



OFFICE OF INSPECTOR GENERAL U.S. ENVIRONMENTAL PROTECTION AGENCY



CUSTOMER SERVICE ★ INTEGRITY ★ ACCOUNTABILITY

PRESENTED BY: SEAN O'DONNELL, INSPECTOR GENERAL

Date: April 12, 2023

Oversight Plan

OFFICE OF INSPECTOR GENERAL

➤ WHAT IS AN OFFICE OF INSPECTOR GENERAL

- “[I]ndependent and objective” office
- Inspector general appointed “without regard to political affiliation and solely on the basis of integrity and demonstrated ability”

➤ WHAT IS OUR MISSION

- “[P]revent and detect fraud and abuse”
- “[P]romote economy, efficiency, and effectiveness”
- Help ensure ethical conduct and program integrity



OFFICE OF INSPECTOR GENERAL

➤ WHAT ARE OUR RESPONSIBILITIES

- “[C]onduct, supervise, and coordinate audits and investigations relating to the [EPA’s] programs and operations”
- “[C]onduct, supervise, or coordinate relationships between [the EPA] and other Federal agencies, State and local governmental agencies, and nongovernmental entities ... relating to [the identification and prosecution of] fraud and abuse in programs and operations administered or financed by [it]”
- “[P]rovide policy direction for ... audits and investigations relating to the [EPA’s] programs and operations
- “[P]rovide leadership and ... recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations”
- “Keep[] the [Administrator] and the Congress fully and currently informed about problems and deficiencies”



OFFICE OF INSPECTOR GENERAL

- Inspector General Act of 1978
 - Timely access to ALL information
 - Subpoena and law enforcement authority
 - Request assistance from any Federal, State, or local government

- Whistleblower laws, regulations, and rules
 - Whistleblower Protection Act of 1990 and Whistleblower Enhancement Protection Act of 2012
 - 41 U.S.C. § 4712, *“Enhancement of contractor protection from reprisal for disclosure of certain information”*
 - Presidential Policy Directive 19, *“Protecting Whistleblowers with Access to Classified Information”*

- EPA regulations, manuals, orders, and other directives
 - Access to recipient’s information and interview personnel related to grant



OIG OVERVIEW – WHAT WE DO

Audits

- Promotes efficiency by auditing the performance of programs the EPA operates or oversees.
- Fights fraud by conducting financial audits of programs, contracts, and grants.

Evaluations

- Promotes effectiveness by evaluating the design, implementation, and operation of EPA programs.

Investigations

- Fights fraud by conducting criminal and civil investigations into allegations of wrongdoing related to EPA programs.

Administrative Investigations

- Ensures ethical conduct by investigating allegations of misconduct.
- Protect whistleblowers by investigating allegations of reprisal.

Data Analytics

- Leverages advanced analytics to highlight key risk areas to program integrity.



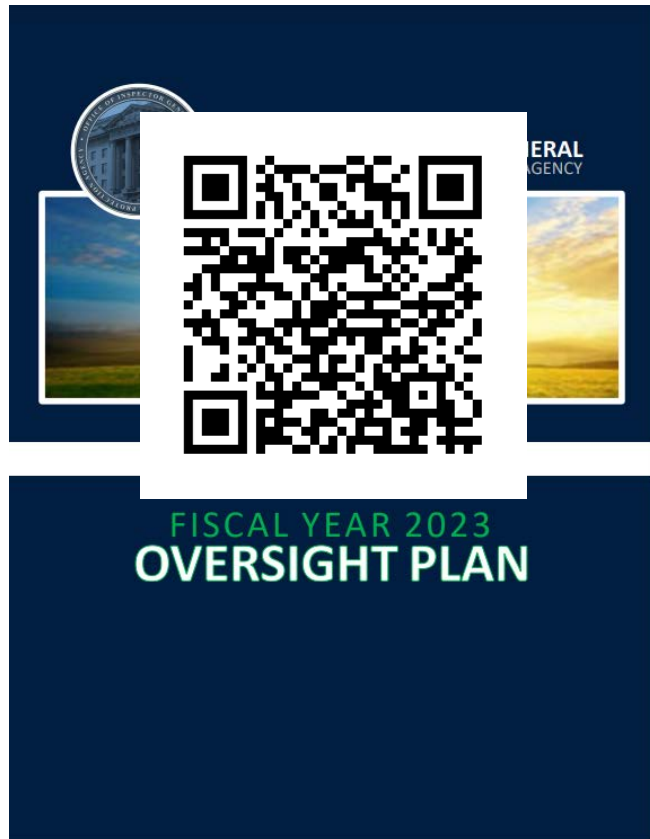
TOP MANAGEMENT CHALLENGES

1. Mitigating the Causes and Adapting to the Impacts of Climate Change.
- 2. Integrating and Leading Environmental Justice Across the Agency and Government.**
3. Providing for the Safe Use of Chemicals.
4. Safeguarding Scientific Integrity Principles.
- 5. Ensuring Agency Systems and Other Critical Infrastructure Are Protected Against Cyberthreats.**
6. Managing Business Operations and Resources.
7. Enforcing Compliance with Environmental Laws and Regulations.
- 8. Managing Increased Investment in Infrastructure.**



OVERSIGHT PLAN

Annual Oversight Plan



**FISCAL YEAR 2023
OVERSIGHT PLAN**

IIJA Oversight Plan



**FISCAL YEAR 2022
INFRASTRUCTURE
INVESTMENT AND JOBS ACT
OVERSIGHT PLAN—INAUGURAL
EDITION**



OVERSIGHT PLAN – AUDIT

➤ **Congressionally Mandated or Requested Work**

- Financial statement audits
- Federal Information Security Modernization Act
- Payment Integrity Information Act of 2019
- Congressionally requested
 - *Compliance with the Public Notification Requirements Under Section 2106 of the Water Infrastructure Improvements for the Nation Act*
 - *Combined Sewage Overflow Tanks at the Gowanus Canal Superfund Site*



OVERSIGHT PLAN – AUDIT

➤ Regulatory Work

- Single Audit quality control reviews
- Clean Water State Revolving Fund – 40 CFR § 35.3165(d)
 - *Requires a financial and compliance audit of SRF and the operations of SRF.*
 - *Requires the audit to be submitted to the OIG with 30 days of completion.*
 - *The OIG may arrange for an EPA audit if the State fails to conduct the audit.*
- Drinking Water State Revolving Fund – 40 CFR § 35.3570(d)
 - *May conduct financial and compliance audit of SRF and the operations of SRF.*
 - *States that do not will be subject to periodic audits by the OIG.*

Requesting last 3 to 5 years of required audits.



OVERSIGHT PLAN – AUDIT

➤ Discretionary/IIJA Work

- Top Management Challenges
- Infrastructure Investment and Jobs Act
 - *Risk-based approach to identifying fraud and program vulnerabilities*
 - *Focus on highest expenditures*
- Water or environmental emergencies



OVERSIGHT PLAN – AUDIT

➤ Discretionary/IIJA Work

- Ongoing Projects
 - *Drinking Water State Revolving Fund Loan Subsidies to Disadvantaged Communities*
 - *The EPA's Oversight of the Clean Water State Revolving Fund*
 - *Climate Change Resiliency in Clean Water State Revolving Fund Intended Use Plans*
 - *Jackson, Mississippi Drinking Water Funding and Spending Decisions Project*



OVERSIGHT PLAN – AUDIT

➤ Discretionary/IIJA Work

- Planned Projects
 - *State Revolving Fund Programs' Progress to Increase Investment in Disadvantaged Communities Under the Infrastructure Investment and Jobs Act*
 - *State Subrecipient Monitoring Responsibilities in the State Revolving Fund Programs*
 - *California State Water Resources Control Board's Grant Financial Management System*
 - *The EPA's Management of Small and Rural Wastewater Treatment Programs*



OVERSIGHT PLAN – EVALUATION

➤ Discretionary/IIJA Work

- Top Management Challenges
- Infrastructure Investment and Jobs Act
 - *Capacity reviews for SRFs and other recipients*
 - *Inspection of IIJA-funded water infrastructure projects*
- Water or environmental emergencies



OVERSIGHT PLAN – EVALUATION

➤ Discretionary/IIJA Work

- Ongoing Projects
 - *Drinking Water State Revolving Fund Agencies' Perspectives on Their Capacity to Manage IIJA Funds*
 - *Effectiveness of IIJA Funding at American Creosote Works, Inc. Superfund Site in Pensacola, Florida*
 - *Financial Capacity of New Mexico's Clean Water State Revolving Fund Program to Manage Infrastructure Investment and Jobs Act Funding*
 - *Review of EPA Response and Oversight Related to Drinking Water Contamination in Jackson, Mississippi*
- Planned Projects
 - *The EPA's Oversight of State Water Monitoring and Assessment Programs*



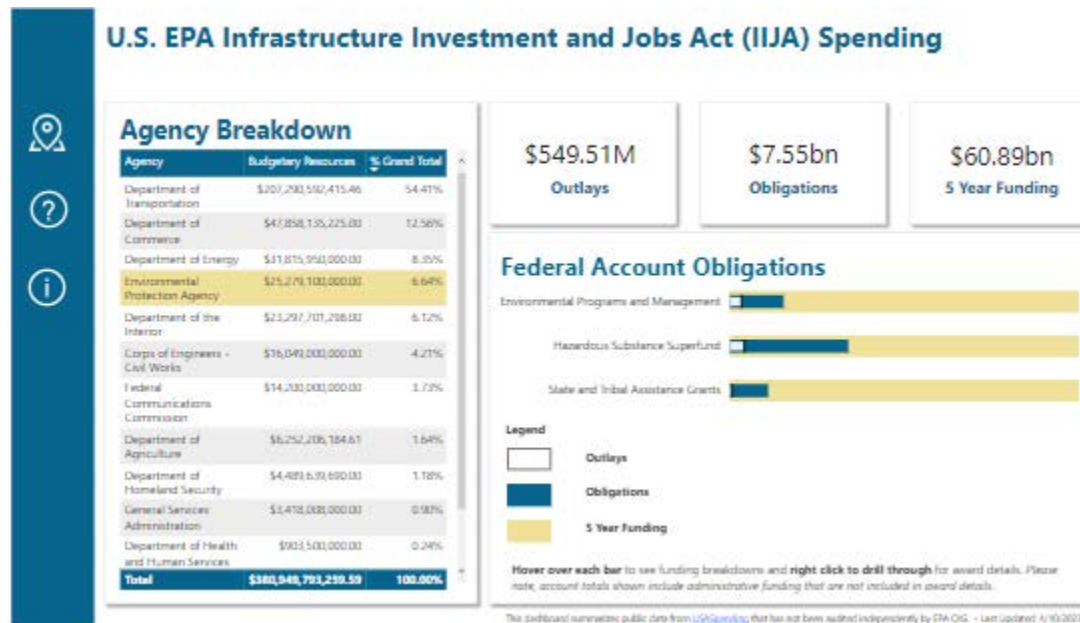
OTHER OVERSIGHT

➤ Administrative Investigations

- Whistleblower retaliation against employees of grantees and subgrantees

➤ Data Analytics

- Visualizing EPA expenditures and possible fraud vulnerabilities



INVESTIGATIVE PRIORITIES

Grant and Assistance Agreement Fraud.

Critical Infrastructure and Cyber Crimes.

Public Corruption.

Program Fraud.

Laboratory Fraud.



WHAT YOU CAN DO FOR US

➤ Report suspected wrongdoing or irregularities to the OIG Hotline

Phone: (888) 546-8750

Email: OIG_Hotline@epa.gov

Mailing Address:

Office of Inspector General Hotline

U.S. Environmental Protection Agency

1200 Pennsylvania Avenue, NW (2410T)

Washington, D.C. 20460



➤ Remind recipients:

- Must report suspected fraud or wrongdoing to the OIG.
- May not restrict employees from or retaliate against employees who report suspected wrongdoing or irregularities to authorized personnel

➤ Require recipients to display our Hotline Poster in offices and at job sites



WHAT WE CAN DO FOR YOU

- **Conduct Fraud Awareness and Cyber Security briefings for your staff, recipients, and other staff.**
- **Assist local auditors and law enforcement in identifying and prosecuting allegations of fraud, corruption, or other misconduct.**
- **Answer questions regarding anti-fraud provisions, whistleblower protection, and OIG access to documents and personnel.**
- **Help improve economy and effectiveness through our audits and evaluations.**



QUESTIONS?

FOLLOW THE EPA OIG:

Web: epa.gov/oig

Twitter: [@epaoig](https://twitter.com/epaoig)

LinkedIn: [Linkedin.com/company/epa-oig](https://www.linkedin.com/company/epa-oig)

YouTube: [youtube.com/epaoig](https://www.youtube.com/epaoig)

A large, circular graphic is centered on the right side of the slide. At the top, it features the logos for the Office of Inspector General and the U.S. Environmental Protection Agency. The central text reads 'REPORT FRAUD WASTE & ABUSE' in large, bold, red letters. Below this, it says 'U.S. EPA OIG HOTLINE 888.546.8740'. A circular inset on the left contains a QR code labeled 'HOTLINE COMPLAINT FORM'. Surrounding the central text is a ring of blue segments, each containing a category of reportable issue: 'THEFT AND MISUSE OF GOVERNMENT PROPERTY', 'MISMANAGEMENT AND WASTE OF FUNDS', 'PROGRAM FRAUD', 'LABORATORY FRAUD', 'CONFLICT OF INTEREST', 'COMPUTER CRIMES', 'CONTRACT, PROCUREMENT, AND GRANT FRAUD', 'ABUSE OF AUTHORITY', 'EMPLOYEE MISCONDUCT', and 'LABORATORY FRAUD'. At the bottom of the graphic, a small line of text reads: 'Visit epa.gov/oig for anonymity guidelines and whistleblower information.'