



# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

The Office of Inspector General (OIG) conducted this audit to determine whether the U.S. Environmental Protection Agency (EPA) successfully used its grants management tools to identify and mitigate project delays in American Recovery and Reinvestment Act of 2009 (Recovery Act) Diesel Emission Reduction Act (DERA) grants.

## Background

The Recovery Act provided the EPA Diesel Emissions Reduction Program (known as DERA) with \$300 million to maximize job preservation and create economic recovery through a variety of diesel emission reduction strategies. To accomplish its objective, EPA awarded \$244 million via grants under the State and National Clean Diesel Funding Assistance Programs.

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

The full report is at:  
[www.epa.gov/oig/reports/2011/20110328-11-R-0179.pdf](http://www.epa.gov/oig/reports/2011/20110328-11-R-0179.pdf)

## ***EPA Needs to Better Document Project Delays for Recovery Act Diesel Emission Reduction Act Grants***

### **What We Found**

While DERA project officers were aware of Recovery Act grant project delays, they did not always document delays in EPA's grants management system or, in some cases, take action to reduce the impact of project delays. To prompt quicker action from recipients on Recovery Act grants, EPA had stated to the Office of Management and Budget in March 2009 that all grants would have an initial project period through September 30, 2010. EPA's goal was to have 40 percent of the Recovery Act grant funds expended by September 30, 2010, which was met. However, as of June 30, 2010, 49 grants, with a value of \$101,437,442, had less than 10 percent of the funds expended. Eighty-five percent of the grantees did not finish projects by the completion date, and EPA granted no-cost time extensions for all those grantees. In granting the extensions, 3 of 15 grants we reviewed did not contain new timeframes for completing the projects. EPA guidance requires timeframes to be established, and timeframes can be used to assess progress and reduce the impact of project delays.

Even though grant recipients reported project delays to EPA in progress reports, in 10 of 15 cases reviewed, project officers did not document these delays in programmatic baseline monitoring reports. DERA staff believed the delays were outside the control of the recipients and that no-cost time extensions were the appropriate corrective action. However, EPA did not take sufficient action in some cases by establishing new milestone dates and instituting corrective actions when approving grant extensions. Delayed projects may result in recipients not completing projects within specified timeframes and delayed achievement of Recovery Act objectives.

### **What We Recommend**

We recommend that the Assistant Administrator for Administration and Resources Management revise the baseline and advanced monitoring report questions and corresponding guidance. We recommend that the Assistant Administrator for Air and Radiation verify that project officers document delays in baseline and advanced monitoring reports, and institute corrective actions when delays occur. We also recommend that the Assistant Administrator for Air and Radiation require project officers to regularly report to management on the progress of projects and status of corrective actions. EPA agreed with the OIG's recommendations. The Office of Air and Radiation, the Office of Administration and Resources Management, and the regions have worked together to improve guidance and oversight.