



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

EPA Has Implemented Corrective Actions to Improve Conditions at Asheville, North Carolina Superfund Site

Report No. 12-P-0362

March 21, 2012



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Abbreviations

AOC	Administrative Order on Consent
CIP	Community Involvement Plan
EPA	U.S. Environmental Protection Agency
MOU	Memorandum of Understanding
NPL	National Priorities List
OIG	Office of Inspector General
TCE	Trichloroethylene

Cover photo: Warning sign observed during OIG August 2011 site visit. (EPA OIG photo)

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At a Glance

Why We Did This Review

The purpose of this evaluation was to determine whether U.S. Environmental Protection Agency (EPA) Region 4 implemented agreed to actions in response to our May 2010 report concerning improvements needed at the CTS Superfund site located in Asheville, North Carolina.

Background

In response to a congressional request, the Office of Inspector General (OIG) issued in May 2010 a final report to EPA Region 4 with 10 recommendations to improve aspects of environmental sampling and community involvement at the site. Region 4 agreed to take action on all the final report recommendations and certified in November 2010 that the recommendations were complete.

For further information, contact our Office of Congressional and Public Affairs at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2012/20120321-12-P-0362.pdf

EPA Has Implemented Corrective Actions to Improve Conditions at Asheville, North Carolina Superfund Site

What We Found

Region 4 took actions to implement all recommendations made in EPA OIG Report No. 10-P-0130, *EPA Activities Provide Limited Assurance of the Extent of Contamination and Risk at a North Carolina Hazardous Waste Site*, May 17, 2010. The region completed 8 of the 10 recommendations. Further actions are needed to complete 2 OIG recommendations. Specifically:

- The region modified letters to residents communicating well water sampling results by including a supplemental fact sheet in the letters. However, the sheet does not conform to Region 4 standard operating procedures created in October 2010.
- The region revised the site's Community Involvement Plan in April 2010. However, the plan did not include a specific communication strategy. Additionally, the plan does not reflect the site's current National Priorities List status and recent site activities.

Three additional issues came to our attention during this review:

- The region did not have controls in place to ensure the site's public informational repository is being kept up to date and maintained.
- The region did not complete a report on a removal action pilot study, nor provide a fact sheet to the community on the results as planned.
- The region did not timely bill responsible parties approximately \$175,000 in federal government costs incurred at the site. The billing lapse was an oversight, which has since been corrected.

What We Recommend

We recommend that the Region 4 Administrator implement the following actions:

- Revise an information sheet on the results of private well sampling.
- Revise the Community Involvement Plan.
- Create and maintain an index for the site informational repository.
- Complete the final report on the removal action pilot study and fact sheet for the community on the results of the study.

Region 4 provided a corrective action plan with milestone dates to address all of the report recommendations.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

March 21, 2012

MEMORANDUM

SUBJECT: EPA Has Implemented Corrective Actions to Improve Conditions at Asheville,
North Carolina Superfund Site
Report No. 12-P-0362

FROM: Arthur A. Elkins, Jr.
Inspector General

A handwritten signature in black ink, appearing to read "Arthur A. Elkins, Jr.", is written over the printed name and title.

TO: Gwendolyn Keyes Fleming
Regional Administrator, EPA Region 4

This is our report on the subject evaluation conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position.

Action Required

Because you have provided a corrective action plan with milestone dates, you are not required to provide a written response to this final report. Should you choose to provide a response, your response will be posted on the OIG's public website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal. We have no objections to the further release of this report to the public. We will post this report to our website at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact Elizabeth Grossman at (202) 566-0838 or grossman.elizabeth@epa.gov, or Carolyn Copper at (202) 566-0829 or copper.carolyn@epa.gov.

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Purpose

The Office of Inspector General (OIG) initiated a review of corrective actions implemented by U.S. Environmental Protection Agency (EPA) Region 4 in response to our Report No. 10-P-0130, *EPA Activities Provide Limited Assurance of the Extent of Contamination and Risk at a North Carolina Hazardous Waste Site*, May 17, 2010. We sought to determine whether actions agreed to by Region 4 in response to our May 2010 report had been implemented. Additional issues that came to our attention related to environmental or human health risks, or weak Superfund site management controls, were also addressed in this follow-up review.

Background

In response to a congressional request, the OIG issued in May 2010 a final report to EPA Region 4 with 10 recommendations to improve aspects of environmental sampling and community involvement at the CTS of Asheville Superfund site. Region 4 agreed to all recommendations and certified in November 2010 that actions to meet these recommendations were complete.

The CTS of Asheville Superfund site is located in Buncombe County, North Carolina. The site was formerly known as the Mills Gap Road Groundwater Contamination Superfund site. The site was operated as an electronic components manufacturing and electroplating facility from 1952 until 1985. Trichloroethylene (TCE), a chemical now known to be carcinogenic to humans, was used in manufacturing processes and released through drains in the facility. Groundwater and soil sampling investigations have revealed high concentrations of TCE. Nearby springs and private drinking water wells have been found to be contaminated with TCE.

Some activities are ongoing at the site as directed under a 2012 administrative order on consent (AOC) between EPA and CTS of Asheville, Inc. The site was proposed for the Superfund National Priorities List (NPL) on March 10, 2011. In a March 15, 2012 Federal Register final rule, EPA added the CTS of Asheville Superfund site to the NPL.

Scope and Methodology

The scope of this evaluation was limited to a review of actions agreed to by Region 4 in response to EPA OIG Report No. 10-P-0130. Region 4 agreed to take action on all the final report recommendations. Additional issues that came to our attention related to environmental or human health risks, or weak Superfund site management controls, were also addressed in this follow-up review.

We conducted this follow-up evaluation from August 2011 through February 2012 in accordance with generally accepted government auditing

standards. Those standards require that we plan and perform the evaluation to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our evaluation objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our evaluation objective.

We reviewed Agency documents and data in OIG and Agency information systems to assess the status of the Agency's corrective actions. We interviewed EPA Region 4 Superfund division staff and officials involved with site activities. We interviewed EPA Office of Superfund Remediation and Technology Innovation staff regarding the progress of the proposal to include the site on the NPL. We visited the site in August 2011.

Results of Review

Region 4 took actions to implement all recommendations made in the OIG's 2010 report. Region 4 completed 8 of the 10 recommendations. Region 4 will need to complete further actions for 2 recommendations. Specifically:

- The region modified letters to residents communicating well water sampling results by including a supplemental fact sheet in the letters. However, the sheet does not conform to Region 4 standard operating procedures created in October 2010.
- The region revised the site's Community Involvement Plan in April 2010. However, the plan did not include a specific communication strategy. Additionally, the plan does not reflect the site's current NPL status and recent site activities.

Additional issues that came to our attention during this follow-up review include:

- The region did not have controls in place to ensure the site's public informational repository is being kept up to date and maintained.
- The region did not complete a report on a removal action pilot study, nor provide a fact sheet to the community on the results as planned.
- The region did not timely bill responsible parties approximately \$175,000 in federal government costs incurred at the site. The billing lapse was an oversight, which has since been corrected.

Details on the two recommendations needing further actions and additional issues identified are discussed below.

Recommendations Needing Further Actions

Region 4 partially implemented 2 of the 10 prior report recommendations. Additional actions are needed to complete these recommendations. Table 1 summarizes actions taken on OIG recommendations and further actions needed.

Table 1: Status of OIG recommendations needing further actions

OIG recommendation	Region 4's corrective actions	Further actions needed
<p>2c. Modify future letters that communicate results of drinking water sampling to inform residents if testing cannot determine whether a compound was present in their well water at a drinking water standard or a risk-based screening level.</p>	<p>Region 4 took steps to lower reporting limits for compounds to more closely approach health screening levels.</p> <p>The region also modified its letters by including a supplemental information sheet in its May 2010 letters to residents to address this recommendation.</p>	<p>The region needs to modify the supplemental information sheet on the results of private well sampling to conform to the model provided in the region's October 2010 Standard Operating Procedure, "Communicating Environmental Data to Property Owners and Tenants."</p> <p>The region should also implement controls to ensure that residents are aware of the revised supplemental information sheet.</p>
<p>6. Develop a new Community Involvement Plan [CIP] that addresses all ongoing site activities and the community's issues, needs, and concerns. The plan should identify specific activities, outreach products, or programs Region 4 will use to address the community's concerns, and include a communication strategy for disseminating information to the public.</p>	<p>Region 4 revised the CIP in April 2010 in response to this recommendation. The CIP included many specific communication activities.</p>	<p>The April 2010 CIP did not include a specific communication strategy, which the region agreed to implement.</p> <p>The region needs to develop a revised CIP to include a specific communication strategy for disseminating information to the public.</p> <p>Additionally, the CIP should include revisions to reflect the site's current NPL status and recent site activities.</p> <p>During our review this site's Community Involvement Coordinator outlined specific areas of the CIP that will be revised. The region intends to finalize the CIP by July 30, 2012.</p>

Source: OIG analysis.

Additional Issues Found During Our Review

Region 4 Can Not Ensure the Site Informational Repository is Complete

The CIP identifies the location of the informational repository for site records and documents. The CIP identifies the informational repository as a community involvement activity that will be maintained. Our review found controls are lacking to ensure the repository is maintained and includes all official documentation and pertinent information for the site. Such controls could have

included an index, as provided for in the Superfund community involvement guidance or periodic reviews, to ensure the repository is maintained.

Report on Removal Action Pilot Study Needs Completion

In comments included in our May 2010 report, the region committed to providing a final report and fact sheet on the pilot system installed to destroy contaminants emanating from springs on property adjacent to the site. Specifically, the region stated “once the *Draft Report of Removal Action Pilot Study* becomes final, a fact sheet will be distributed to the community to inform them of the event and outcome.” However, the final report and a fact sheet have not been completed.

Region 4 Did Not Timely Bill the Government’s Costs for Work at the Site

Region 4 did not timely bill approximately \$175,000 in federal government costs for the period May 2003 through May 2009. Region 4 incurred federal government oversight costs pursuant to a 2004 AOC that directed the responsible parties to conduct a removal action at the site. EPA interim guidance¹ states, “where PRPs [potentially responsible parties] have entered into agreements with EPA to pay oversight costs, EPA will strive to issue timely (e.g., annual) oversight bills based on known or available costs at the time of billing.” However, the region’s first demand for payment for costs was in September 2009 for \$665,392. CTS Corporation disputed all but \$70,211 of the bill. EPA received payment of \$70,211 in January 2011. In November 2011, EPA submitted a revised bill to the responsible parties for \$175,472. In the revised bill, EPA noted “there may be other costs incurred during this period which are not yet reflected in our financial systems for this billing. Therefore, additional costs may appear in future bills for this current billing period.” Region 4 informed us that the billing lapse was due to an oversight. A copy of the AOC was not furnished to the finance office until sometime in 2009.

Region 4 informed us that the site is now listed in the finance office’s annual inventory. The finance office is scheduled to issue annual oversight bills, and billing will occur until the enforcement program directs the site be removed from the finance office’s inventory. Region 4 further informed us that in order to address all sites in general requiring oversight billing, the region signed a memorandum of understanding (MOU) on May 31, 2010. The MOU provides that the finance office will receive a copy of an AOC or Consent Decree once it becomes effective. Under the MOU, the region’s finance office will schedule and issue all of the Superfund Division’s oversight bills.

¹ EPA Office of Solid Waste and Emergency Response Directive No. 9200.0-32P, *Interim Guidance on Implementing the Superfund Administrative Reform on PRP Oversight*, May 17, 2000.

In September 2011, Region 4 also sent “special notice letters” to the responsible parties in an attempt to reach a settlement and resolve responsibility for other cleanup activities at the site. These letters informed the responsible parties that EPA is seeking to recover unreimbursed response costs identified through August 8, 2011, of approximately \$6.5 million.

Conclusions

Region 4 took actions to implement all recommendations made in the OIG’s 2010 report. Most of the recommended corrective actions have been completed. Further actions needed include revisions to the supplemental information sheet on results of private well sampling and the CIP. Three additional areas came to our attention during our follow-up review. Corrective actions are needed for two of these areas. The region needs to implement controls to ensure the site informational repository is maintained and kept up to date. A final report and fact sheet for the community summarizing the results of a removal action pilot study also need completion. The region has already implemented controls to prevent additional lapses in annual billing procedures for the third area.

Recommendations

We recommend that the Regional Administrator, Region 4:

1. Revise the supplemental information sheet for site-related private well sampling to conform to the model provided in the region’s October 2010 Standard Operating Procedure, “Communicating Environmental Data to Property Owners and Tenants.” In addition, the region should implement controls to ensure that residents are aware of the revised sheet.
2. Develop an updated CIP to include a specific communication strategy for disseminating information to the public. Additionally, the CIP should include revisions to reflect the site’s current NPL status and recent site activities.
3. Create an index for the site informational repository and schedule periodic reviews of the index to ensure it is maintained and up to date.
4. Complete the final report on the removal action pilot study and fact sheet for the community that summarizes the results of the study.

Agency Response and OIG Evaluation

The Agency provided a corrective action plan with milestone dates to address all of the report recommendations. All recommendations are open with agreed-to actions pending. The Agency’s response is included in appendix A.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Claimed Amount	Agreed-To Amount
1	5	Revise the supplemental information sheet for site-related private well sampling to conform to the model provided in the region's October 2010 Standard Operating Procedure, "Communicating Environmental Data to Property Owners and Tenants." In addition, the region should implement controls to ensure that residents are aware of the revised sheet.	O	Regional Administrator, Region 4	06/15/2012		
2	5	Develop an updated CIP to include a specific communication strategy for disseminating information to the public. Additionally, the CIP should include revisions to reflect the site's current NPL status and recent site activities.	O	Regional Administrator, Region 4	07/30/2012		
3	5	Create an index for the site informational repository and schedule periodic reviews of the index to ensure it is maintained and up to date.	O	Regional Administrator, Region 4	06/30/2012		
4	5	Complete the final report on the removal action pilot study and fact sheet for the community that summarizes the results of the study.	O	Regional Administrator, Region 4	05/30/2012		

¹ O = recommendation is open with agreed-to corrective actions pending
 C = recommendation is closed with all agreed-to actions completed
 U = recommendation is unresolved with resolution efforts in progress

Agency Response to Draft Report

OIG CTS of Asheville - Region 4 Response

Recommendation	Region 4 Response	Date of Completion
Updating the Supplemental Information Sheet	Supplemental sheet being revised by TSS staff. Will be included in the mailing of sampling results from the March 2012 sampling event. Nardina Turner and Glenn Adams added to the distribution list due to their involvement with assisting in this effort.	N/A
	Supplemental Fact Sheet Revised and provided to home owners.	June 15, 2012
Revise Community Involvement Plan	Region 4 personnel are revising the current CIP.	July 30, 2012
Information Repository Inventory	Region 4 personnel will visit the Information Repository in Asheville during the next sampling event and begin making an inventory. **It is unclear how many documents are at the information repository. If there are a large number of documents, it may take more than one visit to Asheville to complete this task. R4 personnel will prepare an inventory list. It will be sent with future documents to the repository.	March 19, 2012
	Anticipated completion of this recommendation.	June 30, 2012
Ozonation Pilot Study	A Final Report has been drafted for the Ozonation Pilot Study. R4 personnel are reviewing the study and are in the process of finalizing. The final report will be provided, accompanied by an attachment by MACTEC, describing the results of the pilot study.	May 30, 2012

Distribution

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