



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

# Environmental Benefits Being Considered in Award of Great Lakes Grants

Report No. 14-P-0004

November 5, 2013



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## Report Contributors:

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## Abbreviations

EPA	U.S. Environmental Protection Agency
GLNPO	Great Lakes National Program Office
LAMP	Lakewide management plan
OIG	Office of Inspector General
RAP	Remedial action plan

**Cover photo:** View of Chicago, a Great Lakes shoreline city. (EPA photo)

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# At a Glance

## Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) received a hotline complaint that Great Lakes Shoreline Cities Green Infrastructure grants were being awarded with the only criterion being population; the potential environmental benefit was not the primary factor for determining awards. Our objective was to determine whether the EPA followed its policies when announcing these grants. The grants were designed to help Great Lakes shoreline cities reduce urban runoff and sewer overflows that impair Great Lakes water quality.

### This report addresses the following EPA theme:

- *Protecting water: A precious, limited resource.*

For further information, contact our public affairs office at (202) 566-2391.

The full report is at:  
[www.epa.gov/oig/reports/2014/20131105-14-P-0004.pdf](http://www.epa.gov/oig/reports/2014/20131105-14-P-0004.pdf)

## ***Environmental Benefits Being Considered in Award of Great Lakes Grants***

### What We Found

EPA Region 5 took prompt action to ensure that Great Lakes Shoreline Cities Green Infrastructure grants will support lakewide management plan activities and will result in reduction of discharges to the Great Lakes. While the grant announcement did not specifically require proposed projects to support lakewide management plan activities as identified in the competition exemption, Region 5 management agreed that it should have. To address the issue, Region 5 developed criteria for staff to use when reviewing grant applications. Going forward, staff members will consider how each proposed project will support lakewide management plan goals and result in reducing discharges to the Great Lakes.

**Region 5 plans to assure the \$8.5 million of infrastructure grants will result in reducing discharges to the Great Lakes.**

Since Region 5 has already taken action to address the issue noted, the report contains no recommendations.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

November 5, 2013

**MEMORANDUM**

**SUBJECT:** Environmental Benefits Being Considered in Award of Great Lakes Grants  
Report No. 14-P-0004

**FROM:** Arthur A. Elkins Jr.

A handwritten signature in black ink, appearing to read "Arthur A. Elkins Jr.", is written over the printed name.

**TO:** Susan Hedman, Regional Administrator  
Region 5

This is our report on the subject audit conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems the OIG has identified and corrective actions the EPA has implemented. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Since the agency has taken sufficient corrective action and this report makes no recommendations, no response is required.

This report will be available at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact Richard Eyermann, Acting Assistant Inspector General for Audit, at (202) 566-0565 or [eyermann.richard@epa.gov](mailto:eyermann.richard@epa.gov); or Janet Kasper, Product Line Director, at (312) 886-3059 or [kasper.janet@epa.gov](mailto:kasper.janet@epa.gov).

## Purpose

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) received a hotline complaint that Great Lakes Shoreline Cities Green Infrastructure grants were being awarded with the only criterion being population; the potential environmental benefit was not the primary factor for determining awards. Our objective was to determine whether the EPA followed its policies when announcing these grants.

## Background

The EPA invited 22 cities to submit applications for projects to reduce urban runoff and sewer overflows that impair Great Lakes water quality. The total amount of funds eligible for award to all potential recipients is \$8.5 million. The amount to be awarded would be based on population and would be awarded on a first-come, first-serve basis. The funding for these grants came from the Great Lakes Restoration Initiative. Eligible cities can use the grants to cover up to 50 percent of the cost of:

- Rain gardens.
- Bioswales.
- Green roofs.
- Porous pavement.
- Greenways.
- Constructed wetlands.
- Stormwater tree trenches.
- Other green infrastructure measures installed on public property.

It is EPA policy<sup>1</sup> to promote competition to the maximum extent practicable in the award of assistance agreements, and that the competitive process be fair and impartial, that all applicants be evaluated only on the criteria stated in the announcement, and that no applicant receive an unfair competitive advantage. When the estimated total amount of funds expected to be awarded under an announcement exceeds \$100,000 (regardless of the amount of any individual awards), open competition among all potentially eligible applicants is required. The policy allows for exemptions to competition when there are urgent and compelling circumstances, national security consideration or public interest.

## Scope and Methodology

We conducted this audit in August and September 2013 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

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<sup>1</sup> EPA Order 5700.5A1, "Policy for Competition of Assistance Agreements," revised July 19, 2012.

objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To answer the objective, we interviewed staff and managers in Region 5 and the Great Lakes National Program Office (GLNPO) and reviewed the following documentation:

- Solicitation for Great Lakes Shoreline Cities Green Infrastructure grants.
- EPA guidance regarding competition of grants.
- Exemption from competition for lakewide management plan (LAMP) and remedial action plan (RAP) activities.
- EPA actions to address issues identified during the audit.

Our review was limited to the process for announcing the shoreline city green infrastructure grants. As of September 10, 2013, none of the grants had been awarded.

## **Results of Review**

Region 5 took prompt action to ensure that Great Lakes Shoreline Cities Green Infrastructure grants will support LAMP activities and will result in reduction of discharges to the Great Lakes. While the grant announcement did not specifically require proposed projects to support LAMP activities as identified in the competition exemption, Region 5 management agreed that it should have. During our review, Region 5 developed criteria for staff to use when reviewing grant applications that will look for how the proposed project will support LAMP goals and result in reducing discharges to the Great Lakes.

On July 26, 2013, the EPA invited the 22 largest Great Lakes shoreline cities to apply for shoreline city green infrastructure grants. To be eligible for the grants, a city must directly touch the Great Lakes and have a population greater than 50,000 people. The amount of funding available to a specific recipient is based on the city's total population; larger cities will receive more money. For example, cities with a population of more than 500,000 are eligible for up to \$1 million.

The total amount of funds eligible for award under the Great Lakes shoreline cities program is \$8.5 million, making it subject to the EPA competition policy. In June 2013, the Assistant Administrator for Administration and Resources Management approved an exemption from competition for grants to states, tribes and local governments in furtherance of LAMP and RAP activities. The exemption was to cover activities including the hiring of employees by the governmental entity to oversee and implement LAMP and RAP activities; the joint development and implementation of RAP and LAMP projects, and RAP and LAMP activities that will be conducted on property owned by states, tribes and local governments. However, the grant announcement made no reference to RAPs or LAMPs, or that the activities being conducted under the grants would support

RAPs or LAMPs. According to the GLNPO Director, the program office assumed that activities under the shoreline cities grants would support LAMPs and RAPs, and agreed that this should have been included in the grant solicitation.

On September 4, 2013, OIG staff met with Region 5 management to discuss the hotline complaint and compliance with the competition policy. To comply with the competition policy, Region 5 management agreed with the OIG that it would develop criteria for reviewing the grant applications to ensure that the applications addressed environmental results and funded activities were linked to the goals and objectives of the LAMPs. Consequently, GLNPO developed criteria for reviewing applications for shoreline cities grants. Regional staff, when reviewing the grant work plans, would confirm and document whether the proposed project would further the goals, or address an issue of concern, of a LAMP by:

- Reducing the discharge of untreated stormwater runoff to a Great Lake or a waterway that discharges to a Great Lake.
- Reducing the discharge of sewer system overflows to a Great Lake or a waterway that discharges to a Great Lake.
- Reducing the discharge of sediment, nutrients, chemicals, bacteria and/or other contaminants to a Great Lake or a waterway that discharges to a Great Lake.
- Reducing threats to public health at beaches or in near-shore areas caused by contaminants including, but not limited to, bacteria, nutrients and chemicals.

The criteria should ensure the proposed project is linked to the LAMP as provided for in the competition exemption. It will also ensure that the proposed project will result in an environmental benefit of reducing discharges to the Great Lakes.

Since Region 5 has already taken action to address the issue noted, no recommendation is being made.

# **Status of Recommendations and Potential Monetary Benefits**

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date	Claimed Amount	Agreed-To Amount
No recommendations							

<sup>1</sup> O = Recommendation is open with agreed-to corrective actions pending.  
 C = Recommendation is closed with all agreed-to actions completed.  
 U = Recommendation is unresolved with resolution efforts in progress.

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