



OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY

January 6, 2025

MEMORANDUM

SUBJECT: Notification:
Audit of Contractor EnDyna Inc.'s EPA Contracts Containing Inflation Reduction Act (IRA)
and Infrastructure and Investment and Jobs Act (IIJA) Funding
Project No. OA-FY25-0032

FROM: Elizabeth Schubert, Director
Special Drinking Water Projects Directorate
Office of Audit

TO: Kimberly Patrick, Principal Deputy Assistant Administrator
Office of Mission Support

The U.S. Environmental Protection Agency Office of Inspector General plans to begin an audit of EPA contracts awarded to EnDyna containing IRA and IIJA funding. This audit addresses the following fiscal year 2024 top [management challenge](#) for the Agency, which is managing grants, contracts, and data systems. The influx of \$100 billion in supplemental appropriations to fund EPA programs under the Infrastructure Investment and Jobs Act and Inflation Reduction Act increases the risk of fraud, waste, abuse, and noncompliance with funding requirements. Effective management of grants, contracts, and related data is critical to reducing these risks.

Our objective is to determine if the EPA contractor, EnDyna Inc., complied with applicable federal requirements and adhered to contract terms and conditions. We plan to conduct work at relevant offices at EPA Headquarters, EnDyna Headquarters, and potentially EPA regional offices. We will use applicable generally accepted government auditing standards to conduct our audit. The anticipated benefits of this audit include ensuring that the contractor is adhering to requirements outlined in the Federal Acquisition Regulations and the contract terms and conditions.

We will contact you to arrange a mutually agreeable time to discuss our objective. 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.

To expedite our audit, please be ready to provide the following information at the entrance conference/as soon as possible after receipt of this notification:

- Contractor Performance Assessment Reports (CPARS) access;

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

- Contractor monthly progress reports;
- Annual performance documents;
- Biweekly meeting notes between EPA and EnDyna;
- Subcontractor and consultant agreements in place between EnDyna and the relevant subcontractor/ consultant in effect, from November of 2021 to the present and;
- Any/ all additional documentation that demonstrates how EnDyna is performing on its EPA call orders/contracts.
- Any investigations or legal proceedings significant to the audit objective that have been initiated or are in process.
- Relevant regulations, policies, procedures (beyond the FAR and EPAAR), and guidance documents from November 2021 onward, relevant to EnDyna contracts.
- Organizational structure, budget, and staffing information pursuant to these contracts.

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. Additionally, Administrator Michael S. Regan, in a June 17, 2024 email to EPA employees, stated that “it is the duty of all EPA personnel to cooperate fully with the OIG and to provide information the office needs to fulfill its oversight responsibilities.” He also indicated that the “OIG’s independent oversight of our agency makes it an indispensable partner in our efforts to protect public health and the environment.” 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. 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: Jane Nishida, Acting Deputy Administrator
 Dan Utech, Chief of Staff, Office of the Administrator
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