



OFFICE OF INSPECTOR GENERAL

*Catalyst for Improving the Environment*

## **Audit Report**

# **Followup on Information Concerning Superfund Cooperative Agreements with New York and New Jersey**

**Report No. 08-2-0099**

**March 4, 2008**



# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

We performed this review to determine the status of the \$9.6 million in deobligations for cooperative agreements identified in an earlier report.

## Background

The U.S. Environmental Protection Agency's (EPA's) Office of Superfund Remediation and Technology Innovation requested that we obtain information involving obligations for Superfund cooperative agreements with the States of New York and New Jersey. Our prior review, dated October 30, 2006, identified \$9.6 million under six agreements that could be deobligated. In response to our report, EPA provided tentative actions and milestones for the cooperative agreements.

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

**To view the full report, click on the following link:**  
[www.epa.gov/oig/reports/2008/20080304-08-2-0099.pdf](http://www.epa.gov/oig/reports/2008/20080304-08-2-0099.pdf)

## ***Followup on Information Concerning Superfund Cooperative Agreements with New York and New Jersey***

### **What We Found**

We found that EPA Region 2 had deobligated \$7.3 million from four of the six sites in New York and New Jersey cited in our prior report. Remaining funds obligated for the Burnt Fly Bog, Combe Fill South, and Syncon Resins agreements are expected to be used for ongoing work at the sites. The amounts deobligated differ from the amounts identified in our prior report because additional funds were no longer needed for the Ellis Property site agreement, and because New York made final drawdowns on the New York Multi-Site agreement. Since the remaining funds obligated under the agreements are expected to be used for ongoing work, we are not requesting that EPA take additional corrective actions at this time. The Office of Solid Waste and Emergency Response had no comments on the draft report.



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

OFFICE OF  
INSPECTOR GENERAL

March 4, 2008

**MEMORANDUM**

**SUBJECT:** Followup on Information Concerning Superfund Cooperative Agreements  
with New York and New Jersey  
Report No. 08-2-0099

**FROM:** Melissa M. Heist *Melissa M. Heist*  
Assistant Inspector General for Audit

**TO:** Susan Parker Bodine, Assistant Administrator  
Office of Solid Waste and Emergency Response

The Office of Inspector General (OIG) of the U.S Environmental Protection Agency (EPA) has completed a followup review. This review was of EPA Region 2's progress in implementing corrective actions being taken based on the Office of Solid Waste and Emergency Response's (OSWER's) March 7, 2007, response to OIG Report No. 2007-2-00003, *Information Concerning Superfund Cooperative Agreements with New York and New Jersey*, issued October 30, 2006. The report had identified \$9,586,744 in funding that could be deobligated and made available for other environmental activity.

OSWER's March 7, 2007, response stated that:

1. Region 2 issued a Deobligation Plan for Fiscal Year 2007 to OSWER's Office of Superfund Remediation and Technology Innovation on January 17, 2007. The Deobligation Plan specifically identified six cooperative agreement deobligations, all of which were identified in the OIG report. These deobligations are for: Imperial Oil, Ellis Property, Burnt Fly Bog, Combe Fill South, Syncon Resins, and New York Multi-Site.
2. Deobligations for Combe Fill South, Syncon Resins, and New York Multi-Site had been tentatively scheduled for deobligation in June 2007.
3. Deobligations for Imperial Oil, Ellis Property, and Burnt Fly Bog had been tentatively scheduled for deobligation in July 2007.

These proposed actions and milestones were the scope of our followup review. We interviewed EPA Grants and Program personnel to obtain information about the planned deobligations and confirmed the actions taken by reviewing activity in the Financial Data Warehouse. We performed our audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. We conducted our audit field work from August to October 2007.

We found that of the \$9,586,744 suggested for deobligation, \$7,264,970 has been deobligated. Details on the status of obligations are in Table 1.

**Table 1: Status of Obligations**

Site Name	Amount in Prior OIG Report	Amount Deobligated	Agency Remarks
Imperial Oil [New Jersey]	\$5,000,000	\$5,000,000	
Ellis Property [New Jersey]	500,000	543,500	The actual amount deobligated was based on actual remedial design funds no longer needed.
Burnt Fly Bog [New Jersey]	1,000,000	0	Region 2 is re-budgeting the remaining funds needed for ongoing work at the site.
Combe Fill South [New Jersey]	2,000,000	1,336,578	The remaining funds are needed for ongoing work at the site.
Syncon Resins [New Jersey]	600,000	0	A portion of the funds are to be used for ongoing work at the site. The State is working on the Financial Status Reports to identify the remaining balance to be returned to Region 2 in Fiscal Year 2008.
New York Multi-Site [New York]	486,744	384,892	The difference between the amount identified in the prior OIG report and the amount deobligated is due to final drawdowns by the State.
<b>Total</b>	<b>\$9,586,744</b>	<b>\$7,264,970</b>	

Sources: OIG Report No. 2007-2-00003, Financial Data Warehouse, and information provided by Region 2 Grants and Contracts Management Branch staff and project officers.

Since the remaining funds obligated under the agreements are expected to be used for ongoing work at Burnt Fly Bog, Combe Fill South, and Syncon Resins, we are not requesting the Agency take additional actions at this time. We issued a draft report on February 15, 2008, and provided the Agency an opportunity to respond. The Agency did not have any comments on the report.

The estimated cost of this report – calculated by multiplying the project’s staff days by the applicable daily full cost billing rates in effect at the time – is \$54,227.

Because this report contains no recommendations, you are not required to respond to this report. We have no objections to the further release of this report to the public. This report will be available at <http://www.epa.gov/oig>.

Should you have any questions, please contact Paul Curtis, Director, Financial Statement Audits, at (202) 566-2523 or [Curtis.Paul@epa.gov](mailto:Curtis.Paul@epa.gov); or Meg Bastin, Project Manager, at (513) 487-2366 or [Bastin.Margaret@epa.gov](mailto:Bastin.Margaret@epa.gov).

# ***Status of Recommendations and Potential Monetary Benefits***

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date	Claimed Amount	Agreed To Amount
No recommendations							

<sup>1</sup> O = recommendation is open with agreed-to corrective actions pending  
 C = recommendation is closed with all agreed-to actions completed  
 U = recommendation is undecided with resolution efforts in progress

## ***Distribution***

Assistant Administrator, Office of Solid Waste and Emergency Response  
Assistant Administrator, Office of Administration and Resources Management  
Regional Administrator, EPA Region 2  
Director, Office of Grants and Debarment  
Director, Grants and Interagency Agreements Management Division  
Director, Office of Superfund Remediation and Technology Innovation  
Chief, Contracts Management Branch, Office of Superfund Remediation and  
Technology Innovation  
Director, Office of Financial Management  
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Audit Followup Coordinator, Office of Solid Waste and Emergency Response  
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Audit Liaison, EPA Region 2  
Chief, Grants and Contracts Management Branch, EPA Region 2  
Deputy Inspector General