



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

OFFICE OF
INSPECTOR GENERAL

April 18, 2023

MEMORANDUM

SUBJECT: Notification of Audit:
The EPA's Guidance for the Use of Infrastructure Investment and Jobs Act
Drinking Water State Revolving Fund Emerging Contaminants Funding
Project No. OA-FY23-0072

FROM: Elizabeth Schubert, Director
Special Drinking Water Projects Directorate
Office of Audit

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SCHUBERT** Digitally signed by
ELIZABETH SCHUBERT
Date: 2023.04.18
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TO: Radhika Fox, Assistant Administrator
Office of Water

Janet McCabe, Deputy Administrator

The U.S. Environmental Protection Agency Office of Inspector General plans to begin fieldwork on an audit of the EPA's guidance for the use of Infrastructure Investment and Jobs Act, or IIJA, Drinking Water State Revolving Fund emerging contaminants funding. This audit addresses the following fiscal year 2023 top management challenge for the Agency: managing increased investment in infrastructure. The Office of Audit initiated this audit as part of its ongoing IIJA oversight.

Our objective is to determine the extent to which the EPA provided state agency officials with guidance for the use of Drinking Water State Revolving Fund emerging contaminants funding, in accordance with the IIJA requirements and related federal implementation guidance. Our objective is subject to change. We will communicate any changes to the Office of Water in writing. We plan to conduct work at the EPA Office of Water and at one EPA regional office as well as at two or more state offices in that region. Additionally, we will use a survey instrument to gather information from all ten EPA regions. We will use applicable generally accepted government auditing standards to conduct our audit. The anticipated benefits of this audit include improved efficiency and effectiveness of EPA guidance to IIJA funding recipients.

We will contact you to arrange a mutually agreeable time to discuss our objective. At that time, we can discuss any concerns that you may have and answer any 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 be ready to provide the following information before or at the entrance conference:

- All guidance documents that the EPA provided to state agency officials who use the Drinking Water State Revolving Fund to address emerging contaminants, including for per- and polyfluoroalkyl substances or PFAS.

- An Excel spreadsheet of all IJIA funding obligations and outlays related to emerging contaminants work that was funded through the Drinking Water State Revolving Fund
 - from November 15, 2021, through the present, and
 - organized by state.
- Access to the Safe Drinking Water Information System database.
- Drinking water program contacts for the Office of Ground Water and Drinking Water and all EPA regions.

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. 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.” If an Agency employee or contractor refuses to provide requested materials to the OIG or otherwise fails to cooperate with the OIG, we will request that you immediately resolve the situation. Consistent with the IG Act, we may report unresolved access matters to the administrator and to Congress.

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

cc: Dan Utech, Chief of Staff, Office of the Administrator
 Jon Monger, Assistant Deputy Administrator
 Wesley J. Carpenter, Deputy Chief of Staff for Management, Office of the Administrator
 Jeffrey Prieto, General Counsel
 William Niebling, Associate Administrator for Congressional and Intergovernmental Relations
 Stefan Martiyan, Director, Office of Continuous Improvement,
 Office of the Chief Financial Officer
 Michael Benton, Audit Follow-Up Coordinator, Office of the Administrator
 Regional Administrators, Regions 1–10
 Benita Best-Wong, Deputy Assistant Administrator for Water
 Bruno Pigott, Deputy Assistant Administrator for Water
 Marcara Lousberg, Director, Office of Program Analysis, Regulatory, and Management Support,
 Office of Water
 Janita Aguirre, Associate Director, Office of Program Analysis, Regulatory, and
 Management Support, Office of Water
 Jennifer McLain, Director, Office of Ground Water and Drinking Water, Office of Water
 Yu-Ting Guilaran, Deputy Director, Office of Ground Water and Drinking Water, Office of Water
 Cameo Smoot, Audit Follow-Up Coordinator, Office of Water
 Susan Perkins, Agency Follow-Up Coordinator
 Andrew LeBlanc, Agency Follow-Up Coordinator
 José Kercado, Agency Follow-Up Coordinator
 Maria Michalos, Acting Associate Administrator for Public Affairs

Lance McCluney, Director, Office of Administrative and Executive Services,
Office of the Administrator
Audit Follow-Up Coordinators, Regions 1–10
Sean W. O'Donnell, Inspector General
Nicole N. Murley, Acting Deputy Inspector General