

Infrastructure Investment and Jobs Act Oversight Plan—Year Four

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The Infrastructure Investment and Jobs Act and EPA OIG Oversight

The Infrastructure Investment and Jobs Act appropriates over \$60 billion to the U.S. Environmental Protection Agency for a wide range of environmental programs, such as water sector infrastructure and land clean up, and recycling program enhancements. The IIJA also provides for the EPA Office of Inspector General to perform oversight of the EPA's implementation of the funding provided in the Act.

To find out more about the EPA OIG's activities related to the IIJA, visit our [website](#).

Report Contributors

Kelly Chavarria

Jason Elkins

Andre von Hoyer

Eric Lewis

Claire McWilliams

Adam Seefeldt

Abbreviations

C.F.R.	Code of Federal Regulations
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
IIJA	Infrastructure Investment and Jobs Act
OIG	Office of Inspector General
OSRE	Office of Special Review and Evaluation
Pub. L.	Public Law

Cover Image

Images representing IIJA-funded efforts by EPA to address challenges to human health and the environment. From top to bottom: environmental pollution cleanups, recycling program enhancements, and infrastructure improvements. (EPA images)

Are you aware of fraud, waste, or abuse in an EPA program?

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1200 Pennsylvania Avenue, NW (2431T)

Washington, D.C. 20460

(888) 546-8740

OIG.Hotline@epa.gov

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EPA Office of Inspector General

1200 Pennsylvania Avenue, NW (2410T)

Washington, D.C. 20460

(202) 566-2391

www.epaoig.gov

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Foreword

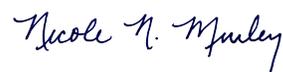
This fourth edition of the U.S. Environmental Protection Agency Office of Inspector General's *Infrastructure Investment and Jobs Act Oversight Plan* summarizes our ongoing and planned audits, evaluations, and other engagements concerning the EPA's implementation of the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (2021).

The IIJA provides the EPA with over \$60 billion in appropriations across Agency programs, including the Clean Water and Drinking Water State Revolving Funds, Superfund, geographic programs, and more. The supplemental funding appropriated to the EPA under the Act, which was signed into law on November 15, 2021, is to be distributed through fiscal year 2026. Most of those funds are available until expended.

The Act also appropriates nearly \$270 million for dedicated IIJA oversight to the OIG, which is an independent office of the EPA that Congress has charged with overseeing the Agency's programs and operations. We are receiving our IIJA funds over the same five fiscal years that the EPA is receiving its IIJA funds. Similarly, most of our IIJA oversight funds will also be available until expended. This allows us flexibility to assess and follow up on the EPA's execution of its IIJA work as we perform our mission to detect and prevent fraud, waste, abuse, or mismanagement of resources that the Act entrusts to the Agency. As of March 31, 2025, we had expended about 24 percent of our IIJA funds.

We update our *IIJA Oversight Plan* annually to provide the Agency, Congress, and the public with a timely guide to our IIJA-related activities. When deciding which audits and evaluations to include in the plan, we take care to independently consider the purposes of the EPA's IIJA appropriations; the statutorily required and discretionary work of the OIG; and the remarks of Agency leadership, Congress, and the White House.

Last year, our IIJA oversight identified about \$1.8 billion in monetary impacts that, if addressed, would help safeguard taxpayer dollars and combat fraud, waste, and abuse in the EPA's IIJA programs and operations. Furthermore, the 18 IIJA-focused reports we issued in 2024 included 43 recommendations that can help the Agency achieve meaningful, lasting improvements. This year, we aim to continue this success through our planned and ongoing audits and evaluations, which will identify opportunities to improve economy, efficiency, and effectiveness in the EPA's implementation of IIJA funds. We are proud of our continuing oversight and will work to help the Agency steward taxpayer dollars responsibly in 2025 and beyond.



Nicole N. Murley
Acting Inspector General

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Introduction

The Infrastructure Investment and Jobs Act, or IIJA, appropriates over \$60 billion to the U.S. Environmental Protection Agency to advance public health and safety by improving the nation’s drinking water, wastewater, and stormwater infrastructure; cleaning up legacy pollution; and investing in environmental and geographic programs. The Act distributes these supplemental funds across various EPA programs over five years, from fiscal year 2022 through FY 2026. For most programs, the IIJA funds are available until expended. These supplemental IIJA appropriations represent a significant increase in funding for the EPA. The Agency’s annual appropriations ranged from about \$8 billion to \$10 billion from FY 2014 through FY 2024. This means that the approximately \$12 billion in supplemental funds the EPA receives each fiscal year from the IIJA more than doubles the amount it has typically received in the past.

This edition of the *IIJA Oversight Plan* updates the EPA Office of Inspector General’s plan to oversee the Agency’s implementation of the IIJA, a plan that we have been publishing in annual installments since FY 2022. In our *IIJA Progress Report—Year Three*, which we published in conjunction with this plan, we document the results of efforts that we prepared and executed pursuant to earlier editions of the plan. Our Office of Audit and Office of Special Review and Evaluation are responsible for executing this oversight work, with the goal of promoting efficiency and effectiveness in, and preventing and detecting fraud, waste, and abuse related to, the EPA’s IIJA programs and operations. The 24 projects summarized in this plan relate to the EPA’s IIJA implementation work, although some of these projects have received or will receive partial support from annual appropriations. The appendix to this *IIJA Oversight Plan* illustrates which of the EPA’s IIJA programs our 24 projects address. As we oversee the EPA’s implementation of the IIJA, we update our “EPA OIG Infrastructure Investment and Jobs Act Oversight” [webpage](#) regularly to provide timely information on our IIJA oversight activities.

Throughout 2025 and beyond, we will continue to revise our *IIJA Oversight Plan* and may modify our projects in response to emerging challenges, crises, and priorities. For example, this plan does not address investigations or other future work that we cannot plan for, including projects that we may initiate in response to OIG Hotline complaints or congressional requests. However, we have accounted for such projects in our workload and work-management planning.

Continued Oversight of the EPA's IJA Implementation

Office of Audit

As of the publication of this report, the Office of Audit is working on 11 IJA audits. The Office of Audit will continue executing its portion of the *IJA Oversight Plan*, providing necessary oversight of funds in the middle stage of the EPA's IJA implementation. The office plans to begin additional IJA-related projects before the end of the year, including audits related to the Emerging Contaminants in Small and Disadvantaged Communities Grant Program and the reporting of state revolving fund subrecipient awards, as well as a summary project related to the EPA's Clean School Bus Program. The Office of Audit's annual, statutorily required financial statement audits will continue to examine IJA obligations and disbursements.

In 2026, the Office of Audit plans to conduct audits related to the EPA's oversight of state revolving fund grant performance and to states' compliance with requirements to commit their IJA state revolving funds within a year of allocation. In addition, the office plans to conduct audits on grantees' use of funds related to lead service line replacements and emerging contaminants.

In 2027 and beyond, the Office of Audit will focus on identifying the performance measures, impacts, and outcomes of the EPA's IJA-funded programs and on detecting recipient fraud, mismanagement, and abuse of funds. The Office of Audit will also begin to wind down its resources related to IJA oversight, perform grant and contract closeout audits, and develop capstone reports to summarize lessons learned and best practices. The office's IJA-related workload will depend on the EPA's level of IJA spending and programmatic activity during these years.

The following sections list the Office of Audit's planned and ongoing IJA audit work. We issue project notifications when we initiate our work; see our "Ongoing Infrastructure Oversight Work" section on the "EPA OIG Infrastructure Investment and Jobs Act Oversight" [webpage](#) to access our issued notifications.

Planned Projects¹

Audit Summary Report: Clean School Bus Program

Our planned objective will be to summarize findings from prior OIG reports on the EPA's management of the 2022 Clean School Bus Rebate Program IIJA funds that could help inform the Agency's decision-making when providing future rebate funding for the program.



Audit of Emerging Contaminants in Small and Disadvantaged Communities Grant Program's Compliance with Federal and EPA Requirements

Our planned objective will be to determine whether costs claimed under the IIJA-funded Emerging Contaminants in Small and Disadvantaged Communities Grant Program are reasonable, allocable, and allowable and whether the grants are administered in accordance with applicable laws, regulations, and grant terms.



Audit of the States' Reporting of State Revolving Fund Subrecipient Awards

Our planned objective will be to determine whether states properly submitted state revolving fund subaward information for annual appropriations and IIJA funds in accordance with federal requirements.



Audit of D.C.'s and U.S. Territories' IIJA-Funded Clean Water State Revolving Fund Projects

Our planned objective will be to determine how the EPA is overseeing the District of Columbia's and U.S. territories' clean water grants that are funded by the IIJA.



Audit of Timely and Expedient Use of IIJA State Revolving Funds

Our planned objective will be to determine whether states are meeting federal requirements to commit IIJA state revolving funds within a year of receiving the funds from the EPA.



Audit of the IIJA-Funded Solid Waste Infrastructure for Recycling Grant Program

Our planned objective will be to determine whether Solid Waste Infrastructure for Recycling Grant Program recipients are in compliance with grant terms and conditions, as well as to identify how program funds are being used to achieve grant objectives.



¹ All decorative photos are EPA OIG or EPA images.

Ongoing Projects

Audit of the EPA's Fiscal Year 2022 Brownfields Assessment Grants

We issued the project notification, Project No. OA-FY25-0067, on May 20, 2025. Our objective is to determine whether Brownfields Assessment Grant recipients, funded by FY 2022 annual appropriations and IIJA funds, drew down funds and completed assessments in accordance with grant terms and conditions.



Audit of Procurement Fraud Risks Related to Construction Bidding Processes for Clean Water State Revolving Fund Projects

We issued the project notification, Project No. OA-FY25-0062, on April 29, 2025. Our objective is to determine whether the EPA's annual appropriations and IIJA funds in the Clean Water State Revolving Fund Program are at risk from procurement fraud related to construction bidding processes.



Audit of IIJA Funds Awarded to the EPA's Columbia River Basin Restoration Program

We issued the project notification, Project No. OA-FY25-0055, on April 25, 2025. Our objective is to determine whether the EPA's oversight of the Toxic Reduction Lead cooperative agreements awarded by the Columbia River Basin Restoration Program is sufficient to ensure that IIJA funds are monitored in accordance with post-award requirements under 2 C.F.R. part 200 and EPA grant policies and guidance.



Audit of EPA Contracts Containing Inflation Reduction Act and IIJA Funding

We issued the project notification, Project No. OA-FY25-0032, on January 6, 2025. Our objective is to determine whether an EPA contractor complied with applicable federal requirements and adhered to contract terms and conditions.



Audit of IIJA-Funded Indian River Lagoon National Estuary Program Grant Recipient

We issued the project notification, Project No. OA-FY25-0027, on October 22, 2024. Our objectives are to determine whether costs claimed by the Indian River Lagoon National Estuary Program grant recipient were allowable, reasonable, allocable, and in accordance with grant terms and conditions for IIJA funding in FYs 2022 and 2023 and to determine whether the grant recipient demonstrated progress toward achieving program goals and objectives.



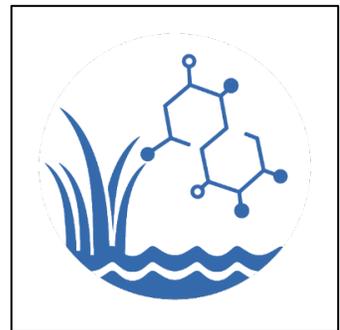
Audit of Environmental Finance Centers Funded by Annual and IIJA Appropriations

We issued the project notification, Project No. OA-FY25-0015, on October 16, 2024. Our objective is to determine whether the Environmental Finance Centers, which are funded by annual and IIJA appropriations, performing work in EPA Region 4 are accomplishing the outputs and outcomes established in their cooperative agreements.



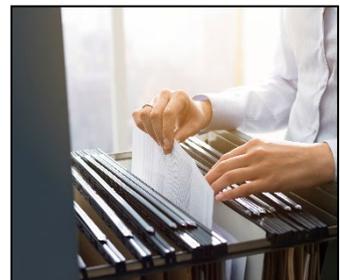
Audit of EPA Region 1 Awards Under the Emerging Contaminants in Small and Disadvantaged Communities Grant Program

We issued the project notification, Project No. OA-FY24-0126, on October 9, 2024. Our objective is to determine whether EPA Region 1 evaluated grant applications and awarded IIJA funds under the Emerging Contaminants in Small and Disadvantaged Communities Grant Program in accordance with pre-award requirements under 2 C.F.R. part 200 and EPA grant policies and guidance.



Audit of the EPA's Post-Award Oversight of Grants Awarded Under the IIJA

We issued the project notification, Project No. OA-FY24-0077, on April 18, 2024. Our objective is to determine whether the EPA has sufficient controls over its grants-management processes to monitor post-award performance of IIJA-funded grants, in accordance with federal grant requirements and other related EPA policies.



Audit of the EPA's Grants Workforce Planning

We issued the project notification, Project No. OA-FY24-0042, on January 29, 2024. 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, including the IIJA.



Audit of the EPA's Resolution of Improper Payments Identified Through Its Annual Review of the State Revolving Fund Program

We issued the project notification, Project No. OA-FY24-0033, on January 16, 2024. Our objective is to determine whether the EPA appropriately identified and resolved improper payments during its annual review of the State Revolving Fund Program. This audit aims to determine whether the EPA has sufficient controls to prevent misuse of the increased funds that the IIJA provides to the State Revolving Fund Program.



Audit of the States' and the Commonwealth of Puerto Rico's Compliance with the Clean Water and Drinking Water State Revolving Funds' Annual Financial Statement Audit Requirements

We issued the project notification, Project No. OA-FY23-0097, on September 19, 2023. Our objective is to determine whether the states and the Commonwealth of Puerto Rico complied with the Clean Water and Drinking Water State Revolving Funds' annual financial statement audit requirements for 2022. The majority of the Agency's IJA funding is allocated to the state revolving fund programs.



Office of Special Review and Evaluation

Thus far in 2025, the Office of Special Review and Evaluation, or OSRE, has begun or continued its work on five IJA evaluations. In 2026, OSRE will identify more high-risk programs or grantees receiving IJA funds for evaluation and will continue to assess challenges to implementation, obligation, and spending related to IJA-funded programs. OSRE will do so with the aid of an internal project selection tool and by updating its existing risk assessments and site analyses. Specifically, OSRE will update and use these analyses to develop and execute an inspection plan of IJA-funded Superfund sites and water infrastructure project sites based on several factors, including but not limited to IJA funding amount and project status.

OSRE also expects to complete its review series of grantees' capacity to manage and use IJA funding for water infrastructure improvements. Additionally, the office will perform work that is responsive to needs or conditions that may arise, such as addressing new or emerging issues, OIG Hotline complaints, and congressional requests. As needed, OSRE's Administrative Investigations Directorate will investigate allegations of senior EPA employee misconduct or of EPA, grantee, and contracting personnel engaging in whistleblower retaliation.

In 2027 and beyond, OSRE will continue to execute its portion of the *IJA Oversight Plan*, including evaluations of program performance and impact. OSRE will also complete its inspection plan, including reviews to assess site conditions and verify IJA-funded improvements, and will complete a capstone review summarizing lessons learned and best practices. The office will also wind down its resources related to IJA oversight.

The following sections list OSRE's current planned and ongoing IJA work. We issue project notifications when we initiate our work; see our "Ongoing Infrastructure Oversight Work" section on the "EPA OIG Infrastructure Investment and Jobs Act Oversight" [webpage](#) to access our issued notifications.

Planned Projects

Inspection of a Water Infrastructure Project to Verify Compliance with Domestic Preference Requirements

Our planned objective will be to determine the extent to which an IJJA-funded water infrastructure project is meeting federal domestic preference requirements.



Limited Scope Inspection of a Superfund Site Receiving IJJA Funding

Our planned objective will be to determine the extent to which the use of IJJA funding is progressing new construction projects at a Superfund site.



Ongoing Projects

Inspection of IJJA-Funded Activities at the Diaz Chemical Corp. Superfund Site in Holley, New York

We issued the project notification, Project No. OSRE-FY25-0071, on June 11, 2025. Our objective is to determine the extent to which the EPA is using IJJA funds to progress remediation at the Diaz Chemical Corp. Superfund site and whether the EPA has site safety measures in place to protect public health and the environment.



Evaluation of Institutional Controls at the Cornell Dubilier Electronics Inc. Superfund Site in South Plainfield, New Jersey

We issued the project notification, Project No. OSRE-FY24-0125, on September 24, 2024. Our objective is to determine whether the EPA's institutional controls related to IJJA-funded remedial activities at the Cornell Dubilier Electronics Inc. Superfund site in South Plainfield, New Jersey, will minimize human exposure to site contaminants.



Evaluation of the U.S. Virgin Islands' Capacity to Manage and Use IJJA Funds for Clean Water and Drinking Water Infrastructure Improvements

We issued the project notification, Project No. OSRE-FY24-0118, on August 23, 2024. Our objective is to determine the U.S. Virgin Islands' capacity to manage and use IJJA funds for clean water and drinking water infrastructure improvements.



Evaluation of the Use of IIJA Funds for Drinking Water Security Projects

We issued the project notification, Project No. OSRE-FY24-0105, on July 16, 2024. Our objective is to determine the extent to which Drinking Water State Revolving Fund IIJA supplemental funds are used for projects that improve resilience to physical and cyber threats and hazards.



Evaluation of the EPA's Implementation of the Underground Injection Control Class VI Well Program

We issued the project notification, Project No. OSRE-FY24-0023, on November 15, 2023. Our objective is to determine whether the EPA has used available resources, including funding appropriated by the IIJA, to improve permitting of Class VI wells under its Underground Injection Control Program.



Appendix: Distribution of the OIG's Oversight Projects Across the EPA's IIJA-Related Programs



Source: EPA OIG analysis of ongoing and planned IIJA-related audit and evaluation projects. (EPA OIG graphic and EPA images.)

Notes: Individual projects may address multiple programs. For example, three ongoing and three planned projects relate to both the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program. The interrelationship of program areas may change as projects progress. CWSRF = Clean Water State Revolving Fund. DWSRF = Drinking Water State Revolving Fund.

* "Other" includes Class VI Wells/Underground Injection Control Grants, Save Our Seas 2.0, Pollution Prevention, Recycling Enhancements to Collection and Yield through Consumer Learning and Education Act, Gulf of America and Mississippi and Ohio Rivers Hypoxia, Battery Recycling Labeling, and Battery Recycling Best Practices programs.



Whistleblower Protection

U.S. Environmental Protection Agency

The whistleblower protection coordinator's role is to educate Agency employees about prohibitions against retaliation for protected disclosures and the rights and remedies against retaliation. For more information, please visit the OIG's whistleblower protection [webpage](#).

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