




**OFFICE OF INSPECTOR GENERAL**  
U.S. ENVIRONMENTAL PROTECTION AGENCY

January 16, 2024

**MEMORANDUM**

**SUBJECT:** Notification:  
Audit of the EPA's Resolution of Improper Payments Identified Through Its Annual Review of the State Revolving Fund Program  
Project No. OA-FY24-0033

**FROM:** Devon Padula, Director   
Drinking Water Investment Directorate  
Office of Audit

**TO:** Radhika Fox, Assistant Administrator  
Office of Water

Faisal Amin, Chief Financial Officer

The U.S. Environmental Protection Agency Office of Inspector General plans to begin an audit of the EPA's resolution of improper payments identified through its annual review of the State Revolving Fund Program. This discretionary audit is part of the OIG's oversight plan for fiscal year 2024. This audit aims to prevent misuse of the increased funds provided to the State Revolving Fund Program through the Infrastructure Investment and Jobs Act. This audit also addresses the following fiscal year 2024 top [management challenge](#) for the Agency: managing grants, contracts, and data systems.

Our objective is to determine whether the EPA appropriately identified and resolved improper payments during its annual review of the State Revolving Fund Program. We plan to conduct work primarily in the Office of Water, the Office of the Chief Financial Officer, the EPA regional offices, and the states, as needed. We will use applicable generally accepted government auditing standards to conduct our audit. The anticipated benefits of this audit include improving the EPA's operational efficiency and fiscal accountability.

We will contact you to arrange a mutually agreeable time to discuss our objectives. At that time, we can discuss any concerns that you may have and answer any questions about the audit process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the audit. Throughout the audit, we will provide updates on a regular basis.

We respectfully note that the Inspector General Act of 1978, as amended, authorizes the OIG to have timely access to personnel and all materials necessary to complete our objectives. Similarly, EPA Manual 6500, *Functions and Activities of the Office of Inspector General* (1994), requires that each EPA employee cooperate with and fully disclose information to the OIG. Also, Administrator Michael S. Regan, in a

*To report potential fraud, waste, abuse, misconduct, or mismanagement, contact the OIG Hotline at (888) 546-8740 or [OIG.Hotline@epa.gov](mailto:OIG.Hotline@epa.gov).*

May 16, 2023 email to EPA employees, stated that the “agency and its employees have a duty to cooperate with OIG” and observed that “full engagement and collaboration between the OIG and EPA provides our agency with the opportunity to improve program performance and efficiency.” If an Agency employee or contractor refuses to provide requested materials to the OIG or otherwise fails to cooperate with the OIG, we will request that you immediately resolve the situation. Consistent with the Inspector General Act, we may report unresolved access matters to the administrator and to Congress.

We will post this memorandum on our public website at [www.epaoig.gov](http://www.epaoig.gov). Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to this audit should contact the OIG Hotline at (888) 546-8740 or via an electronic form on the “OIG Hotline” [webpage](#).

cc: Janet McCabe, Deputy Administrator

Dan Utech, Chief of Staff, Office of the Administrator

Wesley J. Carpenter, Deputy Chief of Staff for Management, Office of the Administrator

Bruno Pigott, Principal Deputy Assistant Administrator for Water

Benita Best-Wong, Deputy Assistant Administrator for Water

Mae Wu, Deputy Assistant Administrator for Water

Nancy Grantham, Senior Advisor, Office of Water

Macara Lousberg, Director, Office of Program Analysis, Regulatory, and Management Support,  
Office of Water

Janita Aguirre, Associate Director, Office of Program Analysis, Regulatory, and Management  
Support, Office of Water

Carla Hagerman, Audit Follow-Up Coordinator, Office of Water

Gregg Trembl, Deputy Chief Financial Officer

Lek Kadeli, Associate Chief Financial Officer

Meshell Jones-Peeler, Controller

Adil Gulamali, Deputy Controller

Brian Webb, Director, Policy, Training, and Accountability Division, Office of the Controller

Nikki Wood, Chief, Management, Integrity and Accountability Branch; Policy, Training, and  
Accountability Division, Office of the Controller

Susan Perkins, Agency Follow-Up Coordinator

Andrew LeBlanc, Agency Follow-Up Coordinator

José Kercado, Agency Follow-Up Coordinator

Nick Conger, Associate Administrator for Public Affairs

Terrance Jackson, Acting Director, Office of Administrative and Executive Services, Office of  
the Administrator

Regional Audit Follow-Up Coordinators, Regions 1–10

Sean W. O’Donnell, Inspector General

Nicole N. Murley, Acting Deputy Inspector General