

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

September 24, 2024 | Report No. 24-P-0067



Report Contributors

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Abbreviations

CEJST	Climate and Economic Justice Screening Tool
EOP	Executive Office of the President
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
GAO	U.S. Government Accountability Office
IIJA	Infrastructure Investment and Jobs Act
OIG	Office of Inspector General

Cover Image

Brownfield site in Valley Falls, New York. (EPA photo)

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At a Glance

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

Why We Did This Audit

To accomplish this objective:

The U.S. Environmental Protection Agency Office of Inspector General conducted this audit to determine whether the EPA's Brownfields Program implemented the Justice40 Initiative's goal and related requirements for Infrastructure Investment and Jobs Act-funded projects.

The EPA's Brownfields Projects Program funds assessments and cleanups of brownfield sites to support their economic redevelopment. The Infrastructure Investment and Jobs Act invested \$1.5 billion over five years into the EPA's Brownfields Program, which includes the Brownfields Projects Program.

The Justice40 Initiative was announced on January 27, 2021, in Executive Order 14008. It sets the goal that 40 percent of the overall benefits of certain federal investments go to disadvantaged communities that have been marginalized and overburdened by pollution and underinvestment.

To support these EPA mission-related efforts:

- *Cleaning up and revitalizing land.*
- *Operating efficiently and effectively.*

To address this top EPA [management challenge](#):

- *Integrating and implementing environmental justice.*

Address inquiries to our public affairs office at (202) 566-2391 or OIG.PublicAffairs@epa.gov.

[List of OIG reports.](#)

What We Found

We found that the EPA's Brownfields Projects Program, a subset of the overall Brownfields 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 projected to meet the EPA's internal goal of ensuring that at least 40 percent of program benefits go to disadvantaged communities. However, the Agency overestimated the percentage of benefits going to disadvantaged communities for fiscal year 2022.

While the goal of the Justice40 Initiative is to achieve 40 percent *governmentwide*, the EPA has committed to meet and exceed the 40 percent goal in *each* of its Infrastructure Investment and Jobs Act-funded Justice40-covered programs.

The Justice40 Initiative required programs to report the percentage of benefits going to disadvantaged communities long before the work would be completed and actual assessment and cleanup locations would be known. Therefore, the EPA had to forecast the percentage of assessments and cleanups expected to occur in disadvantaged communities from the grants it awarded. The actual number and locations of brownfields assessment and cleanup activities will not be known until the work is completed, typically four or more years after grants are awarded.

If an applicant proposed to serve a geographic area that included any disadvantaged community, the EPA counted the entire grant amount as serving disadvantaged communities. Using this methodology, the EPA projected that approximately 91 percent of benefits would go to disadvantaged communities. This methodology led to an overestimation that should be revised. Using historical data available after the EPA's projections were made, the OIG recalculated the projection and concluded that approximately 60 percent of benefits are likely to go to disadvantaged communities, which still exceeds the EPA's internal 40 percent goal.

The EPA should revise its benefits projections so that the public has more accurate information on the percentage of benefits that will go to disadvantaged communities.

Recommendations and Planned Agency Corrective Actions

We recommend that the assistant administrator for Land and Emergency Management implement a benefits methodology, such as using a historical average, that more accurately projects the percentage of site assessments and cleanups that will occur in disadvantaged communities. We recommend updating the previous projections using this new methodology and replacing projections with actual data when they become available. The Agency concurred with our two recommendations and provided acceptable planned corrective actions and estimated milestone dates. These recommendations are resolved with corrective actions pending.



OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY

September 24, 2024

MEMORANDUM

SUBJECT: The EPA's Brownfields Projects Program Is on Track to Meet Its Justice40 Goal but Overestimated Disadvantaged Community Benefits
Report No. 24-P-0067

FROM: Sean W. O'Donnell, Inspector General *Sean W O'Donnell*

TO: Barry Breen, Principal Deputy Assistant Administrator
Office of Land and Emergency Management

This is our report on the subject audit conducted by the U.S. Environmental Protection Agency Office of Inspector General. The project number for this audit was [OA-FY24-0031](#). This report contains a finding that describes the problem the OIG has identified and corrective actions the OIG recommends. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The EPA Office of Budget, within the Office of the Chief Financial Officer; the Office of Environmental Justice and External Civil Rights; and the Office of Brownfields and Land Revitalization, within the Office of Land and Emergency Management, share responsibility for the EPA's Brownfields Projects Program Justice40 implementation and reporting.

In accordance with EPA Manual 2750, your office provided acceptable planned corrective actions and estimated milestone dates in response to OIG recommendations. The Office of Brownfields and Land Revitalization and the Office of Environmental Justice and External Civil Rights also provided technical comments, which we considered and incorporated into this report as necessary. All recommendations are resolved, and no final response to this report is required. If you submit a response, however, it will be posted on the OIG's website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epaoig.gov.

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Purpose

The U.S. Environmental Protection Agency Office of Inspector General [initiated](#) this audit to determine whether the EPA's Brownfields Program implemented the Justice40 Initiative's goal and related requirements for Infrastructure Investment and Jobs Act-funded projects.

Top management challenge addressed

This audit addresses the following top management challenge for the Agency, as identified in OIG Report No. [24-N-0008](#), *The EPA's Fiscal Year 2024 Top Management Challenges*, issued November 15, 2023:

- Integrating and implementing environmental justice.

Background

The EPA's Brownfields Program

A **brownfield site** is defined by law as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."¹ It is estimated that there are 450,000 to 1 million brownfield sites in the United States. The EPA awards assessment grants to determine whether contamination exists and cleanup grants to address contamination. Both types of grants support brownfield sites' economic redevelopment. The EPA provides Brownfields Program funding through grants to states, tribes, local governments, and other eligible entities. When selecting applicants to receive brownfields grants, the EPA is required by law to consider factors such as the extent to which the community is low-income, overburdened by health and environmental hazards, and unable to access other funding sources for site remediation and revitalization.

On November 15, 2021, the president signed into law the Infrastructure Investment and Jobs Act, or IIJA, which invested \$1.5 billion over five years into the EPA's Brownfields Program. The EPA states that this is the largest single investment in the Brownfields Program.

The EPA's Brownfields Program Implementation of Justice40

Justice40 is a federal government initiative that the president announced in Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, on January 27, 2021. The goal of Justice40 is to ensure that 40 percent of the overall benefits of certain federal investments go to disadvantaged communities that have been marginalized and overburdened by pollution and underinvestment. Federal programs that make these investments are known as **Justice40-covered programs**. While the goal of Justice40 is

¹ 42 U.S.C. § 9601(39)(A).

to achieve the 40 percent goal *governmentwide*, the EPA has committed to meet and exceed the 40 percent goal in *each* of its IJA-funded Justice40-covered programs.

The Executive Office of the President, or the EOP, issued M-21-28, *Interim Implementation Guidance for the Justice40 Initiative*, on July 20, 2021.² The interim guidance expands upon the initiative announced in Executive Order 14008 and includes a set of actions required of agencies that manage Justice40-covered programs. These actions include identifying the benefits of covered programs, developing a methodology for measuring the benefits going to disadvantaged communities, and reporting the benefits going to disadvantaged communities.

The EOP selected the EPA's Brownfields Program to be among the 21 initial Justice40 pilot programs that were given tighter deadlines and more deliverables than other programs covered by the initiative. The EPA's internal guidance directed programs to prepare to track the benefits going to disadvantaged communities and plan to increase those benefits, while awaiting further direction from the EOP. Additionally, the EPA created and internally distributed a flowchart and conducted meetings to assist pilot programs in complying with the issued guidance.

The EPA reports separately on two parts of its Brownfields Program: the Brownfields Projects Program, which includes multipurpose, assessment, revolving loan fund, and cleanup grants, and the State and Tribal Response Program, which includes grants to states and tribes for their brownfield response programs. The EPA further subdivides these programs by funding stream, reporting results separately for IJA and annual appropriations. At the time of the audit, the State and Tribal Response Program did not have data to report Justice40 benefits projections. For this reason, our audit focused on the Brownfields Projects Program.

The EOP instructed agencies to develop and apply a methodology for measuring benefits flowing to disadvantaged communities. The EPA's methodology, submitted to the Office of Management and Budget, quantified Brownfields Projects Program benefits by the number of sites assessed and the number of sites cleaned up in disadvantaged communities, stated as a percentage of total sites.

The EOP issued M-23-09, *Addendum to the Interim Implementation Guidance for the Justice40 Initiative, M-21-28, on using the Climate and Economic Justice Screening Tool (CEJST)*, on January 27, 2023. M-23-09 directs agencies to use the [Climate and Economic Justice Screening Tool](#) to identify geographically defined disadvantaged communities for any Justice40-covered programs to the extent permitted by law. CEJST is an interactive mapping tool that identifies census tracts as disadvantaged based on climate, environmental, health, and socioeconomic data from numerous public sources. By promoting a common definition of "disadvantaged community," M-23-09 aims to reduce confusion among federal programs, to improve consistency across agencies, and to help communities understand whether they are prioritized for benefits across a range of programs.

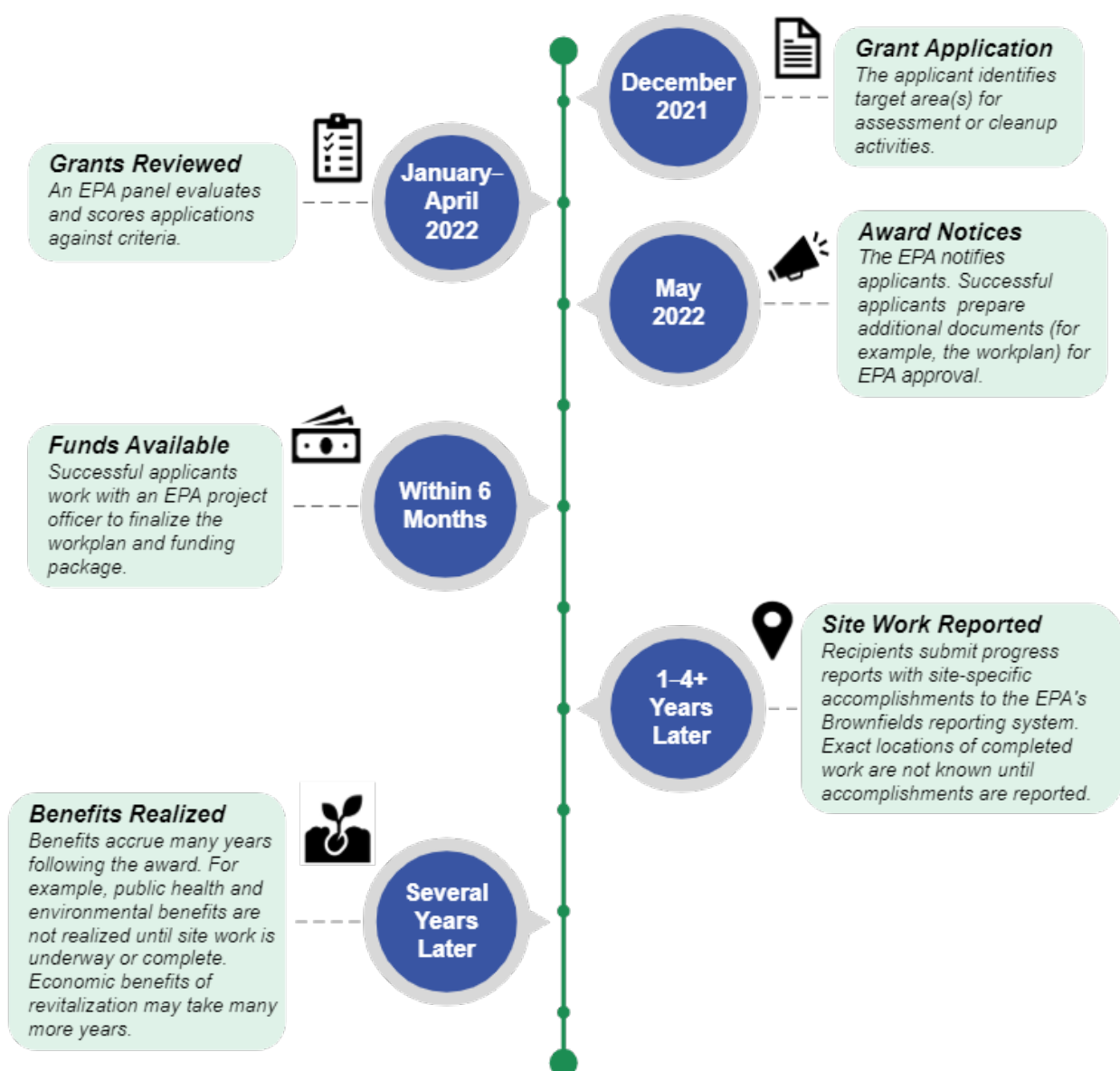
² Specifically, consistent with the Executive Order 14008 directive to issue Justice40 implementation guidance, the Council on Environmental Quality chair, the Office of Management and Budget director, and the national climate advisor—each within the EOP—jointly issued the interim guidance.

Brownfields Projects Program Grant Process and Timeline

When the EPA awards Brownfields Project Program grants, the locations and number of assessment and cleanup activities are often not known. The EPA does not know this information until the work is completed, which is typically several years after a grant is awarded. For the specific assessment and cleanup grant types in the scope of this audit, grant applicants were required to describe the target areas where they intended to work but not to provide a complete list of exact locations. Grant recipients must provide information about site-specific work, including location and eligibility, to EPA project officers before incurring any costs for sites that were not preapproved when the grant was awarded. Grantees must also report their site-specific accomplishments to the EPA on the periodic basis defined in their grant agreements.

The long-term economic benefits from brownfields revitalization, such as increasing the local tax base and facilitating job growth, are not realized in the year the grant is awarded, or even at the time the work is completed, but rather several years after the work is completed. Using fiscal year 2022 as an example, Figure 1 illustrates how much time can elapse between the grant application, the site assessment and cleanup reporting, and the ultimate realization of economic and environmental benefits.

Figure 1: FY 2022 assessment and cleanup grant timeline from award to benefits realized



Source: OIG analysis of Brownfields Projects Program process. (EPA OIG image)

Responsible Offices

The EPA Office of Budget, within the Office of the Chief Financial Officer; the Office of Environmental Justice and External Civil Rights; and the Office of Brownfields and Land Revitalization, within the Office of Land and Emergency Management, share responsibility for the EPA's Brownfields Projects Program Justice40 implementation and reporting. Specifically, the Office of Budget receives Justice40 Initiative data requests from the Office of Management and Budget, relays them to other EPA offices, collects the requested data, and provides the data to the Office of Management and Budget. The Office of Environmental Justice and External Civil Rights coordinates with EPA offices regarding Justice40

implementation and reporting. The Office of Brownfields and Land Revitalization develops the Brownfields Projects Program benefits methodology and calculates the percentage of benefits going to disadvantaged communities.

In FY 2022, the EPA's regular appropriation—its annual budget enacted by Congress—included \$138 million for Brownfields Program grants. The IIJA provides an additional \$300 million each year from FY 2022 through FY 2026, allowing the Agency to fund an unprecedented number of assessments and cleanups.³

Scope and Methodology

We conducted this audit from January to August 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. For this audit, we determined whether the EPA Brownfields Program implemented the Justice40 Initiative's goal and related requirements for IIJA-funded projects. We focused on FY 2022 because it was the only year for which the Office of Management and Budget had requested IIJA data at the time of our audit. We did not review the EPA State and Tribal Response Program brownfields grants because, due to the timing of the FY 2022 awards and Justice40 reporting deadline, the EPA did not have data with which to estimate benefits for the State and Tribal Response Program.

We assessed the internal controls necessary to satisfy our audit objective.⁴ In particular, we assessed the internal control components—as outlined in the GAO's *Standards for Internal Control in the Federal Government*—significant to our audit objective. Any internal control deficiencies we found are discussed in this report. Because our audit was limited to the internal control components deemed significant to our audit objective, it may not have disclosed all internal control deficiencies that may have existed at the time of the audit.

We interviewed staff from the Office of Brownfields and Land Revitalization, the Office of Environmental Justice and External Civil Rights, and the Office of Budget. We also interviewed staff from the Office of Management and Budget regarding M-21-28 and related requests for data. We reviewed documentation that the EPA submitted for the Justice40 Initiative and analyzed how the Agency calculated the benefits going to disadvantaged communities. Additionally, we recalculated the percentage of benefits going to disadvantaged communities using historical averages.

³ Funding amounts and percentages in this report are rounded to the nearest whole number.

⁴ An entity designs, implements, and operates internal controls to achieve its objectives related to operations, reporting, and compliance. The GAO sets internal control standards for federal entities in GAO-14-704G, *Standards for Internal Control in the Federal Government*, issued September 10, 2014.

Prior Reports

We found two GAO reports relevant to our audit: GAO Report No. [GAO-24-106511](#), *Justice40: Additional Efforts Needed to Improve Tribal Applicants' Access to Federal Programs under Environmental Justice Initiative*, issued April 10, 2024, and GAO Report No. [GAO-24-105869](#), *Justice40: Use of Leading Practices Would Strengthen Efforts to Guide Environmental Justice Initiative*, issued January 29, 2024.

GAO Report No. GAO-24-106511 examined actions certain agencies “have taken to implement Justice40 within selected programs to (1) adjust programs to direct funding to tribal recipients and the mechanisms used to do so; and (2) consult with Tribes and conduct outreach to Indigenous communities regarding the Justice40 Initiative.” It identified nine agencies responsible for 21 pilot programs that were directed to take specific actions to implement Justice40. For the EPA, the pilot programs included the Brownfields State and Tribal Response Program. The GAO reviewed Justice40 implementation guidance issued by the EOP and analyzed Agency documents. It found that the EPA had not consulted with tribes on Justice40 specifically but did consult them on other environmental justice matters. The GAO made three recommendations to the EPA, including that program offices consult with federally recognized tribes and conduct outreach to eligible indigenous communities when determining benefits for Justice40-covered programs, as well as incorporate the input into future Justice40 implementation efforts, in accordance with EOP guidance. The EPA agreed with the GAO and plans to conduct agencywide tribal consultations for appropriate Justice40 programs to provide an opportunity for feedback.

For GAO Report No. GAO-24-105869, the GAO reviewed the implementation of the Justice40 Initiative. It examined whether the EOP collaborated with federal and nonfederal entities to develop guidance and tools for implementing the initiative; whether pilot programs found the EOP’s guidance and tools useful; and whether the EOP established a process for assessing federal efforts to achieve the goal of the initiative. The GAO reviewed executive orders and EOP guidance documents; interviewed EOP staff, agency officials, and nonfederal entities; analyzed survey responses from Justice40 pilot programs; and compared EOP actions with leading practices. The GAO made 15 recommendations, including that the entities leading the Justice40 Initiative adopt leading practices for collaboration. The EOP neither agreed nor disagreed with the recommendations, but the White House Council on Environmental Quality stated that it anticipated taking steps to implement them.

Results

The Brownfields Projects Program met the EOP’s Justice40 Initiative reporting requirements for FY 2022 IIJA-funded projects and is projected to meet the EPA’s internal goal of ensuring that at least 40 percent of program benefits go to disadvantaged communities. However, the EPA’s calculation methodology overestimated the percentage of benefits going to disadvantaged communities. If an applicant proposed to serve a geographic area that included any disadvantaged community, the EPA counted the entire grant amount as serving disadvantaged communities. The EPA should revise the benefits projections, so that the public has more accurate information on the percentage of program benefits that will go to disadvantaged communities.

The EPA Had to Forecast Brownfields Benefits to Disadvantaged Communities

One challenge faced by the EPA is that the Justice40 Initiative required programs to report the percentage of benefits going to disadvantaged communities long before the work would be completed and actual assessment and cleanup locations would be known. As a result, the EPA forecasted the number and percentage of assessments and cleanups that would occur in disadvantaged communities using FY 2022 grant funds for IJJA- and non-IJJA-funded projects. The actual number and locations of all assessment and cleanup activities will not be known until the work is completed, which is typically four or more years after the grants are awarded.

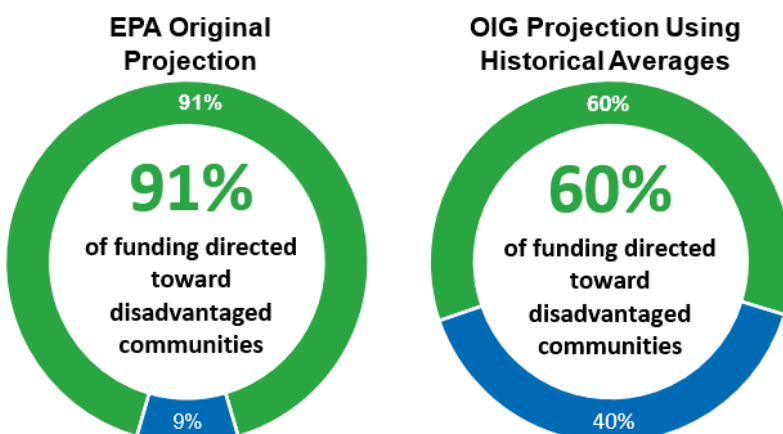
When the EPA had to report FY 2022 benefits data for Justice40, it had historical data on the average cost of assessments and cleanups, which allowed it to forecast how many assessments and cleanups grantees would complete with the FY 2022 funds. However, the EPA did not have historical data showing whether past site assessments and cleanups were in disadvantaged communities. In the absence of historical data on disadvantaged communities, the EPA counted the entire grant amount as serving disadvantaged communities if the applicant proposed to serve a geographic area that included any census tract identified as disadvantaged per CEJST. In 2023, the EPA gained the capacity to match CEJST disadvantaged census tract data to its database of assessments and cleanups and calculate, for the first time, a seven-year (FY 2017 through FY 2023) average percentage of assessments and cleanups that occurred in disadvantaged communities.

The EPA Met Justice40 Initiative Reporting Requirements but Overestimated Benefits Going to Disadvantaged Communities

The EPA met the EOP's Justice40 Initiative reporting requirements for the FY 2022 IJJA-funded Brownfields Projects Program. Specifically, the EPA submitted to the Office of Management and Budget the benefits methodology, the percentage of benefits directed to disadvantaged communities, and the anticipated funding levels in a timely manner.

However, the EPA overestimated the percentage of benefits going to disadvantaged communities for the FY 2022 IJJA-funded Brownfields Projects Program. The EPA projected that \$164 million, or 91 percent, of the \$179 million FY 2022 IJJA funding would go to disadvantaged communities. By using the seven-year historical average, we project that \$107 million, or 60 percent, will go to disadvantaged communities. While this still exceeds the EPA's internal 40 percent goal for the program, it is significantly less than the Agency's projection of 91 percent. Figure 2 compares the EPA's original projected percentage calculated using its methodology to the OIG's revised projection using the historical averages.

Figure 2: The EPA’s original projection of benefits to disadvantaged communities compared to the OIG’s projection using historical averages

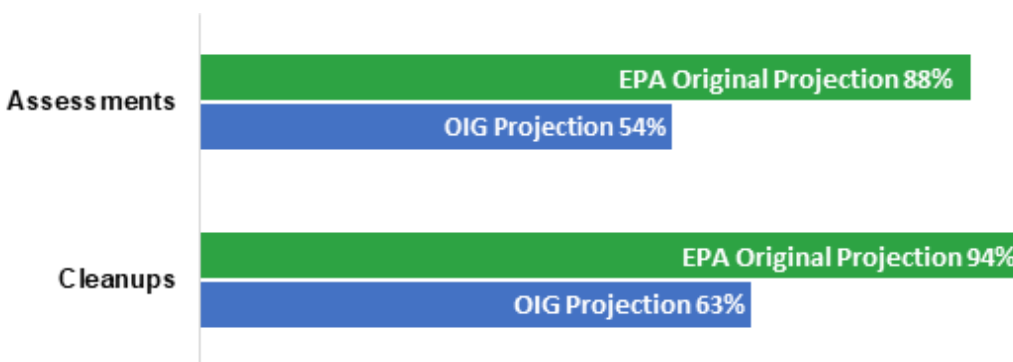


Source: OIG summary and recalculation of EPA data. (EPA OIG image)

The EPA overestimated the benefits that would go to disadvantaged communities by \$57 million, or 53 percent, for FY 2022 IJA-funded Brownfields Projects Program grants.

Figure 3 provides the details of the original projection and revised projection broken down by assessments and cleanups. The EPA projected that 88 percent of site assessments and 94 percent of site cleanups would occur in disadvantaged communities. However, the historical data shows that 54 percent and 63 percent of assessments and cleanups, respectively, occurred in disadvantaged communities from FY 2017 through FY 2023.

Figure 3: The EPA’s original and the OIG’s projections of assessments and cleanups in disadvantaged communities

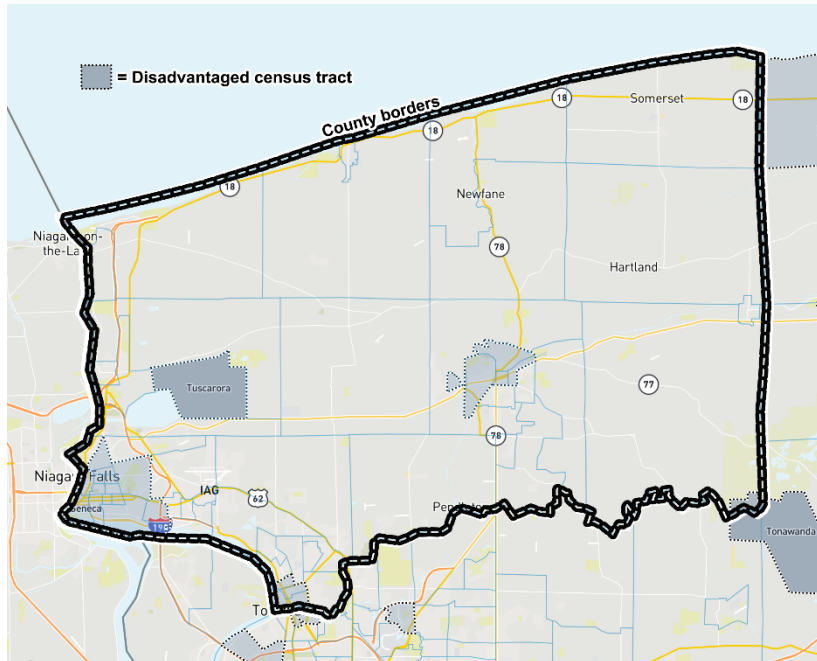


Source: OIG summary and recalculation of EPA data. (EPA OIG image)

The EPA overestimated benefits to disadvantaged communities by counting the entire grant amount as serving disadvantaged communities if an applicant proposed to serve an area containing at least one disadvantaged census tract. For example, the EPA awarded a \$3.9 million cleanup grant to Niagara County, New York. The county includes at least one disadvantaged census tract, so the EPA counted the full \$3.9 million as serving disadvantaged communities. Figure 4 illustrates that while Niagara County

includes some census tracts identified as disadvantaged according to CEJST, much of the county is not identified as disadvantaged.

Figure 4: Niagara County disadvantaged census tracts

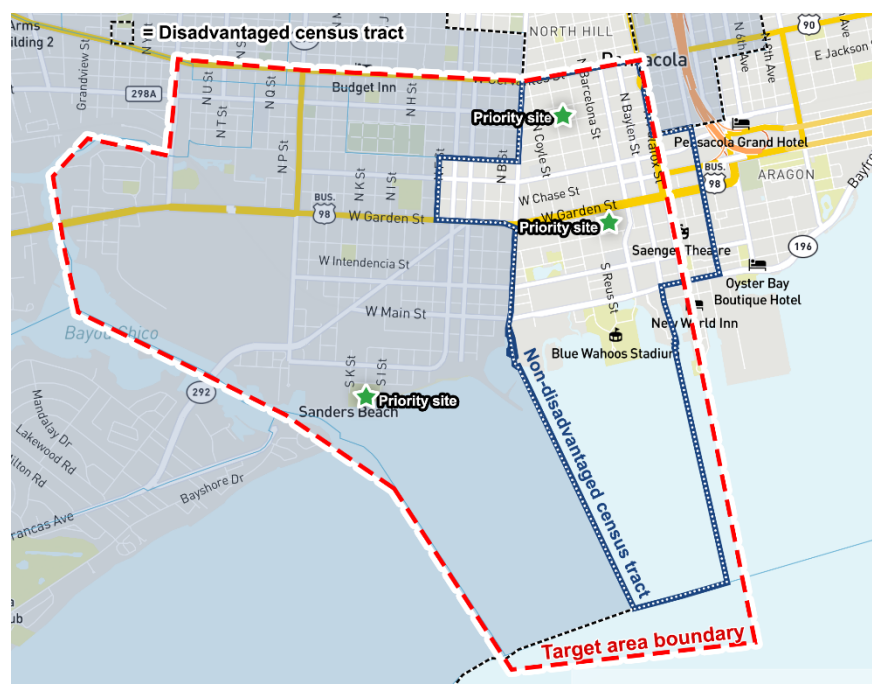


Note: Black dashed border indicates Niagara County lines. Gray areas are disadvantaged census tracts.

Source: OIG illustration based on [CEJST](#). (EPA OIG image)

Another example is a \$376,000 assessment grant awarded to Pensacola, Florida. The city listed three priority sites in its application, but only one was in a disadvantaged census tract per CEJST. Additionally, only one of the two census tracts mentioned by the applicant is disadvantaged. Nonetheless, the EPA counted the entire grant as serving disadvantaged communities. Figure 5 illustrates the target area described in Pensacola's grant application. A significant portion of the target area is not in a disadvantaged census tract.

Figure 5: Pensacola target area and disadvantaged census tracts



Note: Red dashed border indicates grant target area. Blue dotted border indicates census tract that is not disadvantaged. Gray areas indicate disadvantaged census tracts. Green stars are priority sites.

Source: OIG illustration based on [CEJST](#). (EPA OIG image)

The EOP released Phase Two of the Environmental Justice [Scorecard](#) on July 24, 2024. The scorecard states that “84% of selected applicants for the Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup Grants and Brownfields Revolving Loan Fund Supplemental Funding went to disadvantaged communities.” The EPA stated that this percentage was calculated by applying the same methodology to FY 2023 data.

Accountability for Justice40 Initiative Results

The EPA should revise its IIJA-funded and non-IIJA-funded Brownfields Projects Program benefits percentages, so that the public has more accurate information on the percentage of program benefits that will go to disadvantaged communities. For optimal accountability to the public, it is the Agency’s responsibility to provide accurate projections of assessments and cleanups that will occur in disadvantaged communities. Finally, more accurate projections will give a better overview of the cumulative effect of the Justice40 Initiative in addressing the disproportionate impacts of environmental burdens.

Conclusions

The EPA’s Brownfields Projects Program met the Justice40 Initiative reporting requirements for FY 2022 IIJA-funded projects. The program is projected to meet the EPA’s internal goal of ensuring that at least

40 percent of program benefits go to disadvantaged communities, but the Agency overestimated the percentage of benefits. The EPA should revise its FY 2022 benefits projections and determine whether its FY 2023 benefits projections should also be revised to provide the public with more accurate information on the percentage of program benefits that will go to disadvantaged communities.

Recommendations

We recommend that the assistant administrator for Land and Emergency Management:

1. Implement a benefits methodology that more accurately projects the percentage of site assessments and cleanups that will occur in disadvantaged communities for the IJJA-funded and non-IJJA-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 IJJA-funded and non-IJJA-funded Brownfields Projects Program using the new methodology and replace projections with the data on actual site assessments and cleanups completed when they become available.

Agency Response and OIG Assessment

The Office of Land and Emergency Management concurred with our two recommendations and provided acceptable planned corrective actions and estimated milestone dates. We consider these recommendations resolved with corrective actions pending.

For Recommendation 1, the Office of Land and Emergency Management said that the Agency plans to develop a draft of an updated benefits methodology using historical averages by December 31, 2024.

The office also plans to finalize and implement the use of a new benefits methodology in its Justice40 benefit submissions. The Agency plans to distribute this agencywide and to the Office of Management and Budget by March 31, 2025.

For Recommendation 2, the Office of Land and Emergency Management plans to coordinate with the Office of the Chief Financial Officer to assess whether updates to FY 2022 and FY 2023 estimates can be submitted to the Office of Management and Budget. The Agency plans to submit updated estimates, if possible, by March 31, 2025.

The Office of Land and Emergency Management also plans to update the public-facing EPA websites to indicate changes in the methodology calculations from FY 2025 forward. The Agency plans to update this by March 31, 2025.

Appendix A contains the Office of Land and Emergency Management's response to the draft report. The Agency also provided technical comments, which we considered and incorporated as necessary.

Status of Recommendations

Rec. No.	Page No.	Recommendation	Status*	Action Official	Planned Completion Date
1	11	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.	R	Assistant Administrator for Land and Emergency Management	3/31/25
2	11	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.	R	Assistant Administrator for Land and Emergency Management	3/31/25

* C = Corrective action completed.

R = Recommendation resolved with corrective action pending.

U = Recommendation unresolved with resolution efforts in progress.

Agency Response to Draft Report



OFFICE OF LAND AND EMERGENCY MANAGEMENT
WASHINGTON, D.C. 20460

MEMORANDUM

SUBJECT: Response to Office of Inspector General Draft Report No. OA-FY24-0031
"The EPA's Brownfields Projects Program Is on Track to Meet Its Justice40 Goal but Overestimated Disadvantaged Community Benefits" dated August 6, 2024

FROM: Barry N. Breen, Principal Deputy Assistant Administrator **BARRY BREEN**

TO: Sean O'Donnell, Inspector General
Office of Inspector General

Digitally signed by
BARRY BREEN
Date: 2024.08.03
13:44:25 -04'00'

Thank you for the opportunity to respond to the issues and recommendations in the subject audit report. Following is a summary of the agency's overall position, along with its position on each of the report recommendations. For those report recommendations with which the agency agrees, we have provided high-level intended corrective actions and estimated completion dates to the extent we can. For your consideration, we have also attached two sets of technical comments to supplement this memo, one from the Office of Brownfields and Land Revitalization (OBLR) and one from the Office of Environmental Justice and External Civil Rights (OEJECR).

AGENCY'S OVERALL POSITION

EPA generally agrees with the findings of this audit and will proceed in implementing the recommendations. The Brownfields Program would like to emphasize that the audited information was intended to serve as an estimate only for the anticipated benefits to disadvantaged communities as defined in the Justice40 Initiative. Specifically, the FY22 data that was the subject to this audit was compiled as part of a pilot for Justice40 implementation. The Brownfields Program has significantly better data resources (than were available to the Program for the FY22 estimate) to assist in calculating benefits estimates in future years.

AGENCY'S RESPONSE TO REPORT RECOMMENDATIONS

Agreements

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by Quarter and FY
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.	1.1 Develop draft of updated benefits methodology using historical averages	1 st Quarter FY 2025
		1.2 Finalize and implement the use of new benefits methodology in Justice40 benefit submissions to the Agency and OMB for FY 2025	2 nd Quarter FY 2025
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 the data on actual site assessments and cleanups completed when they become available.	2.1 Work with OCFO to see if updates to FY22 and FY23 estimates can be submitted to OMB; submit updated estimates if possible.	2 nd Quarter FY 2025
		2.2 Update public-facing EPA websites to indicate changes in methodology calculations from FY25 forward.	2 nd Quarter FY 2025

CONTACT INFORMATION

If you have any questions regarding this response, please contact Kecia Thornton, OLEM's Audit Follow-up Coordinator at (202) 566-1913 or the Office of Brownfields and Land Revitalization, Kelly Gorini, acting Budget Team Lead at (202) 566-1702 or Matt Wosje at (202) 566-1060.

Attachments: Draft Report Technical Comments

cc: Clifford Villa, OLEM/IO

Rick Kessler, OLEM/IO
Khadija Walker, OIG
Eugenia Ostrozhansky, OIG
Patricia Overmeyer, OLEM/OBLR
Brian K. Thompson, OLEM/OBLR
Kelly Gorini, OLEM/OBLR
Jerry Minor-Gordon-English, OLEM/OBLR
Aimee Storm, OLEM/OBLR
Matt Wosje, OLEM/OBLR
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Assistant Administrator for Land and Emergency Management
Assistant Administrator for Environmental Justice and External Civil Rights
Agency Follow-Up Coordinator
General Counsel
Associate Administrator for Congressional and Intergovernmental Relations
Associate Administrator for Public Affairs
Principal Deputy Assistant Administrator for Land and Emergency Management
Principal Deputy Assistant Administrator for Environmental Justice and External Civil Rights
Deputy Assistant Administrator for Land and Emergency Management
Deputy Assistant Administrator for Environmental Justice
Deputy Assistant Administrator for External Civil Rights
Director, Office of Continuous Improvement, Office of the Chief Financial Officer
Director, Office of Brownfields and Land Revitalization, Office of Land and Emergency Management
Director, Office of Budget, Office of the Chief Financial Officer
Deputy Director, Office of Budget, Office of the Chief Financial Officer
Senior Advisor, Office of Environmental Justice and External Civil Rights
Office of Policy OIG Liaison
Office of Policy GAO Liaison
Audit Follow-Up Coordinator, Office of the Administrator
Audit Follow-Up Coordinator, Office of Land and Emergency Management
Audit Follow-Up Coordinator, Office of Environmental Justice and External Civil Rights
Audit Liaison, Office of Budget, Office of the Chief Financial Officer



Whistleblower Protection

U.S. Environmental Protection Agency

The whistleblower protection coordinator's role is to educate Agency employees about prohibitions against retaliation for protected disclosures and the rights and remedies against retaliation. For more information, please visit the OIG's whistleblower protection [webpage](#).

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