



**OFFICE OF INSPECTOR GENERAL**  
U.S. ENVIRONMENTAL PROTECTION AGENCY

January 20, 2026

**MEMORANDUM**

**SUBJECT:** Notification:  
Audit of the Drinking Water State Revolving Fund Infrastructure Investment and Jobs Act  
Funds for Lead Service Line Replacement Awarded to the New Jersey Department of  
Environmental Protection  
Project No. OA-FY26-0036

**FROM:** Katherine Trimble, Assistant Inspector General *Katherine Trimble*  
Office of Audit

**TO:** Michael Martucci, Regional Administrator  
EPA Region 2

The U.S. Environmental Protection Agency Office of Inspector General plans to begin an audit of the Infrastructure Investment and Jobs Act Lead Service Line Replacement funds awarded through the Drinking Water State Revolving Fund to the New Jersey Department of Environmental Protection in fiscal years 2022-2024. This audit is the result of our continued oversight of the EPA's implementation of Infrastructure Investment and Jobs Act funds. The project number is OA-FY26-0036.

Our objective is to determine whether the New Jersey Department of Environmental Protection and its loan borrowers met applicable federal requirements for Infrastructure Investment and Jobs Act Lead Service Line Replacement funds awarded in fiscal years 2022-2024. We plan to conduct work in EPA Region 2 and the State of New Jersey.

We will contact your office to arrange a mutually agreeable time to discuss our objective. At that time, we can discuss any concerns that you may have and answer any questions about the audit process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the audit. Throughout the audit, we will provide updates on a regular basis.

To expedite our audit, please be ready to provide the following information, within two weeks after receiving this memo:

- Any investigations or legal proceedings significant to the audit objective that have been initiated or are in process.
- Any previous engagements or other studies that directly relate to the objective of this audit, as well as the status of any related recommendations, from those previous engagements or studies.

We respectfully note that the Inspector General Act of 1978, as amended, authorizes the OIG to have timely access to personnel and all materials necessary to complete our objectives. Additionally, Administrator Lee Zeldin, in an email dated February 7, 2025, to EPA employees, said that “the OIG requires information and assistance from EPA managers and staff on a regular basis” and outlined his expectation that EPA employees “report waste, fraud, and abuse to the OIG.” He explained that this “responsibility to report appropriate activity to the OIG is one of the most important and successful means the OIG has for identifying and stopping wrongdoing” and that review and oversight enable the Agency to be more effective in achieving its mission. If an Agency employee or contractor refuses to provide requested materials to the OIG or otherwise fails to cooperate with the OIG, we will request that you immediately resolve the situation. Consistent with the Inspector General Act, we may report unresolved access matters to the administrator and to Congress.

We have sent a similar notification to Shawn M. LaTourette, commissioner for the New Jersey Department of Environmental Protection. We will post this memorandum on our public website at <http://www.epa.gov/oig>. Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to this audit should contact the OIG Hotline at (888) 546-8740 or via an electronic form on the “OIG Hotline” [web page](#).

cc: David Fotouhi, Deputy Administrator  
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