



# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

Past Office of Inspector General (OIG) audits of grants identified problems with either U.S. Environmental Protection Agency (EPA) oversight or grantee management of earmark grants. For this review, we looked at 17 prior audit and investigation products of earmark grants to determine whether, based on information in past reports, EPA should take additional actions to improve overall management of earmark grants.

## Background

A congressional earmark is a portion of an appropriation designated by Congress to be spent on a particular project. We originally reported on EPA's management of earmark grants in a 1996 report. We found that management of earmark grants was not a high priority for the Agency. Subsequently, we identified similar issues with EPA's oversight or grantee management in 17 audits and investigations of earmarks.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:  
[www.epa.gov/oig/reports/2006/20060926-2006-P-00037.pdf](http://www.epa.gov/oig/reports/2006/20060926-2006-P-00037.pdf)

## ***EPA Needs to Emphasize Management of Earmark Grants***

### **What We Found**

EPA has not managed earmark grants in accordance with Agency policy and regulations. Although EPA has taken actions to improve grants management, additional steps need to be taken related to earmark grants. In particular, we noted that:

- Some EPA employees and recipients held perceptions that since earmark grants have already been approved by Congress, the Agency had limited control over them; and
- Agency policies do not provide specific options for EPA staff to follow to address concerns with earmark projects.

EPA policies require that earmarks be managed the same as any other assistance agreement. However, for earmark grants, past audits and investigations found:

- Incomplete grant workplans;
- Improper accounting and financial procedures;
- Noncompliance with grant terms and conditions;
- Noncompliance with applicable laws and regulations; and
- Conflicts of interest.

EPA's insufficient management of earmark grants over the past 10 years led the OIG to question nearly \$73 million in Federal grant funding, and EPA was unable to identify the environmental outcomes achieved from millions of additional Federal dollars.

### **What We Recommend**

We recommend that EPA issue a memorandum emphasizing the Agency's policies on earmark grants that identifies actions program offices can take to address problems encountered in awarding and overseeing earmark grants. We also recommend that EPA incorporate the memorandum's guidance into future training courses for staff that manage grants. The Agency concurred with the recommendations and plans to implement them by December 29, 2006.