop processes and tools to periodically collect and analyze agencywide payment integrity activities and related information for preventing and reducing improper and unknown payments.

Great Lakes Restoration Initiative Grants Documented Most Achievements, but the EPA Could Improve Monitoring and Reporting

Report No. [24-P-0043](#) | Issued June 3, 2024

 Partnering with states and other stakeholders.

 Integrating and implementing environmental justice; Managing grants, contracts, and data systems.

Only 14 of the 30 Great Lakes Restoration Initiative grants that we reviewed, or about 47 percent, included expected outputs and outcomes for environmental justice goals in their work plans, and only four of those, or 29 percent, clearly documented the achievement of these results in their final project reports. Also, the EPA project officers did not monitor whether all outputs and outcomes were included in final project reports. The Agency was delayed in submitting to Congress annual reports detailing the Great Lakes Restoration Initiative's progress and spending in fiscal years 2018 through 2021, which is required under the Clean Water Act. From fiscal year 2010 through 2021, the initiative distributed \$3.2 billion in grants. The EPA can better show how the initiative's grant money is spent by improving reporting of environmental results.

Definition of Grant Agreement, Outcomes, and Outputs

Grant Agreement: A legal instrument of financial assistance that includes the terms and conditions that the entity must follow when it accepts the Great Lakes Restoration Initiative funds, such as providing the Great Lakes National Program Office with semiannual progress reports and a final report with project results.

Outcomes: The results or effects of the environmental program or activity on the Great Lakes Restoration Initiative funds goals.

Outputs: The environmental activities or products achieved during the Great Lakes Restoration Initiative funds assistance agreement funding period.

Recommendations issued to the regional administrator for Region 5

No.	Recommendation
1	Require periodic training and provide learning resources for project officers on (a) determining whether Great Lakes Restoration Initiative grant recipients achieved all outputs and outcomes contained in the approved work plans, including those related to environmental justice, and (b) following up with grant recipients if information needed to make such determinations is missing.
2	Update the final report template and guidance for grant recipients to incorporate reporting of all outputs and outcomes, including those related to environmental justice, as required by EPA Order 5700.7A1.
3	Beginning in fiscal year 2024, evaluate and report environmental justice-related outputs and outcomes of Great Lakes Restoration Initiative grants in the required annual reports to Congress through the implementation of future Great Lakes Restoration Initiative action plans.
4	Submit the annual reports for the Great Lakes Restoration Initiative to Congress as required by the Clean Water Act.

Recommendations issued to the associate administrator for Congressional and Intergovernmental Affairs

No.	Recommendation
5	Implement a process to verify that Great Lakes Restoration Initiative annual reports to Congress, which are required by authorizing statutes, are tracked and submitted in accordance with the Action Development Process in a timely manner.

OIG Report to the Office of Management and Budget on the EPA's Semiannual Report on Purchase Charge Card Violations

Report No. [24-N-0048](#) | Issued July 22, 2024 | 

The EPA and the inspector general are required to submit to the Office of Management and Budget director, on a semiannual basis, a joint report on Agency purchase card violations. The EPA reported no purchase card violations from October 1, 2023, through March 31, 2024. For this reporting period, no information inconsistent with the EPA's violation report came to our attention, and we received no allegations of misuse of the government purchase card. We did not issue any recommendations in this report.

The EPA Needs to Develop and Implement Information Technology Processes to Comply with the Federal Information Security Modernization Act for Fiscal Year 2023

Report No. [24-P-0052](#) | August 5, 2024 | 

 Compliance with the law; Operating efficiently and effectively.


The EPA achieved an overall maturity level of Level 3, Consistently Implemented, for the five security functions and nine domains outlined in the Office of Management and Budget’s *FY 2023 – 2024 Inspector General Federal Information Security Modernization Act of 2014 (FISMA) Reporting Metrics*. This means that the EPA consistently implemented its information security policies and procedures, but quantitative and qualitative effectiveness measures are lacking. Without fully documented, implemented, and compliant information technology procedures, the Agency cannot ensure that its information security program protects EPA systems and data in adherence to the standards and guidance that the National Institute of Standards and Technology has issued.


Recommendations issued to the assistant administrator for Mission Support

No.	Recommendation
1	Document supply chain risk management procedures to comply with National Institute of Standards and Technology Special Publication 800-53 guidance.
2	Finalize and distribute a security and awareness training plan to comply with National Institute of Standards and Technology Special Publication 800-53 guidance.
3	Update the Information Security Continuous Monitoring Strategic Plan to comply with National Institute of Standards and Technology Special Publication 800-137A guidance.
4	Complete the Agency’s plan to fulfill Event Logging Tier 1 and Event Logging Tier 2 maturity requirements on the EPA network.
5	Develop and implement an automated process for detecting unauthorized hardware on the EPA network.
6	Develop and implement internal controls to validate the EPA’s registry of applications with Risk Management Framework tool data for asset inventory completeness and accuracy verification.
7	Develop and implement internal controls to verify the completeness and accuracy of the EPA’s inventory of information system components.
8	Collaborate with system owners and other relevant information technology personnel to conduct a root-cause analysis of common baseline configuration compliance findings to determine the source of these issues from an enterprise level.
9	Develop and implement internal controls to validate that all information security officers confirm that the confidentiality, integrity, and availability categorization levels documented in the system security plans for their systems accurately match the levels recorded in the Risk Management Framework tool.

The EPA Awarded WIIN Act Funds Consistent with Nearly All Guidance and Improved Its Processes to Increase Transparency of Funding Decisions

Report No. [24-P-0068](#) | Issued September 25, 2024


 Operating efficiently and effectively; Ensuring clean and safe water.


 Integrating and implementing environmental justice; Managing grants, contracts, and data systems.


The EPA followed nearly all applicable guidance when it awarded five grants to replace lead service lines in disadvantaged communities under sections 2104 and 2105 of the Water Infrastructure Improvements for the Nation Act. The Agency also implemented additional controls to increase transparency and completeness of grant decisions under the Act and compliance with requirements. These improvements

will impact additional funds from FY 2023 of \$50 million under section 2104 and an estimated \$47 million under section 2105. We made no recommendations in the report.

Most States Did Not Provide Some Required Fee Information in the Intended Use Plan or Annual Report for Their Clean Water State Revolving Funds

Report No. [24-P-0069](#) | Issued September 30, 2024 | 

 Ensuring clean and safe water.

 Managing grants, contracts, and data systems.

Out of the 47 states that charged fees to Clean Water State Revolving Fund loan recipients, 32 did not provide some required fee information in either their intended use plan or annual report for 2022. Notably, 25 did not include the total amount of fees available for use in their intended use plan and 14 omitted information on how fee revenues were used from their annual reports. The Office of Water's guidance may not have been clear regarding the definitions of the required information and how regional reviewers should obtain missing information. The EPA may not have complete fee information available for its oversight activities, and the public may not have had access to all the required fee information, including the amount of accumulated fee revenue available for use.

Number and percentage of states that included Clean Water State Revolving Fund fee reporting requirements

State CWSRF Programs that included:	Number	%*
All 6 requirements	15	32
5 of the 6 requirements	18	38
4 of the 6 requirements	6	13
3 of the 6 requirements	4	9
2 of the 6 requirements	4	9
Total	47	100

Note: CWSRF = Clean Water State Revolving Fund

Source: OIG analysis of the intended use plans and annual reports for 2022. (EPA OIG table)

* Since 47 states charged fees, the denominator we used to calculate the percentages was 47. All percentages have been rounded.


Recommendation issued to the assistant administrator for Water

No.	Recommendation
1	Ensure that states report fee information in their intended use plans and annual reports as required per the Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance, 70 Fed. Reg. 61,039 (Oct. 20, 2005), and the Clean Water State Revolving Fund capitalization grant conditions.

U.S. Chemical Safety and Hazard Investigation Board

The CSB Has Improved Its Information Security Program but Needs to Document Recovery Testing Results, Consistent with National Institute of Standards and Technology Guidelines

Report No. [24-P-0035](#) | Issued April 29, 2024 | 

 Advocating safety and achieving change through recommendations, outreach, and education.

SB & Company concluded that the CSB achieved an overall maturity of Level 2, Defined, in fiscal year 2023. This means that the CSB’s policies, procedures, and strategies are formalized and documented but not consistently implemented. SB & Company concluded that the CSB should formally document the results and the lessons learned from its disaster recovery testing scenarios to strengthen its information security program’s disaster recovery response times and mitigate the impacts of any disruptions.

Recommendation issued to the CSB chief information officer

No.	Recommendation
1	Formally document the disaster recovery testing scenarios and lessons learned results, consistent with National Institute of Standards and Technology guidelines.

2.2 Investigative Work

Section 5(a)(3) of the Inspector General Act, 5 U.S.C. § 405, requires a summary of significant investigations that were closed during the reporting period. We also report investigations that have not yet been officially closed but in which there has been significant activity, including convictions or guilty pleas, during the reporting period. Section 5(a)(13) of the Inspector General Act requires that we report on each investigation involving a senior government employee in which allegations of misconduct were substantiated.

Closed Significant Investigations

Lab Co-Owner Debarred for Reporting False Test Results

On January 30, 2023, the co-owner of a water testing laboratory company in Bridgeport, West Virginia, pleaded guilty in the U.S. District Court for the Northern District of West Virginia to one count of making a false representation within the jurisdiction of the EPA, in violation of 18 U.S.C. § 1001. On July 25, 2023, the co-owner was sentenced to one year of federal probation. On March 6, 2024, the EPA debarred the co-owner from participating in federal procurement and nonprocurement programs for one year. In May 2021, the City of Martinsburg, West Virginia, sent water samples to the laboratory company for testing pursuant to the Safe Drinking Water Act, and the co-owner reported that the samples were tested and found to be safe. The investigation determined that the co-owner of the company did not test the water samples because the laboratory equipment was not operational. As a result, when the City of Martinsburg reported the test results to the State of West Virginia as required by EPA regulations, the city unwittingly reported false test results. No activity occurred during the reporting period other than the administrative closure of the matter.

This was a joint investigation with the EPA Criminal Investigation Division.

Use of Contract Doctor's Services Discontinued After Investigation into Alleged Inappropriate Behavior During Medical Examinations of EPA Personnel

In April 2024, Federal Occupational Health, which is a component of the Program Support Center of the U.S. Department of Health and Human Services, ceased the use of a contract doctor's services following a joint investigation with the Department of Health and Human Services OIG regarding allegations of inappropriate behavior during required government medical examinations for EPA personnel. Based on the investigative report, Federal Occupational Health determined it would no longer use the doctor's services.

This was a joint investigation with the Department of Health and Human Services OIG.

North Carolina Company Debarred after Guilty Plea and Sentencing for Providing False Statements to the EPA and the National Science Foundation

On June 7, 2021, a North Carolina-based research company was sentenced in the U.S. District Court for the Middle District of North Carolina to serve five years of a probationary term, as well as ordered to pay

restitution in the amount of \$319,199 to the EPA and \$562,500 to the National Science Foundation. On March 23, 2021, the company pleaded guilty to two counts of providing false statements to the EPA and the National Science Foundation. From 2013 through 2017, the company applied for and received Small Business Innovation Research and Small Business Technology Transfer grant awards from the EPA and the National Science Foundation totaling \$1,375,000. The company submitted multiple proposals that contained misrepresentations regarding its eligibility to seek Small Business Innovation Research and Small Business Technology Transfer grant awards from the National Science Foundation and the EPA. On August 29, 2022, two individuals were debarred for a period of two years, and the company was debarred for four years from participating in federal procurement and nonprocurement programs. After the proposed debarment period was contested, in December 2023, the National Science Foundation issued a final notice of debarment for two years for the individuals and four years of debarment for the company. We closed this case following the completion of case related activities subsequent to the National Science Foundation's debarment.

This investigation was conducted jointly with the National Science Foundation OIG.

North Carolina Individual Sentenced to Ten Months in Prison for Fraud Conspiracy Related to Vehicle Emissions Testing

On February 21, 2024, a North Carolina individual was sentenced in the U.S. District Court for the Western District of North Carolina for conspiracy to defraud the United States by fraudulently coding 3,779 vehicles that would have otherwise failed a required state emissions inspection. The individual executed the scheme by falsely changing the information of vehicles that would have otherwise failed the required state emissions testing, so that they were no longer required by the state's registration system to have a passing emissions test. The individual was sentenced to ten months' imprisonment with three years of supervised release and ordered to pay a \$302,320 fine and \$24,404 in restitution to the State of North Carolina.

This was a joint investigation with the EPA Criminal Investigation Division.

North Carolina Individual Sentenced to Five Months in Prison for Fraud Conspiracy Related to Vehicle Emissions Testing

On March 26, 2024, a North Carolina individual was sentenced in the U.S. District Court for the Western District of North Carolina for conspiracy to defraud the United States by fraudulently coding 3,228 vehicles that would have otherwise failed the required state emissions inspection. The individual executed the scheme by falsely changing the information of vehicles that would have otherwise failed the required state emissions testing, so that they were no longer required by the state's registration system to have a passing emissions test. The individual was sentenced to five months' imprisonment, followed by three years supervised release, to include five months' home confinement, ordered to pay \$20,846 in restitution to the State of North Carolina, and fined \$258,240.

This was a joint investigation with the EPA Criminal Investigation Division.

Kentucky Businesswoman and Business Entity Debarred After Appeals Court Affirmed Convictions for Wire Fraud, Conspiracy, and Money Laundering

On September 30, 2022, a businesswoman from Lexington, Kentucky, was sentenced by the U.S. District Court for the Eastern District of Kentucky to 42 months in federal prison for conspiracy to commit wire fraud, wire fraud, and money laundering and ordered to pay restitution in the amount of \$1,048,255 to the U.S. Department of Energy and \$500,000 to the Kentucky Cabinet for Economic Development, Office of Entrepreneurship and Small Business Innovation. On May 5, 2022, the businesswoman's coconspirator, a businessman from Lexington, Kentucky, was ordered by the U.S. District Court for the Eastern District of Kentucky to pay \$100,000 in restitution to the EPA. According to the businessman's plea agreement, he submitted false reports to the EPA from December 2017 through May 2019 to justify payments totaling \$100,000 under an EPA research grant. This judgment brought the total restitution to \$1,648,255. The businesswoman appealed, and on April 1, 2024, her conviction and sentencing were affirmed by the United States Court of Appeals for the Sixth Circuit. On September 17, 2024, the Department of Energy debarred the co-conspirator and her associated business entity for three years.

This investigation was conducted jointly with the Department of Energy OIG and the Department of Defense OIG Defense Criminal Investigative Service.

Engineering Firm Debarred for Not Complying with the American Iron and Steel Provision

On May 24, 2023, the U.S. Attorney's Office for the District of South Dakota, approved a settlement between the Department of Justice, on behalf of the EPA, and a Wyoming-based engineering firm. The settlement agreement was in response to a False Claims Act investigation related to an American Iron and Steel provision compliance issue involving a Drinking Water State Revolving Fund water well rehabilitation project in Hermosa, South Dakota. The engineering firm agreed to settle for \$61,653.30. The EPA will receive \$36,440 in restitution, which it will return to the Drinking Water State Revolving Fund. On June 4, 2024, the EPA debarred the engineering firm from participating in federal procurement and nonprocurement programs for one year.

EPA Employee Suspended Following Allegations of Sexual Harassment and Inappropriate Comments

In February 2024, an EPA GS-13 employee was suspended for 13 days without pay, required to complete mandatory training, and assigned a mentor after the OIG investigated allegations of the GS-13's involvement in sexual harassment and inappropriate comments while deployed as part of the EPA's response to the train derailment in East Palestine, Ohio.

Former EPA Employee Suspended for Unlawfully Intervening to Import Products that Did Not Comply with Federal Environmental Law

On March 31, 2023, a now former EPA GS-13 employee was convicted in the U.S. District Court for the Northern District of Georgia on one count of unlawful for an employee to act as an agent of the United

States, in violation of 18 U.S.C. § 205(a)(2). Specifically, the EPA employee unlawfully intervened with the U.S. Customs and Border Patrol to clear the importation of products that did not comply with federal environmental law and that otherwise would not have been allowed to enter commerce. On July 31, 2023, the former employee was suspended from federal procurement and nonprocurement programs, pending proposed debarment. The former employee is contesting the proposed debarment. No activity occurred during the reporting period other than the administrative closure of the matter.

North Carolina Businessman Pleaded Guilty to Fraud Scheme to Bypass Vehicle Emissions Testing Requirements

On June 11, 2024, a North Carolina businessman pleaded guilty in the U.S. District Court for the Eastern District of North Carolina to engaging in a scheme to defraud the United States government, the EPA, the State of North Carolina, and the North Carolina Department of Transportation, from about January 2018 to August 2023, by changing the county of registration associated with motor vehicles to bypass emissions inspections required by the Clean Air Act. By changing the county of record from an area of nonattainment, which is a county that requires vehicle emissions testing, to a county that did not require vehicle emissions testing, the businessman procured new or renewed vehicle registrations without the emissions inspections that would otherwise be required. The businessman and others profited from this scheme and artifice by charging the vehicle owners well more than the typical cost of a bona fide vehicle registration.

This was a joint investigation with the EPA Criminal Investigation Division.

Florida Company Agreed to Pay to Resolve Allegations of False Statements Related to Energy Star Program Inspections

On September 28, 2023, a company headquartered in Jacksonville, Florida, agreed to pay \$2.35 million to resolve allegations that it violated the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 by knowingly and intentionally making false statements to the EPA and other entities about the results of inspections it performed under the EPA's Energy Star Program between 2014 and 2021. The Energy Star Program is a voluntary public-private partnership to identify and promote energy-efficient products and buildings, to reduce energy consumption, to improve energy security, and to reduce pollution through labeling of or other communication about products and buildings that meet energy conservation standards. The EPA oversees the Energy Star Home Certification Program in partnership with a private home certification organization that accredits and audits rating providers. The investigation substantiated the allegations that the company fraudulently certified that homes were Energy Star certified. No activity occurred during the reporting period other than the administrative closure of the matter.

Management Implication Report Highlights Need for Robust Verification of Clean School Bus Applications

In February 2023, the OIG opened a proactive investigation into the EPA Clean School Bus Program awarding process. During the investigation, anomalies regarding a New York City applicant were noted,

but the OIG concluded that no criminal activity occurred. On December 27, 2023, we issued the *Management Implication Report: Preventing Fraud, Waste, and Abuse Within the EPA’s Clean School Bus Program*, Report No. [24-N-0013](#), which identified that the EPA did not have robust verification mechanisms within the Clean School Bus rebate and grant application process. This led to third parties submitting applications on behalf of unwitting school districts, applicants not being forthright or transparent, entities self-certifying applications without corroborating documentation, and entities being awarded funds despite violating program requirements. The OIG did not issue any recommendations in this report, but provided several measures for improvement for the Agency’s consideration, including requiring applicants to provide supporting documentation, establishing an application-validation regimen, requiring rebate and grant recipients to maintain a documentation archive, highlighting criminal penalties in the application process, requiring signed and notarized attestations and certifications, and increasing oversight of third-party vendors. The inspector general briefed Congress on the issue on December 28, 2023, and the OIG provided additional briefings to House oversight committees in January and February 2024. This matter was closed during the reporting period.

Open Significant Investigations

Suspected Fraudulent Account Frozen and Drinking Water State Revolving Fund Loan Payment Returned to Georgia Environmental Finance Authority

On January 10, 2024, the OIG received information that a city in Georgia was the victim of a business email compromise scheme, which had caused the misdirection of a Drinking Water State Revolving Fund loan payment of \$222,641.04 from the Georgia Environmental Finance Authority to an unknown and suspected fraudulent bank account in March 2023. The Drinking Water State Revolving Fund is a financial assistance program to help water systems and states to achieve the health protection objectives of the Safe Drinking Water Act. The OIG, working in conjunction with the U.S. Attorney’s Office and the associated banking entities, was able to administratively freeze the suspected fraudulent account and return the full amount of funds back to the Georgia Environmental Finance Authority in July 2024.

Individual Sentenced and Ordered to Pay Restitution for Sale of Unregistered Pesticides

On September 11, 2024, an individual from Brooklyn, New York, was sentenced in the U.S. District Court for the Eastern District of New York to one year probation and 100 hours community service and ordered to pay \$67,447 in restitution and a \$9,500 fine. On April 17, 2024, the individual pleaded guilty to one count of unlawful sale of unregistered and misbranded pesticide and paid \$100,000 in forfeiture. According to the individual’s plea agreement, from July 2020 through April 2022, the individual used fraudulent representations to make more than 22 million unregistered pesticide wipes for a profit of more than \$1.2 million.

This is a joint investigation with the EPA Criminal Investigation Division.

Two Individuals Pleaded Guilty in Maryland in \$9.5 Million Money-Laundering Conspiracy Case

On July 29, 2024, and September 16, 2024, two individuals pleaded guilty in the U.S. District Court for the District of Maryland to conspiracy to commit money laundering, in violation of 18 U.S.C. §1956(h). The individuals are expected to be sentenced later in the year. On February 7, 2024, ten defendants were arrested at locations throughout Maryland, and three search warrants were executed related to an alleged money laundering conspiracy involving more than \$9.5 million in proceeds from fraud schemes. A federal grand jury returned two indictments in 2023 that were unsealed upon the arrests of the defendants. According to the indictments, the defendants allegedly created and used limited liability companies and other shell businesses to open bank accounts for the purpose of receiving money that they fraudulently obtained from government agencies, organizations, and companies, including an environmental trust overseen by the EPA, an urban redevelopment program, a medical center, a transportation-and-logistics company, a school district, a college, a county government, and other victims. The defendants deceived the victims into sending money to them by, for example, providing the victims with false bank account information for legitimate vendor payments or with false wire transfer information for legitimate transactions. The defendants and their coconspirators then allegedly concealed and disguised the nature and source of the money through cash withdrawals, cashier's check purchases, debit card transactions, and transfers to other bank accounts controlled by the coconspirators. In addition, some coconspirators obtained and used forged and counterfeited identification documents, including some with the names of individual identity-theft victims. As of March 2024, two other defendants were arrested on charges related to this money-laundering conspiracy. On September 18, 2024, while in the custody of a Maryland correctional facility under an assumed stolen identity, another individual indicted in this matter was arrested pursuant to a federal arrest warrant issued in February 2024, bringing the total to 13 arrests. The individual was arraigned in the U.S. District Court for the District of Maryland.

This is a joint investigation with the U.S. Department of Homeland Security Homeland Security Investigations, the Internal Revenue Service Criminal Investigation Division, and the Department of Defense OIG Defense Criminal Investigative Service.

Two Individuals Charged for Falsely Claiming Hours Worked for Residential Lead Inspections in New Jersey

On September 9, 2024, two individuals from New Jersey, appeared in court after being charged in the U.S. District Court for the District of New Jersey with participating in a conspiracy to obtain overtime payments from the City of Trenton for work they did not perform. They did this by fraudulently inflating the overtime hours they claimed to have worked conducting residential lead inspections and meal deliveries to needy Trenton residents. New Jersey receives EPA grants to help fund the state's lead remediation efforts, lead accreditation training, and the New Jersey Department of Health Lead Program. The two residents also admitted to inflating claims for overtime hours worked in connection with a City of Trenton meal delivery program. This follows similar guilty pleas from three other individuals that we reported on in this case in the previous semiannual period. In particular, on November 28, 2023, a resident of New Jersey and a resident of Pennsylvania pleaded guilty in the

U.S. District Court for the District of New Jersey to participating in a conspiracy to obtain overtime payments from the City of Trenton for work they did not perform. Similarly, they did this by fraudulently inflating the overtime hours they claimed to have worked conducting residential lead inspections in homes of children affected by lead poisoning. The New Jersey resident admitted to receiving \$22,144 and the Pennsylvania resident admitted to receiving \$32,806 in overtime payments to which they were not entitled. On February 26, 2024, another resident of New Jersey pleaded guilty in the U.S. District Court for the District of New Jersey to participating in a conspiracy to obtain overtime payments from the City of Trenton for work not performed. This second New Jersey resident did this by fraudulently inflating the overtime hours claimed; submitting false claims for conducting residential lead inspections in New Jersey environmental justice communities; and submitting false claims for overtime work not performed in connection with a City of Trenton meal delivery program. This second New Jersey resident admitted to receiving \$32,524.12 in overtime payments to which the resident was not entitled.

This is a joint investigation with the Federal Bureau of Investigation, the Department of Housing and Urban Development OIG, and the EPA Criminal Investigation Division.

Over \$1 Million in Fraud Proceeds Seized from Accounts Involved in Business Email Compromise that Targeted the EPA

On or about July 11, 2023, the OIG received information that the EPA Office of General Counsel was the victim of a business email compromise originating from a compromised third-party email account, resulting in the misdirection of \$675,000 of taxpayer funds. On or about October 4, 2023, the OIG and other federal law enforcement agencies seized approximately \$671,000 of the EPA funds from an account identified as receiving the misdirected funds. Continuing investigative activity in this matter also identified additional money laundering occurring in related identified accounts involving the proceeds of frauds committed against other victims. In September 2024, the OIG and other federal law enforcement agencies identified and seized approximately \$405,000 in fraud proceeds originating from a separate but related business email compromise victim.

This is a joint investigation with the Federal Bureau of Investigation and the U.S. Department of Homeland Security Homeland Security Investigations.

Management Implication Reports

Management Implication Report: The EPA's Wood Heater Program

Report No. [24-N-0040](#) | Issued May 22, 2024

The EPA lacks robust oversight mechanisms—such as compliance monitoring of EPA-approved labs, third-party certifiers, and wood heater manufacturers—to ensure that the Wood Heater Program facilitates compliance with the Clean Air Act. As a result, wood heaters that do not meet Clean Air Act standards may end up in the marketplace, increasing risks to public health and the environment. We also identified concerns regarding impartiality, conflicts of interest, and enforcement of program violations, especially in cases where the EPA is allowing known noncompliance to go unaddressed. We

issued this management implication report to propose measures for improvement for the EPA to consider, so that the EPA may take the steps it deems appropriate to bolster the efficacy of the Wood Heater Program, ensure that the certificate-of-compliance process implements the Clean Air Act and emissions standards as intended, and help mitigate pollution within the air we breathe.

Management Implication Report: Clean Water State Revolving Fund American Iron and Steel Requirement

Report No. [24-N-0047](#) | Issued June 26, 2024

EPA subject-matter experts on the American Iron and Steel requirements of the Clean Water Act and the Washington State Department of Ecology reached differing opinions about the compliance of a Canadian company's manhole products with the American Iron and Steel requirement for use in Clean Water State Revolving Fund projects. Pursuant to the requirement, Clean Water State Revolving Fund recipients must use iron and steel products that are produced in the United States in construction, alteration, maintenance, or repair of a public water system or treatment works. However, there are ambiguities concerning the requirement as it pertains to the polyvinyl chlorate components. We issued this management implication report so that the Agency may take whatever steps it deems appropriate to provide guidance for implementation of American Iron and Steel requirements when polyvinyl chlorate is used in manufactured products.

Management Implication Report: The EPA Did Not Properly and Timely Disclose Fraud in its Programs and Operations

Report No. [24-N-0051](#) | Issued September 4, 2024

The EPA failed to properly and timely disclose to the OIG unmistakable indicators of fraud by a business entity owner involving EPA programs and operations. As a result of the EPA's failure to properly disclose these indicators of fraud in a timely manner to us, the U.S. Attorney's Office declined to pursue criminal charges against the business entity owner involved. Failure to disclose fraud, waste, and abuse, or other potential improper or illegal conduct involving an EPA program or operation can negatively impact the EPA's ability to fulfill its mission and ensure the soundness of, and confidence in, the EPA's programs and operations. We issued this management implication report so that the Agency may take whatever steps it deems appropriate to ensure that we are properly and timely notified of all instances of suspected fraud, waste, abuse, and corruption.

Management Implication Report: Protecting the Integrity of EPA-Funded Research

Report No. [24-N-0058](#) | Issued September 3, 2024

The EPA updated its reporting requirements in May 2023 to require that grantees disclose funding support annually, but it lacks a mechanisms to vet for conflicts of interest when a grant applicant or recipient states that it is receiving foreign support or neglects to volunteer such information, a mechanism to verify the accuracy or legitimacy of grant applicants' reports of foreign funding, or a process for considering whether receipt of foreign support might create a conflict of commitment. Other

than applications and annual certifications, the EPA lacks a process for verifying whether grant recipients have received other government-funded grants for the same subject matter area, which is a potential disqualifying factor for receiving an additional award. Additionally, the EPA's May 2023 updated research terms and conditions did not include statutory disclosure requirements of the Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022 that covered participants certify that they are not party to a malign foreign talent recruitment program, and that recipient institutions prohibit covered participants partaking in malign foreign talent recruitment programs from working on projects supported by EPA research and development. This report proposes best practices for strengthening the administration of EPA grant funds, consistent with multiple research protection acts. We issued this management implication report so that the EPA may take whatever steps it deems appropriate to ensure full transparency from grant recipients; comply with the relevant statutory and governmentwide requirements; and ensure that there is no scientific or budgetary overlap of, foreign influence on, or other conflict related to EPA-funded research before and after the Agency awards grants.

Senior Employee Investigations

The Administrative Investigations Directorate conducts administrative investigations of allegations of misconduct by senior Agency employees. Senior Agency employees include an officer or employee in the executive branch, including a special government employee as defined in 18 U.S.C. § 202, who occupies a position classified at or above the GS-15 level or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for a GS-15 employee. Senior government employees include members of the Senior Executive Service; political appointees; and scientific, professional, and senior-level positions.

Management Implication Report: The EPA Failed to Comply with the OIG's Preservation Requests for Access to Mobile Device Information

Report No. [24-N-0045](#) | Issued June 4, 2024

The EPA must ensure that mobile devices for separating employees are properly preserved and timely accessible to the OIG to prevent the loss of evidence and other relevant records. After learning that the subject of an OIG administrative investigation was separating from the Agency, the Administrative Investigations Directorate requested that the EPA Office of Mission Support preserve the information on that senior official's electronic devices. The office failed to retain the senior official's three mobile devices in a way that would enable access to the information stored on them. As a result, the Administrative Investigations Directorate has been unable to retrieve the information on these devices that may be relevant to our investigation. After another senior official separated from the Agency, the Office of Mission Support was prepared to take the same actions that led to access issues with the first senior official's devices. But for the OIG's immediate intervention, the information on those devices may have become inaccessible and potentially unretrievable.

Report of Investigation: Joseph Goffman, Assistant Administrator, Office of Air and Radiation

Report No. [24-N-0054](#) | Issued August 27, 2024

After EPA official Joseph Goffman self-disclosed his participation in the Miscellaneous Coating Manufacturing rulemaking to the OIG, the Administrative Investigations Directorate initiated an investigation into whether his participation in that rulemaking was potentially improper based on his personal financial holdings. The scope of the investigation was later expanded to include three other matters involving potential ethics violations under the federal financial conflicts-of-interest prohibition: Goffman’s participation in preparations for an EPA roundtable on the IJA and the IRA; his participation in the review of a hydrofluorocarbon allowance allocation request pursuant to the American Innovation and Manufacturing Act; and his participation in a rulemaking on the Ethylene Oxide Emissions Standards for Sterilization Facilities Residual Risk and Technology Review. Based on a preponderance of the evidence, the investigation found that in all four matters, Goffman failed to assess whether specific parties or industries posed a potential financial conflict of interest prior to his participation. Also, the investigation found that Goffman failed to meet his ethical obligations under the federal financial conflicts-of-interest prohibition when he participated in both rulemakings despite holding disqualifying financial interests. In the Ethylene Oxide rulemaking, the investigation further found that the Office of General Counsel Ethics Office had at one point erroneously advised Goffman that he could participate in the rulemaking. As a result, Goffman continued to participate in the matter despite holding financial interests in companies that owned approximately 10 percent of the commercial sterilization facilities directly impacted by the rule. The investigation was inconclusive as to whether Goffman met his ethical obligations under the federal financial conflicts-of-interest prohibition when he participated in the review of the hydrofluorocarbon allowance allocation request, and the OIG did not find that Goffman failed to meet his ethical obligations when he participated in the roundtable preparations.

Five Reports of Investigation: Whistleblower Reprisal Investigations

Report Nos. [24-N-0061](#), [24-N-0062](#), [24-N-0063](#), [24-N-0064](#), [24-N-0065](#) | Issued September 17, 2024

In June and August 2021, the nonprofit organization Public Employees for Environmental Responsibility filed OIG Hotline complaints on behalf of five scientists who worked in the Office of Pollution Prevention and Toxics in the EPA Office of Chemical Safety and Pollution Prevention. These hotline complaints and the subsequent interviews of the five scientists raised multiple allegations of misconduct, including that the Agency took retaliatory actions against the five scientists after they expressed differing scientific opinions in chemical assessments. The scientists alleged that they were further retaliated against for disclosing allegations of harassment, retaliation, and violations of EPA policy to the OIG. The investigation determined that three of the five scientists were retaliated against in violation of the EPA’s *Scientific Integrity Policy* for expressing differing scientific opinions. Of these three scientists, the investigation found that one was also retaliated against in violation of the Whistleblower Protection Act after engaging in protected activities. The retaliatory actions came in the form of lowered performance evaluations, a reassignment, and the withholding of a cash or time-off award. The five reports issued individually address the retaliation allegations made by each scientist and the results of each investigation.

Report of Investigation—Employee Integrity

A Report of Investigation documents the facts and findings of an OIG investigation and generally involves an employee integrity matter. When either the OIG Office of Investigations or the OIG Administrative Investigations Directorate issues a Report of Investigation that has at least one supported allegation, it will generally request that the entity receiving the report—whether it is an office within the EPA, the CSB, or the OIG—notify the OIG within 60 days regarding the administrative action taken or proposed to be taken in the matter. When the Administrative Investigations Directorate issues a Report of Investigation pursuant to 41 U.S.C. § 4712, the entity receiving the report is statutorily required to take a specified action or deny relief within 30 days. This section provides information on how many Reports of Investigation with at least one supported allegation were issued to the EPA, the CSB, or the OIG, as well as how many of those Reports of Investigation did not receive a response within the 60- or 30-day period.

For this reporting period, we issued six Reports of Investigation to the EPA. We did not receive any responses outside the applicable 60-day or 30-day response periods, though the relevant response period had not elapsed for all six reports as of the end of the reporting period.

The Trafficking Victims Prevention and Protection Reauthorization Act of 2022 Reporting

The Trafficking Victims Prevention and Protection Reauthorization Act of 2022, Pub. Law No. 117-348, requires additional governmental efforts to prevent human trafficking. The Act requires, among other things, that federal executive branch employees be subject to a policy that requires personnel to report to the applicable inspector general and agency trafficking in persons point of contact any suspected cases of misconduct, waste, fraud, or abuse relating to trafficking in persons. Section 122(e) of the Act requires that the OIG, in consultation with the Agency, report annually to Congress regarding: (1) the number of suspected violations reported; (2) the number of investigations; (3) the status and outcomes of such investigations; and (4) any recommended actions to improve the programs and operations of the Agency.

The OIG did not receive any complaints of trafficking during fiscal year 2024 and therefore initiated no investigations related to trafficking. For purposes of meeting this reporting requirement, the OIG has sought and obtained the contact information of the Agency's trafficking in persons points of contact, but we have not received any further information to report.

2.3 Instances of Whistleblower Retaliation and Interference with Independence

Whistleblower Retaliation

Section 5(a)(14) of the Inspector General Act, 5 U.S.C. § 405, requires a detailed description of any instances of whistleblower retaliation noted by the OIG. This requirement includes reporting information about any officials found to have engaged in retaliation and the consequences the EPA or the CSB imposed to hold such officials accountable.

As detailed above in the “Senior Employee Investigations” subsection of [Section 2.2](#), the OIG issued five reports of investigation addressing allegations by five Agency scientists in the Office of Pollution Prevention and Toxics that they were retaliated against for expressing differing scientific opinions in chemical assessments. We determined that three of the five scientists were retaliated against in violation of the EPA’s *Scientific Integrity Policy* for expressing differing scientific opinions. Of these three scientists, we found that one was also retaliated against, in violation of the Whistleblower Protection Act, after engaging in protected activities. We identified three GS-15 level management officials in the Office of Pollution Prevention and Toxics that took the retaliatory actions.

We provided the five reports of investigation to the Agency on September 17 and requested that the Agency notify us within 60 days, or by November 15, of any administrative action that it has taken or proposed. While the EPA’s *Scientific Integrity Policy* extends whistleblower protections to employees who express a differing scientific opinion, it does not state whether the Whistleblower Protection Act’s mandatory proposed discipline provision applies when these protections are violated.

Interference with Independence

Section 5(a)(15) of the Inspector General Act, 5 U.S.C. § 405, requires a detailed description of any attempt by the EPA or the CSB to interfere with the independence of the OIG, including “budget constraints designed to limit the capabilities” of the OIG and incidents in which the EPA or the CSB “has resisted or objected to oversight activities of the [OIG] or restricted or significantly delayed access to information, including the justification of the establishment for such action.”

During the reporting period, the Office of Investigations identified several instances in which the EPA failed to timely notify the OIG of suspected fraud within the OIG’s investigative purview. We raised concerns about this issue in Report No. [24-N-0051](#), *Management Implication Report: The EPA Did Not Properly and Timely Disclose Fraud in its Programs and Operation*, issued September 4, 2024. In that report, we identified that EPA personnel failed to notify the OIG regarding a business entity that, among other things, submitted fraudulent documentation to the EPA in an attempt to import engines otherwise prohibited under the Clean Air Act.

As a further example, in September 2024, the OIG learned of a fraud-related indictment involving EPA programs and operations only through a Department of Justice [press release](#), rather than from EPA

personnel investigating or aware of the alleged fraud. According to the press release, three individuals were indicted in connection with an alleged fraud scheme to import the hazardous chemical trichloroisocyanuric acid from China and fraudulently market and illegally transport this product. The investigation identified a conspiracy to lure customers into purchasing a product by making false representations about the product, including false descriptions of the strength and efficacy of the product and its registration status with the EPA. The press release identified the EPA's Criminal Investigation Division among the investigation's contributors. Charges included counts of wire fraud, smuggling, conspiracy to commit wire fraud and smuggling, and violations of the Federal Insecticide, Fungicide, and Rodenticide Act.

In addition, during the reporting period, the EPA failed to preserve the mobile devices of a senior official in a way that would allow the OIG to access the information stored on them. As detailed in the OIG's Report No. [24-N-0045](#), *Management Implication Report: The EPA Failed to Comply with the OIG's Preservation Requests for Access to Mobile Device Information*, issued June 4, 2024, the senior official was a subject of an ongoing OIG administrative investigation. After the official announced plans to separate from the Agency, the OIG requested the Agency preserve the official's electronic devices, so that we could access them. Despite the Agency's acknowledgement of the OIG's request, the Agency's Office of Mission Support disconnected service to the mobile devices after the official's separation but prior to their delivery to the OIG, which jeopardized the preservation of, and our access to, information on those devices. Despite several attempts by the OIG and Office of Mission Support personnel, as well as assistance by another law enforcement agency, as of the end of the reporting period, we have been unable to access the information on the mobile devices. Such information may include potential federal records or other evidence related to the OIG's pending investigation. In its response to our management implication report, the EPA stated that Office of Mission Support personnel had followed all internal procedures.

For the OIG to effectively carry out its statutory responsibility to “conduct . . . investigations relating to the programs and operations” of the EPA in order to “prevent and detect fraud and abuse in those programs and operations,” we require timely access to information regarding instances of suspected and alleged fraud. In failing to notify the OIG of such instances, the EPA delays OIG access to information, impeding both the function and independence of our office. Similarly, a lack of procedures to adequately preserve requested information in a way that is accessible to the OIG, or failure to adhere to such procedures, also hinders our independent oversight of the Agency.

Section 3: Statistical Data



3.1 Summary of Investigative Results

Section 5(a)(4) of the Inspector General Act, 5 U.S.C. § 405, requires a listing of the total convictions for the reporting period that resulted from investigations, and section 5(a)(11) of the Act requires statistical tables identifying the total number of investigative reports, the total number of people referred for criminal prosecution during the reporting period, and the total number of indictments and criminal informations during the reporting period that resulted from prior referrals to prosecuting authorities. Section 5(a)(12) of the Act requires a description of the metrics used for developing the data for the statistical tables required by section 5(a)(11). We also provide additional statistical information relating to the results of our investigative work, including cases and complaints opened, and the results of criminal, civil, and administrative actions.

Table 3: Summary of investigative activity

Investigative activity	Number
Cases open as of April 1, 2024*	190
Cases opened during period	61
Cases closed during period	91
Cases open as of September 30, 2024*	161
Preliminary inquiries open as of April 1, 2024	89
Preliminary inquiries opened during period	61
Preliminary inquiries closed during period	79
Preliminary inquiries open as of September 30, 2024	72

Note: During the reporting period, the Office of Investigations transitioned to a new case management and tracking system, which necessitated the manual transfer and review of data.

Source: OIG analysis of OIG investigative activity. (EPA OIG table)

* These cases include data from the Office of Investigations and the Administrative Investigations Directorate.

Table 4: Summary of IIJA-related investigative activity

Investigative activity	Number
Cases open as of April 1, 2024*	4
Cases opened during period	5
Cases closed during period	5
Cases open as of September 30, 2024*	4

Note: During the reporting period, the Office of Investigations transitioned to a new case management and tracking system, which necessitated the manual transfer and review of data.

Source: OIG investigations. (EPA OIG table)

Table 5: Results of criminal and civil actions

Criminal and civil actions	EPA OIG only	Joint*	Total
Criminal indictments, informations, or complaints [†]	0	4	4
Convictions [‡]	0	1	1
Civil judgments, settlements, or filings	0	0	0
Criminal fines and recoveries	\$222,641	\$582,126	\$804,767
Civil recoveries	\$0	\$0	\$0
Prison time	0	0	0
Prison time suspended	0	0	0
Home detention	0	0	0
Probation	0	1 year	1 year
Community service	0	0	0

Note: During the reporting period, the Office of Investigations transitioned to a new case management and tracking system, which necessitated the manual transfer and review of data. Dollar amounts are rounded.

Source: OIG analysis of OIG investigative activity. (EPA OIG table)

* With one or more other federal agencies.

[†] Sealed indictments are not included in this category; however, previously sealed indictments that were unsealed during this reporting period are included, regardless of when the indictment occurred.

[‡] The “convictions” category comprises finalized convictions with completed sentencings that were filed during the reporting period.

Table 6: Administrative actions

Administrative actions	EPA OIG only	Joint*	Total
Suspensions	1	1	2
Debarments	1	2	3
Other administrative actions*	10	3	13
Total	12	6	18

Note: This table includes data from the Office of Investigations and the Administrative Investigations Directorate. During the reporting period, the Office of Investigations transitioned to a new case management and tracking system, which necessitated the manual transfer and review of data.

Source: OIG analysis of OIG investigative activity. (EPA OIG table)

* With one or more other federal agencies.

Table 7: Administrative recoveries and cost savings

Administrative recoveries or cost savings	EPA OIG only	Joint*	Total
Administrative recoveries [†]	\$2,070	\$0	\$2,070
Cost savings	\$196,000	\$0	\$196,000

Note: This table includes data from the Office of Investigations and the Administrative Investigations Directorate. During the reporting period, the Office of Investigations transitioned to a new case management and tracking system, which necessitated the manual transfer and review of data. Dollar amounts are rounded.

Source: OIG analysis of OIG investigative activity. (EPA OIG table)

* With one or more other federal agencies.

[†] Administrative recoveries include restitutions, reimbursements, fines, recoveries, repayments, and the dollar values of recovered government equipment.

Table 8: Summary of investigative reports issued and referrals for prosecution

Investigative activity	Number
Number of investigative reports issued	8*
Number of persons referred to Department of Justice for criminal prosecution	14
Number of persons referred to state and local authorities for criminal prosecution	2
Number of criminal indictments and informations resulting from any prior referrals to prosecutive authorities	4

Note: Investigative reports comprise final, interim, and supplemental Reports of Investigation and referral memorandums. To calculate the number of referrals, we counted corporate entities as persons. During the reporting period, the Office of Investigations transitioned to a new case management and tracking system, which necessitated the manual transfer and review of data.

Source: OIG analysis of OIG investigative activity. (EPA OIG table)

* This number includes reports from the Office of Investigations and the Administrative Investigations Directorate and may differ from the numbers reported in the Reports of Investigation section.

Table 9: Subjects of employee integrity investigations

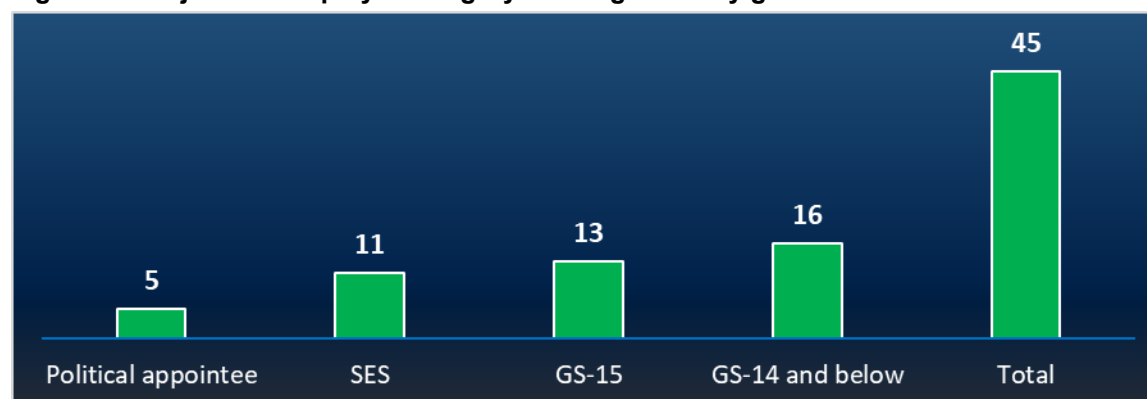
Investigation status	Political appointee*	SES*	GS-15*	GS-14 and below**†	Total**†
Pending as of April 1, 2024	4	10	11	22	47
Open	1	2	3	2	8
Closed	0	1	1	8	10
Pending as of September 30, 2024	5	11	13	16	45

Notes: This table includes data from the Office of Investigations and the Administrative Investigations Directorate. During the reporting period, the Office of Investigations transitioned to a new case management and tracking system, which necessitated the manual transfer and review of data. SES stands for Senior Executive Service. Employee integrity investigations involve allegations of criminal activity or serious misconduct by Agency employees that could threaten the credibility of the Agency; the validity of executive decisions; the security of personnel or business information entrusted to the Agency; or financial loss to the Agency, such as abuse of government bank cards or theft of Agency funds.

Source: OIG analysis of OIG investigative activity. (EPA OIG table)

* Includes investigations for cases related to individuals who may also be former employees.

† Includes investigations for cases related to individuals who are compensated under other federal pay plans.

Figure 7: Subjects of employee integrity investigations by grade

Note: Numbers of pending investigations as of September 30, 2024. Includes investigations for cases related to individuals who may also be former employees and to individuals who are compensated under other federal pay plans.

Source: OIG analysis of OIG investigative activity. (EPA OIG image)

Table 10: No-knock warrant statistics

No-knock entry statistics	Number of occurrences
Number of no-knock entries that occurred pursuant to judicial authorization	0
Number of no-knock entries that occurred pursuant to exigent circumstances	0
Circumstances for no-knock entries in which a law enforcement officer or other person was injured in the course of a no-knock entry	0

Note: Section 10(c) of Executive Order 14074, *Advancing Effective, Accountable Policing and Criminal Justice Practices To Enhance Public Trust and Public Safety*, requires federal law enforcement agencies to publicly post data regarding use of no-knock entries. During the reporting period, the Office of Investigations transitioned to a new case management and tracking system, which necessitated the manual transfer and review of data.

Source: OIG analysis of OIG investigative activity. (EPA OIG table)

Appendixes



Appendix 1

Reports Issued

Section 5(a)(5) of the Inspector General Act, 5 U.S.C. § 405, requires a listing of each audit, inspection, or evaluation report issued by the OIG during the reporting period. For each report, where applicable, the Act also requires identification of the dollar value of questioned costs, including unsupported costs, and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period. For more information on a report, please visit our [website](#).

Table A.1: Overview of evaluations, financial audits, performance audits, and projects

Evaluation or audit type	Number of reports issued	Questioned costs (\$)	Unsupported costs (\$)	Funds put to better use (\$)
Evaluations in accordance with the quality standards for inspection and evaluation. See Table A.2.	7	0.00	0.00	46,700,000.00
Performance audits in accordance with the generally accepted government auditing standards. See Table A.3.	10	0.00	0.00	0.00
Project conducted in accordance with guidance other than the generally accepted government auditing standards or the quality standards for inspection and evaluation. See Table A.4.	4	0.00	0.00	0.00
Total	21	0.00	0.00	46,700,000.00

Source: OIG analysis of OIG reports. (EPA OIG table)

Table A.2: Evaluations in accordance with the quality standards for inspection and evaluation

Report number	Report title	Report issuance date	Questioned costs (\$)	Unsupported costs (\$)	Funds put to better use (\$)	Management decision*
24-E-0032	<i>The EPA Needs to Improve Institutional Controls at the American Creosote Works Superfund Site in Pensacola, Florida, to Protect Public Health and IIJA-Funded Remediation</i>	4/15/24	0.00	0.00	6,700,000.00	Yes
24-E-0033	<i>EPA Region 7 Did Not Effectively Engage with the Community Surrounding the Findett Corp. Superfund Site</i>	4/17/24	0.00	0.00	0.00	Yes
24-E-0042	<i>New Mexico’s Capacity to Effectively Manage Clean Water Infrastructure Funds Faces Challenges</i>	6/5/24	0.00	0.00	0.00	Yes

Appendix 1

Report number	Report title	Report issuance date	Questioned costs (\$)	Unsupported costs (\$)	Funds put to better use (\$)	Management decision*
24-E-0046	<i>The EPA Should Improve Oversight of Physical Access and Institutional Controls at the Escambia Wood Superfund Site</i>	6/12/24	0.00	0.00	40,000,000.00	Yes
24-E-0050	<i>The EPA Needs to Improve Internal Controls for Selecting Recipients of Clean School Bus Program Funds</i>	7/31/24	0.00	0.00	0.00	Some
24-E-0055	<i>State Program Deficiencies and Inadequate EPA Oversight of State Enforcement Contributed to the Drinking Water Crisis in Jackson, Mississippi</i>	8/12/24	0.00	0.00	0.00	Some
24-E-0066	<i>The EPA Needs to Improve the Verification of Land-Use Controls at Resource Conservation and Recovery Act Corrective Action Facilities</i>	9/23/24	0.00	0.00	0.00	Yes
Total	7 Reports Issued	—	0.00	0.00	46,700,000.00	—

Source: OIG analysis of OIG reports that are in accordance with the quality standards for inspection and evaluation. (EPA OIG table)

* “Yes” indicates that there was a management decision made regarding all recommendations in the report. “Some” indicates that a management decision was made for some but not all recommendations in the report.

Table A.3: Performance audits in accordance with the generally accepted government auditing standards

Report number	Report title	Report issuance date	Questioned costs (\$)	Unsupported costs (\$)	Funds put to better use (\$)	Management decision*
24-P-0031	<i>Half the States Did Not Include Climate Adaptation or Related Resilience Efforts in Their Clean Water State Revolving Fund Intended Use Plans</i>	4/8/24	0.00	0.00	0.00	Yes
24-P-0035	<i>The CSB Has Improved Its Information Security Program but Needs to Document Recovery Testing Results, Consistent with National Institute of Standards and Technology Guidelines</i>	4/29/24	0.00	0.00	0.00	Yes
24-P-0038	<i>Lack of State Financial Support and Local Capacity Prolonged Jackson, Mississippi Drinking Water Issues</i>	5/13/24	0.00	0.00	0.00	Yes

Appendix 1

Report number	Report title	Report issuance date	Questioned costs (\$)	Unsupported costs (\$)	Funds put to better use (\$)	Management decision*
24-P-0041	<i>The EPA Complied with the Payment Integrity Information Act for Fiscal Year 2023 but Needs to Improve Its Oversight Efforts for Improper and Unknown Payment Activities</i>	5/29/24	0.00	0.00	0.00	Yes
24-P-0043	<i>Great Lakes Restoration Initiative Grants Documented Most Achievements, but the EPA Could Improve Monitoring and Reporting</i>	6/3/24	0.00	0.00	0.00	Yes
24-P-0044	<i>The EPA Should Better Prepare to Implement Public Notification Requirements When Lead in Drinking Water Poses Serious Risks to Human Health</i>	6/10/24	0.00	0.00	0.00	Yes
24-P-0049	<i>The EPA Did Not Ensure that Two of the Largest Air Oversight Agencies Identified and Inspected Potentially Significant Sources of Air Pollution</i>	7/24/24	0.00	0.00	0.00	Yes
24-P-0052	<i>The EPA Needs to Develop and Implement Information Technology Processes to Comply with the Federal Information Security Modernization Act for Fiscal Year 2023</i>	8/5/24	0.00	0.00	0.00	Yes
24-P-0067	<i>The EPA's Brownfields Projects Program Is on Track to Meet Its Justice40 Goal but Overestimated Disadvantaged Community Benefits</i>	9/24/24	0.00	0.00	0.00	Yes
24-P-0068	<i>The EPA Awarded WIIN Act Funds Consistent with Nearly All Guidance and Improved Its Processes to Increase Transparency of Funding Decisions</i>	9/25/24	0.00	0.00	0.00	N/A
Total	10 Reports Issued	—	0.00	0.00	0.00	—

Source: OIG analysis of OIG reports that are in accordance with the generally accepted government auditing standards. (EPA OIG table)

* "Yes" indicates that there was a management decision made regarding all recommendations in the report. "N/A" indicates that the report did not have any recommendations requiring a management decision.

Appendix 1

Table A.4: Projects in accordance with guidance other than the generally accepted government auditing standards or the quality standards for inspection and evaluation

Report number	Report title	Report issuance date	Questioned costs (\$)	Unsupported costs (\$)	Funds put to better use (\$)	Management decision*
24-N-0037	<i>The EPA Does Not Always Track the Use of Build America, Buy America Act Waivers for Infrastructure Projects</i>	5/8/24	0.00	0.00	0.00	Yes
24-N-0039	<i>Data Reliability Issues Impede the EPA's Ability to Ensure Its Allotment of Infrastructure Investment and Jobs Act Funding for Lead Service Line Replacements Reflects Needs</i>	5/15/24	0.00	0.00	0.00	N/A
24-N-0048	<i>OIG Report to the Office of Management and Budget on the EPA's Semiannual Report on Purchase Charge Card Violations</i>	7/22/24	0.00	0.00	0.00	N/A
24-N-0069	<i>Most States Did Not Provide Some Required Fee Information in the Intended Use Plan or Annual Report for Their Clean Water State Revolving Funds</i>	9/30/24	0.00	0.00	0.00	Yes
Total	4 Reports Issued	—	0.00	0.00	0.00	—

Source: OIG analysis of OIG reports that are not in accordance with generally accepted government auditing standards or the quality standards for inspection and evaluation. (EPA OIG table)

* “Yes” indicates that there was a management decision made regarding all recommendations in the report. “N/A” indicates that the report did not have any recommendations requiring a management decision.

Appendix 2

Management Decisions Relating to Reports Issued During Previous Reporting Periods

Section 5(a)(6) of the Inspector General Act, 5 U.S.C. § 405, requires information regarding “any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period.” For more information on a report, please visit our [website](#).

Table A.5: Management decisions on prior unresolved recommendations in this semiannual period

Report	Prior unresolved recommendations	Action office or official	Management decision	Decision date
Report No. 24-E-0023, <i>The EPA Needs to Determine Whether Seresto Pet Collars Pose an Unreasonable Risk to Pet Health</i> , issued February 29, 2024	1. Issue amended proposed interim registration review decisions for both flumethrin and imidacloprid that include domestic animal risk assessments for the two pesticides, written determinations on whether the Seresto pet collar poses unreasonable adverse effects in pets, and an explanation of how the Office of Pesticide Programs came to its determinations. Allow for public comment by placing these documents in the applicable registration review dockets.	Assistant Administrator for Chemical Safety and Pollution Prevention	The Agency provided a response on April 30, 2024, which outlined the EPA’s planned corrective actions for Recommendation 1. Based on the information provided, the OIG does not agree that the planned corrective actions meet the intent of Recommendation 1, and, as of August 7, 2024, considers the recommendation to be unresolved.	4/30/24
Report No. 23-E-0012, <i>The EPA’s Residential Wood Heater Program Does Not Provide Reasonable Assurance that Heaters Are Properly Tested and Certified Before Reaching Consumers</i> , issued February 28, 2023	1. Develop internal controls for the residential wood heater program to improve the certification process and oversight, including but not limited to: c. Periodically observing certification testing.	Assistant Administrator for Enforcement and Compliance Assurance	The Agency provided a response on May 10, 2024, which outlined the EPA’s planned corrective actions for Recommendation 1.c. Based on the information provided, the OIG agrees that the planned corrective actions meet the intent of Recommendation 1.c, and, as of July 14, 2024, considers all recommendations for this report to be resolved.	5/10/24

Source: OIG summary of the Agency’s responses regarding unresolved recommendations and the OIG’s evaluation of these responses. (EPA OIG table)

Appendix 3***Reports with Corrective Action Not Completed***

Section 5(a)(2) of the Inspector General Act, 5 U.S.C. § 405, requires information regarding “an identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential cost savings associated with the recommendation.” We define potential cost savings to be the sum of questioned costs plus funds to be put to better use.

This appendix contains tables with unimplemented recommendations that the OIG issued to the EPA in 35 reports from 2008 to March 31, 2024. There are 88 unimplemented recommendations for the EPA, with potential cost savings of over \$38.5 million. There are no unimplemented recommendations for the CSB.

Below is a list of the EPA offices and regions responsible for the recommendations in the following tables. While a recommendation may be listed as unimplemented, the Agency may be on track to complete agreed upon corrective actions by the planned due date.

Responsible EPA Offices and Officials

DA	Deputy Administrator (within the Office of the Administrator)
OAR	Office of Air and Radiation
OCFO	Office of the Chief Financial Officer
OCSP	Office of Chemical Safety and Pollution Prevention
OECA	Office of Enforcement and Compliance Assurance
OEJECR	Office of Environmental Justice and External Civil Rights
OLEM	Office of Land and Emergency Management
OMS	Office of Mission Support
ORD	Office of Research and Development
OW	Office of Water
Region 2	
Region 3	
Region 5	
Region 9	
Science Advisor	

Appendix 3

EPA Reports with Unimplemented Recommendations

Table A.6: EPA reports with unimplemented recommendations by report category

Report category	Number of unimplemented recommendations	Potential cost savings in thousands (\$)
Administrative and business operations. See Table A.7.	26	10,124.00
Human health and environmental issues. See Table A.8.	62	28,412.00
Total	88	38,536.00

Source: OIG analysis of OIG final reports, EPA response memorandums, and inspector general responses, as well as the Agency’s Enterprise Audit Management System. (EPA OIG table)

Tables A.7 and A.8 provide the full text of recommendations issued to the EPA prior to this semiannual period that were resolved and remain unimplemented. The table also includes the EPA’s planned corrective action completion dates as of the report issuance date and any subsequent revisions the EPA made to those planned completion dates. The table reflects the status of recommendations as of September 30, 2024. For more information on a report, please visit our [website](#).

Table A.7: EPA administrative and business operations reports with unimplemented recommendations

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
Report 24-P-0028, <i>The EPA Should Improve Annual Reviews to Protect Infrastructure Investment and Jobs Act Grants to Clean Water State Revolving Funds</i> , issued March 14, 2024	OW	1. Implement procedures to ensure consistent Office of Water oversight of the annual review process in all regions and states, including reviewing checklists and all program evaluation reports and tracking recommendations made by the regions. 2. Create a program evaluation report template and implement procedures to ensure that regions present results in a consistent format. 3. Coordinate with Region 6 to implement a resolution plan for the Texas Water Development Board’s \$106 million in its origination fees account and ensure that the	Rec 1: 12/31/25 Rec. 2: 12/31/24 Rec. 3: 12/31/24 Rec. 4: 12/31/24 Rec. 6: 12/31/24	—	—

Appendix 3

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
		water board is evaluating its need for Clean Water State Revolving Fund fees appropriately. 4. Clarify annual review guidance regarding fee accounts and collect data on states’ fee account balances through the annual review process. 6. Ensure annual review guidance regarding implementation of audit requirements is consistent with 33 U.S.C. § 1386(b) and 40 C.F.R. § 35.3165.			
Report 24-E-0021, <i>The Office of Criminal Enforcement, Forensics and Training Incorporated Essential Discovery Elements into Its Policies and Procedures, but Additional Training Could Improve Awareness</i> , issued February 15, 2024	OECA	2. Provide periodic training to EPA employees that may serve on a prosecution team to promote awareness and adherence to discovery requirements and investigative policies and procedures.	12/31/24	—	—
Report 24-E-0020, <i>The EPA’s Enhanced Personnel Security Program Is on Track, but Challenges to Full Implementation Remain</i> , issued February 8, 2024	OMS	1. Develop a plan for how the Personnel Security Branch will achieve the capacity necessary to meet the requirements of full Trusted Workforce 2.0 implementation.	3/30/25	—	—
Report 24-F-0009, <i>Audit of the EPA’s Fiscal Years 2023 and 2022 (Restated) Consolidated Financial Statements</i> , issued November 15, 2023	OCFO	4. Develop a plan to improve the Office of the Chief Financial Officer processes for headquarters program offices and regional offices to deobligate unneeded funds in a timely manner by the end of the fiscal year, as required.	7/1/24	10/31/24	9,995.00

Appendix 3

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
<p>Report 24-P-0005, <i>The EPA Needs to Better Implement Internal Access Control Procedures for Its Integrated Risk Information System Database</i>, issued October 31, 2023</p>	<p>ORD and OMS</p>	<p>1. ORD: Develop a process and assign responsibility for periodic review of application user information technology access for the Integrated Risk Information System database and perform the necessary updates to adhere to federal and Agency information technology access controls requirements including identifying and deactivating any unused accounts.</p> <p>2. ORD: Develop a process and assign responsibility for application user information technology access approval to the Integrated Risk Information System database.</p> <p>3. ORD: Instruct staff responsible for Integrated Risk Information System account management of the federal and Agency information technology access control requirements related to access approval, review, monitoring, and removal.</p> <p>4. ORD: Discontinue use of IRIS Database Application accounts for database administration activities without a business justification or develop a process to track privileged user activity on these accounts.</p> <p>6. OMS: Document the Integrated Risk Information System database’s security controls, including password configuration settings, in a system security plan and work with the Office of Information Technology Operations to confirm those settings are reviewed as part of its annual security plan review process.</p> <p>7. ORD: Work with the Office of Mission Support to incorporate the Integrated Risk Information System database into the National Computer Center’s Hosting System’s security plan.</p>	<p>Rec. 1: 12/31/24 Rec. 2: 12/31/24 Rec. 3: 12/31/24 Rec. 4: 12/30/24 Rec. 6: 12/30/24 Rec. 7: 12/30/25</p>	<p>—</p>	<p>—</p>

Appendix 3

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
Report No. 22-P-0033, <i>Brownfields Program-Income Monitoring Deficiencies Persist Because the EPA Did Not Complete All Certified Corrective Actions</i> , issued March 31, 2022	OLEM	1. Develop a policy and implement procedures to reduce the balances of available program income and establish a time frame for recipients to use or return the funds to the EPA. 5. Expand existing guidance to include a deadline for post-closeout annual report submission.	Rec. 1: Unresolved Rec. 5: Unresolved	Rec. 1: 9/30/27 Rec. 5: 9/30/27	—
Report No. 22-F-0007, <i>EPA’s Fiscal Years 2021 and 2020 (Restated) Consolidated Financial Statements</i> , issued November 15, 2021	OECA	5. Implement a system that tracks the dates when accounts receivable source documents need to be submitted and are submitted by the Office of Enforcement and Compliance Assurance to the Cincinnati Finance Center.	Unresolved	11/30/22, 4/28/23, 11/30/23, 11/29/24	—
Report No. 21-P-0042, <i>EPA Needs to Substantially Improve Oversight of Its Military Leave Processes to Prevent Improper Payments</i> , issued December 28, 2020	OMS and OCFO	2. OMS and OCFO: Provide resources for supervisors, timekeepers, and reservists on their roles and responsibilities related to military leave under the law and Agency policies. 3. OMS and OCFO: Establish and implement internal controls that will allow the Agency to monitor compliance with applicable laws, federal guidance, and Agency policies, including periodic internal audits of all military leave, to verify that (a) charges by reservists are correct and supported and (b) appropriate reservist differential and military offset payroll audit calculations are being requested and performed. 4. OMS and OCFO: Require reservists to correct and supervisors to approve military leave time charging errors in PeoplePlus that have been identified during the audit or as part of the Agency’s actions related to Recommendations 5 and 6. 5. OMS and OCFO: Recover the approximately \$11,000 in military pay related to unsupported 5 U.S.C. § 6323(a)	Rec. 2: 4/30/22 Rec. 3: 6/30/22 Rec. 4: 9/30/21 Rec. 5: 8/31/21 Rec. 6: 8/31/21 Rec. 7: 2/28/22 Rec. 8: 2/28/22 Rec. 9: 12/1/21	Rec. 2: 7/29/22, 10/1/22, 6/30/25, 10/15/23 [†] , 10/1/24, 4/1/25 Rec. 3: 7/29/22, 6/3/27, 10/1/24 [†] , 7/31/25, 1/30/26 Rec. 4: 3/31/22, 7/29/22, 9/3/26 Rec. 5: 12/15/21, 12/30/22, 8/31/26, 11/30/26 Rec. 6: 12/15/21, 12/30/22, 8/31/26, 11/30/26 Rec. 7: 9/30/22, 12/31/26, 4/1/27	Rec. 5: 11.00 Rec. 6: 118.00

Appendix 3

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
		<p>military leave charges, unless the Agency can obtain documentation to substantiate the validity of the reservists’ military leave.</p> <p>6. OMS and OCFO: Submit documentation for the reservists’ military leave related to the approximately \$118,000 charged under 5 U.S.C. § 6323(b) to the EPA’s payroll provider so that it may perform payroll audit calculations and recover any military offsets that may be due.</p> <p>7. OMS and OCFO: Identify the population of reservists who took unpaid military leave pursuant to 5 U.S.C. § 5538 and determine whether those reservists are entitled to receive a reservist differential. Based on the results of this determination, take appropriate steps to request that the EPA’s payroll provider perform payroll audit calculations to identify and pay the amounts that may be due to reservists.</p> <p>8. OMS and OCFO: For the time periods outside of the scope of our audit (pre-January 2017 and post-June 2019), identify the population of reservists who charged military leave under 5 U.S.C. § 6323(b) or 6323(c) and determine whether military offset was paid by the reservists. If not, review reservists’ military documentation to determine whether payroll audit calculations are required. If required, request that the EPA’s payroll provider perform payroll audit calculations to identify and recover military offsets that may be due from the reservists under 5 U.S.C. §§ 6323 and 5519.</p> <p>9. OCFO: Report all amounts of improper payments resulting from paid military leave for inclusion in the annual Agency Financial Report, as required by the Payment Integrity Information Act of 2019.</p>		<p>Rec. 8: 12/30/22, 2/28/27, 5/31/27</p> <p>Rec. 9: 12/1/22, 12/1/24, 12/1/27</p>	

Appendix 3

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
Report No. 19-P-0195, <i>Pesticide Registration Fee, Vulnerability Mitigation and Database Security Controls for EPA’s FIFRA and PRIA Systems Need Improvement</i> , issued June 21, 2019	OCSP	2. Complete the actions and milestones identified in the Office of Pesticide Programs’ <i>PRIA Maintenance Fee Risk Assessment</i> document and associated plan regarding the fee payment and refund posting processes.	12/31/20	12/31/22, 6/30/23, 1/31/24, 12/31/25	—

Note: An em dash (—) indicates that the column header does not apply to the report. For example, an em dash in the “revised planned completion dates” column means that there have been no revisions to the planned completion date as of September 30, 2024, and an em dash in the “potential cost savings” column means that no potential cost savings were identified. *Unresolved* means that at the time a recommendation was issued in an OIG final report, the OIG and the Agency had not agreed on corrective actions or a planned completion date, but a date in the “revised planned completion dates” column means the matter was later resolved.

Source: OIG analysis of OIG final reports, EPA response memorandums, and inspector general responses, as well as the Agency’s Enterprise Audit Management System. (EPA OIG)

* *Potential cost savings* is defined as questioned costs plus funds to be put to better use.

† The Agency revised the planned completion date; the new date was earlier than the previous revised planned completion date.

Table A.8: EPA human health and environmental issues reports with unimplemented recommendations

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
Report 24-P-0029, <i>Multiple Factors Contributed to the Delay in Constructing Combined Sewer Overflow Tanks at the Gowanus Canal Superfund Site in New York City</i> , issued March 21, 2024	Region 2	1. Closely monitor combined sewer overflow tank construction progress at the Gowanus Canal Superfund site and take immediate action, including enforcement actions if appropriate, if New York City misses any future tank project milestones from the 2021 administrative order. 2. Post on the EPA’s public website the milestones from the 2021 administrative order regarding the Gowanus Canal Superfund site, New York City’s progress towards completing these milestones, and any actions taken to ensure the city stays on schedule.	Rec. 1: 3/31/29 Rec. 2: 3/31/29	—	—

Appendix 3

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
<p>Report 24-E-0023, <i>The EPA Needs to Determine Whether Seresto Pet Collars Pose an Unreasonable Risk to Pet Health</i>, issued February 29, 2024</p>	<p>OCSP</p>	<p>2. Implement standard operating procedures on how to conduct domestic animal risk assessments for the active ingredients in pet products to support pesticide registration review decisions.</p> <p>3. Implement a measurable standard to determine when a pet product poses unreasonable adverse effects in pets to support the pesticide registration review decision.</p> <p>5. Establish and implement an additional data requirement for the premarket clinical testing of pet products that is consistent with the Veterinary International Conference on Harmonization Guideline GL9, Good Clinical Practice.</p> <p>6. Assess what incident information is needed from registrants of pet products to determine when the EPA should take mitigation measures or other actions. Require pet product registrants to report that information to the EPA.</p> <p>7. Establish policies and procedures that result in consistent implementation of mitigation measures to address unreasonable adverse effects or conduct additional analysis to determine whether a pet product is causing unreasonable adverse effects.</p>	<p>Rec. 2: 12/12/25 Rec. 3: 12/12/25 Rec. 5: 12/12/25 Rec. 6: 12/12/25 Rec. 7: 12/12/25</p>	<p>—</p>	<p>—</p>
<p>Report No. 23-P-0034, <i>The EPA Should Improve Management of Great Lakes Restoration Initiative Grants</i>, issued September 26, 2023</p>	<p>Region 5</p>	<p>1. Develop and implement guidance for the project officers in the Great Lakes National Program Office and the grant specialists in the Acquisition and Assistance Branch, within Region 5’s Mission Support Division, that consists of: a. A review process to verify that the work plan and budget narrative include the required information to support that the award decision was made in full compliance with grant award requirements. b. A baseline-monitoring process, with an emphasis on the</p>	<p>Rec. 1: 6/30/24 Rec. 2: 12/30/23 Rec. 3: 6/30/24 Rec. 4: 6/30/24</p>	<p>Rec. 1:12/31/24 Rec. 2: 12/31/24 Rec. 3: 12/31/24 Rec. 4: 12/31/24</p>	<p>Rec. 2: 612.00</p>

Appendix 3

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
		<p>milestones and the accuracy of the baseline-monitoring report. c. An internal process for routinely selecting a representative group of Great Lakes Restoration Initiative grants to assess for adherence to requirements, such that grant agreements are sufficiently and properly supported by work plans and budget narratives and include all applicable terms and conditions and baseline-monitoring reports are completed accurately.</p> <p>2. Review the OIG-identified questioned costs for the assessed Great Lakes Restoration Initiative grants to determine whether the costs are allowable and allocable as set forth in 2 C.F.R. part 200 and initiate recovery any funds that the EPA paid for unallowable costs, as appropriate.</p> <p>3. In consultation with the Acquisition and Assistance Branch, develop a records-management program for the Great Lakes National Program Office.</p> <p>4. Require periodic training and provide learning resources on grants management to all project officers and grant specialists, with an emphasis on recordkeeping; cost reviews; timely, accurate, and comprehensive baseline-monitoring reports; and other topics determined by the results of the routine internal review process established in Recommendation 1c.</p>			
<p>Report No. 23-E-0033, <i>The EPA Needs to Address Increasing Air Pollution at Ports</i>, issued September 21, 2023</p>	<p>OAR</p>	<p>1. Assess the air-monitoring network around ports and in near-port communities and create a plan to enhance the air-monitoring network where any gaps are identified.</p> <p>2. Set quantifiable performance measures for the Ports Initiative, including a plan for identifying the measures’ baselines.</p>	<p>Rec. 1: 9/30/25 Rec. 2: Unresolved</p>	<p>Rec. 2: 9/30/25</p>	<p>—</p>

Appendix 3

Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
<p>Report No. 23-P-0032, <i>The EPA Must Improve Controls and Integrate Its Information System to Manage Fraud Potential in the Renewable Fuel Standard Program</i>, issued September 19, 2023</p>	<p>OAR</p>	<p>3. Develop a risk-based selection process to verify Renewable Identification Number transactions entered in the EPA Moderated Transaction System.</p> <p>7. Integrate key applications to reduce staff burden and to allow better oversight of Renewable Identification Number and Renewable Fuel Standard program requirements and engage the Office of Enforcement and Compliance Assurance in the integration process to ensure all inspection and enforcement data needs are addressed in the integrated system.</p> <p>8. Enhance or replace the Data Analysis and Reporting Tool to facilitate external information requests and Office of Enforcement and Compliance Assurance inspections.</p>	<p>Rec. 3: 12/31/24 Rec. 7: 9/30/28 Rec. 8: 12/31/25</p>	<p>—</p>	<p>—</p>
<p>Report No. 23-P-0030, <i>The EPA Should Enhance Oversight to Ensure that All Refineries Comply with the Benzene Fenceline Monitoring Regulations</i>, issued September 6, 2023</p>	<p>OECA</p>	<p>1. Provide guidance to delegated authorities on what constitutes a violation of the benzene fenceline monitoring regulations to assist the delegated authorities in taking action when a violation may have occurred.</p> <p>2. Develop an internal strategy to address refineries that fail to reduce their benzene concentrations to 9 micrograms per cubic meter or below after initially exceeding the action level. The strategy should include best practices for: a. Monitoring benzene concentrations to determine whether a refinery has exceeded the action level and continues to exceed 9 micrograms per cubic meter in subsequent two-week sampling periods. b. Verifying that the refinery submits an appropriate corrective action plan that addresses the root cause and actions. c. Taking action at refineries that fail to undertake root cause analyses or implement appropriate corrective actions—such as Clean Air Act section 114 information requests, inspections, and enforcement actions— to reduce benzene concentrations to 9</p>	<p>Rec. 1: 4/1/24 Rec. 2: 4/1/24 Rec. 4: 4/1/24 Rec. 6: 4/1/24</p>	<p>Rec. 1: 10/1/24, 4/1/25 Rec. 2: 10/1/24 Rec. 4: 10/1/24 Rec. 6: 10/1/24</p>	<p>—</p>

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Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
		<p>micrograms per cubic meter. d. Coordinating between the Office of Enforcement and Compliance Assurance, the EPA regions, and the delegated authorities.</p> <p>4. Provide guidance to the EPA regions to periodically review all reported benzene monitoring data to identify any gaps in data for refineries.</p> <p>6. Provide guidance in the form of best practices to the EPA regions for investigating missing benzene monitoring data, securing the submission of the data if the data are available, and evaluating enforcement options.</p>			
<p>Report No. 23-E-0027, <i>The EPA Has Not Verified that Its Laboratories Comply with Hazardous Waste Requirements</i>, issued August 14, 2023</p>	OECA	<p>1. Implement mechanisms to verify EPA lab compliance with hazardous waste requirements, including small quantity generator status renotification and large quantity generator biennial reporting.</p>	Unresolved	12/31/24	—
<p>Report No. 23-E-0013, <i>The EPA’s January 2021 PFBS Toxicity Assessment Did Not Uphold the Agency’s Commitments to Scientific Integrity and Information Quality</i>, issued on March 7, 2023</p>	ORD and DA	<p>1. ORD: Develop or update existing policies, procedures, or guidance to specify whether and under which applicable circumstances comments expressing scientific disagreement can be provided for a scientific product that has undergone all peer reviews and required developmental steps set forth in applicable actions or project plans.</p> <p>2. ORD: Develop or update existing policies, procedures, or technical documents to specify whether reference dose ranges are acceptable in toxicity assessments. If acceptable, specify circumstances under which reference dose ranges may be applied.</p> <p>4. DA: Develop or update existing policies, procedures, or guidance to require policy-makers and decision officials to uphold transparency through timely, formal communication of decisions and the scientific bases to change results or conclusions of a scientific product to originating authors in the absence of peer review.</p>	<p>Rec. 1: Unresolved</p> <p>Rec. 2: Unresolved</p> <p>Rec. 4: Unresolved</p>	<p>Rec. 1: 12/31/24</p> <p>Rec. 2: 12/31/24</p> <p>Rec. 4: 7/31/24, 7/31/26</p>	—

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Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
<p>Report No. 23-E-0012, <i>The EPA’s Residential Wood Heater Program Does Not Provide Reasonable Assurance that Heaters Are Properly Tested and Certified Before Reaching Consumers</i>, issued February 28, 2023</p>	<p>OECA and OAR</p>	<p>1. OECA: Develop internal controls for the residential wood heater program to improve the certification process and oversight, including but not limited to: a. Issuing a standardized certification test report template. b. Developing policies and procedures that detail how to conduct in-depth reviews of certification test reports. c. Periodically observing certification testing. d. Developing and implementing guidance for conducting systematic compliance audit tests.</p> <p>2. OECA: In consultation with the Office of Air and Radiation, define roles and responsibilities within and between the Office of Enforcement and Compliance Assurance and the Office of Air and Radiation for the residential wood heater program, so that sufficient subject-matter expertise and resources are leveraged to ensure that certification test reports are substantively reviewed.</p> <p>4. OAR: Incorporate the EPA’s certification test report expectations set forth in the April 2022 corrective action list into the 2023 revisions to the New Source Performance Standards for residential wood heaters.</p> <p>5. OAR: Develop and adopt an EPA cord wood test method that is supported by data to provide the public reasonable assurance that certified appliances meet emission standards.</p> <p>6. OAR: Establish mechanisms to promote independence between emissions testing labs and third-party certifiers.</p>	<p>Rec. 1: Unresolved Rec. 2: Unresolved. Rec. 4: Unresolved Rec. 5: Unresolved Rec. 6: Unresolved</p>	<p>Rec. 1: 11/1/24 Rec. 2: 11/1/24 Rec. 4: 11/30/27 Rec. 5: 11/30/27 Rec. 6: 11/30/27</p>	<p>—</p>

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Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
<p>Report No. 23-E-0006, <i>The EPA Is Not on Track to Reach Its National Compliance Initiative Goals to Stop Aftermarket Defeat Devices and Tampered Vehicles</i>, issued January 25, 2023</p>	<p>OECA</p>	<p>3. In collaboration with EPA regions, revise and reissue the strategic plan for the <i>Stopping Aftermarket Defeat Devices for Vehicles and Engines</i> National Compliance Initiative. In addition, ensure the strategic plan includes quantifiable deliverables that are linked to known compliance-rate baselines that promote the success of the initiative, as well as a mechanism to acquire and implement post-training feedback from regions and states.</p> <p>5. Use the OIG’s state questionnaire results, as well as feedback from regions and states, to identify and implement a strategy to overcome barriers and incentivize voluntary complementary work by the states to stop aftermarket defeat devices and tampering.</p>	<p>Rec. 3: Unresolved Rec. 5: Unresolved</p>	<p>Rec. 3: 11/29/24 Rec. 5: 11/30/24</p>	<p>—</p>
<p>Report No. 22-E-0053, <i>The EPA Needs to Improve the Transparency of Its Cancer-Assessment Process for Pesticides</i>, issued July 20, 2022</p>	<p>OCSPP</p>	<p>1. Issue guidance on when and how to conduct the kinetically derived maximum dose approach in cancer-risk assessments for pesticides.</p> <p>9. Issue specific criteria requiring external peer review of Office of Pesticide Programs’ risk assessments that use scientifically or technically novel approaches or that are likely to have precedent-setting influence on future risk assessments, in accordance with the Office of Management and Budget’s Final Information Quality Bulletin for Peer Review.</p>	<p>Rec. 1: Unresolved Rec. 9: 6/30/24</p>	<p>Rec. 1: 6/30/24, 7/15/25 Rec. 9: 12/31/24, 1/15/25</p>	<p>—</p>
<p>Report No. 21-E-0264, <i>EPA Needs an Agencywide Strategic Action Plan to Address Harmful Algal Blooms</i>, issued September 29, 2021</p>	<p>OW</p>	<p>4. Assess and evaluate the available information on human health risks from exposure to cyanotoxins in drinking water and recreational waters to determine whether actions under the Safe Drinking Water Act are warranted.</p>	<p>12/31/22</p>	<p>12/31/25</p>	<p>—</p>

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Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
<p>Report No. 21-E-0186, <i>EPA’s Endocrine Disruptor Screening Program Has Made Limited Progress in Assessing Pesticides</i>, issued July 28, 2021</p>	<p>OCSP</p>	<ol style="list-style-type: none"> Issue Tier 1 test orders for each List 2 chemical or publish an explanation for public comment on why Tier 1 data are no longer needed to characterize a List 2 chemical’s endocrine-disruption activity. Determine whether the EPA should incorporate the Endocrine Disruptor Screening Program Tier 1 tests (or approved new approach methodologies) into the pesticide registration process as mandatory data requirements under 40 C.F.R. § 158 for all pesticide use patterns. Issue List 1–Tier 2 test orders for the 18 pesticides in which additional Tier 2 testing was recommended or publish an explanation for public comment on why Tier 2 data are no longer needed to characterize the endocrine-disruption activity for each of these 18 pesticides. Issue for public review and comment both the Environmental Fate and Effects Division’s approach for the reevaluation of List 1–Tier 1 data and the revised List 1–Tier 2 wildlife recommendations. 	<p>Rec. 1: 9/30/25 Rec. 2: 9/30/24 Rec. 3: 9/30/24 Rec. 4: 12/31/23</p>	<p>Rec. 2: 1/15/25 Rec. 3: 7/15/26 Rec. 4: 12/31/25</p>	<p>—</p>
<p>Report No. 21-P-0175, <i>EPA Should Conduct More Oversight of Synthetic-Minor-Source Permitting to Assure Permits Adhere to EPA Guidance</i>, issued July 8, 2021</p>	<p>OAR</p>	<ol style="list-style-type: none"> Update Agency guidance on practical enforceability to more clearly describe how the technical accuracy of a permit limit should be supported and documented. In updating such guidance, the Office of Air and Radiation should consult and collaborate with the Office of Enforcement and Compliance Assurance, the Office of General Counsel, and the EPA regions. In consultation with the EPA regions, develop and implement an oversight plan to include: (a) an initial review of a sample of synthetic-minor-source permits in different industries that are issued by state, local, and tribal agencies to assess whether the permits adhere to 	<p>Rec. 1: 10/31/23 Rec. 2: 10/31/24 Rec. 3: 12/31/24 Rec. 4: 10/31/24 Rec. 5: 12/31/23</p>	<p>Rec. 1: 10/31/24 Rec. 2: 10/31/25 Rec. 5: 10/31/24</p>	<p>—</p>

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Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
		<p>EPA guidance on practical enforceability, including limits that are technically accurate, have appropriate time periods, and include sufficient monitoring, record-keeping, and reporting requirements; (b) a periodic review of a sample of synthetic-minor-source permits to occur, at a minimum, once every five years; and (c) procedures to resolve any permitting deficiencies identified during the initial and periodic reviews.</p> <p>3. Assess recent EPA studies of enclosed combustion device performance and compliance monitoring and other relevant information during the next statutorily required review of 40 C.F.R. Part 60 Subparts OOOO and OOOOa to determine whether revisions are needed to monitoring, record-keeping, and reporting requirements for enclosed combustion devices to assure continuous compliance with associated limits, and revise the regulatory requirements as appropriate.</p> <p>4. Revise the Agency’s guidance to communicate its key expectations for synthetic-minor-source permitting to state and local agencies.</p> <p>5. Identify all state, local, and tribal agencies in which Clean Air Act permit program implementation fails to adhere to the public participation requirements for synthetic-minor-source permit issuance and take appropriate steps to assure the identified states adhere to the public participation requirements.</p>			
<p>Report No. 21-E-0146, <i>EPA Deviated from Typical Procedures in Its 2018 Dicamba Pesticide Registration Decision</i>, issued May 24, 2021</p>	<p>OCSP</p>	<p>3. Annually conduct and document training for all staff and senior managers and policy makers to affirm the office’s commitment to the <i>Scientific Integrity Policy</i> and principles and to promote a culture of scientific integrity.</p>	<p>3/31/22</p>	<p>3/31/26[†]</p>	<p>—</p>

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Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
<p>Report No. 21-P-0130, <i>EPA Helps States Reduce Trash, Including Plastic, in U.S. Waterways but Needs to Identify Obstacles and Develop Strategies for Further Progress</i>, issued May 11, 2021</p>	<p>OW</p>	<p>1. Evaluate the obstacles to implementing the Clean Water Act to control trash in U.S. waterways and provide a public report describing those obstacles.</p>	<p>12/31/21</p>	<p>6/30/22, 2/28/23, 9/1/23, 4/22/24, 8/31/24, 10/31/24</p>	<p>—</p>
<p>Report No. 21-P-0129, <i>EPA Should Conduct New Residual Risk and Technology Reviews for Chloroprene- and Ethylene Oxide-Emitting Source Categories to Protect Human Health</i>, issued May 6, 2021</p>	<p>OAR</p>	<p>2. Conduct new residual risk reviews for Group I polymers and resins that cover neoprene production, synthetic organic chemical manufacturing industry, polyether polyols production, commercial sterilizers, and hospital sterilizers using the new risk values for chloroprene and ethylene oxide and revise the corresponding National Emission Standards for Hazardous Air Pollutants, as needed.</p> <p>3. Revise National Emission Standards for Hazardous Air Pollutants for chemical manufacturing area sources to regulate ethylene oxide and conduct a residual risk review to ensure that the public is not exposed to unacceptable risks.</p> <p>4. Conduct overdue technology reviews for Group I polymers and resins that cover neoprene production, synthetic organic chemical manufacturing industry, commercial sterilizers, hospital sterilizers, and chemical manufacturing area sources, which are required to be completed at least every eight years by the Clean Air Act.</p>	<p>Rec. 2: Unresolved Rec. 3: Unresolved Rec. 4: 9/30/24</p>	<p>Rec. 2: 9/30/24, 12/31/25 Rec. 3: 9/30/28 Rec. 4: 12/31/25</p>	<p>—</p>

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Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
Report No. 21-P-0122, <i>Improved Review Processes Could Advance EPA Regions 3 and 5 Oversight of State-Issued National Pollutant Discharge Elimination System Permits</i> , issued April 21, 2021	Region 3	2. Review the modified National Pollutant Discharge Elimination System mining permits issued by West Virginia based on the 2019 revisions to its National Pollutant Discharge Elimination System program to determine whether the permits contain effluent limits for ionic pollution and other pollutants that are or may be discharged at a level that causes, has the reasonable potential to cause, or contributes to an excursion above any applicable water quality standard, as required by Clean Water Act regulations. If a permit lacks required effluent limits, take appropriate action to address such deficiencies.	Unresolved	12/31/22 [†] , 1/31/25	—
Report No. 20-E-0333, <i>Improved EPA Oversight of Funding Recipients’ Title VI Programs Could Prevent Discrimination</i> , issued September 28, 2020	OEJECR [§]	1. Develop and implement a plan to coordinate relevant Agency program, regional, and administrative offices with the External Civil Rights Compliance Office to develop guidance on permitting and cumulative impacts related to Title VI. 5. Determine how to use existing or new data to identify and target funding recipients for proactive compliance reviews, and develop or update policy, guidance, and standard operating procedures for collecting and using those data. 6. Develop and deliver training for the deputy civil rights officials and EPA regional staff that focuses on their respective roles and responsibilities within the EPA’s Title VI program.	Rec. 1: Unresolved Rec. 5: Unresolved Rec. 6: Unresolved	Rec. 1: 9/30/22, 9/30/23, 9/30/24, 12/31/24 Rec. 5: 3/31/23, 9/30/23, 12/31/23, 6/30/24, 9/30/24, 10/1/25 Rec. 6: 3/31/22, 9/30/23, 9/30/24, 10/1/25	—
Report No. 20-P-0173, <i>Further Efforts Needed to Uphold Scientific Integrity Policy at EPA</i> , issued May 20, 2020	ORD/ Science Advisor	6. In coordination with the assistant administrator for Mission Support, complete the development and implementation of the electronic clearance system for scientific products across the Agency.	Rec. 6: 6/30/22 Rec. 7: 9/30/20 Rec. 8: 6/30/21	Rec. 6: 6/30/24, 6/30/26 Rec. 7: 4/30/22, 6/30/22, 3/31/23, 6/30/24, 6/30/26	—

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Report	Action office	Unimplemented recommendations	The EPA’s planned completion date at the time of report issuance	The EPA’s revised planned completion dates	Potential cost savings in thousands (\$)*
		<p>7. With the assistance of the Scientific Integrity Committee, finalize and release the procedures for addressing and resolving allegations of a violation of the Scientific Integrity Policy, and incorporate the procedures into scientific integrity outreach and training materials.</p> <p>8. With the assistance of the Scientific Integrity Committee, develop and implement a process specifically to address and resolve allegations of Scientific Integrity Policy violations involving high profile issues or senior officials, and specify when this process should be used.</p>		Rec. 8: 6/30/22, 3/31/23, 6/30/24, 6/30/26	
<p>Report No. 20-P-0146, <i>EPA’s Processing Times for New Source Air Permits in Indian Country Have Improved, but Many Still Exceed Regulatory Time Frames</i>, issued April 22, 2020</p>	OAR	<p>1. Implement a system that is accessible to both the EPA and the applicants to track the processing of all tribal-New-Source-Review permits and key permit dates, including application received, application completed, draft permit issued, public comment period (if applicable), and final permit issuance.</p> <p>2. Establish and implement an oversight process to verify that the regions update the tribal-New-Source-Review permit tracking system on a periodic basis with the correct and required information.</p>	<p>Rec. 1: 9/30/21 Rec. 2: 3/31/22</p>	<p>Rec. 1: 9/30/22, 9/30/23, 9/30/24, 9/30/25 Rec. 2: 9/30/22, 9/30/23, 9/30/24, 9/30/25</p>	—
<p>Report No. 19-P-0207, <i>EPA Effectively Screens Air Emissions Data from Continuous Monitoring Systems but Could Enhance Verification of System Performance</i>, issued June 27, 2019</p>	OAR	<p>1. Develop and implement electronic checks in the EPA’s Emissions Collection and Monitoring Plan System or through an alternative mechanism to retroactively evaluate emissions and quality assurance data in instances where monitoring plan changes are submitted after the emissions and quality assurance data have already been accepted by the EPA.</p>	3/31/25	—	—

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Report	Action office	Unimplemented recommendations	The EPA's planned completion date at the time of report issuance	The EPA's revised planned completion dates	Potential cost savings in thousands (\$)*
Report No. 18-P-0240, <i>EPA Needs a Comprehensive Vision and Strategy for Citizen Science that Aligns with Its Strategic Objectives on Public Participation</i> , issued September 5, 2018	DA	2. Through appropriate EPA offices, direct completion of an assessment to identify the data management requirements for using citizen science data and an action plan for addressing those requirements, including those on sharing and using data, data format/standards, and data testing/validation.	12/31/20	3/31/23, 12/31/23, 6/30/24, 12/31/24	—
Report No. 18-P-0080, <i>EPA Needs to Evaluate the Impact of the Revised Agricultural Worker Protection Standard on Pesticide Exposure Incidents</i> , issued February 15, 2018	OCSPP	1. In coordination with the Office of Enforcement and Compliance Assurance, develop and implement a methodology to evaluate the impact of the revised Agricultural Worker Protection Standard on pesticide exposure incidents among target populations.	Unresolved	12/31/22, 12/31/23, 6/28/24, 1/15/25	—
Report No. 10-P-0224, <i>EPA Should Revise Outdated or Inconsistent EPA-State Clean Water Memoranda of Agreement</i> , issued September 14, 2010	OW	2-2. Develop a systematic approach to identify which states have outdated or inconsistent memorandums of agreements; renegotiate and update those Memorandums of Agreements using the Memorandum of Agreements template; and secure the active involvement and final, documented concurrence of headquarters to ensure national consistency.	9/28/18	9/30/20, 9/30/22, 9/30/23, 4/30/25	—
Report No. 08-P-0196, <i>Making Better Use of Stringfellow Superfund Special Accounts</i> , issued July 9, 2008	Region 9	2. Reclassify or transfer to the Trust Fund, as appropriate, \$27.8 million (plus any earned interest less oversight costs) of the Stringfellow special accounts in annual reviews, and at other milestones including the end of fiscal year 2010, when the record of decision is signed and the final settlement is achieved.	12/31/12	9/30/23, 9/30/26	27,800.00

Note: An em dash (—) indicates that the column header does not apply to the report. For example, an em dash in the “revised planned completion dates” column means that there have been no revisions to the planned completion date as of September 30, 2024, and an em dash in the “potential cost savings” column means that no potential cost savings were identified. *Unresolved* means that at the time a recommendation that was issued in an OIG final report, the OIG and the Agency had not agreed on corrective actions or a planned completion date, but a date in the “revised planned completion dates” column means the matter was later resolved.

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Source: OIG analysis of OIG final reports, EPA response memorandums, and inspector general responses, as well as the Agency's Enterprise Audit Management System. (EPA OIG)

* *Potential cost savings* is defined as questioned costs plus funds to be put to better use.

† The OCSPP completed this corrective action on February 16, 2022. That was the date the OCSPP held its first annual training series on the office's commitment to the *Scientific Integrity Policy* and principles and to promote a culture of scientific integrity. March 31, 2026, is the OCSPP's planned final training date. The OCSPP has completed annual trainings for 2022 and 2023 on time and plans to host annual trainings until 2026 to implement this recommendation.

‡ This date was provided to the OIG by Region 3 in its June 17, 2021, response to the OIG's final report. The OIG accepted the proposed corrective action and planned completion date for Recommendation 3, while Recommendations 1 and 2 remained unresolved. The OIG and Region 3 corresponded several times about Recommendation 2, including a briefing held by Region 3 on October 25, 2021. In a memorandum dated December 13, 2021, the OIG accepted Region 3's proposed corrective actions to address Recommendation 2 but did not receive a revised planned completion date. After the OIG accepted the proposed corrective actions for Recommendation 2, Region 3 provided a revised planned completion date, which is reflected here.

§ These recommendations were originally made to the Office of General Counsel. The Agency requested that the OEJECR take over responsibility for these recommendations.

Closed Investigations Involving Senior Employees

Section 5(a)(13) of the Inspector General Act, 5 U.S.C. § 405, requires that we report on each investigation involving a senior government employee in which allegations of misconduct were substantiated. Section 5(a)(16) of the Act requires a detailed description of the particular circumstances of any investigation conducted by the OIG involving a senior government employee that is closed and was not disclosed to the public. Below are details on an investigation we conducted involving senior employees that was not already reported in the previous sections of this document and that we closed during this semiannual reporting period.

Case Number: OI-DC-2024-ADM-0031

An EPA GS-15 employee with the EPA's Criminal Investigation Division discharged his EPA-issued firearm twice at a fox in his residential backyard and was subsequently charged by local law enforcement via a criminal summons for discharge of a firearm, reckless endangerment, obstruction and hindering a police investigation, and false statement to a peace officer. The county's states attorney's office suspended prosecution and placed the charges on the stet docket for 180 days. A county district court judge ordered the GS-15 employee to complete 25 hours of community service. During OIG's investigation, the GS-15 employee admitted to providing several false statements to local law enforcement officers regarding the discharge of his EPA-issued firearm. The GS-15 employee retired after the report of investigation was issued but before any disciplinary action was proposed. The OIG investigation determined the allegations were supported.

Case Number: AID-00011

An EPA Senior Executive Service employee allegedly improperly discussed an enforcement matter with two individuals who were not employed by or otherwise affiliated with the EPA. We investigated whether this conduct ran afoul of the EPA's guidance on "Restrictions on Communicating with Outside Parties Regarding Enforcement Actions" or federal ethics regulations at 2 C.F.R. part 2635, *Standards of Ethical Conduct for Employees of the Executive Branch*. We determined that the employee's communications with outside parties were limited to information already in the public record and neither the employee nor his outside contacts held any financial interest related to the enforcement matter. As a result, the allegations were not supported.

Appendix 5

Peer Reviews Conducted

Section 5(a)(8) of the Inspector General Act, 5 U.S.C. § 405, requires an appendix containing the results of any peer review conducted of the EPA OIG by another OIG during the reporting period or, if no such peer review was conducted, a statement identifying the date of the last peer review conducted of the EPA OIG by another OIG. Section 5(a)(9) of the Act requires a list of any outstanding recommendations from any peer review conducted of the EPA OIG by another OIG that have not been fully implemented. Section 5(a)(10) of the Act requires a list of all peer reviews conducted by the EPA OIG of another OIG during the reporting period, including a list of any recommendations from any previous peer review that remain outstanding.

In this semiannual period, the EPA OIG completed an external peer review of the investigative organization of the Department of Transportation OIG. Our review covered the period from October 1, 2022, through April 12, 2024. This review was conducted in accordance with the *Quality Standards for Investigations* and the *Quality Assessment Review Guidelines for Investigative Operations of Federal Offices of Inspector General*, as set forth by the Council of the Inspectors General on Integrity and Efficiency.

Below are details regarding the most recent peer reviews that another OIG conducted of the EPA OIG. There are no outstanding recommendations from these peer reviews.

Audit

The Treasury Inspector General for Tax Administration OIG issued the most recent peer review report on the EPA OIG on April 15, 2021. The peer review covered the three-year period ending September 30, 2020, and found that the EPA OIG suitably designed and complied with its system of quality control to provide the EPA OIG with reasonable assurance that it performed and reported work in conformity with applicable professional standards in all material respects. The EPA OIG received an external peer review rating of “pass.”

Evaluation

The Office of the Special Inspector General for Afghanistan Reconstruction issued the most recent peer review report on the EPA OIG on April 11, 2024. The peer review covered the three-year period ending September 30, 2023, and found that the EPA OIG’s policies and procedures generally were consistent with the *Quality Standards for Inspection and Evaluation*, or Blue Book, standards addressed in the external peer review.

Investigation

The Amtrak OIG completed the most recent mandated Council of the Inspectors General on Integrity and Efficiency quality assurance review of our Office of Investigations and issued its related report on August 3, 2023. The Amtrak OIG determined that our system of internal safeguards and management

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procedures for the investigative operations complied with the Council of the Inspectors General on Integrity and Efficiency quality standards and other applicable guidelines and statutes. The Amtrak OIG determined that our safeguards and procedures provided reasonable assurance that we conformed to professional standards in planning, executing, and reporting EPA OIG investigations and using law enforcement powers.

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