



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

JAN - 3 2012

THE INSPECTOR GENERAL

MEMORANDUM

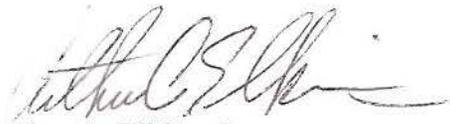
SUBJECT: Close-Out of OIG Report No. 11-R-0519, *Environmental Protection Agency and States Should Strengthen Oversight of Clean Water State Revolving Fund Recovery Act Projects*, August 24, 2011

TO: Nancy Stoner
Acting Assistant Administrator for Water

Thank you for your response dated December 7, 2011, regarding the subject report. Your response identified corrective actions that the Office of Water (OW) has completed, or planned corrective action dates, for all but two recommendations.

OW did not agree with recommendations 2 and 4, which relate to updating and requiring the use of a state American Recovery and Reinvestment Act inspection checklist. While we continue to disagree with OW regarding the EPA's authority to require states to use the checklist, OW raises a valid point in that the recommendations would have a limited impact because many of the American Recovery and Reinvestment Act projects have already been completed. Therefore, we will not continue to require corrective action on recommendations 2 and 4. The recommendations will be coded in the OIG information system as an impasse with the Agency but not to be referred to the Audit Resolution Board.

This report will be closed in the OIG tracking system as of the date of this letter. Any corrective actions that remain to be completed should be tracked in the EPA's Management Audit Tracking System. Should you have any questions, please contact Janet Kasper at (312) 886-3059.



Arthur A. Elkins, Jr.

cc: Sheila Frace, Director, Municipal Support Division, Office of Wastewater Management
Marilyn Ramos, Audit Liaison, Office of Water
Melissa Heist, Assistant Inspector General for Audit
Janet Kasper, Director, Contracts and Assistance Agreement Audits