



At a Glance

Why We Did This Review

In January 2013, the U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), received a hotline complaint about the EPA's Region 6 Water Quality Protection Division (WQPD). The complainant alleged that the WQPD mismanaged Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA) funds and EPA travel funds.

The purpose of this audit was to determine whether the WQPD used:

- CWPPRA funds in accordance with applicable federal laws, regulations and other agreements.
- Agency funds efficiently.

This report addresses the following EPA goals or cross-agency strategies:

- *Protecting America's waters.*
- *Embracing EPA as a high-performing organization.*

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The full report is at: www.epa.gov/oig/reports/2015/20141009-15-P-0003.pdf

EPA Region 6 Mismanaged Coastal Wetlands Planning, Protection and Restoration Act Funds

What We Found

From 2010 to 2013, Region 6 WQPD used CWPPRA funds for purposes that were not consistent with CWPPRA authority, appropriations law and principles, and interagency agreements. Further, WQPD management did not accurately record labor and contractor costs to the CWPPRA program. This occurred because Region 6 WQPD

did not have controls in place to ensure accountability and proper stewardship of CWPPRA resources. Federal laws and EPA policies require federal employees to ensure resources are used efficiently and effectively and that public funds are used for the purpose for which they were appropriated and authorized. The WQPD spent CWPPRA funds totaling \$780,793 on questioned costs, augmented the EPA's annual appropriations, and overstated CWPPRA program costs. This mismanagement of CWPPRA funds resulted in "purpose violations" of appropriations law, pursuant to 31 U.S. Code §1301(a), and put Region 6 at risk of committing Antideficiency Act violations. The effectiveness of the CWPPRA program in restoring and protecting coastal wetlands is impaired if WQPD management does not properly spend and account for CWPPRA resources.

The EPA's Region 6 WQPD mismanaged CWPPRA funds, resulting in \$780,793 of questioned costs and violations of appropriations law.

Recommendations and Planned Agency Corrective Actions

We recommend that Region 6 reimburse the U.S. Army Corps of Engineers for questioned costs totaling \$780,793, unless Region 6 WQPD management provides sufficient and appropriate documentation that demonstrates questioned costs paid with CWPPRA funds were incurred in accordance with laws, policies and interagency agreements. We also recommend that the Region 6 Assistant Regional Administrator work with the EPA's Chief Financial Officer to perform an internal review of the WQPD's CWPPRA spending for fiscal years 2008 and 2009, and for the period July 1, 2013, through September 30, 2014, to identify any additional improper spending that occurred. Further, we recommend that Region 6 identify and address any Antideficiency Act violations resulting from questioned costs identified in this report or found during the internal review. We also recommend that Region 6 establish control activities to ensure proper stewardship and accounting of CWPPRA resources. In addition, we recommend that Region 6 take administrative disciplinary actions against EPA employees responsible for appropriations law purpose violations. Finally, we recommend that WQPD managers and staff receive training on properly managing federal funds to prevent purpose violations.

Region 6 agreed with three of our recommendations and disagreed with the other three. This report contains unresolved and open recommendations, and pending corrective actions.