



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

OFFICE OF  
INSPECTOR GENERAL

November 7, 2017

**MEMORANDUM**

**SUBJECT:** Project Notification:  
Audit of City of Houston's Use of Funds and Contracting Practices Under the  
Clean Water State Revolving Fund Program  
Project No. OA-FY17-0380

**FROM:** John Trefry, Director, Forensic Audits  
Office of Audit

A handwritten signature in black ink, appearing to read "John Trefry", is placed over the printed name in the "FROM:" field.

**TO:** Samuel Coleman, Acting Regional Administrator  
Region 6

The Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research on the city of Houston, Texas's, use of funds and contracting practices under the Clean Water State Revolving Fund (CWSRF) program.

Our objectives will be to determine whether:

- Federal CWSRFs are being properly used to fund eligible projects.
- Contracts awarded for CWSRF projects are in compliance with applicable eligibility requirements.
- The city of Houston adequately monitors and appropriately reports the results of its prime contractor's use of Minority and Women Business Enterprises.

To accomplish these objectives, we will review supporting documentation and conduct interviews with management and staff involved in the CWSRF program at the city of Houston, Texas, Water Development Board and EPA Region 6. Applicable generally accepted government auditing standards will be used in conducting our work. The anticipated benefits of this project are to verify effective management of CWSRF monies loaned to the city of Houston and compliance with laws and regulations.

We anticipate starting our work in mid-November. We will contact the audit coordinator to arrange a mutually agreeable time to discuss our objectives and the purpose of the audit. We would also be particularly interested in any areas of concern that you may have. We will answer any questions you may have 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 through a monthly meeting or via email, phone or video conference.

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.

I will supervise the project, and the Project Manager will be Angela Bennett. Should you or your staff have any questions, please contact me at (202) 566-2474 or [trefry.john@epa.gov](mailto:trefry.john@epa.gov), or Angela Bennett at (404) 562-9844 or [bennett.angela@epa.gov](mailto:bennett.angela@epa.gov).

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