



THE ADMINISTRATOR

WASHINGTON, D.C. 20460

Acting Deputy Administrator W.C. McIntosh
U.S. Environmental Protection Agency
1200 Pennsylvania Ave, NW
Washington, DC 20460

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Office of Inspector General
1200 Pennsylvania Avenue, N.W.
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Dear Acting Inspector General Murley:

I am formally referring to your office urgent and deeply concerning matters of financial mismanagement, conflicts of interest, and oversight failures within the Greenhouse Gas Reduction Fund (GGRF).

To restore integrity and public trust, the Environmental Protection Agency (EPA) has launched certain oversight and accountability measures that still exist despite the GGRF being designed to limit oversight. We have placed staff on administrative leave, begun a full assessment of internal controls, and are cooperating with the Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) in their ongoing investigation.

Given the severity of the alleged misconduct, waste, conflicts of interest, and potential fraud within the GGRF program, the Administrator is conducting a comprehensive review. Concurrent investigations by the Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) are underway. In response to these developments, the financial institution has voluntarily paused further disbursements, aligning with the ongoing investigation by DOJ and FBI's publicly reported recommendation to freeze the funds. These decisive actions aim to safeguard federal funds and ensure adherence to congressional intent.

Systemic Failures in Oversight of GGRF and Disturbing Public Information

Recent findings reveal a pattern of reckless financial management, blatant conflicts of interest, astonishing sums of tax dollars awarded to unqualified recipients, and severe deficiencies in regulatory oversight under the prior administration. The EPA Office of Inspector General (OIG) plays a critical role in eliminating waste and abuse, and we stand with your office in our shared mission to restore accountability and prevent further misuse of taxpayer dollars.

One of the most disturbing initial indicators of financial misconduct is a publicly circulated video of a former Biden Administration EPA political appointee boasting that officials were “tossing gold bars off the Titanic” — rushing to distribute billions in taxpayer dollars before the incoming administration could review or halt improper disbursements.¹ Even more troubling, the official implied that political favoritism influenced funding decisions, with expectations of securing employment at grant-recipient organizations.

Documented Evidence of Potential Financial Misconduct

These are not hypothetical concerns; they are supported by troubling evidence that continues to emerge of improper conduct, including:

1. Lack of EPA Oversight in GGRF Distribution

- A large private-sector financial institution was used as an external financial agent, holding \$20 billion in taxpayer dollars — an unprecedented arrangement for EPA.
- Only eight prime recipients controlled all \$20 billion, acting as pass-through entities to subrecipients — many of which were also structured as pass-throughs, raising serious concerns about transparency and accountability.
- The design of this scheme removed \$20 billion from governmental oversight in the days, weeks, and months before a new administration took office.
- The unusual and apparently improper structure of the agreements governing the administration of the GGRF altogether excluded EPA from being a party to Account Control Agreements (ACAs) with subrecipients.

2. Conflicts of Interest and Political Favoritism

- Jahi Wise, the former director of the GGRF, personally oversaw a \$5 billion grant to his previous employer, the Coalition for Green Capital — without recusing himself.²

¹ <https://www.youtube.com/watch?v=CblV6EwzKxg>

- A \$2 billion grant was awarded to Power Forward Communities, a new nonprofit with ties to Stacey Abrams, despite reporting only \$100 in total revenue in 2023.²
- Young, Gifted & Green was awarded \$20 million, even though its CEO applied for funding while serving on the White House Environmental Justice Advisory Council.³

3. Prime Recipients' Lack of Financial Competency

- Recipients were required to begin drawing down funds within 21 days even though EPA, apparently recognizing the lack of qualifications, deemed it necessary that the recipients complete training on "How to Develop a Budget" within 90 days.⁴
- The EPA itself determined that recipients lacked basic financial competency — yet allowed them to manage and distribute billions of taxpayer dollars.
- If an entity requires 90 days to learn how to create a budget, it cannot be trusted to start responsible distribution of taxpayer funds within 21 days.

These examples are the tip of the iceberg and suggest a deeply entrenched pattern of political favoritism, lack of qualifications, and other possibly unlawful allocation of taxpayer funds. Disturbingly, these cases likely represent only a fraction of broader issues.

Failure of Internal Controls & Structural Weaknesses in GGRF Management

Your predecessor testified before Congress last September, describing the GGRF's financial structure as "fantastically complex."⁵ What we have uncovered since then raises even greater concerns:

- Financial Agent Agreements, Account Control Agreements (ACAs), and Amended Account Control Agreements, signed in the final months (and in some cases just days) of the Biden Administration, *reduced* rather than enhanced EPA oversight.

² Thomas Catenacci, "DOGE Finds \$2 Billion in Taxpayer Funds Earmarked for Stacey Abrams-Linked Group," *Washington Free Beacon*, last modified February 19, 2025, <https://freebeacon.com/trump-administration/billions-doge-found-parked-at-bank-earmarked-for-stacey-abrams-backed-green-group/>.

³ Thomas Catenacci, "Biden Environmental Justice Adviser Received Millions in Taxpayer Funds After Personally Applying For EPA Grant," *Washington Free Beacon*, last modified February 24, 2025, <https://freebeacon.com/energy/biden-environmental-justice-adviser-received-millions-after-personally-applying-for-epa-grant/>.

⁴ U.S. Environmental Protection Agency, "RAIN-2024-G01," *EPA Grants*, last modified March 4, 2024, <https://www.epa.gov/grants/rain-2024-g01>.

⁵ U.S. House Committee on Energy and Commerce "Holding the Biden-Harris EPA Accountable for the Radical Rush-to-Green Spending," <https://www.youtube.com/watch?v=dkgMglo8g9g> (34 minute mark), 19 September 2024.

- ACAs governing the GGRF appear to have been hastily amended, at the behest of GGRF recipients and without consideration, in the days leading up to Inauguration Day.
- EPA was not a party to the Account Control Agreements with subrecipients, allowing taxpayer dollars to be further distributed without proper agency oversight.
- The ironically named "Notice of Exclusive Control," the ostensible purpose of which is to allow EPA to take control of accounts at the financial agent, grants prime recipients and subrecipients the ability to transfer funds to private financial institutions of their choosing outside the scope of the financial agent agreement. It would have been more appropriately called a Notice of Less Control given the manner in which it granted recipients more power over the disposition of the money and the status of their accounts prior to the amendment.
- Contract provisions appear to have been intentionally structured to weaken EPA oversight.

Immediate Action & Request for OIG Assistance

Given the magnitude and significant risks to taxpayer funds, I am formally requesting your assistance with a comprehensive review of this arrangement and the issues involved. I value your recommendations.

If your office requires additional resources to conduct a full investigation, please let us know immediately. The EPA is committed to providing any necessary support to ensure a thorough and independent review of the program.

While these issues can be fully investigated, we will continue to aggressively pursue enhanced oversight, answers, and accountability. We stand firmly alongside the Office of the Inspector General in our shared mission to eliminate waste, fraud, and abuse with the EPA. I look forward to your recommendations.

Sincerely,



W.C. McIntosh
Acting Deputy Administrator
U.S. Environmental Protection Agency

cc:

Lee Zeldin, Administrator, U.S. EPA
James Payne, Acting General Counsel, U.S. EPA
Eric Amidon, Chief of Staff, U.S. EPA