



At a Glance

The EPA Should Improve Management of Great Lakes Restoration Initiative Grants

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 awarded and monitored Great Lakes Restoration Initiative grants in accordance with federal laws, regulations, policies, and procedures.
- The extent to which Great Lakes Restoration Initiative grants support the Agency's program goals for the Great Lakes.

This report is limited to our objective to determine whether the EPA awarded and monitored the grants in accordance with grant requirements. We will issue a separate report to address the second objective.

The Great Lakes Restoration Initiative is a partnership between 16 federal organizations that funds the restoration of the Great Lakes ecosystem. From fiscal year 2010 through 2021, the initiative distributed \$3.2 billion in grants, with the EPA overseeing \$1.2 billion of these grants.

To support these EPA mission-related efforts:

- *Partnering with states and other stakeholders.*
- *Operating efficiently and effectively.*

To address this top EPA management challenge:

- *Managing business operations and resources.*

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

[List of OIG reports.](#)

What We Found

The EPA did not award and monitor Great Lakes Restoration Initiative, or GLRI, grants in accordance with federal and Agency grants-management requirements. Budget narratives lacked the required cost information, and grant agreements did not include all applicable terms and conditions. We identified questionable project costs totaling \$611,756. EPA staff did not conduct required monitoring in a timely, accurate, or complete manner. EPA staff also did not maintain GLRI grant documentation in the official grant file as required by EPA policy, and grant records were missing. Managers implemented processes to manage grants and to mitigate operational challenges, but staff lacked regular training on these processes. Furthermore, Agency guidance did not include key procedures to monitor staff compliance with grants-management and recordkeeping requirements.

The Infrastructure Investment and Jobs Act made available \$200 million in funding per year for the GLRI for fiscal years 2022 through 2026, for a total appropriation of \$1 billion. This funding is supplemental to the \$716 million in annual appropriations that the GLRI program received for FYs 2022 and 2023; for FYs 2024 through 2026, an additional \$1.35 billion in funding has been authorized by the Great Lakes Restoration Initiative Act of 2019. Therefore, it is critical for the Great Lakes National Program Office, or GLNPO, and the Acquisition and Assistance Branch, or AAB, which is within the EPA Region 5's Mission Support Division, to improve grants-management procedures. Unless the Agency addresses the GLRI grants- and records-management deficiencies, the EPA risks future GLRI grants being noncompliant with federal and EPA requirements, which could impair public trust in GLNPO.

The EPA needs to improve its oversight of GLRI grants to reduce the risk of future grants being noncompliant with federal and EPA requirements and to provide reasonable assurance of the GLRI's progress.

Recommendations and Planned Agency Corrective Actions

We recommend that the regional administrator for EPA Region 5 design and implement standard operating procedures to improve grants management and oversight, review questioned costs and recover any unallowable funds, develop a records-management program, and require training for staff in grant and recordkeeping requirements. The Agency agreed to implement corrective actions meeting the intent of our four recommendations. For Recommendation 1, GLNPO and the AAB will create an, or update the existing, internal grant review process, among other actions. For Recommendation 2, the Agency has begun investigating our identified questioned costs and will determine whether additional action is needed. For Recommendation 3, the Agency will continue using the agencywide records-management process and take additional steps to supplement its records--management program. For Recommendation 4, GLNPO and the AAB will provide project officers and grant specialists with additional training on grants management-requirements. Therefore, we consider all recommendations to be resolved with corrective actions pending. Where appropriate, we revised this report based on the EPA's technical comments.