



U.S. ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF INSPECTOR GENERAL

*Catalyst for Improving the Environment*

## Special Report

# Response to Congressional Request on Signage Requirements for Projects Funded by the Recovery Act

Report No. 10-X-0175

August 2, 2010



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**Abbreviations**

ARRA	American Recovery and Reinvestment Act of 2009
DERA	Diesel Emissions Reduction Act
EPA	U.S. Environmental Protection Agency
LUST	Leaking Underground Storage Tank
OIG	Office of Inspector General
RAT Board	Recovery Accountability and Transparency Board
SRF	State Revolving Fund

**Cover photo:** Sign identifying water projects in New Hampshire funded by the American Recovery and Reinvestment Act of 2009. (EPA OIG photo)



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

THE INSPECTOR GENERAL

August 2, 2010

The Honorable Darrell E. Issa  
Ranking Member  
Committee on Oversight and Government Reform  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman Issa:

Enclosed is our response to your request dated June 24, 2010, to the Honorable Earl Devaney, Chairman of the Recovery Accountability and Transparency (RAT) Board, asking for information on signage requirements for recipients of American Recovery and Reinvestment Act of 2009 funds. The RAT Board requested we respond directly to you concerning Recovery Act funds awarded by the U.S. Environmental Protection Agency (EPA).

We will continue to monitor EPA's activities to ensure that Recovery Act funds are properly spent. If you should have any questions about our work, please contact Eileen McMahon, Assistant Inspector General for Congressional, Public Affairs and Management, at (202) 566-2391.

Sincerely,

A handwritten signature in black ink that reads "Arthur A. Elkins, Jr." in a cursive style.

Arthur A. Elkins, Jr.

Enclosure

## Purpose

On June 24, 2010, Congressman Darrell Issa, Ranking Member of the House Oversight and Government Reform Committee, sent a request to the Recovery Accountability and Transparency (RAT) Board requesting an investigation regarding signage requirements for recipients of American Recovery and Reinvestment Act of 2009 funds. The RAT Board requested that the U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) respond directly concerning Recovery Act funds awarded by EPA. The Congressman requested the following information:

- A complete accounting of all guidance issued by any federal agency to recipients of stimulus funds, including federal, State, and local agencies, on the posting of signs, logos, or emblems intended to publicly identify the source or expenditure of stimulus funds.
- Whether any federal agency requires, or has required, stimulus recipients to post signs, logos, or emblems identifying the source or expenditure of stimulus funds and whether such agency had statutory authority to do so.
- If any federal agency has relaxed a requirement that recipients post signs, logos, or emblems identifying the source or expenditure of stimulus funds, and an explanation of the decision to do so.
- An assessment of the total cost to the taxpayers from the posting of signs, logos, or emblems identifying the source or expenditure of stimulus funds.

## Background

EPA received \$7.2 billion from the Recovery Act. The Recovery Act awarded funds for the Clean Water State Revolving Fund (SRF), Drinking Water SRF, Brownfields, Leaking Underground Storage Tanks, Diesel Emission Reductions, and Superfund Remedial programs. The RAT Board was established under Section 1521 of the Recovery Act to coordinate and conduct oversight of covered funds to prevent fraud, waste, and abuse.

## Scope and Methodology

To answer the questions posed, we interviewed EPA staff from five program offices, reviewed guidance EPA prepared for Recovery Act recipients, and obtained a limited number of invoices for the cost of signs posted at EPA-funded projects paid for by the Recovery Act as well as information on the number of Recovery Act projects for certain EPA programs. We also interviewed staff at EPA policy offices, including the Office of Grants and Debarment and the Office of Acquisition Management. The OIG's Office of Counsel also conducted a legislative search to identify any authority allowing, or restricting, the posting of signs indicating the source of federal funds.

## Results

**Request Item 1: A complete accounting of all guidance issued by any federal agency to recipients of stimulus funds, including federal, State, and local agencies, on the posting of signs, logos, or emblems intended to publicly identify the source or expenditure of stimulus funds.**

EPA developed two forms of guidance that discuss the need for recipients to display a Recovery Act logo to communicate to the public that the project is a Recovery Act investment. First, EPA included a standard term and condition in all grant agreements that stated that a sign must be displayed. The term and condition read as follows:

This project receives funding under the American Recovery and Reinvestment Act of 2009 (ARRA) and the grantee, subgrantee or loan recipient must display the ARRA Logo in a manner that informs the public that the project is an ARRA investment. The ARRA logo may be obtained from the EPA grants office listed in this award document. If the EPA logo is displayed along with the ARRA logo and logos of other participating entities, the EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the grantee, subgrantee or loan recipient received financial assistance from EPA for the project.

The specific directions with respect to the logo that are referenced in the term and condition are contained in *General Guidelines for Emblem and Logo Applications*. A copy of these guidelines can be found at [http://www.epa.gov/ogd/forms/Recovery\\_emblem\\_guide\\_v1\[1\].pdf](http://www.epa.gov/ogd/forms/Recovery_emblem_guide_v1[1].pdf). The guidelines do not indicate which federal agency developed them, but questions about the guidelines are to be directed to the General Services Administration.

The other guidance EPA developed is a four-page question-and-answer document for Leaking Underground Storage Tank (LUST) program grant recipients. The guidance is titled *LUST Program FAQs – Recovery Act Logo*, dated December 29, 2009. The guidance was prepared in response to inquiries from recipients asking questions about signage requirements. The LUST program did not post this guidance on the EPA public Website, but it was provided to EPA's regional Underground Storage Tank program managers, who in turn shared the guidance with recipients.

**Request Item 2: Whether any federal agency requires, or has required, stimulus recipients to post signs, logos, or emblems identifying the source or expenditure of stimulus funds and whether such agency had statutory authority to do so.**

Generally speaking, the terms and conditions sections of EPA's assistance agreements require recipients of Recovery Act funds to post identifying signs, logos, or emblems. We were not able to identify statutory authority that explicitly allowed or disallowed the posting of signs, logos, or emblems intended to publicly identify the source or expenditure of Recovery Act funds.

**Request Item 3: If any federal agency has relaxed a requirement that recipients post signs, logos, or emblems identifying the source or expenditure of stimulus funds, an explanation of the decision to do so.**

The Diesel Emissions Reduction Act (DERA) and LUST program offices relaxed the requirement that recipients post signs, logos, or emblems identifying the expenditure of Recovery Act funds. Specifically, the DERA program does not require recipients to post signs on “rolling” projects, such as school buses; the LUST program does not require recipients to post signs on short-term projects, such as projects that last 1 day.

**Request Item 4: An assessment of the total cost to the taxpayers from the posting of signs, logos, or emblems identifying the source or expenditure of stimulus funds.**

As of July 2010, EPA did not have information on the total cost of posting signs, logos, or emblems related to the Recovery Act. Recipients are not required to report this information. Therefore, we cannot provide an assessment of the total cost of posting signs, logos, or emblems. On July 15, 2010, the RAT Board sent a request to EPA’s Senior Accountable Official for Recovery to provide the assessment of total cost to the RAT Board by September 3, 2010.

In response to the request, the OIG contacted a limited number of recipients and asked them about the signs that they purchased. The cost and type of signs varied greatly (Table 1). We did not verify the cost information provided to us.

**Table 1: Signage data for selected EPA programs – OIG limited sample**

Program	Number of signs	Cost per sign	Total cost
Clean Water SRF project	1	\$331.12	\$331.12
Clean Water SRF project	4	500.00	2,000.00
Clean Water SRF project	1	519.73	519.73
Clean Water SRF project	1	945.00	945.00
Drinking Water SRF project	1	275.00	275.00
State LUST program	25	40.00	1,000.00
State LUST program	250	3.20	800.00
Superfund project	1	82.15	82.15
Brownfields project	1	290.00	290.00

Source: Interviews with EPA staff and grant recipients. Cost data provided was based on best available information or readily available invoices.

Further, determining the number of signs that were purchased was difficult for a number of reasons. First, many of the grants funded multiple projects. Second, as was the case with the LUST program, one sign was used for multiple projects. Finally, not all projects were required to have signs. We obtained information on the number of projects funded by some of EPA programs as of July 2010 (Table 2), but the number of projects does not correlate to the actual number of signs that were purchased.

**Table 2: Recovery Act projects for selected EPA programs**

<b>Program or funding vehicle</b>	<b>Number of Recovery Act projects</b>
Clean Water SRF	1,871
Drinking Water SRF	1,347
LUST	1,275
Contracts	194

Source: SRF information obtained from EPA information systems; LUST and Contracts information obtained from EPA staff.

**Appendix A**

***Distribution***

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Assistant Administrator, Office of Air and Radiation  
Assistant Administrator, Office of Water  
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