



At a Glance

Why We Did This Review

We conducted this review to determine whether the environmental programs the U.S. Virgin Islands (USVI) has implemented on the U.S. Environmental Protection Agency's (EPA's) behalf have met EPA programmatic requirements, and what steps EPA Region 2 has taken to ensure that programs have achieved the intended environmental benefits. Region 2 requested this review due to longstanding concerns with USVI's financial systems and program implementation.

This report addresses the following EPA goals and cross-agency strategies:

- *Addressing climate change and improving air quality.*
- *Protecting America's waters.*
- *Cleaning up communities and advancing sustainable development.*
- *Protecting human health and the environment by enforcing laws and assuring compliance.*
- *Working to make a visible difference in communities.*
- *Launching a new era of state, tribal, local, and international partnerships.*

Send all inquiries to our public affairs office at (202) 566-2391 or visit www.epa.gov/oig.

The full report is at: www.epa.gov/oig/reports/2015/20150417-15-P-0137.pdf

Conditions in the U.S. Virgin Islands Warrant EPA Withdrawing Approval and Taking Over Management of Some Environmental Programs and Improving Oversight of Others

What We Found

The USVI has not met program requirements for numerous activities related to implementing the Clean Air Act, Clean Water Act, Safe Drinking Water Act, and Underground Storage Tank/Leaking Underground Storage Tank programs. These activities included monitoring environmental conditions, conducting compliance inspections and enforcing program requirements. Management control weaknesses contributed to these shortcomings. Further, the USVI's reluctance to revise its financial system to comply with federal standards resulted in USVI not having unrestricted access to almost \$37 million in outstanding EPA grant funds awarded to support USVI's continuing environmental as well as other EPA-related programs since 2004. These deficiencies place the public and environment at increased risk by allowing unmonitored or excess pollutants into the air, land, surface waters and drinking water.

USVI's poor management of its environmental programs endangers public health and the environment. EPA awards over \$2 million a year in grant funds to support USVI's continuing environmental programs.

In its oversight, Region 2 has identified numerous program deficiencies in the USVI over the last few years, but the deficiencies continued. In some areas—such as the Underground Storage Tank/Leaking Underground Storage Tank and Safe Drinking Water Act programs—Region 2 oversight had not identified program deficiencies uncovered by our review or implemented procedures to ensure that deficiencies identified by Region 2 were corrected. Since the EPA retains responsibility for programs implemented on its behalf, such as those in the USVI, the agency needs to act to ensure that the public and environment are protected.

Recommendations and Planned Agency Corrective Actions

We made 19 recommendations, ranging from beginning withdrawal of USVI's authority for implementing EPA-authorized programs to providing additional EPA oversight. On February 10, 2015, we held a meeting with Region 2 to discuss the corrective action plan outlined in its January 12, 2015, response to the draft report. Based on our meeting and supplemental information provided by Region 2, the region's corrective action plan meets the intent of the report's 19 recommendations. All recommendations are considered resolved.

Noteworthy Achievements

The region responded to the USVI's financial system deficiencies by designating the USVI as a high-risk grantee, which placed additional grant restrictions on the USVI and requires it to implement a corrective action plan.