



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

OFFICE OF
INSPECTOR GENERAL

November 12, 2014

MEMORANDUM

SUBJECT: Notification of Preliminary Research to Evaluate the Clean Water State Revolving Fund Green Project Reserve Program

Project No. OPE-FY15-0009

FROM: Dan Engelberg, Director
Water Evaluations
Office of Program Evaluation

TO: Ken Kopocis, Deputy Assistant Administrator
Office of Water

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research on the EPA's efforts to effectively manage the Clean Water State Revolving Fund (CWSRF) Green Project Reserve (GPR) Program. This project is included in our fiscal year 2015 annual plan. The purpose of this memorandum is to notify you of the objective and scope for this evaluation.

Our objective is to determine the environmental and economic benefits of the green project reserve in the CWSRF program. We plan to perform work within the CWSRF program at the EPA headquarters, regions and states. We also intend to review a number of individual projects in selected regions to better understand the justification for project selection and outcomes. Applicable generally accepted government auditing standards will be used in conducting our project. The anticipated benefits of this project are improved accountability and transparency of the GPR program.

We will work with your Audit Follow-up Coordinators to arrange a kickoff meeting at a mutually agreeable time to discuss the objectives, scope and purpose of preliminary research, as well as the responsibilities of the Office of Water and the OIG during the project. We will answer any questions that you may have about the evaluation process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the evaluation. At the kickoff meeting, we will also be interested in hearing about any concerns that you may have related to this program area, and any input regarding the regions, states, and experts the OIG should contact during preliminary research. Throughout the review, we will provide regular updates on the project status to the agreed-upon contacts from your offices.

Prior to the kickoff meeting, we will work with the Office of Water audit liaison in requesting copies of, or access to, the following:

- The Clean Water Benefits Reporting database.
- A comprehensive excel workbook listing the universe of GPR projects nationwide within its four project categories from January 2009 to present.

- Annual performance reports on the CWSRF GPR program.
- Cost benefit analyses of the CWSRF GPR program.
- CWSRF policies, guidance and criteria for the GPR program.
- Contact list of EPA officials and regional staff that manage the GPR program.

The OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objective(s). We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the Administrator and include the incident in the Semiannual Report to Congress.

Dan Engelberg, Director, Water Evaluations, Office of Program Evaluation will supervise the project and the Project Manager will be Khadija Walker. Any information related to the project should be directed to Dan Engelberg at (202) 566-0830 or engelberg.dan@epa.gov; or Khadija Walker, at (312) 886-3106 or walker.khadija@epa.gov.

cc: Michael H. Shapiro, Principal Deputy Assistant Administrator, Office of Water
 Marilyn Ramos, Audit Follow-Up Coordinator, Office of Water
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