



OFFICE OF INSPECTOR GENERAL

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The EPA OIG Questions Reliability of Data Used to Allot IIJA Funding for Lead Service Line Replacements

WASHINGTON – The U.S. Environmental Protection Agency Office of Inspector General today issued a memorandum indicating that a lack of internal controls may have caused the EPA to base its fiscal year 2023 allotment of \$3 billion in Infrastructure Investment and Jobs Act, or IIJA, funds for lead service line replacements on inaccurate and unverified data, resulting in an allotment that may not reflect the needs of each state.

During an ongoing evaluation of the EPA’s 7th Drinking Water Infrastructure Needs Survey and resulting allotment of IIJA funds to the states, we found that the EPA instructed the states to use their “best professional judgment” in reviewing and submitting lead service line data and did not take reasonable measures to verify the state-submitted data.

The EPA’s lack of internal controls left inaccuracies in data sets that inflated the number of state-reported lead service lines for at least two states, which may have financially impacted all the states by affecting the allotment of fiscal year 2023 funds. We shared our concerns with the Agency earlier this year, and after receiving our draft memorandum, the EPA released the fiscal year 2024 allotments. Although the Agency made adjustments, they can take additional steps to improve the reliability of the data used to allot IIJA funds for lead service line replacements, and we encourage it to do so as soon as practicable.

“The EPA has been trusted to allot billions of taxpayer dollars for lead-service-line-replacements with the expectation of a needs-based allotment to states,” said EPA Inspector General Sean W. O’Donnell. “Insufficient internal controls for verifying data led to allotments that did not represent the needs of each state, and if left unaddressed, the Agency runs the risk of using unreliable data for future IIJA lead service line replacement funding.”

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About the EPA OIG

The OIG is an independent office within the EPA that performs audits, evaluations, and investigations of the EPA and the U.S. Chemical Safety and Hazard Investigation Board. For more information, visit [our website](#) and follow the OIG on [X](#), [LinkedIn](#), and [Instagram](#). Anyone with knowledge of potential waste, fraud, and abuse relating to EPA operations and programs is encouraged to report it to the [OIG Hotline](#) at (888) 546-8740 or OIG.Hotline@epa.gov.