



At a Glance

Why We Did This Review

We conducted this audit to determine whether the U.S. Environmental Protection Agency (EPA) established controls and processes for overseeing and managing Puerto Rico's assistance agreements to protect human health and the environment.

Assistance agreements—which include grants and cooperative agreements—are mechanisms used to transfer funds from the EPA to another entity to serve a public purpose. The EPA provides recipients in the Commonwealth of Puerto Rico with assistance agreements for environmental programs, such as air pollution control and hazardous waste management. Region 2 oversees the EPA's assistance agreements with Puerto Rico.

This report addresses the following:

- *Operating efficiently and effectively.*

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Region 2 Needs to Improve Its Internal Processes Over Puerto Rico's Assistance Agreements

What We Found

Region 2 needs to improve its internal processes over Puerto Rico's assistance agreements in the following areas:

- *Confirmations that the Puerto Rico Environmental Quality Board's equipment was used as intended.*

We found that Region 2 Project Officers did not confirm the board's grant equipment was used in accordance with approved work plans.

- *Documents and information in grant files that support assistance agreement award decisions.* Region 2 did not always include complete, accurate or hard copy documents in the grant files.
- *Support for car allowance fringe benefit costs.* Region 2 did not know whether the grant recipient of two cooperative agreements maintained supporting documentation for its car allowance fringe benefit costs.

Region 2 may have inefficiently used over \$217,000 in taxpayer funds by not confirming equipment was used as intended or obtaining support for requested fringe benefit costs.

As a result of these issues, the EPA may have inefficiently used taxpayer funds for Environmental Quality Board equipment purchases, may need additional support for grant award decisions in the official hard copy grant files, and may not have evidence that taxpayer funds have been properly used under two cooperative agreements.

Recommendations and Planned Corrective Actions

We made four recommendations to the Regional Administrator, Region 2, regarding the EPA's internal processes over Puerto Rico's assistance agreements:

- Train Project Officers to follow grant guidance and to confirm equipment purchases and use during the post-award phase.
- Require Project Officers and Grant Management Specialists to take specific, annual training on grant file management.
- Require Project Officers to take specific, annual training on conducting baseline monitoring reviews.
- Determine support for car allowance fringe benefit costs.

Region 2 agreed with the four recommendations and provided appropriate corrective actions.