

# Infrastructure Investment and Jobs Act Oversight Plan—Year Three

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To find out more about the U.S. Environmental Protection Agency  
Office of Inspector General activities related to the  
Infrastructure Investment and Jobs Act, visit our [website](#).

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## Abbreviations

CWSRF	Clean Water State Revolving Fund
DWSRF	Drinking Water State Revolving Fund
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
SRF	State Revolving Fund

## Cover Image

Examples of different U.S. Environmental Protection Agency programs receiving Infrastructure Investment and Jobs Act funding. From top to bottom: Pollution Prevention, Water Infrastructure, and Clean School Buses. (EPA images)

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## Foreword

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This third edition of the U.S. Environmental Protection Agency Office of Inspector General’s annual *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 19 agency programs to address challenges to human health and the environment through water infrastructure improvements, environmental pollution cleanups, school bus emissions reductions, recycling program enhancements, 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. To inform the public about EPA obligations and outlays for IIJA projects, the OIG maintains the online “U.S. EPA Infrastructure Investment and Jobs Act (IIJA) [Spending Dashboard](#).” As of December 31, 2023, the EPA had expended about 6 percent of its over \$60 billion in IIJA funds.

The Act also appropriates funds 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 that IIJA funding over the same five fiscal years as the EPA, though most of it also will 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 January 31, 2024, we had expended about 12 percent of our nearly \$270 million in IIJA funds.

As the Agency develops its plans for executing the IIJA, we continue to refine the oversight plan we first issued in April 2022. We publish annual updates 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 our IIJA oversight plan, we take care to independently consider the purposes of the EPA’s IIJA appropriations; the statutorily required and discretionary work of the OIG; the remarks of Agency leadership, Congress, and the White House; and the strategic vision of the *FY 2022–2026 EPA Strategic Plan*.

The third year of our *IIJA Oversight Plan* encompasses what I have declared as our “Year of Fighting Fraud.” The first two years of our oversight focused on *preventing* fraud, waste, and abuse in EPA programs receiving IIJA funds. We now turn toward *detecting* fraud, waste, and abuse. In FY 2024 and beyond, we expect to dedicate significant effort to ensuring that the EPA uses its infrastructure funds efficiently and effectively.

To keep Congress and the public informed about our IIJA work, we have gathered our annual IIJA progress reports, annual oversight plans, and IIJA-related audit and evaluation reports on our dedicated IIJA [webpage](#). We are proud of our continuing oversight of the EPA’s IIJA implementation through the ongoing and planned projects discussed below. We welcome feedback on this plan and our other products and services.



Sean W. O’Donnell  
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; investing in environmental and geographic programs; and enhancing the country's climate resilience. The Act designates the funding for distribution to the EPA from fiscal year 2022 through 2026 via 19 appropriation accounts, mainly to existing programs. These supplemental appropriations significantly increase funding for the EPA, whose annual appropriations ranged from about \$8 billion to \$10 billion from FY 2013 through FY 2023. For most programs, these IIJA funds are available until expended. On the next page, Figure 1 shows the EPA's IIJA appropriations by program.

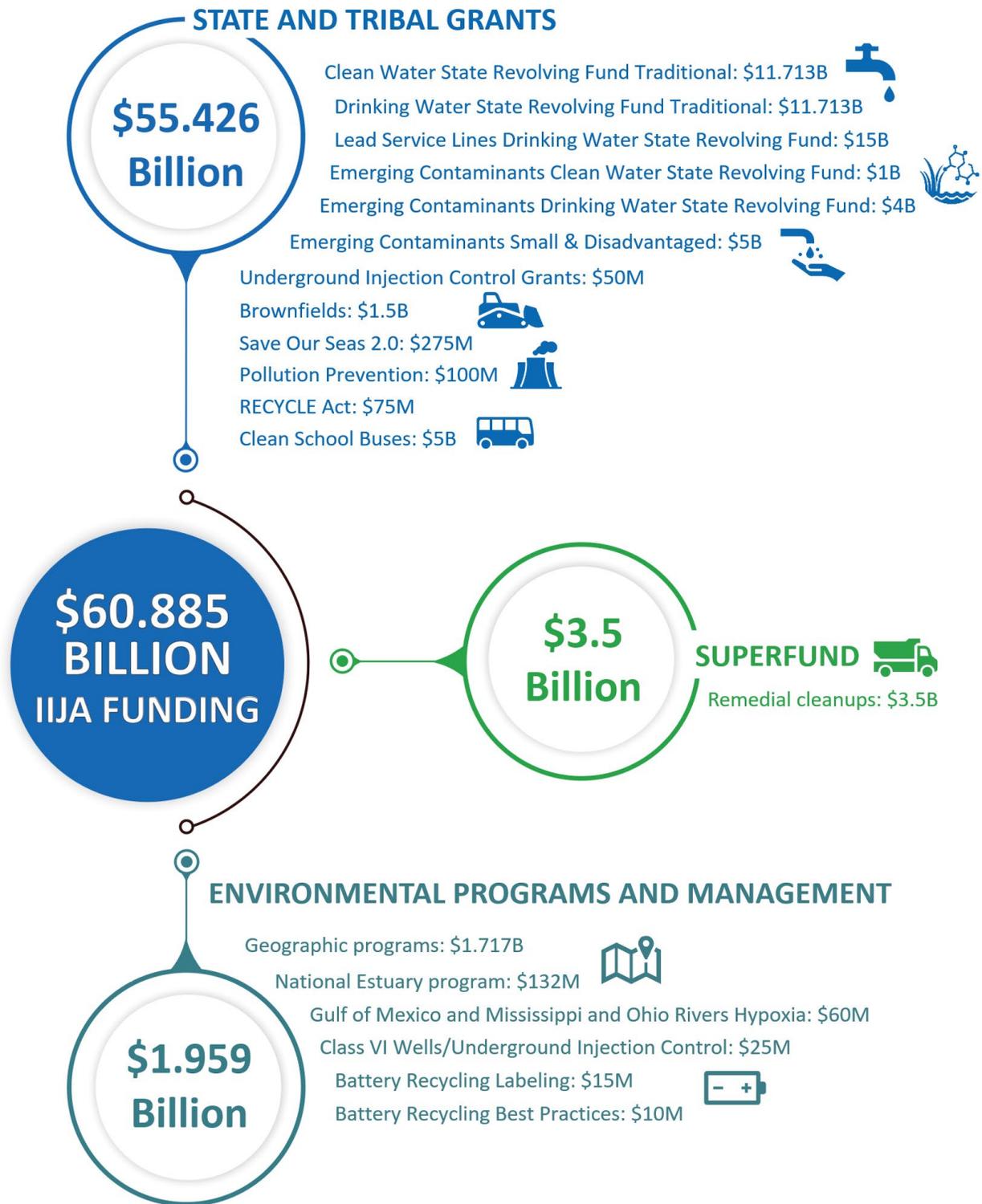
This document provides an update to the EPA Office of Inspector General's plan for oversight of the Agency's implementation of the IIJA, a plan that we have been publishing in annual installments since FY 2022. In our *IIJA Progress Report—Year One*, published in March 2023, and *IIJA Progress Report—Year Two*, published in March 2024, we document the results of efforts that we prepared and executed pursuant to earlier editions of this oversight plan to promote efficiency and effectiveness in, and prevent and detect fraud, waste, or abuse related to, the programs and operations of the EPA. Our Office of Audit and Office of Special Review and Evaluation will accomplish this work.

We have divided this Year 3 oversight plan into three time-based sections that describe planned and ongoing IIJA-related audit and evaluation projects for FY 2024 and beyond. The first section includes planned and ongoing projects for Year 3 of our IIJA oversight, the second section details planned projects for Years 4–5, and a third section summarizes our planned approaches for oversight work expected in Year 6 and beyond. Each of the planned and ongoing projects summarized in this plan relates to the EPA's IIJA implementation work; however, some projects identified in this oversight plan will receive partial support from annual appropriations.

In addition to summarizing our work in the main body of this report, we are providing details in Appendix A that illustrate how our 25 planned and ongoing projects are distributed to address EPA programs that are receiving a combined \$59 billion in IIJA allocations, or about 97 percent of the Act's \$60.9 billion total appropriations to the Agency. We used our work plans to assess program risk when deciding which projects to initiate first. Our future work plans will address projects concerning the EPA programs to which Congress appropriated the remaining \$1.9 billion in IIJA funding.

Throughout Year 3 and beyond, we will continue to revise our plan and may modify our projects in response to emerging challenges, crises, and priorities. In the process, we may identify other projects needed to provide thorough oversight of the EPA's IIJA-related work. 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.

Figure 1: IJJA funding by program



Note: B = billion; M = million.  
Source: IJJA. (EPA OIG image)

# Year 3: Oversight of the EPA's IJA Implementation

## Office of Audit

Thus far in Year 3, the Office of Audit has initiated or continued work on nine ongoing IJA audits, including projects related to the EPA's oversight of the Clean Water State Revolving Funds, or CWSRFs, and Drinking Water State Revolving Funds, or DWSRFs; the EPA's grant workforce planning; the EPA's use of Build America, Buy America Act waivers; the EPA's Clean Bus Program; and the Brownfields Justice40 Initiative implementation. The office plans to begin one more IJA-related projects before the end of the fiscal year, an audit related to Superfund site project status and compliance with IJA requirements. In keeping with the OIG's "Year of Fighting Fraud," all audits will have a renewed focus of identifying and detecting early indicators of fraud.

## Planned Projects

### Audit of Superfund Site Infrastructure Investment and Jobs Act Compliance

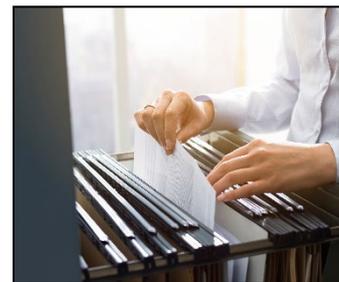
Our planned objective will be to determine if IJA-funded Superfund cleanup projects are complying with select federal requirements for oversight and use of contract funds.



## Ongoing Projects

### Audit of the EPA's Post Award Oversight of Grants Awarded Under the Infrastructure Investment and Jobs Act

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 grant-management processes to monitor post-award performance of grants awarded with IJA funding, in accordance with federal grant requirements and other related EPA policies.



### Audit of the EPA's Oversight of State Subrecipient Monitoring in the Clean Water State Revolving Fund Program

We issued the project notification, Project No. [OA-FY24-0057](#), on March 5, 2024. Our objective is to determine whether the EPA's guidance and oversight practices ensure that states are adequately monitoring the subrecipients of IJA funds distributed via the CWSRF Program.



## 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 SRF Program.



## Audit of the Brownfields Program Implementation of Justice40 Initiative Goals and Related Requirements for Infrastructure Investment and Jobs Act-Funded Projects

We issued the project notification, Project No. [OA-FY24-0031](#), on January 3, 2024. Our objective is to determine whether the EPA Brownfields Program implemented Justice40 Initiative goals and related requirements for IIJA-funded projects.



## Audit of the States' and the Commonwealth of Puerto Rico's Compliance with the Clean Water and Drinking Water State Revolving Fund 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 CWSRF and DWSRF annual financial statement audit requirements for 2022. The majority of the Agency's IIJA funding is allocated to the SRF Programs.



## Audit of the EPA's Clean School Bus Program Rebate Recipient's Use of Funds

We issued the project notification, Project No. [OA-FY23-0098](#), on September 12, 2023. Our objective is to determine the extent to which the EPA ensures that the recipients of the 2022 EPA Clean School Bus Program rebates manage funding in accordance with federal requirements.



## Audit of the EPA's Water Infrastructure Set-Aside Grants to Tribes

We issued the project notification, Project No. [OA-FY23-0082](#), on June 28, 2023. Our objective is to determine the extent to which the EPA prioritizes and awards IJIA funds to tribes through the Clean Water Indian Set-Aside Grant Program and the Drinking Water Infrastructure Grants Tribal Set-Aside Program, in accordance with applicable statutes, regulations, and EPA guidance.



## Project Reviewing the EPA's Build America, Buy America Act Waivers on Infrastructure Projects

We issued the project notification, Project No. [OA-FY23-0084](#), on June 27, 2023. Our objective is to quantify the extent to which the EPA is issuing Build America, Buy America Act waivers for infrastructure projects. The anticipated benefit of this IJIA-funded project includes improved efficiency and effectiveness of the EPA's implementation of IJIA funding provisions.



## Audit of the EPA's Guidance for the Use of Infrastructure Investment and Jobs Act Drinking Water State Revolving Fund Emerging Contaminants Funding

We issued the project notification, Project No. [OA-FY23-0072](#), on April 18, 2023. Our objective is to determine the extent to which the EPA provided state agency officials with guidance for the use of DWSRF emerging contaminants funding, in accordance with the IJIA requirements and related federal implementation guidance.



## Office of Special Review and Evaluation

Thus far in Year 3, the Office of Special Review and Evaluation, or OSRE, has begun or continued its work on eight ongoing IJIA evaluations, including projects related to selected state CWSRF programs; the EPA's selection of recipients of IJIA funding for clean school buses; Agency guidance to SRFs for implementing the Build America, Buy America Act's requirements; and the effectiveness of institutional controls at a Superfund site in Florida that is receiving IJIA funding. Before the end of the fiscal year,

OSRE anticipates beginning additional inspections of Superfund sites receiving IIJA funding and of school districts participating in the Clean School Bus Rebate Program, as well as a final capacity review of a state's CWSRF program.

### **Planned Projects**

#### **Evaluation of Access-Related Land Use Controls at an Infrastructure Investment and Jobs Act-Funded Superfund Site**

Our planned objective will be to determine whether the EPA's Superfund access-related land use controls achieve their stated goal of preventing human exposure at an IIJA-funded Superfund site.



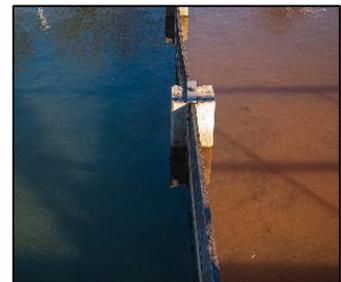
#### **Evaluation of Governmental and Informational Controls Related to Surface Water Use at an Infrastructure Investment and Jobs Act-Funded Superfund Site**

Our planned objective will be to determine whether the EPA's Superfund governmental and informational controls achieve their stated goal of preventing human exposure at an IIJA-funded Superfund site.



#### **Evaluation of a Clean Water State Revolving Fund Agency**

We plan to initiate a final capacity review of a CWSRF agency within a U.S. state or territory. Our planned objective will be to determine the agency's capacity to manage and use IIJA funding for its SRF program.



### **Ongoing Projects**

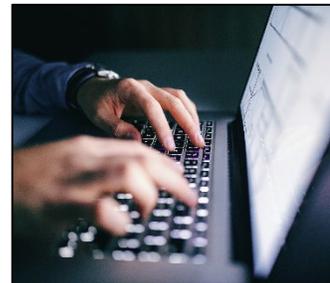
#### **Evaluation of the South Carolina Clean Water State Revolving Fund Program's Capacity to Manage Infrastructure Investment and Jobs Act Funding**

We issued the project notification, Project No. [OSRE-FY24-0043](#), on January 31, 2024. Our objective is to determine South Carolina's capacity to manage and use IIJA funds for its CWSRF Program.



## Evaluation of Institutional Control Documentation in the Superfund Enterprise Management System on IIJA-Funded Sites

We issued the project notification, Project No. [OSRE-FY24-0027](#), on December 7, 2023. Our objective is to determine whether the upgrade to the Superfund Enterprise Management System is likely to facilitate improved documentation of institutional controls in the institutional control module relating to Superfund sites receiving IIJA funding.



## 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.



## Evaluation of the EPA's 7th Drinking Water Infrastructure Needs Survey and Assessment and the Resulting Fiscal Year 2023 Infrastructure Investment and Jobs Act Allocation for Lead Service Line Replacements

We issued the project notification, Project No. [OSRE-FY24-0022](#), on November 15, 2023. Our objective is to determine whether the design and execution of the *7th Drinking Water Infrastructure Needs Survey and Assessment* were appropriate to create accurate allocations of infrastructure funds based on the lead-service-line-replacement needs in each state.



## Evaluation of EPA's Selection of Recipients of the Infrastructure Investment and Jobs Act Funding for Clean School Buses

We issued the project notification, Project No. [OSRE-FY23-0099](#), on September 12, 2023. Our objective is to determine whether the EPA followed requirements for selecting recipients for the IIJA's Clean School Bus Program funds.



## Evaluation of the EPA Office of Water's Guidance to State Revolving Fund Programs for Implementing Build America, Buy America Act Requirements

We issued the project notification, Project No. [OSRE-FY23-0096](#), on August 24, 2023. Our objective is to determine the sufficiency of the Office of Water's guidance to the SRF Programs for the implementation of Build America, Buy America Act requirements. The anticipated benefits of this evaluation include improved guidance on the requirements, leading to more effective and efficient management of IIJA funding.



## Evaluation of the Financial Capacity of New Mexico's Clean Water State Revolving Fund Program to Manage Infrastructure Investment and Jobs Act Funding

We issued the project notification, Project No. [OSRE-FY23-0059](#), on March 30, 2023. Our objective is to determine the financial capacity of the New Mexico Environment Department to manage its IIJA funding for the CWSRF Program.



## Evaluation of the Effectiveness of IIJA Funding at American Creosote Works, Inc. Superfund Site in Pensacola, Florida, and Escambia Wood Treating Company Superfund Site

We issued the project notification, Project No. [OSRE-FY23-0054](#), on March 15, 2023, with the objective to determine whether the EPA's oversight and implementation of institutional controls will support effective use of IIJA funding at the American Creosote Works, Inc. Superfund site in Pensacola, Florida. To optimize the value of our site visit for that evaluation, we chose to also examine another IIJA-funded Superfund site we noted nearby, the Escambia Wood Treating Company. We notified the Agency about this scope expansion on June 6, 2023, and subsequently launched it as a separate project, Project No. OSRE-FY23-0103. We issued the evaluation report *The EPA Needs to Improve Institutional Controls at the American Creosote Works Superfund Site in Pensacola, Florida, to Protect Public Health and IIJA Funded Remediation*, Report No. [24-E-0032](#), on April 15, 2024. We will document our findings on the Escambia Wood Treating Company in a separate report.



# Years 4–5: Continued Oversight of the EPA’s IJA Implementation

## Office of Audit

In Years 4–5, the Office of Audit will continue executing its work plan, providing necessary oversight of funds in the middle stage of IJA implementation. Specifically, the Office of Audit plans to conduct audits about program implementation and interim performance of various IJA-funded programs. The office will also continue to focus on grants management and oversight of IJA-funded programs. This includes audits of the EPA’s IJA assistance to states for lead service line inventory requirements; the EPA’s IJA emerging contaminants grants in small or disadvantaged communities; SRF Programs’ progress on increasing investment in disadvantaged communities; the EPA’s oversight of CWSRF and DWSRF investment grant performance; the EPA’s National Estuary Program’s progress; and the EPA’s land cleanup and revitalization program implementation through Brownfields, Superfund, and Solid Waste Infrastructure for Recycling grants. The Office of Audit’s annual, statutorily required financial statement audits will continue to include IJA obligations and disbursements.

## Planned Projects

### Audit of EPA Infrastructure Investment and Jobs Act Assistance to States for Lead Service Lines Inventory Requirements

Our planned objective will be to determine the extent to which the EPA assisted states in developing useful, accurate, and comprehensive lead service line inventories, in accordance with federal requirements.



### Audit of Infrastructure Investment and Jobs Act Emerging Contaminants Grants in Small or Disadvantaged Communities

Our planned objective will be to determine the risks and challenges in implementing the IJA drinking water Emerging Contaminants in Small or Disadvantaged Communities Grant Program and the extent to which the EPA is addressing those risks and challenges.



### Audit of State Revolving Fund Programs’ Progress to Increase Investment in Disadvantaged Communities—Infrastructure Investment and Jobs Act

Our planned objective will be to determine whether SRF Programs have evaluated and revised their disadvantaged community definition, affordability criteria, and point system, pursuant to EPA IJA implementation guidance, and are using available IJA technical assistance funding to support disadvantaged communities.



## Office of Special Review and Evaluation

In Years 4–5, OSRE will identify more high-risk programs or grantees for evaluation and will continue to assess challenges to program implementation, obligation, and spending. OSRE will do so with the aid of a project selection tool developed in Year 2 and by updating its existing risk assessments. Specifically, OSRE will update and use its risk assessments to analyze IJJA-funded Superfund site cleanups on several factors, including human health risks or impacts, status of remedial actions, and work to be completed. OSRE will then execute its inspection plan by examining conditions and controls at IJJA-funded Superfund sites with the highest assessed risk.<sup>1</sup>

OSRE also expects to perform work in Years 4–5 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, or contracting personnel engaging in whistleblower retaliation.

## Year 6 and Beyond: Managing Infrastructure Funding and Business Operations

### Office of Audit

In Year 6 and beyond, the Office of Audit will focus on performance measures, impacts, and outcomes of IJJA-funded programs while continuing to focus on detecting cases of recipient fraud, mismanagement, or abuse of funds. This period will also include the Office of Audit’s wind-down of resources related to IJJA oversight; grant and contract closeout audits and, as needed, other oversight activity; and capstone reporting that will summarize lessons learned and best practices. The office’s IJJA-related workload will depend on the EPA’s level of IJJA spending and programmatic activity during this period.

### Office of Special Review and Evaluation

In Year 6 and beyond, OSRE will continue to execute its work plan, including evaluations of program performance and impact. OSRE will also complete its inspections plan, including reviews to assess site conditions and verify IJJA-funded improvements, and will complete a capstone review summarizing lessons learned and best practices. This period will also include the office’s wind-down of resources related to IJJA oversight.

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<sup>1</sup> An *inspection plan* is a document that contains the objectives, scope, and methodology of the work to be performed, according to the Council of the Inspectors General on Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation*, issued in December 2020.

## Distribution of the OIG’s Oversight Projects Across the EPA’s IIJA-Related Programs

Figure A-1: 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. EPA and National Oceanic and Atmospheric Administration photos.)

*Note:* Individual projects may address multiple programs. For example, four projects relate to both the CWSRF and the DWSRF Programs. The interrelationship of program areas may change as projects progress.

\* “Other” includes Underground Injection Control Grants, Save Our Seas 2.0, Pollution Prevention, RECYCLE Act, Gulf of Mexico and Mississippi and Ohio Rivers Hypoxia, Class VI Wells/Underground Injection Control, Battery Recycling Labeling, and Battery Recycling Best Practices programs.



## Whistleblower Protection

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