



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

OFFICE OF
INSPECTOR GENERAL

December 30, 2014

MEMORANDUM

SUBJECT: Project Notification:
Oversight of Superfund State Contracts for Remedial Activities
Project No. OA-FY15-0054

FROM: Paul Curtis 
Director, Financial Statement Audits

TO: Mathy Stanislaus, Assistant Administrator
Office of Solid Waste and Emergency Response

David Bloom, Acting Chief Financial Officer
Office of the Chief Financial Officer

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) is beginning an audit of the EPA's oversight of Superfund State Contracts (SSCs) for remedial activities. We included this project in our annual plan to evaluate the agency's SSC oversight process for remedial activities, and to determine whether the agency is recovering lawful costs from states.

The purpose of this memorandum is to confirm our mutual understanding on the objectives and scope of the audit, as well as responsibilities of the agency and the OIG during the project. Our preliminary research objectives are to determine whether the EPA:

1. Effectively oversees the SSC process for remedial activities.
2. Bills and collects appropriate SSC costs from states.
3. Properly approves and applies SSC credits and in-kind payments to Superfund sites.

We plan to conduct our work at EPA headquarters in Washington, D.C., select regional sites, and the Cincinnati Finance Center. We will interview appropriate personnel about EPA oversight policies and procedures for SSCs, and examine supporting documentation for SSCs and SSC credits. Our examination of SSCs will include regions that were selected based on our statistical sample selection. The anticipated benefit of this project is improved efficiency and effectiveness of SSC oversight and cost sharing. We will conduct this audit using generally accepted government auditing standards.

We would like to meet with you during the week of January 19, 2015, to discuss the purpose and objective of our audit. We will contact the audit liaison to arrange a specific time and date for the meeting. During the meeting, we will answer any questions you have about the audit process and discuss our methodology.

I will supervise the project, and Art Budelier is the Project Manager. To ensure the success and timely completion of this project, please provide the following information to Mr. Budelier prior to our initial meeting:

1. The SSC unearned revenue calculation spreadsheet prepared by the Cincinnati Finance Center as of December 31, 2014.
2. Written policies and procedures related to SSCs.
3. A listing of staff responsible for working on SSCs at EPA headquarters and regions. The list does not have to include On-Scene Coordinators, Remedial Project Managers, or Regional Project Officers.
4. A listing of active SSCs in each region, including the site name and site identification number.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objectives. We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the EPA Administrator and include the incident in the Semiannual Report to Congress.

Should you or your staff have any questions, please contact me at (202) 566-2523 or curtis.paul@epa.gov; or Art Budelier at (312) 353-9529 or budelier.arthur@epa.gov.

cc: Barry Breen, Principal Deputy Assistant Administrator, Office of Solid Waste and Emergency Response
Nitin Natarajan, Deputy Assistant Administrator, Office of Solid Waste and Emergency Response
Jim Woolford, Director, Office of Superfund Remediation and Technology Innovation, Office of Solid Waste and Emergency Response
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