# **QUARTERLY UPDATE | April 2025**





This update highlights oversight activities of the U.S. Environmental Protection Agency Office of Inspector General from January 1 to March 31, 2025, and reports we expect to issue in the coming months.

**Congressional Testimony.** On February 26, 2025, Acting Inspector General Nicole N. Murley testified before the House Energy and Commerce Committee's Subcommittee on Oversight and Investigations. One of four federal oversight witnesses, Acting IG Murley discussed the EPA OIG's work related to the Inflation Reduction Act, or IRA, and the Infrastructure Investment and Jobs Act, or IIJA. She highlighted that systemic issues the OIG has repeatedly flagged throughout the years have surfaced in the EPA's IIJA programs, leading the OIG to believe that these problems will affect the Agency's IRA operations as well.

IIJA Oversight. Last quarter, the OIG issued four reports identifying areas for improvement in the EPA's implementation of the IIJA. One <u>audit</u> found that the EPA had \$20 million unawarded in the Sewer Overflow and Stormwater Reuse Municipal Grants Program, emphasizing the need to allocate funds in a timely manner to fund necessary infrastructure projects. Another <u>audit</u> found that the EPA needs to clarify its guidance to effectively implement IIJA funding for emerging contaminants through the Drinking Water State Revolving Fund. Similarly, an <u>evaluation</u> found opportunities for the EPA to improve its guidance for implementing the Build America, Buy America Act requirements in the IIJA. Meanwhile, another <u>evaluation</u> identified that the EPA could strengthen how it documents long-term protections, known as institutional controls, at Superfund sites. Tracking institutional control information has been a long-standing issue for the EPA and is a particular concern given that Superfund sites with missing institutional control data have been allocated millions in IIJA funds.

**IRA Oversight.** In March, the OIG announced a new audit of the EPA's \$7 billion Solar for All program, one arm of the IRA's Greenhouse Gas Reduction Fund. The audit aims to describe the status of funds, top recipients, and potential risks and impacts of the program. The OIG has received a high volume of hotline complaints and congressional requests related to the Agency's IRA programs. While the OIG did not receive IRA oversight funding, the office is working to redirect core resources to provide oversight in this critical area and to respond to the high level of interest among the Agency, Congress, and the public.

**Oversight Work.** Visit the OIG's website to see the <u>oversight products</u>, completed and ongoing <u>IIJA oversight work</u>, and <u>notifications</u> for new projects that the OIG has initiated.

By the Numbers

PRODUCTS ISSUED

10

AUDITS & EVALUATIONS INITIATED

5

RECOMMENDATIONS MADE

26

PROJECTS ONGOING

45

### **ISSUANCES**

Click on the project title to read the project notification for reports we have issued or expect to issue from April 1 through June 30, 2025.

### Evaluation of Policies, Procedures, and Processes for ASPECT Flight Missions

Our objective is to determine whether the EPA and its contractors followed Airborne Spectral Photometric Environmental Collection Technology flight equipment deployment procedures during the East Palestine, Ohio train derailment emergency.



#### <u>Evaluation of the South Carolina Clean Water State Revolving Fund Program's Capacity to Manage Infrastructure</u> Investment and Jobs Act Funding

Our objective is to determine South Carolina's capacity to manage and use IIJA funds for its Clean Water State Revolving Fund Program.

#### Audit of the EPA's Compliance with the Federal Information Security Modernization Act for Fiscal Year 2024

Our objective was to assess the EPA's compliance with the fiscal year 2024 Inspector General Federal Information Security Modernization Act of 2014 reporting metrics. The reporting metrics outline five security function areas and nine corresponding domains to help federal agencies manage cybersecurity risks. We issued this report on April 2, 2025.

#### Audit of the EPA's Fiscal Years 2023 and 2022 Pesticide Registration Fund Financial Statements

Our objectives are to determine whether the financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; the EPA's internal controls over financial reporting are in place; and 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. We issued this report on April 17, 2025.

## <u>Audit of the Chemical Safety Board's Compliance with the Federal Information Security Modernization Act</u> of 2014

The OIG contracted with the independent accounting firm SB & Company LLC to conduct this audit. The objective of the audit is to assess the U.S. Chemical Safety and Hazard Investigation Board's compliance with the Office of Management and Budget's Fiscal Year 2024 Inspector General Federal Information Security Modernization Act (FISMA) Reporting Metrics.

#### 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 in Rhode Island in accordance with applicable auditing standards and federal requirements for single audits.

#### 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 system.

#### **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 IIJA 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's Brownfields Program Management and Allocations**

Our objective is to determine how the EPA has managed its Brownfields Program and allocated funds under the program since enactment of the Brownfields Utilization, Investment, and Local Development Act of 2018.

#### Audit of the EPA's Fiscal Year 2021 Environmental Justice Collaborative Problem-Solving Cooperative Agreements

Our objective is to determine whether the Environmental Justice Collaborative Problem-Solving Cooperative Agreement Program is achieving project objectives and whether the EPA's monitoring of these projects ensures that funds are used as intended.

## <u>Audit of the States' and the Commonwealth of Puerto Rico's Compliance with the Clean Water and Drinking</u> <u>Water State Revolving Fund Annual Financial Statement Audit Requirements</u>

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 Payment Integrity Information Act for Fiscal Year 2024 Compliance

Our objectives are to determine whether the EPA complied with the Payment Integrity Information Act for fiscal year 2024 reporting and to review the EPA's implementation of its corrective action plans for prior audit recommendations.

#### Audit of the CSB's Reporting of Improper Payments During Fiscal Year 2024

Our objective is to determine whether the CSB complied with the Payment Integrity Information Act and requirements as set forth in Office of Management and Budget Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*, in fiscal year 2024.