



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

OFFICE OF
INSPECTOR GENERAL

April 27, 2016

MEMORANDUM

SUBJECT: Project Notification:
Management of Brownfields Revolving Loan Funds After
Cooperative Agreement Closeout
Project No. OA-FY16-0155

FROM: Michael Petscavage, Director
Contract and Assistance Agreement Audits
Office of Audit

A handwritten signature in purple ink that reads "Michael Petscavage".

TO: Mathy Stanislaus, Assistant Administrator
Office of Land and Emergency Management

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research in May 2016 on management of the Office of Land and Emergency Management's Brownfields revolving loan fund program. Specifically, we will focus on cooperative agreement closeout agreements, and the use of program income generated both during the life of the cooperative agreement and after the agreement has closed. This project is included in the OIG annual plan for fiscal year 2016.

The OIG's objective is to determine if Brownfields revolving loan fund recipients are using program income to fund other Brownfields activities after the cooperative agreements are closed. The OIG plans to conduct work at EPA headquarters and at any other applicable sites. During preliminary research, we plan on auditing closeout agreements in Regions 5, 7 and 8; we may expand to other regions during the fieldwork phase of the audit. Applicable generally accepted government auditing standards will be used in conducting our project. The anticipated benefits of this project are to identify improved operational efficiency of funds after cooperative agreement closeout, which will lead to improvements to the Brownfields program.

We will contact you to arrange a mutually agreeable time to discuss our objective and the purpose of the preliminary research phase of our project. We would also be particularly interested in any areas of concern that you may have. We will answer any of your questions about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project. Throughout the project, we will provide updates on a regular basis.

To ensure the success and timely completion of this project, please provide the following information to Mary Anne Strasser, the project supervisor, prior to the initial meeting:

- A list of all Brownfields revolving loan fund cooperative agreements issued as of 9/30/2015. Please include the following for each cooperative agreement: the cooperative agreement number, year awarded, award amount, and the term of the cooperative agreement.
- A list of all closed Brownfields revolving loan fund cooperative agreements as of 9/30/2015. Please include the following for each cooperative agreement: the cooperative agreement number, year awarded, the closed out year, award amount, program income available to fund activities after closeout, and Brownfields projects/activities to be completed with closeout program income.
- Closeout agreements and records of closeout activities for the following three Brownfields revolving loan fund cooperative agreements, including the awarded year, the closeout year, award amount, program income available to fund activities after closeout, and Brownfields projects/activities to be completed with closeout program income:
 - Cooperative Agreement No. 98811601-5 – Colorado Department of Public Health & Environment.
 - Cooperative Agreement No. 97500701-2 – Illinois Environmental Protection Agency.
 - Cooperative Agreement No. 98706401-3 – City of Sioux City, Iowa.
- A list of project officers, grant specialists, and award officers associated with the cooperative agreements listed above.
- EPA guidance, such as policies and procedures, used for Brownfields revolving loan fund cooperative agreements and agreement closeout.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objectives. 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.

Any information related to the project should be addressed to me at (202) 566-0897 or petscavage.michael@epa.gov, or Mary Anne Strasser at (303) 312-6972 or strasser.maryanne@epa.gov.

cc: Barry Breen, Principal Deputy Assistant Administrator, Office of Land and Emergency Management
 Nitin Natarajan, Deputy Assistant Administrator, Office of Land and Emergency Management
 David Lloyd, Director, Office of Brownfields and Land Revitalization, Office of Land and Emergency Management
 Robert Kaplan, Acting Regional Administrator, Region 5
 Mark Hague, Regional Administrator, Region 7
 Shaun McGrath, Regional Administrator, Region 8
 Nic Grzegozewski, Agency Follow-Up Coordinator
 Kecia Thornton, Audit Follow-Up Coordinator, Office of Land and Emergency Management
 Eric Levy, Audit Follow-Up Coordinator, Region 5
 Kathy Finazzo, Audit Follow-Up Coordinator, Region 7
 Bethany Mills, Audit Follow-Up Coordinator, Region 8
 Melissa Harrison, Press Secretary, Office of Public Affairs
 Arthur A. Elkins Jr., Inspector General

Charles Sheehan, Deputy Inspector General
Aracely Nunez-Mattocks, Chief of Staff, OIG
Alan Larsen, Counsel to the Inspector General
Kevin Christensen, Assistant Inspector General for Audit
Carolyn Copper, Assistant Inspector General for Program Evaluation
Patrick Sullivan, Assistant Inspector General for Investigations
Richard Eyermann, Deputy Assistant Inspector General for Audit
Christine El-Zoghbi, Deputy Assistant Inspector General for Program Evaluation
Jennifer Kaplan, Deputy Assistant Inspector General for Congressional and Public Affairs
Jeffrey Lagda, Congressional and Media Liaison, Office of Inspector General