

EXPECTED REPORT ISSUANCE

January 2023

This section reflects the time frames within which we expect to issue reports about our audit and evaluation work currently in progress. The status of these time frames is subject to change.

PROJECT TITLE (Year Initiated, Project Number)	OIG OBJECTIVES	EXPECTED REPORT ISSUANCE (Quarter and Fiscal Year)
<u>Pollution Prevention Grants Reporting</u> 2021, OA-FY21-0225	Examine the accuracy of pollution prevention grant results and how those results align with the pollution prevention grant program's goals, as well as follow up on recommendations from the OIG's prior audit on the pollution prevention grant program and further assess the program's progress since 2015.	2nd Quarter FY 2023
<u>35th Avenue Superfund Site Case Study on Cumulative Impacts</u> 2021, OA-FY21-0279	Determine what actions the EPA has taken—in accordance with its mission, its program goals, and applicable executive orders—to identify and address any disproportionate health effects to disadvantaged communities located on or near a selected site.	2nd Quarter FY 2023
<u>EPA's January 2021 PFBS Toxicity Assessment</u> 2021, OSRE-FY21-0207	Determine whether the EPA Office of Research and Development and Office of Chemical Safety and Pollution Prevention followed applicable policies and procedures in the development and publication of the January 19, 2021 perfluorobutane sulfonic acid toxicity assessment.	2nd Quarter FY 2023
<u>EPA's Response to Drinking Water Lead Contamination in Benton Harbor, Michigan</u> 2022, OA-FY22-0068	Determine the extent to which the EPA followed its 2016 elevation policy memorandum, titled <i>Policy on Elevation of Critical Public Health Issues</i> , in responding to evidence of drinking water lead contamination in the community water system for the City of Benton Harbor, Michigan.	2nd Quarter FY 2023

<p><u>Effectiveness of EPA's Oversight of Testing and Certification Program for Residential Wood Heaters</u></p> <p>2021, OSRE-FY22-0026</p>	<p>Determine whether the EPA effectively uses its oversight and enforcement authority to ensure that all residential wood heaters reaching consumers are properly tested and certified in accordance with established standards.</p>	<p>2nd Quarter FY 2023</p>
<p><u>Benzene Fenceline Monitoring at Refineries Project</u></p> <p>2022, OA-FY22-0070</p>	<p>Determine to what extent oversight of the benzene fenceline monitoring program by the EPA and delegated state and local agencies assures that refineries take corrective action and lower benzene, as required, when measured benzene concentrations exceed the action level.</p>	<p>2nd Quarter FY 2023</p>
<p><u>EPA Oversight of Drinking Water Contamination at Red Hill, Hawaii</u></p> <p>2022, OSRE-FY22-0075</p>	<p>Determine, by analyzing the sequence of events that led to drinking water contamination at the Red Hill site on Joint Base Pearl Harbor-Hickam, whether the EPA's oversight of relevant authorized state programs effectively has addressed the potential for contamination at the site.</p>	<p>2nd Quarter FY 2023</p>
<p><u>EPA Compliance with the Federal Information Security Modernization Act for FY 2022</u></p> <p>2022, OA-FY22-0134</p>	<p>Determine the EPA's compliance with the U.S. Department of Homeland Security Fiscal Year 2022 Inspector General FISMA Reporting Metrics.</p>	<p>2nd Quarter FY 2023</p>
<p><u>Evaluation of CSB's Compliance with the Federal Information Security Modernization Act of 2014</u></p> <p>2022, OA-FY22-0136</p>	<p>Determine the CSB's compliance with the U.S. Department of Homeland Security Fiscal Year 2022 Inspector General FISMA Reporting Metrics.</p>	<p>2nd Quarter FY 2023</p>
<p><u>Lessons Learned from EPA's Management of Prior Congressional Earmarks</u></p> <p>2022, OA-FY22-0147</p>	<p>Highlight prior audit findings about the EPA's administration and oversight of congressional earmarks, also known as congressionally directed spending, to inform the Agency's management of earmarks in the fiscal year 2022 budget.</p>	<p>2nd Quarter FY 2023</p>

<p><u>Toxic Substances Control Act's New Chemicals Review Process</u></p> <p>2021, OA-FY22-0025</p>	<p>Determine the extent to which the EPA is using and complying with applicable records management requirements, quality assurance requirements, and employee performance standards to review and approve new chemicals under the Toxic Substances Control Act to manage human health and environmental risks.</p>	<p>3rd Quarter FY 2023</p>
<p><u>Awarding, Monitoring, and Performance of EPA Great Lakes Restoration Initiative Grants</u></p> <p>2021, OA-FY21-0227</p>	<p>Examine the EPA's execution and monitoring of Great Lakes Restoration Initiative grants to determine whether they were awarded in accordance with federal grants requirements, and assess how the Great Lakes Restoration Initiative projects support the Agency's goals for the Great Lakes.</p>	<p>3rd Quarter FY 2023</p>
<p><u>Drinking Water State Revolving Fund Loan Subsidies to Disadvantaged Communities</u></p> <p>2021, OA-FY22-0020</p>	<p>Determine to what extent (1) states met their loan subsidy goals for disadvantaged communities, as identified in their intended-use plans, and (2) the EPA identified and addressed barriers that hindered states from spending the maximum allowed on such loan subsidies.</p>	<p>3rd Quarter FY 2023</p>
<p><u>EPA Oversight of State and Local Air Agency Identification of SM-80 Facilities</u></p> <p>2021, OA-FY22-0036</p>	<p>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.</p>	<p>3rd Quarter FY 2023</p>
<p><u>Integrated Risk Information System Security Access Controls</u></p> <p>2022, OA-FY22-0071</p>	<p>Determine whether the EPA's Integrated Risk Information System database adheres to federal and Agency access control requirements.</p>	<p>3rd Quarter FY 2023</p>

<p><u>EPA Oversight of the Renewable Fuel Standards Renewable Identification Number Market</u></p> <p>2021, OA-FY21-0293</p>	<p>Determine whether the EPA’s Moderated Transaction System and Quality Assurance Program include controls to identify and reduce the generation and trading of invalid renewable identification numbers that are used to demonstrate compliance with renewable fuel standards as overseen by the EPA Office of Transportation and Air Quality.</p>	<p>3rd Quarter FY 2023</p>
<p><u>EPA Internal Controls to Account for and Secure Laptops</u></p> <p>2022, OA-FY22-0117</p>	<p>Determine whether EPA headquarters and select regional locations have sufficient internal controls to properly account for and secure laptops in their possession to prevent theft and misplacement.</p>	<p>3rd Quarter FY 2023</p>
<p><u>The EPA’s Response to Reported Incidents of Unintended Effects from Pet Collar Pesticides</u></p> <p>2022, OSRE-FY22-0120</p>	<p>Determine whether (1) the EPA’s response to reported pesticide incidents involving Seresto pet collars provides assurance that the collars can still be used without posing unreasonable adverse effects to human health and the environment and (2) the EPA adhered to pesticide registration requirements in its approval of Seresto pet collars, specifically toxicological data requirements in 40 C.F.R. part 158.</p>	<p>3rd Quarter FY 2023</p>
<p><u>EPA Oversight of State Progress to Meet Chesapeake Bay Nutrient- and Sediment-Reduction Goals</u></p> <p>2022, OSRE-FY22-0139</p>	<p>Determine whether the EPA effectively uses the Accountability Framework for overseeing Chesapeake Bay Total Maximum Daily Load pollution reduction goals.</p>	<p>3rd Quarter FY 2023</p>
<p><u>Air Quality at U.S. Maritime Ports</u></p> <p>2022, OSRE-FY22-0140</p>	<p>Determine what steps, if any, the EPA is taking to address the increase in air pollution from oceangoing vessels at U.S. maritime ports.</p>	<p>3rd Quarter FY 2023</p>
<p><u>EPA’s Oversight of Hazardous Waste at EPA Laboratories</u></p> <p>2022, OSRE-FY22-0141</p>	<p>Determine whether the EPA has verified that its own laboratories are complying with Resource Conservation and Recovery Act requirements for the management of hazardous waste.</p>	<p>3rd Quarter FY 2023</p>

<p><u>EPA's Fiscal Year 2022 Compliance with Improper Payments Requirements</u></p> <p>2022, OA-FY23-0039</p>	<p>Determine whether the CSB complied with the Payment Integrity Information Act in fiscal year 2022.</p>	<p>3rd Quarter FY 2023</p>
<p><u>The EPA Payment Integrity Information Act Reporting for Fiscal Year 2022</u></p> <p>2022, OA-FY23-0041</p>	<p>Determine (1) whether the EPA complied with the Payment Integrity Information Act of 2019 and related Office of Management and Budget guidance during FY 2022 and (2) determine whether the Agency's corrective actions in response to our FY 2021 audit satisfy the recommendations.</p>	<p>3rd Quarter FY 2023</p>
<p><u>The EPA's Central Data Exchange Access Security Controls</u></p> <p>2022, OA-FY22-0144</p>	<p>Determine whether the EPA has established sufficient controls to prevent unauthorized access to the EPA's Central Data Exchange.</p>	<p>4th Quarter FY 2023</p>
<p><u>The EPA's Handling of Criminal Discovery</u></p> <p>2022, OSRE-FY22-0145</p>	<p>Determine whether the EPA's collection, retention, and production of mandatory criminal discovery material adhered to requirements.</p>	<p>4th Quarter FY 2023</p>
<p><u>Compliance with the Public Notification Requirements Under Section 2106 of the Water Infrastructure Improvements for the Nation Act</u></p> <p>2022, OA-FY23-0034</p>	<p>Determine whether the EPA complied with the public notification requirements under section 2106 of the Water Infrastructure Improvements for the Nation Act.</p>	<p>4th Quarter FY 2023</p>
<p><u>Jackson, Mississippi Drinking Water Funding and Spending Decisions Project</u></p> <p>2022, OA-FY23-0035</p>	<p>Identify award and expenditure decisions at the state and local levels related to the community water system in Jackson.</p>	<p>4th Quarter FY 2023</p>
<p><u>Chemical Safety Board's Purchase Card Program for Fiscal Year 2022</u></p> <p>2022, OA-FY23-0040</p>	<p>Assess the effectiveness of the CSB's oversight of its fiscal year 2022 purchase card program and assess the risk of any illegal, improper, or erroneous purchases and payments.</p>	<p>4th Quarter FY 2023</p>

<p><u>Review of EPA Response and Oversight Related to Drinking Water Contamination in Jackson, Mississippi</u></p> <p>2022, OSRE-FY23-0033</p>	<p>Determine the circumstances of, and the EPA’s response to, noncompliance with the Safe Drinking Water Act at the City of Jackson’s community water system.</p>	<p>1st Quarter FY 2024</p>
<p><u>The EPA’s Identification and Replacement of Lead Service Lines in Disadvantaged Communities</u></p> <p>2022, OA-FY23-0037</p>	<p>Determine whether the EPA distributed Water Infrastructure Improvements for the Nation Act funds to replace lead service lines in disadvantaged communities in adherence with applicable guidance.</p>	<p>1st Quarter FY 2024</p>
<p><u>The EPA’s Tribal Consultation Process for Restricted Use Pesticides</u></p> <p>2022, OSRE-FY23-0038</p>	<p>Determine whether the EPA adhered to its tribal consultation policies during the development of the EPA Plan for the Federal Certification of Applicators of Restricted Use Pesticides within Indian Country, known as the 2014 EPA Plan; the Certification of Pesticide Applicators Rule Revision; and the 2020 proposed revisions to the 2014 EPA Plan.</p>	<p>1st Quarter FY 2024</p>

RECENT AUDIT AND EVALUATION WORK

This section reflects work recently published by the EPA OIG.

REPORT

FINDINGS

[*The EPA Was Not Transparent About Changes Made to a Long-Chain PFAS Rule After Administrator Signature*](#)

Report No. 22-E-0052, July 7, 2022

The EPA did not follow all applicable policies, procedures, and guidance when making changes to the Long-Chain Perfluoroalkyl Carboxylate and Perfluoroalkyl Sulfonate Chemical Substances Significant New Use Rule after the administrator signed it and before it was published in the Federal Register. By not following all docketing procedures, the EPA did not meet transparency expectations and risked compromising the public's trust in the rulemaking process.

[*The EPA Needs to Improve the Transparency of Its Cancer-Assessment Process for Pesticides*](#)

Report No. 22-E-0053, July 20, 2022

The EPA did not adhere to standard operating procedures and requirements for the 1,3-Dichloropropene, or 1,3-D, pesticide cancer-assessment process, which undermines public confidence in and the transparency of the Agency's scientific approaches to prevent unreasonable impacts on human health. Specifically, the EPA used two scientific approaches in its cancer-assessment process even though it did not have guidance outlining how to use those approaches. The EPA also did not adhere to docketing and transparency requirements or follow its literature-search procedures.

[*Compendium of Open and Unresolved Recommendations: Data as of March 31, 2022*](#)

The compendium focuses on 175 recommendations (156 open and 19 unresolved) identified in Report No. [EPA-350-R-22-001](#), *Semiannual Report to Congress: October 1, 2021–March 31, 2022*, issued in May 2022. These recommendations represent \$29.70 million in potential monetary benefits.

[*Lessons Identified from Prior Oversight of the EPA's Geographic and National Estuary Programs*](#)

Report No. 22-E-0054, August 8, 2022

This report summarizes findings from prior OIG and U.S. Government Accountability Office reports to help inform the EPA's geographic programs' and National Estuary Program's future efforts to protect regional waters. As the EPA begins to distribute Infrastructure Investment and Jobs Act funds to geographic and estuary programs, the Agency can use this information to address historical challenges and better position itself to achieve its programmatic goals and improve its environmental outcomes.

[*Considerations for the EPA's Implementation of Grants Awarded Pursuant to the Infrastructure Investment and Jobs Act*](#)

Report No. 22-N-0055, August 11, 2022

This report highlights findings from prior OIG and U.S. Government Accountability Office reports to help inform grants management relating to the administration and oversight of awards pursuant to the IIJA. IIJA appropriations will significantly increase the EPA's implementation and oversight of grant programs.

[*Special Review of the U.S. Chemical Safety and Hazard Investigation Board Capabilities to Effectively Administer Its Programs and Operations*](#)

Report No. 22-N-0056, September 8, 2022

The U.S. Chemical Safety and Hazard Investigation Board's operations are challenged by vacancies in mission-critical positions and an inability to fully use the resources Congress allocated to the CSB. There was also a conflict between the then-chairperson and the board on the division of responsibilities and authority over Agency operations, which has since been resolved with the resignation of the then-chairperson and the adoption of a revised Board Order 28. This review identified key areas the board should consider as it prioritizes the CSB's work and develops a new strategic plan.

[*Considerations from Single Audit Reports for the EPA's Administration of Infrastructure Investment and Jobs Act Funds*](#)

Report No. 22-N-0057, September 14, 2022

This report highlights findings from prior single audit reports to help the EPA prepare to administer an additional \$60 billion in funds pursuant to the IIJA. Seven areas were identified where noncompliance with applicable federal laws, regulations, and program requirements were most frequent. Most instances of noncompliance were associated with two programs: the Clean Water State Revolving Fund program and the Drinking Water State Revolving Fund program.

[*Management Alert: Data Vulnerabilities Could Impact the CSB's Ability to Carry Out Its Obligations Under the Federal Information Security Modernization Act of 2014*](#)

Report No. 22-N-0058, September 22, 2022

While conducting the evaluation of the CSB's compliance with FISMA for fiscal year 2022, independent accounting firm SB & Company identified issues that may have a significant impact on the confidentiality, integrity, and availability of the CSB's data. These include servers not being backed up to tape and transported off site; discontinuation of vulnerability scanning of the network; and the failure to perform a risk assessment in the past 24 months.

[*The EPA's Fiscal Years 2021 and 2020 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund*](#)

Report No. 22-F-0059, September 26, 2022

The EPA's fiscal years 2021 and 2020 Federal Insecticide, Fungicide, and Rodenticide Act financial statements were fairly presented and free of material misstatement.

[*The EPA's Fiscal Years 2021 and 2020 \(Restated\) Financial Statements for the Pesticide Registration Fund*](#)

Report No. 22-F-0060, September 26, 2022

The EPA's fiscal years 2021 and 2020 (restated) Pesticide Registration Fund financial statements were fairly presented and free of material misstatement.

[*The EPA Failed to Complete Corrective Actions as Certified to Address OIG Recommendations*](#)

Report No. 22-N-0061, September 30, 2022

This review identified several instances where prior OIG recommendations were not implemented, even though the Agency had certified that the corrective actions responding to those recommendations were completed. When the Agency certifies to the completion of corrective actions that have not been completed, it leads to inaccurate data in the Agency's audit tracking system, limits the OIG's assurance that the corrective actions reported by the Agency are reliable, and may give the public and Congress the wrong impression regarding the EPA's progress in addressing OIG recommendations.

[*The EPA's Fiscal Years 2021 and 2020 \(Restated\) Hazardous Waste Electronic Manifest System Fund Financial Statements*](#)

The EPA's fiscal years 2021 and 2020 (restated) Hazardous Waste Electronic Manifest System Fund financial statements financial statements, except for accounts receivable and earned revenue, were fairly presented.

Report No. 22-F-0062, September 30, 2022

[*Fiscal Year 2023 U.S. Chemical Safety and Hazard Investigation Board Management Challenges*](#)

The OIG identified three top management challenges that represent the CSB's greatest vulnerability to waste, fraud, abuse, and mismanagement and present the most significant barriers to accomplishing the mission during fiscal year 2023.

October 21, 2022

[*Contractor-Produced Report: U.S. Chemical Safety and Hazard Investigation Board Fiscal Years 2022 and 2021 Financial Statement Audit*](#)

An OIG contractor rendered an unmodified opinion on the CSB's financial statements for fiscal years 2022 and 2021, meaning that the statements were fairly presented and free of material misstatements.

Report No. 23-F-0001, November 15, 2022

[*The EPA's Fiscal Years 2022 and 2021 Consolidated Financial Statements*](#)

The OIG rendered an unmodified opinion on the EPA's consolidated financial statements for fiscal years 2022 and 2021, meaning that they were fairly presented and free of material misstatements. We noted, among other things, that the EPA improperly recorded Water Infrastructure Finance and Innovation Act of 2014 fee fund revenue.

Report No. 23-F-0002, November 15, 2022

[*The EPA Met 2018 Water Security Requirements but Needs to Improve Oversight to Support Water System Compliance*](#)

The EPA met the requirements of section 2013 of the America's Water Infrastructure Act of 2018, but needs to improve oversight to support water system compliance. However, the AWIA-imposed deadlines for medium and large water systems to complete their risk and resilience assessments had passed and the systems were not required to update their assessments. Approximately 19 percent of water systems did not certify that they had completed their risk and resilience assessments by the statutory deadlines.

Report No. 23-P-0003, November 21, 2022

[*Semiannual Report to Congress: April 1, 2022–September 30, 2022*](#)

This Semiannual Report to Congress reflects how the OIG is achieving its mission of preventing and detecting fraud, waste, abuse, mismanagement, and misconduct related to the programs and operations of the U.S. Environmental Protection Agency and the U.S. Chemical Safety and Hazard Investigation Board during the reporting period, April 1, 2022, through September 30, 2022.

Report No. #EPA-350-R-22-002, November 22, 2022

[*EPA's Fiscal Year 2023 Top Management Challenges*](#)

The OIG identified eight top management challenges that are considered to be the most serious management and performance challenges facing the EPA.

November 29, 2022

[*The EPA's Fiscal Years 2020 and 2019 Toxic Substances Control Act Service Fee Fund Financial Statements*](#)

The OIG rendered a qualified opinion on the EPA's fiscal years 2020 and 2019 Toxic Substances Control Act Service Fee Fund financial statements, meaning that, except for material errors in expenses and income from other appropriations, the fiscal years 2020 and 2019 financial statements were fairly presented.

Report No. 23-F-0005, December 29, 2022

RECENT INVESTIGATIVE OUTCOMES

INVESTIGATION

SUMMARY

[*Project Manager Pleads Guilty to False Statements Regarding Lead Contamination at City Park*](#)

July 28, 2022

A project manager pleaded guilty to misleading federal authorities about lead contamination at Granby City Park in Granby, Missouri, after he was hired to conduct remediation at the site. He waived his right to a grand jury and pleaded guilty before a U.S. chief district judge to a federal information charging him with one count of making a false statement relating to a federal environmental remediation contract. By pleading guilty, the project manager admitted that he intentionally made the false statement and provided false information regarding the scope and amount of lead contamination.

[*New York State Environmental Facilities Corporation to Pay \\$500,000 for Falsely Certifying that Members of Former Governors' Staff Worked on Federal Clean Water Act Grant*](#)

September 1, 2022

The New York State Environmental Facilities Corporation agreed to pay \$500,000 to resolve allegations that it falsely certified several individuals were working at EFC in support of a federal water-quality improvement grant when, in fact, they were working directly for now-former governors of New York in positions unrelated to that grant. As part of the settlement agreement, EFC admitted that former senior EFC officials caused the state to include in federal funding requests part of these individuals' salaries and benefits without disclosing that they were hired by, and worked for, the Executive Chamber.

[*Lexington Woman Sentenced for Wire Fraud and Money Laundering*](#)

October 4, 2022

A business owner was sentenced to 42 months in federal prison for conspiracy to commit wire fraud and money laundering. Along with a co-owner, the business owner electronically submitted a proposal containing a fabricated letter of support from a key subcontractor in order to increase the chances of receiving a Phase II Small Business Innovation Research grant from the U.S. Department of Energy. In 2014, the DOE awarded the Phase II grant, in part relying on this misrepresentation. The business owner submitted false certifications to the DOE that all funds had been expended in accordance with the DOE's terms and conditions; however, the evidence at trial revealed that she had unlawfully retained over \$300,000 of the DOE funds she certified she had spent on the project. A federal jury convicted the business owner in April 2022.