

Office of Investigations Overview and Investigative Priorities

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Abbreviations

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| CSB | U.S. Chemical Safety and Hazard Investigation Board |
| EPA | U.S. Environmental Protection Agency |
| OI | Office of Investigations |
| OIG | Office of Inspector General |
| RINs | Renewable Identification Numbers |
| U.S.C. | United States Code |

Cover Image

Imagery representing environmental infrastructure and laboratory, grant, and program fraud. (iStock and EPA images)

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

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Introduction

According to the Inspector General Act of 1978, as amended, 5 U.S.C. §§ 401–424, the mission of the Office of Inspector General includes preventing and detecting fraud, waste, and abuse related to the programs and operations of the U.S. Environmental Protection Agency and the U.S. Chemical Safety and Hazard Investigation Board. The OIG’s Office of Investigations is the lead component responsible for “conduct[ing], supervis[ing], and coordinat[ing] ... investigations relating to the programs and operations of the [EPA and the CSB.]” 5 U.S.C. § 404(a)(1). The OI’s jurisdiction spans the breadth of the EPA’s and the CSB’s work, from integrity of their programs to the expenditure of funds. And, like those entities, the OI’s geographic area of responsibility spans the United States, including the U.S. territories, from the Northern Mariana Islands to Maine and from Puerto Rico to Alaska.

The OI prioritizes criminal, civil, and administrative enforcement, focusing on specific areas where American taxpayer funds are put at great risk or where the integrity of EPA or CSB programs is significantly endangered. Criminal enforcement involves investigations of potential violations of federal, state, and local law punishable by imprisonment and fines. While the Inspector General Act authorizes the OI to enforce “any offense against the United States” or “any felony cognizable under the laws of the United States,” it generally focuses on crimes violating the federal fraud, theft, and money laundering statutes. 5 U.S.C. § 406(f)(1). Civil enforcement involves investigations seeking to remedy losses resulting from false claims, fraudulent schemes, and public corruption and to compel compliance with federal laws and regulations. The OI is especially focused on violations of the False Claims Act, which allows the OIG and the U.S. Department of Justice to pursue up to treble damages and fines of over \$25,000 per false claim and to pay whistleblowers up to 35 percent of what the government recovers. For smaller false claims cases, the OI pursues recovery through the administrative process provided by the Program Fraud Civil Remedies Act. Finally, administrative enforcement involves investigations of alleged violations of regulations, rules, and policies, focusing on EPA and CSB employees and operations. These investigations often conclude with the OI working with the EPA’s Suspension and Debarment Program to ensure that the Agency is taking appropriate administrative action to prevent additional fraud, waste, and abuse.

In furtherance of its investigative mission, an OIG special agent is empowered to “carry a firearm while engaged in official duties,” to “make an arrest without a warrant [under circumstances that include] reasonable grounds to believe that the person ... has committed,” and to “seek and execute warrants for arrest, search of a premises, or seizure of evidence [where there is] probable cause to believe that a violation has been committed.” 5 U.S.C. § 406(f)(1). But one of the most effective tools available to an OIG special agent is the ability to serve administrative subpoenas, also known as inspector general subpoenas, to obtain documents related to criminal, civil, or administrative investigations. Finally, the OI leverages technology and data, engages stakeholders, and builds working relationships with other law enforcement agencies. For example, the OI leverages the expertise of the OIG’s Data Analytics Directorate to identify potential violations of law impacting the EPA, the CSB, and the drinking water and

wastewater sectors. Additionally, the OI collaborates with other law enforcement agencies and federal task forces to conduct joint investigations.

Investigative Priorities

The EPA OIG's fiscal year 2024 investigative priorities describe the OI's primary areas of focus. As a starting point for identifying its investigative priorities, the OI looked to the top management and performance challenges facing the EPA and the CSB, as identified in the OIG's annual reports. The OI also considered the Agency's and the Board's missions and the budgetary priorities set forth by Congress; observations from previous investigative work; emerging vulnerabilities in the drinking and wastewater sectors; and projects being planned or funded through the American Rescue Plan Act, the Infrastructure Investment and Jobs Act, and the Inflation Reduction Act. The OI identified four investigative priorities for fiscal year 2024: environmental infrastructure, grant fraud, program fraud, and laboratory fraud. Of course, these investigative priorities are subject to change throughout the fiscal year as new challenges and risks evolve and emerge.

Investigative Priority 1: Environmental Infrastructure

Associated with EPA top management challenge 7: overseeing, protecting, and investing in the water and wastewater systems.

One of the EPA's most important functions is strengthening and maintaining secure, functioning, and resilient drinking water and wastewater sectors. Through the clean water state revolving funds and the drinking water state revolving funds, the EPA has partnered with the states to fund over \$200 billion in water improvement projects using revolving low-cost loans and other financing options. And through the Water Infrastructure Finance and Innovation Act, the EPA has provided approximately \$20 billion in long-term, low-cost supplemental loans for regionally and nationally significant projects and to state infrastructure financing authorities. Recently, the Infrastructure Investment and Jobs Act significantly increased this funding by providing the EPA with approximately \$50 billion for the state revolving funds to, among other things, address aging water infrastructure and emerging contaminants. Additionally, nearly \$6.5 billion of American Rescue Plan Act funds have been obligated for water infrastructure projects through the state revolving funds. The OI, therefore, will prioritize investigations into criminal and civil allegations of fraud or public corruption related to water systems that have received funding from these programs. These investigations will also focus on subrecipients and contractors who may engage in bid rigging, substitute building materials, misrepresent the quality of building materials, or obscure the country of origin for the materials.

The EPA's responsibilities for the drinking water and wastewater sectors go beyond funding and regulating. Presidential Policy Directive [21](#), *Critical Infrastructure Security and Resilience*, designates the EPA as the agency responsible for the critical water and wastewater infrastructure, requiring that the EPA ensure that this infrastructure is "secure and able to withstand and rapidly recover from all hazards," such as "cyber incidents, industrial accidents, pandemics, acts of terrorism, sabotage, and destructive criminal activity targeting critical infrastructure." Furthermore, America's Water Infrastructure Act of 2018 requires, among other things, that the EPA provide baseline information on malevolent acts of relevance to water systems so that covered water systems may assess their risk and

resilience and prepare emergency response plans. Yet, these sectors remain vulnerable to physical attacks, cyberattacks, and destructive criminal activity. As part of its mission to protect the integrity of EPA programs and operations, the OI will investigate acts that seek to exploit these vulnerabilities. Furthermore, under the [National Infrastructure Protection Plan](#), the OI will coordinate and collaborate with other EPA offices and federal law enforcement partners to detect and prevent threats to the drinking water and wastewater sectors.

Investigative Priority 2: Grant Fraud

Associated with EPA top management challenge 5: managing grants, contracts, and data systems.

The EPA oversees billions of dollars in grants to fund environmental research, cleanup technologies, land remediation, and climate change mitigation. Under the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, the EPA received approximately \$100 billion, significantly increasing the size and scope of these grant programs. For example, the Inflation Reduction Act provides the EPA with approximately \$41.5 billion for significant investments in climate change, air quality, and environmental justice. Nearly \$14 billion of this money will go to two or three nonprofit entities, which will support the financing of clean technology projects and take equity positions in clean technology companies. The OI will focus on investigating allegations of fraud related to these programs and their recipients and subrecipients. For example, the OI may investigate allegations of bribery, public corruption, bid rigging, false claims, product substitution, and labor and materials overcharging. Additionally, the OI will work proactively to prevent fraud through fraud awareness and education outreach briefings to EPA employees, grant recipients, tribal leaders, and contractors. These briefings will teach stakeholders to recognize fraud indicators, the process for reporting potential fraud, and the protections afforded to whistleblowers who report to the OIG.

Investigative Priority 3: Program Fraud

Associated with EPA top management challenges 2, 3, 5, and 6: integrating and implementing environmental justice; safeguarding the use and disposal of chemicals; managing grants, contracts, and data systems; and maximizing compliance with environmental laws and regulations.

The OIG, through the OI, is responsible for “conduct[ing], supervis[ing], and coordinat[ing] ... investigations relating to the programs and operations of the” EPA and the CSB. 5 U.S.C. § 404(a)(1). These investigations not only serve “to prevent and detect fraud and abuse,” but to ensure that EPA and CSB programs and operations are administered economically, efficiently, and effectively. See 5 U.S.C. § 402(b). Criminal acts constituting the sort of fraud that meets the OIG’s mission are broad, covering acts “impairing, obstructing or defeating the lawful function of any department of government,” *Hass v. Henkel*, 216 U.S. 462, 479 (1910), as well as “interfer[ing] with or obstruct[ing] one of its lawful government functions by deceit, craft or trickery,” *Hammerschmidt v. United States*, 265 U.S. 182, 188 (1924). To borrow from the Department of Justice’s *Criminal Resource Manual* (2020), the fight against fraud on the United States “not only reaches financial or property loss through use of a scheme or artifice to defraud but also is designed and intended to protect the integrity of the United States and its agencies, programs and policies.”

In furtherance of its fraud fighting mission, the OI will investigate allegations of fraud that put the integrity of the EPA, the CSB, and their programs and policies at risk. For example, the EPA ensures compliance with its Renewable Fuel Standard program by assigning Renewable Identification Numbers, or RINs, to each gallon of biofuel produced. The EPA then regulates and oversees the use or sale of these RINs, regulating and overseeing annual trade volume of over \$30 billion. The OI will investigate allegations of fraud that undermine the integrity of the EPA's Renewable Fuel Standard program and the RINs market, including allegations of falsely certifying fuel production to generate RINs. As another example, Superfund waste removal, remedial construction, and operational sites use contract work through technical direction documents for the Superfund Technical Assessment and Response Team and Emergency and Rapid Response Services contractors. The OI will investigate allegations of fraud involving the billing of unnecessary labor and materials, as well as those involving falsely certifying Superfund site remediation. The OI will also investigate allegations that potentially responsible parties concealed, avoided, or decreased their obligation to conduct needed cleanup activities under the EPA's oversight.

Investigative Priority 4: Laboratory Fraud

Associated with EPA top management challenge 4: [promoting ethical conduct and protecting scientific integrity](#).

Laboratory fraud investigations address laboratory-related misconduct, including fraud related to water and air quality, Superfund remediation measurements, payments made by the EPA for erroneous environmental testing data, and falsification of testing results. Investigations also include fraud involving quality control testing when a contractor or laboratory misrepresents the results of testing to earn contract incentives, falsely or to avoid operations shutdown, or to increase profits or limit costs. Laboratory fraud undermines the basis for EPA decision-making, regulatory compliance, and enforcement actions, potentially wasting program funds and harming human health and the environment.

Conclusion

The EPA OIG's fiscal year 2024 investigative priorities address the most significant challenges related to the programs and operations of the EPA and the CSB. These priorities represent the greatest risks to American taxpayer dollars and the most significant vulnerabilities to the integrity of EPA and CSB programs and operations. Using data-driven and innovative approaches to fighting fraud, the OI will, therefore, focus its investigative activities on these four areas.



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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