



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

In February 2006, the Office of Inspector General recommended that the U.S. Environmental Protection Agency (EPA) timely review Superfund special accounts to ensure funds are used consistent with its guidance. We followed up on EPA's progress in implementing this recommendation by evaluating EPA's use of special accounts that had high available balances or were at least 10 years old.

Background

Section 122(b)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) authorizes EPA to retain and use funds received in settlements to address CERCLA response actions contemplated in the settlement agreements. EPA retains these funds in site-specific accounts, called "special accounts," which are sub accounts within the EPA Hazardous Substance Superfund Trust Fund (Trust Fund).

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/2008/20080317-08-P-0102.pdf

Making Better Use of Superfund Special Accounts in Region 8

What We Found

Region 8 can reclassify, or transfer to the Trust Fund, approximately \$8 million from the special accounts for the Portland Cement site in Utah. Construction was complete at the site in September 2006. However, in 2005, the Region identified a portion of the Portland Cement special accounts for reclassification. The Region said that there will be minimal but undetermined future costs for site maintenance at Portland Cement. These costs will be paid from the \$8.5 million balance. Region 8 can also reclassify, or transfer to the Trust Fund, approximately \$16,000 from four other special accounts.

Region 8 had not timely reviewed, reclassified, or transferred any of these funds because it was a low priority. The Region told us it planned to close or initiate closing the four other special accounts for approximately \$16,000 by October 2007, but the accounts have not been closed.

After receiving our draft report in February 2008, Region 8 reclassified approximately \$3 million from the Portland Cement special account. The Region said these funds will be used for cleanup needs at the Libby Superfund site in Montana and for Superfund records center site-specific work. The Region documented its plans to reclassify some portion of the remaining special account balance (about \$5 million) after it determines the amount of funds it will reimburse the State of Utah.

Had Region 8 more timely reclassified these special account funds, cleanup needs at the Libby Superfund site or at other sites that receive Trust Fund appropriations may have been met sooner. Once the Region reclassifies the special account funds reviewed here, more funds will be available to support other Superfund priorities.

What We Recommend

We recommend that the Region 8 Administrator reclassify, or transfer to the Trust Fund, \$8 million of the Portland Cement special accounts and approximately \$16,000 from the four other interest-only special accounts. Region 8 agreed with the recommendations, reclassified \$3 million from the Portland Cement account, and said all actions to respond to the open recommendations will be completed by June 15, 2008.