



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

November 16, 2021

MEMORANDUM

SUBJECT: Notification of Audit:
EPA Oversight of State and Local Air Agency Identification of SM-80 Facilities
Project No. OA-FY22-0036

FROM: Michael D. Davis, Director
Environmental Infrastructure and Investment
Office of Audit

A handwritten signature in blue ink that reads "Michael D. Davis".

TO: Lawrence Starfield, Acting Assistant Administrator
Office of Enforcement and Compliance Assurance

Joseph Goffman, Acting Assistant Administrator
Office of Air and Radiation

The Office of Inspector General for the U.S. Environmental Protection Agency plans to begin fieldwork on an audit to determine whether EPA oversight has assured that state and local agencies with large compliance-monitoring programs identify high-emitting synthetic minor facilities, known as SM-80s, in accordance with the EPA's Clean Air Act Compliance Monitoring Strategy. This audit is part of OIG's oversight plan for fiscal year 2022 and addresses the following fiscal year 2022 top management challenge for the Agency: Enforcing Environmental Laws and Regulations.

OIG plans to conduct work within the Office of Enforcement and Compliance Assurance, the Office of Air and Radiation, Regions 6 and 9, and the States of California and Texas. Based on EPA's Enforcement and Compliance History Online database, California and Texas have the two largest Clean Air Act compliance-monitoring programs in the nation. These programs report over 1,000 Title V major facilities. Applicable generally accepted government auditing standards will be used in conducting our audit. The anticipated benefits of this audit include improving EPA oversight of states and local agencies responsible for implementing Clean Air Act programs and ensuring compliance with clean air laws and regulations.

We will contact you to arrange a mutually agreeable time to discuss our objectives. We would also be particularly interested in any areas of concern that you may have. We will answer any of your 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 provide the following information by November 30, 2021:

- A list of the provisions in the Clean Air Act and air regulations that require state and local agencies to identify, permit, and report compliance-monitoring information to EPA for synthetic minor facilities, especially SM-80s.
- EPA policies, procedures, and guidance related to state and local agency permitting, reporting, and enforcement of laws and regulations for synthetic minor facilities, including for SM-80s, other than the 2016 Clean Air Act Stationary Source Compliance Monitoring Strategy.
- EPA policies, procedures, and guidance related to state and local agency permitting, reporting, and enforcement of laws and regulations for synthetic minor and SM-80 sources that may be unique to California or Texas.
- Documentation related to the EPA's approval of California's South Coast Air Quality Management District and Texas's Title V operating permit program, such as *Federal Register* notices and state and local rules and regulations used to implement each operating permit program, specifically for synthetic minor facilities.
- Any reports, audits, or reviews of the California and Texas operating permits programs conducted within the last 15 years, other than the following:
 - South Coast Air Quality Management District Title V Operating Permit Program Evaluation, dated September 30, 2016.
 - Texas Commission on Environmental Quality Enforcement Program Framework for fiscal years 2004 through 2005.
 - *State Review Framework, South Coast Air Quality Management District, Clean Air Act Implementation in Federal Fiscal Year 2011*, final report, September 16, 2015.

If there are any items that you cannot provide by this date, please respond with the estimated date of delivery and the explanation for the delay:

We respectfully note that the OIG is authorized by the Inspector General Act of 1978, as amended, to have timely access to personnel and all materials necessary to complete its 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 an April 28, 2021, email message to EPA employees, conveyed his "expectation that EPA personnel provide OIG timely access to records or other information" and observed that "full cooperation with the OIG is in the best interest of the public we serve." We will request that you immediately resolve the situation if an Agency employee or contractor refuses to provide requested materials to the OIG or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the administrator and include the incident in the *Semiannual Report to Congress*.

We will post this memorandum on our public website at www.epa.gov/oig.

cc: Janet McCabe, Deputy Administrator
Dan Utech, Chief of Staff, Office of the Administrator
Wesley J. Carpenter, Deputy Chief of Staff, Office of the Administrator

Lawrence Starfield, Assistant Administrator for Enforcement and Compliance Assurance
Elizabeth Shaw, Deputy Assistant Administrator for Air and Radiation
Andrew LeBlanc, Agency Follow-Up Coordinator
José Kercado, Backup Agency Follow-Up Coordinator
Lindsay Hamilton, Associate Administrator for Public Affairs
Lance McCluney, Director, Office of Administrative and Executive Services, Office of
the Administrator
John Dombrowski, Acting Director, Office of Compliance, Office of Enforcement and Compliance
Assurance
Rosemarie Kelley, Director, Office of Civil Enforcement, Office of Enforcement and Compliance
Assurance
Gwendolyn Spriggs, Audit Follow-Up Coordinator, Office of Enforcement and
Compliance Assurance
Marc Vincent, Audit Follow-Up Coordinator, Office of Air and Radiation
Grant Peacock, Backup Audit Follow-Up Coordinator, Office of Air and Radiation
Eleanor Marusiak, Backup Audit Follow-Up Coordinator, Office of Air and Radiation
Eunjee Koh, Backup Audit Follow-Up Coordinator, Office of Air and Radiation
Regional Audit Follow-Up Coordinators, Regions 1–10
Sean W. O'Donnell, Inspector General
Charles J. Sheehan, Deputy Inspector General
Edward S. Shields, Associate Deputy Inspector General
Benjamin May, Counsel to the Inspector General
Stephanie Wright, Assistant Inspector General for Management
Kellie J. Walker, Acting Deputy Chief of Staff, Office of Inspector General
Katherine Trimble, Assistant Inspector General for Audit
Paul H. Bergstrand, Acting Assistant Inspector General for Special Review and Evaluation
Marc Perez, Acting Assistant Inspector General for Investigations
Jee Kim, Acting Deputy Assistant Inspector General for Management
Tom Collick, Deputy Counsel to the Inspector General
Laura Nicolosi, Principal Deputy Assistant Inspector General for Audit
Erin Barnes-Weaver, Acting Deputy Assistant Inspector General for Evaluation
Susan Barvenik, Associate Deputy Counsel to the Inspector General
James Hatfield, Associate Deputy Assistant Inspector General for Audit
Jennifer Kaplan, Deputy Assistant Inspector General for Congressional and Public Affairs
Jeffrey Lagda, Congressional and Media Liaison, Office of Inspector General
Lori Hoffman, Congressional and Media Liaison, Office of Inspector General