



# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

The U.S. Environmental Protection Agency (EPA) oversees water program assistance agreements. The purpose of this audit was to determine whether EPA has adequately monitored obligations on operator certification expense reimbursement grants (ERGs). Our objectives were to determine: (1) the status of utilization of the ERG funds, (2) impediments recipients faced in utilizing the funds and what EPA has done to facilitate reaching the target of expending ERG funds by December 2012, and (3) the amount of ERG dollars that can be deobligated.

## Background

EPA achieves clean and safe water goals by providing funds through assistance agreements to states, local governments, and tribes under the water program. To comply with the provisions of the Safe Drinking Water Act, EPA awarded operator certification ERGs to states.

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/2011/20110516-11-P-0228.pdf](http://www.epa.gov/oig/reports/2011/20110516-11-P-0228.pdf)

## ***EPA Should Reduce Unliquidated Obligations Under Expense Reimbursement Grants***

### **What We Found**

We identified \$6.6 million of potentially unneeded funds that could have been deobligated for three ERGs awarded by EPA Regions 4 and 5 (\$3.3 million for Georgia, \$2.3 million for North Carolina, and \$1.0 million for Wisconsin). Region 4 deobligated over \$3.3 million in unneeded funds from the Georgia ERG and closed the grant in March 2011. According to Region 4, North Carolina signed an amendment on March 21, 2011, to extend the project period end date to January 1, 2012, to allow it to use the remaining \$2.3 million. Region 5 deobligated about \$2.2 million from the Wisconsin grant in February 2011. Region 5 responded that it extended the grant ending period from June 30, 2011, to December 31, 2012, to allow Wisconsin to use the remaining funds.

Since EPA began awarding ERG funds in 2001, we found that states are not adequately utilizing ERG funds to provide training and certification to water system operators in accordance with the requirements of the operator training and certification program. States faced numerous impediments in spending the funds, such as staff shortages, global recession, hiring freezes, higher-priority water projects, and contractors not completing as much work as initially proposed.

### **What We Recommend**

We recommend that the Regional Administrator, Region 4, direct the region's Water Protection Division Director to deobligate the \$3.3 million of unneeded funds for Georgia and monitor North Carolina's spending of the \$2.3 million of remaining funds through the end of the grant period and deobligate any unused funds. We also recommend that the Regional Administrator, Region 5, direct that region's Water Protection Division Director to continually monitor Wisconsin's spending of the remaining funds through the end of the grant period and deobligate any unused funds. While the regions responded that they disagreed with our recommendations, Region 5 did deobligate \$2.2 million (Wisconsin) and Region 4 did deobligate \$3.3 million (Georgia). However, Region 4 did not deobligate \$2.3 million (North Carolina) as the OIG recommended.