



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

OFFICE OF  
INSPECTOR GENERAL

March 30, 2023

James C. Kenney  
Cabinet Secretary  
New Mexico Environment Department  
Harold Runnels Building  
1190 St. Francis Drive, Suite N4050  
Santa Fe, NM 87505

Dear Mr. Kenney:

The U.S. Environmental Protection Agency Office of Inspector General plans to begin an evaluation of the New Mexico Clean Water State Revolving Fund, or CWSRF, program's financial capacity to manage Infrastructure Investment and Jobs Act, or IIJA, funds. This evaluation is part of the OIG's [\*Infrastructure Investment and Jobs Act Oversight Plan\*](#). We selected New Mexico as part of a planned series of capacity reviews on CWSRF programs. The project number is OSRE-FY23-0059.

Our objective is to determine the financial capacity of the New Mexico Environment Department to manage its IIJA funding for the CWSRF program. We plan to conduct work at the NMED headquarters in Santa Fe, New Mexico. We will conduct this evaluation using *Quality Standards for Inspection and Evaluation*, issued by the Council of the Inspectors General on Integrity and Efficiency. The anticipated benefits of this evaluation include identifying possible risks or challenges facing New Mexico Environment Department's capacity to manage IIJA funds for the CWSRF program. Such risks or challenges could adversely impact the NMED's ability to effectively manage and implement federal grants. Given the billions in additional funding that will be allocated pursuant to the IIJA, it is important that the EPA understands CWSRF agencies' current and future capacity to administer and manage funds. Further, it is important for the EPA to know whether it could provide additional technical assistance or administrative support. This knowledge would enable the EPA to focus its support in the most needed areas.

We will contact you to arrange a mutually agreeable time to discuss our objectives. At that time, we can discuss any concerns that you may have and answer any questions about the evaluation process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the evaluation. Throughout the evaluation, we will provide updates on a regular basis.

To expedite our evaluation, please provide an updated organizational chart and contact information for NMED employees that administer the CWSRF program as soon as possible.

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. Additionally, 2 C.F.R. § 200.337 requires that a recipient or "non-Federal entity" provide the Inspector General access "to any documents, papers, or other records of the non-Federal entity [recipient] which are pertinent to the Federal award," as well as "timely and reasonable access to the non-Federal entity's [recipient's] personnel for the purpose of interview and discussion related to such documents." We will request that you immediately

resolve the situation if any NMED employee refuses to provide requested materials to the OIG or otherwise fails to cooperate with the OIG. Consistent with the IG Act, we may report unresolved matters to the administrator and to Congress.

We will post this letter on our public website at [www.epa.gov/oig](http://www.epa.gov/oig). Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to this evaluation should contact the OIG Hotline at (888) 546-8740 or via an electronic form on the "OIG Hotline" [webpage](#).

Thank you in advance for your cooperation.

Sincerely,



Lindsay Clarke Brubaker, Director  
Environmental Infrastructure Oversight Directorate  
Office of Special Review and Evaluation

cc: Janet McCabe, Deputy Administrator, EPA  
Dan Utech, Chief of Staff, Office of the Administrator, EPA  
Jon Monger, Assistant Deputy Administrator, EPA  
Wesley J. Carpenter, Deputy Chief of Staff for Management, Office of the Administrator, EPA  
Benita Best-Wong, Deputy Assistant Administrator for Water, EPA  
Bruno Pigott, Deputy Assistant Administrator for Water, EPA  
Macara Lousberg, Director, Office of Program Analysis, Regulatory, and Management Support, Office of Water, EPA  
Janita Aguirre, Associate Director, Office of Program Analysis, Regulatory, and Management Support, Office of Water, EPA  
Cameo Smoot, Audit Follow-Up Coordinator, Office of Water, EPA  
Susan Perkins, Agency Follow-Up Coordinator, EPA  
Andrew LeBlanc, Agency Follow-Up Coordinator, EPA  
José Kercado, Agency Follow-Up Coordinator, EPA  
Maria Michalos, Acting Associate Administrator for Public Affairs, EPA  
Lance McCluney, Director, Office of Administrative and Executive Services, Office of the Administrator, EPA  
Earthea Nance, Regional Administrator, Region 6, EPA  
Charles McGuire, Director, Office of Water, Region 6, EPA  
Regional Audit Follow-Up Coordinators, Regions 1–10, EPA  
Sean W. O'Donnell, Inspector General, EPA  
Nicole N. Murley, Acting Deputy Inspector General, EPA