

# Summary: Alleged Preferential Treatment by an OSMRE State Grant Recipient

**Report Date: August 26, 2021**

**Report Number: 20-0110**

The OIG investigated an allegation that the West Virginia Department of Environmental Protection (WVDEP) showed preferential treatment to the West Virginia Governor and his family during environmental inspections of their coal mining companies in the State. The Governor has ultimate authority over WVDEP operations, but the WVDEP must also ensure that the mines the Governor and his family own comply with environmental laws and regulations. The allegation stated that “enforcement actions initiated by the lower echelons of the [WVDEP] inspection staff” were being “muted and curtailed to the exclusive benefit of the [Governor and his] family” and that the WVDEP had failed to take necessary enforcement actions against the Governor’s mining companies. We received the allegation as a referral from the Office of Surface Mining Reclamation and Enforcement (OSMRE), which partially funds the WVDEP’s environmental enforcement operations through annual grants (totaling over \$39 million in disbursements between 2017 and 2020).

We did not substantiate the allegation that WVDEP inspectors had been discouraged from enforcing environmental regulations at the Governor’s mines, either generally or with respect to one specific mining company named in the allegation. The inspectors we interviewed told us they were free to do their jobs without regard to the Governor’s dual role.

We found, however, that neither the WVDEP nor the OSMRE has addressed the appearance of a conflict of interest with respect to the Governor’s ultimate authority over the WVDEP and his status as an owner of mines that the WVDEP regulates. The OSMRE’s grant agreements with the WVDEP require the WVDEP to report conflicts of interest, but we did not find evidence that the WVDEP reported or even considered whether the Governor, could potentially exercise authority over WVDEP matters in a way that could conflict with his personal financial interests. In addition, neither the OSMRE nor the WVDEP has taken any steps to resolve the appearance of a conflict—namely, the fact that the Governor’s dual role could lead a reasonable person to question the WVDEP’s ability to regulate entities associated with him.

This is a summary of an investigative report we issued to the OSMRE Deputy Director.

