

Corps of Engineers Has Improved Oversight of Compensatory Mitigation, but Needs Implementation Guidance

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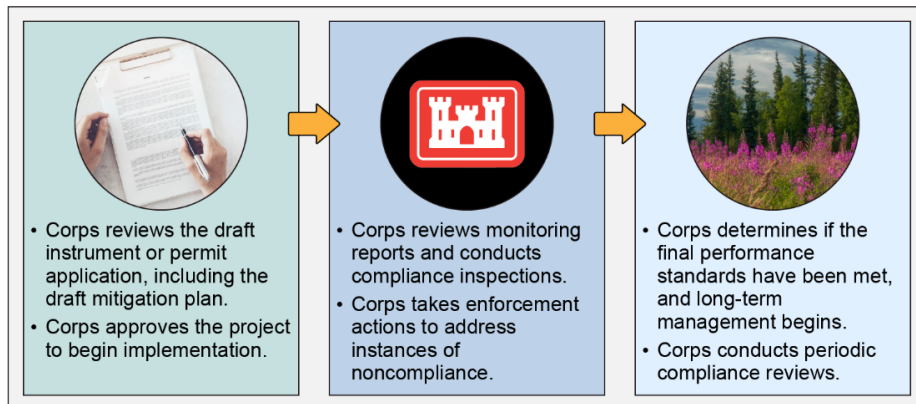
A report to congressional committees

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What GAO Found

When activities impact wetlands, streams, or other waters of the U.S., the U.S. Army Corps of Engineers can require compensatory mitigation activities—such as removing invasive species from wetlands. GAO reviewed Corps oversight of compensatory mitigation activities and found that the three districts it selected had generally improved the frequency of oversight activities, compared with Corps districts selected for a 2005 GAO report. Specifically, the three selected districts' mitigation files generally included at least one monitoring report, and the three districts improved the degree to which they are performing compliance inspections compared to the districts in the 2005 report. In both 2026 and 2005, GAO found that the Corps (1) can take a variety of enforcement actions if required compensatory mitigation is not performed and (2) relies primarily on negotiation with those responsible for the mitigation as a first step in the enforcement process.

Corps Role in Oversight of Compensatory Mitigation



Source: GAO analysis of U.S. Army Corps of Engineers (Corps) information; images (left to right) sebra/adobe.stock.com, Corps, dana/adobe.stock.com. | GAO-26-106827

While selected Corps districts generally have improved the frequency of oversight activities, districts have taken inconsistent approaches to implementing certain compensatory mitigation requirements in mitigation plans required by Corps regulations. For example, nearly all of the district files GAO reviewed addressed financial assurances—a required part of mitigation plans—which are used to ensure sufficient funding is available to correct or complete a project if the responsible party does not do so. But a number of files lacked sufficient information to support how assurances were established. District officials told GAO that additional guidance from headquarters would help them implement mitigation requirements. Without consistent implementation of the requirements, the Corps cannot ensure that its oversight of mitigation projects will achieve intended environmental outcomes across districts.

Why GAO Did This Study

Some activities that impact certain wetlands, streams, and other aquatic resources require a Clean Water Act section 404 permit from the Corps. For unavoidable adverse impacts, compensatory mitigation may be required to replace aquatic resource functions. Permittees may perform the work themselves or pay a sponsor to complete the work and assume responsibility for the mitigation project.

Congress included a provision in the Water Resources Development Act of 2022 for GAO to review compensatory mitigation activities. This report reviews (1) the extent to which selected Corps districts conduct compensatory mitigation oversight and enforcement activities and (2) guidance the Corps developed for overseeing this mitigation, and how the guidance can be improved.

GAO identified and reviewed a sample of 85 files from three selected Corps districts. GAO randomly selected a sample from files that met certain criteria, such as permits issued from fiscal year 2017 through fiscal year 2022. GAO also interviewed agency officials from headquarters and the three districts.

What GAO Recommends

GAO is making a recommendation to the Department of Defense that the Corps develop guidance, in consultation with Corps districts, to assist them in addressing requirements in compensatory mitigation plans. The Office of the Assistant Secretary of the Army for Civil Works agreed with the recommendation.