



*This update highlights oversight activities of the U.S. Environmental Protection Agency Office of Inspector General from October 1 to December 31, 2024. Below are some activities of note.*

**2024: Year of Fighting Fraud.** Up until the last day of 2024, the EPA OIG remained committed to its “Year of Fighting Fraud” oversight campaign. This whole-of-office operation ramped up the OIG’s existing fraud-fighting efforts by leveraging data-driven and innovative methods to root out misconduct and mismanagement in EPA operations—especially in programs receiving funding from the Infrastructure Investment and Jobs Act, or IIJA. The campaign was a resounding success. During 2024, the OIG identified more than \$2 billion in potential monetary benefits, assisted with 29 criminal charges, identified key vulnerabilities in the cybersecurity of large drinking water facilities serving millions of Americans, and provided more than 130 fraud awareness briefings to thousands of stakeholders across the country. EPA Inspector General Sean O’Donnell outlined these successes and others achieved during the Year of Fighting Fraud in a new [“fraudcast”](#) and [press release](#) published on January 14, 2025.

**Nearly \$2 Billion in Monetary Impact Identified in Last Quarter Alone.** Last quarter, the OIG identified nearly \$2 billion in monetary impact in the EPA’s distribution of IIJA funds. In October, the OIG issued an [evaluation report](#) identifying that the EPA used inaccurate and unverified data to determine its allocation of IIJA funding for lead service line replacement in fiscal years 2023 and 2024. This led to nearly \$1 billion in funding being misallocated or at risk of being misallocated. In addition, a December [audit report](#) outlined the EPA’s failure to ensure that Clean School Bus funding was properly allocated and accounted for, identifying more than \$800 million that the EPA was not properly monitoring. The audit findings created serious concerns regarding the accuracy and reliability of the Agency’s recording of Clean School Bus program funds. These concerns were also highlighted by two material weaknesses identified in the OIG’s [audit](#) of the EPA’s consolidated financial statements for fiscal years 2024 and 2023 (restated).

**Semiannual Report to Congress.** On November 27, 2024, the OIG issued its [Semiannual Report to Congress](#), summarizing the OIG’s work and accomplishments from April 1 through September 30, 2024.

**Symposium.** In December 2024, the OIG hosted its annual winter symposium, an officewide professional development event. The event featured presentations led by experts from the OIG, EPA, Council of the Inspectors General on Integrity and Efficiency, and more covering emerging trends in fraud detection and prevention as well as other relevant topics. The training was designed to equip OIG employees with skills and knowledge not only to continue their fight against fraud but to innovate it.

**Oversight Work.** Visit the OIG’s website to see the [oversight products](#), completed and ongoing [IIJA oversight work](#), and [notifications](#) for new projects initiated.

## By the Numbers

REPORTS  
ISSUED

8

AUDITS &  
EVALUATIONS  
INITIATED

7

RECOMMENDATIONS  
MADE

18

PROJECTS  
ONGOING

43

# EXPECTED ISSUANCES

Click on the title to read the project notification for reports we expect to issue in the second quarter of fiscal year 2025.

## [Audit of the EPA's Guidance for the Use of Infrastructure Investment and Jobs Act Drinking Water State Revolving Fund Emerging Contaminants Funding](#)

Our objective is to determine the extent to which the EPA provided state agency officials with guidance for the use of Drinking Water State Revolving Fund emerging contaminants funding, in accordance with IIJA requirements and related federal implementation guidance.



## [Quality Control Review of Bacon & Company's Fiscal Year 2022 Single Audit of the Narragansett Bay Commission](#)

Our objective is to determine whether Bacon & Company, CPAs, LLC performed the fiscal year 2022 single audit of the Narragansett Bay Commission, Rhode Island, in accordance with applicable auditing standards and federal requirements for single audits.

## [Audit of Sewer Overflow and Stormwater Reuse Municipal Grants Program](#)

Our objective is to determine whether the EPA is managing its Overflow and Stormwater Reuse Municipal Grants program properly and timely in accordance with applicable laws, regulations, policies, and guidance.

## [Audit of the EPA's Fiscal Years 2022 and 2021 Toxic Substances Control Act Service Fee Fund Financial Statements](#)

Our objectives are to determine whether (1) the financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) the EPA's internal controls over financial reporting are in place; and (3) the EPA's management has complied with applicable laws, regulations, contracts, and grant agreements that have a direct and material effect on the financial statements.

## [Audit of the EPA's Fiscal Years 2023 and 2022 Hazardous Waste Electronic Manifest System Fund Financial Statements](#)

Our objectives are to determine whether: (1) the financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) the EPA's internal controls over financial reporting are in place; and (3) the EPA's management has complied with applicable laws, regulations, contracts, and grant agreements that have a direct and material effect on the financial statements.

## [Audit of the EPA's Fiscal Years 2023 and 2022 Pesticide Reregistration and Expedited Processing Fund Financial Statements and Audit of the EPA's Fiscal Years 2023 and 2022 Pesticide Registration Fund Financial Statements](#)

Our objectives are to determine whether: (1) the financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; (2) the EPA's internal controls over financial reporting are in place; and (3) the EPA's management has complied with applicable laws, regulations, contracts, and grant agreements that have a direct and material effect on the financial statements.

**[Evaluation of Institutional Control Documentation in the Superfund Enterprise Management System on IJJA-Funded Sites](#)**

Our objective is to determine whether the upgrade to the Superfund Enterprise Management System is likely to facilitate improved documentation of institutional controls in the institutional control module.

**[Evaluation of EPA Office of Water's Guidance to State Revolving Fund Programs for Implementing Build America, Buy America Act Requirements](#)**

Our objective is to determine the sufficiency of the EPA Office of Water's guidance to state revolving fund programs for the implementation of Build America, Buy America Act requirements.

**[Audit of the States' and the Commonwealth of Puerto Rico's Compliance with the Clean Water and Drinking Water State Revolving Fund Annual Financial Statement Audit Requirements](#)**

Our objective is to determine whether the states and the Commonwealth of Puerto Rico complied with Clean Water and Drinking Water State Revolving Fund annual financial statement audit requirements for 2022.

**[Audit of the EPA's Central Data Exchange Access Security Controls](#)**

Our objective is to determine whether the EPA has established sufficient controls to prevent unauthorized access to the EPA's Central Data Exchange.

**[Audit of the EPA's Water Infrastructure Set-Aside Grants to Tribes](#)**

Our objective is to determine the extent to which the EPA prioritizes and awards IJJA funds to tribes through the Clean Water Indian Set-Aside Grant Program and the Drinking Water Infrastructure Grants Tribal Set-Aside Program, in accordance with applicable statutes, regulations, and EPA guidance.

**[Audit of the EPA Award of Drinking Water and Clean Water Earmark Grants](#)**

Our objective is to determine whether the EPA is awarding the fiscal years 2022 and 2023 water infrastructure earmark grants expeditiously and in accordance with federal requirements and EPA policies and procedures.

**[Audit of the EPA's Grants Workforce Planning](#)**

Our objective is to determine whether the EPA's grants workforce planning efforts are in accordance with federal requirements and address the workload for grants administered under annual and supplemental appropriations.

**[Audit of the EPA's Post-Award Oversight of Grants](#)**

Our objective is to determine whether the EPA has sufficient controls over its grant management processes to monitor post-award performance of grants awarded with IJJA funding in accordance with federal grant requirements and other related EPA policies.

**[Audit of the EPA's Oversight of State Subrecipient Monitoring in the Clean Water State Revolving Fund Program](#)**

Our objective is to determine whether the EPA's guidance and oversight practices ensure that states are adequately monitoring the subrecipients of IJJA funds distributed via the Clean Water State Revolving Fund Program.