



OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY

January 20, 2026

Mr. Shawn M. LaTourette
Commissioner
New Jersey Department of Environmental Protection
401 E. State St.
7th Floor, East Wing
P.O. Box 402
Trenton, NJ 08625-0402

Dear Mr. LaTourette:

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 for this audit is Project No. 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 use applicable generally accepted government auditing standards to conduct our audit. The anticipated benefits of this audit include improved efficiency of implementing Infrastructure Investment and Jobs Act funds, increased effectiveness of lead service line replacement, and a better economy through enhancement of public health.

We will contact you 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 notification memorandum:

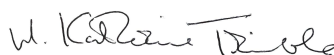
- Policies, procedures, and guidance documents for the New Jersey Department of Environmental Protection's Drinking Water State Revolving Fund.

- A list of all loan borrowers that have received any amount of Infrastructure Investment and Jobs Act Lead Serve Line Replacement funds, the amounts they received, and their loan agreements.
- Organizational structure, budget, and staffing information pursuant to the New Jersey Department of Environmental Protection's Drinking Water State Revolving Fund.
- A list of any investigations or legal proceedings significant to the audit objective that have been initiated or are in process.
- A list of 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, 5 U.S.C. § 404(a)(1), authorizes the OIG "to conduct, supervise, and coordinate audits and investigations relating to the programs and operations" of the EPA. In addition, the New Jersey Department of Environmental Protection is the recipient of federal award funds pursuant to the Infrastructure Investment and Jobs Act, and 2 C.F.R. § 200.337(a) provides that "Inspectors General ... must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal Award, in order to make audits, examinations, excerpts, and transcripts." This right "also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents."

We have sent a similar notification to Michael Martucci, regional administrator for EPA Region 2. We will post this memorandum on our public website at www.epa.gov/oig. Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to this evaluation should contact the OIG Hotline at (888) 546-8740 or via an electronic form on the "OIG Hotline" [web page](#).

Sincerely,



Katherine Trimble, Assistant Inspector General
Office of Audit

cc: Nicole N. Murley, Deputy Inspector General performing the duties
of the Inspector General
Erica Kavanagh, Associate Deputy Inspector General