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Annual
Superfund Report
to the Congress
for Fiscal 2000

ANNUAL SUPERFUND REPORT TO THE CONGRESS FOR FISCAL 2000

August 2001

Required by
Section 111(k) of the
Comprehensive Environmental Response, Compensation,
and Liability Act of 1980 (CERCLA),
as amended by the Superfund Amendments and
Reauthorization Act of 1986 (SARA)

**OFFICE OF THE INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY**

FOREWORD

This report covers fiscal 2000 activities of the Environmental Protection Agency (EPA) Office of the Inspector General (OIG), and is our 14th Annual Superfund Report to the Congress. The Superfund Amendments and Reauthorization Act of 1986 (SARA) requires the OIG to audit the Superfund program annually and to report to Congress annually on these audits.

In addition to reviewing Agency performance, we also take a proactive role to help EPA prevent future problems. During fiscal 2000, we assisted EPA management in a number of ways. We conducted a joint review with two other Agency offices on the management of Superfund collections and receivables. This review identified good practices, as well as areas for improvement for both EPA regions and Headquarters. The joint team also worked with the Department of Justice, which has collection responsibilities, to reconcile EPA and Justice records and improve coordination between the two agencies.

As an outgrowth of a site visit for an audit, we alerted EPA management that storm damage at the Ramapo Landfill site in New York had not been repaired after more than a year. We made suggestions to the Office of Chief Financial Officer to improve a draft model for estimating grant accruals at the end of the fiscal year. We also provided comments to this Office as it developed policy on *Reporting and Tracking Superfund Accounts Receivable*.

In our fiscal 2000 audit of the Hazardous Substance Superfund financial statements, we issued an unqualified opinion on the statements, but there continued to be some areas in which further improvements were needed. EPA's financial systems and methodologies were still not able to fully and reliably account for costs by strategic goals. EPA also needed to improve reconciliation of intra-governmental transactions and security of its core financial systems.

In following up our 1998 audit on Brownfields, we found EPA had taken significant steps to implement the recommendations we had made. We did find some areas where further improvements would be helpful. The Brownfields Cleanup Revolving Loan Fund grant program pilots have been slow to make loans, and EPA needed to provide additional flexibility in that program. Quarterly reports on site assessment

pilots were not always timely. Finally, EPA needed to better document its site assessment pilot process. The program provided a corrective action plan to provide these improvements.

We reviewed the question at the Lowry Landfill site in Colorado of whether groundwater was contaminated with radionuclides from the site. While Region 8 had made mistakes in how it had handled some public presentations about site conditions, it had taken meaningful steps to improve its communications with the public. The Region had retained an independent party to conduct additional groundwater tests to resolve public concerns and make sure the Lowry cleanup will adequately protect human health and the environment.

We reviewed the work of the National Remedy Review Board, which was created as one of the Superfund reforms EPA initiated in 1995. The Board was generally effective in performing comprehensive reviews of high-cost remedies and providing advice that fostered consistency in regional remedial decisions. The estimated cost savings from its decisions, totaling \$68 million at the time of our review, appeared realistic and sometimes conservative.

Senator Charles Robb asked us to review some aspects of the cleanup of the Abex site in Portsmouth, Virginia. Region 3 had inadvertently omitted a portion of the contaminated soil needing cleanup in its cleanup plan, but discovered the error before cleanup was scheduled. There were delays in testing duct work in apartments near the site for lead contamination which appeared to be related to EPA's lack of experience in cleaning duct work. As we recommended, the Region shared the lessons it learned in this process so that other regions could benefit from its experience.

Our Superfund investigative efforts continued to produce fines, restitutions, recoveries, and convictions for fraud and other improper actions of EPA contractors. False claims and fraud in the analyzing of samples from Superfund sites continued to be the primary bases for indictments and convictions related to Superfund work. The major false claims cases completed in fiscal 2000 provided large settlements benefitting other Federal agencies as well as EPA.

The Administration proposed in its fiscal 1998 budget to eliminate the requirement to issue this

report, along with the specific annual audits the report is required to summarize. This report is largely duplicative of our semiannual reports. Elimination of the specific audit requirements, outlined in the *Purpose* section of this report (page 1), would allow us to focus our audit efforts each year on those areas where they can be most productive. We encourage the Congress to take

this action.

We will continue to help the Agency implement Superfund more effectively and efficiently through program evaluations, audits, investigations, fraud prevention, and cooperative efforts with EPA management.

Nikki L. Tinsley

Nikki L. Tinsley
Inspector General

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The complete text of selected reviews is available through the EPA OIG internet home page. <http://www.epa.gov/oigearth>

PURPOSE

We provide this report pursuant to section 111(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended. The Superfund Amendments and Reauthorization Act of 1986 (SARA) amended that section of CERCLA to add several annual requirements for the Inspector General of each Federal agency carrying out CERCLA authorities. These requirements include four audit areas and an annual report to Congress about the required audit work. This report covers fiscal 2000 OIG Superfund activities. We discuss the required four audit areas below.

This report summarizes our work in the mandated audit areas. We also provide a broader picture of our Superfund efforts by summarizing other significant Superfund audit work, assistance to EPA management, and Superfund investigative work.

Trust Fund

CERCLA requires ". . . an annual audit of all payments, obligations, reimbursements, or other uses of the Fund in the prior fiscal year. . . ." We now meet this requirement through the financial statement audit required by the Government Management Reform Act.

Claims

CERCLA requires an annual audit to assure ". . . that claims are being appropriately and expeditiously considered" Since SARA did not include natural resource damage claims as allowable Fund expenditures, the only claims provided in CERCLA, as amended, are response claims.

Cooperative Agreements

CERCLA requires audits ". . . of a sample of agreements with States (in accordance with the provisions of the Single Audit Act) carrying out response actions under this title" We perform financial and compliance audits of cooperative agreements with States and political subdivisions. Some of our audits also review program performance.

Remedial Investigations/Feasibility Studies

CERCLA requires our ". . . examination of remedial investigations and feasibility studies prepared for remedial actions" We discuss our approach to this requirement in a chapter of this report.

BACKGROUND

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), Public Law 96-510, enacted on December 11, 1980, established the "Superfund" program. The purpose of the Superfund program is to protect public health and the environment from the release, or threat of release, of hazardous substances from abandoned hazardous waste sites and other sources where other Federal laws do not require response. CERCLA established a Hazardous Substance Response Trust Fund to provide funding for responses ranging from control of emergencies to permanent remedies at uncontrolled sites. CERCLA authorized a \$1.6 billion program financed by a five-year environmental tax on industry and some general revenues. CERCLA requires EPA to seek response, or payment for response, from those responsible for the problem, including property owners, generators, and transporters.

The Superfund Amendments and Reauthorization Act of 1986 (SARA), Public Law 99-499, enacted October 17, 1986, revised and expanded CERCLA. SARA reinstated the environmental tax and expanded the taxing mechanism available for a five-year period. It authorized an \$8.5 billion program for the 1987-1991 period. It renamed the Trust Fund the Hazardous Substance Superfund. The Budget Reconciliation Act of 1990 reauthorized the program for three additional years and extended the taxing mechanism for four additional years. Congress has continued to fund Superfund after expiration of the authorization and the taxing mechanism.

The basic regulatory blueprint for the Superfund program is the National Oil and Hazardous Substances Contingency Plan (NCP), 40 CFR Part 300. The NCP was first published in 1968 as part of the Federal Water Pollution Control Plan, and EPA has substantially revised it three times to meet CERCLA requirements. The NCP lays out two broad categories of response: removals and remedial response. Removals are relatively short-term responses and modify an earlier program

under the Clean Water Act. Remedial response is long-term planning and action to provide permanent remedies for serious abandoned or uncontrolled hazardous waste sites.

CERCLA recognized that the Federal Government can only assume responsibility for remedial response at a limited number of sites representing the greatest public threat. Therefore, EPA must maintain a National Priorities List (NPL), updated at least annually. The NPL consists primarily of sites ranked based on a standard scoring system, which evaluates their threat to public health and the environment. In addition, CERCLA allows each State to designate its highest priority site, without regard to the ranking system.

CERCLA section 104(c)(3) does not allow EPA to fund remedial actions unless the State in which the release occurs enters into a contract or cooperative agreement with EPA to provide certain assurances, including cost sharing. At most sites, the State must pay 10 percent of the costs of remedial action. EPA may fund 100 percent of site assessment activities (preliminary assessments, site inspections), remedial planning (remedial investigations, feasibility studies, remedial designs), and removals. For facilities operated by a State or political subdivision at the time of disposal of hazardous substances, the State must pay 50 percent of all response costs, including removals and remedial planning previously conducted.

CERCLA sections 104(c)(3) and 104(d) authorize EPA to enter into cooperative agreements with States or political subdivisions to take, or to participate in, any necessary actions provided under CERCLA. A cooperative agreement serves to delineate EPA and State responsibilities for actions to be taken at the site, obtains required assurances, and commits Federal funds. EPA uses cooperative agreements to encourage State participation in the full range of Superfund activities - site assessment, remedial, removal, and enforcement.

ASSISTANCE TO EPA MANAGEMENT

Besides performing audits and investigations, the OIG responds to EPA management requests for review of vulnerable program areas and OIG input in the development of regulations, manuals, directives, guidance, and procurements. These are efforts to prevent problems that might later result in negative audit findings or investigative results, or to respond to prior audit findings. The OIG reviews and comments on draft documents prepared by Agency offices. OIG staff also participates in conferences and EPA work groups to provide input. The OIG continued such efforts in fiscal 2000 in assistance to EPA management both in work specifically focused on Superfund and in crosscutting work affecting Superfund. We summarize below some of our Superfund-related activities assisting management.

Management of Superfund Collections and Receivables

OIG staff worked on a team with staff from the Office of Site Remediation Enforcement in the Office of Enforcement and Compliance Assurance and from the Financial Management Division to improve management of Superfund collections and receivables. When we began this effort, EPA had more than half a billion dollars in Superfund accounts receivable that had been delinquent for longer than 120 days. The joint team visited three EPA regions to identify both good practices as well as areas needing improvement. The team also worked with the Department of Justice, which has collection responsibilities, to reconcile EPA and Justice records and improve coordination between the two Federal agencies. In addition, the team identified areas in which EPA Headquarters offices could provide better guidance and support.

Initiation of Damage Repair at Ramapo Superfund Site After OIG Site Visit

A site visit by EPA OIG auditors at the Ramapo Landfill, a Superfund site in Ramapo, New York, disclosed storm damage had remained unrepaired for close to a year. Two down chutes had been damaged by August 1999 rainstorms and the September 1999 Tropical Storm Floyd. The geocomposite cover along the down chutes was exposed down to the rubber impermeable membrane, with a two-foot-square opening in one section. A December 1999 EPA Five-Year Review report had noted the damage and

indicated that the Town intended to repair it in the spring of 2000. However, due to funding problems, the Town had not repaired the damage at the time of our July 18, 2000 site visit, and did not expect to begin construction for at least two months. While the conditions did not pose an imminent danger to public health or the environment, the potential for substantial compromise of the integrity of the landfill cap and subsequent health risk existed as long as the conditions remained unrepaired.

On August 1, 2000, the OIG issued an advisory memorandum urging temporary measures be taken to protect the site until the permanent repair could be undertaken. On September 26, 2000, Region 2 responded to our memorandum with an update in the status of cap repair work at the Ramapo Landfill site. The Region reported that the Town had awarded an engineering and construction contract for redesign of the landfill's surface drainage system and repair of the landfill cap. The Region indicated that construction was underway.

Lowry Landfill

We worked closely with Region 8 to implement recommendations in our *Region 8 Lowry Landfill Groundwater Treatment Decision Has Been the Subject of Public Criticism and Negative Publicity* report, issued on February 29, 2000. Region 8 consulted with us regarding the recommended role of the United States Geological Survey in determining the amount and level of radionuclides at the Lowry Landfill.

Development of Model for Grant Accruals

The Office of the Chief Financial Officer (OCFO) engaged a major international accounting firm to assist them in developing an approach to provide grant accrual information for the EPA year end financial statements. It is necessary to have an accurate grant accrual estimate to meet accounting standards and earn a clean opinion on EPA's financial statements, including the Superfund Trust Fund Financial Statements.

The firm developed a proposed mathematical model using historical data to meet OCFO's needs. The OIG analyzed the approach provided by the OCFO and expert contractor and concluded

that the approach was flawed, and that it would inevitably result in the EPA receiving a qualified opinion on their fiscal 2000 financial statements. The grant accrual projection that the model provided would have understated the true accrual by a material amount.

The OIG recommended a potential solution to the flaw in the model. OCFO considered our recommendation and adopted our proposed solution.

Agency Oversight Costs under Superfund Unilateral Administrative Orders

In response to prior audit recommendations, OCFO specifically addressed the tracking of demands for Agency oversight costs incurred under Superfund Unilateral Administrative Orders (UAOs) by issuing policy on *Reporting and Tracking Superfund Accounts Receivable* in January 2000. The guidance clarified the difference between administrative orders and UAOs, and described when amounts due under these documents should either be recorded as accounts receivable or tracked within the Agency's Integrated Financial Management System. During the development of this guidance, the OIG commented on drafts to ensure our audit concerns were adequately addressed.

HAZARDOUS SUBSTANCE SUPERFUND

The Government Management Reform Act requires Federal agencies to prepare annual audited financial statements. The requirement for audited financial statements was enacted to help bring about improvements in agencies' financial management practices, systems and controls so that timely, reliable information is available for managing Federal programs. One of the major entities covered by these financial statements is the Hazardous Substance Superfund Trust Fund. The EPA OIG's requirement to audit EPA's financial statements also meets our CERCLA audit requirement to annually audit the Superfund Trust Fund, which we previously referred to as our Trust Fund audit. The following summary of our fiscal 2000 financial statement audit relates to all findings resulting from our audit of EPA's financial statements, including the Hazardous Substance Superfund.

EPA Earns Unqualified Opinion on Financial Statements

EPA earned an unqualified opinion on its fiscal 2000 financial statements. This is a major accomplishment for the Agency. Nonetheless, the Agency needs to further improve its financial statement preparation processes to ensure accuracy, timeliness, and better day-to-day management. In evaluating EPA's internal controls, we noted certain matters that we consider to be reportable conditions, but none are believed to be a material weaknesses which would prevent the presentation of reliable financial statement amounts.

We did not identify any instances of

noncompliance with laws and regulations that would result in material misstatements to the audited financial statements. However, we did note EPA was not in substantial compliance with Statement of Federal Financial Accounting Standards No. 4 that requires EPA to determine the full costs of its activities, regularly accumulate and report cost of activities, and use appropriate costing methodologies. We also noted noncompliance related to reconciliation of intra-governmental transactions and financial system security.

EPA continues to make progress with completing Federal Financial Management Improvement Act remediation plan actions. EPA made significant improvements in the financial statement preparation process, financial system security plan, and federal trading partner information.

In response to our draft report, the Agency concurred with most of our recommendations and indicated it had completed or planned a number of corrective actions. However, the Agency disagreed with our conclusions that the process for preparing financial statements was a reportable condition and that there was noncompliance with the managerial cost accounting standard. We issued the final report (2001-1-00107) on February 28, 2001.

In its July 5, 2001, response to our final report, the Agency reported further progress in implementing corrective actions. It also continued to disagree with us on the issues noted in the paragraph above, although it is taking some corrective actions relative to those issues. We will continue to work toward ultimate resolution of these issues.

ASSISTANCE AGREEMENTS

In fiscal 2000, we issued two reports reviewing cooperative agreements with states, and a report on deobligation of Interagency Agreement (IAG) funds.

We summarize the more significant of the cooperative agreement reports and the IAG deobligations report below.

Ohio Needed to Improve Administration of Superfund Cooperative Agreement

The Ohio Environmental Protection Agency (Ohio) needed to improve its financial and program results reporting and its procedures for drawing down cash under a consolidated Superfund cooperative agreement that provided \$5.5 million in federal funding.

On September 30, 1997, EPA Region 5 awarded Ohio a consolidated cooperative agreement for several different types of general and site-specific Superfund activities. The agreement, as amended, authorized federal assistance of \$5,528,747 and required State matching costs of \$192,732 through June 30, 2001. Although in general Ohio was meeting the objectives of the cooperative agreement, we found that:

- Ohio had not met its 10 percent cost sharing requirement for core activities in fiscal years 1998 and 1999. As of September 30, 1999, Ohio had under-matched core activity expenses by more than \$76,000.
- Ohio's cash draw downs exceeded the Federal share of expenses under the cooperative agreement. As a result, Ohio frequently carried excess cash balances at the end of the month and occasionally did not request enough funds to cover expenses, resulting in a negative cash balance at the end of the month.
- Ohio had not submitted accurate or timely Financial Status Reports. As a result, Region 5 was not aware of the financial status of the program or the misstatement of Federal and State expenses.
- Ohio had not always identified the site-

specific activity performed in its fiscal year 1999 progress reports. As a result, Region 5 may not be able to recover more than \$45,000 of Ohio's payroll costs from responsible parties because the specific tasks were not always identified.

We recommended that the Regional Administrator for Region 5: (1) clarify reporting requirements for Ohio, (2) ensure that Ohio reconciles and confirms its cost sharing requirements, (3) require Ohio to develop an effective method for determining cash needs, and (4) require Ohio to ensure that employees provide the description of the work required to support cost recovery efforts. The Regional Administrator and Ohio agreed to work together to resolve the issues and implement recommendations. We issued the final report (2000-P-00020) on September 15, 2000. Because the Region's proposed actions in response to the draft report would address the findings and recommendations in our report, we closed the final report upon issuance.

EPA Did Not Deobligate Unliquidated Obligations for IAGs Timely

EPA spends millions of dollars each year to obtain goods or services from other Federal agencies through IAGs, much of it in connection with the Superfund program. In December 1998, EPA had \$1.29 billion in open obligations for IAGs. We found unliquidated obligations for IAGs were not deobligated in a timely manner because the responsible agency officials had not placed sufficient emphasis on oversight of these funds. The deobligation process is critical to EPA's efforts to maximize the use of funds. Although the Agency has policies and procedures governing the responsibilities for oversight of IAGs, and for deobligating funds, Agency officials did not consistently follow the procedures. This resulted in IAG funds remaining obligated to projects which were either completed or canceled. Of the \$4.7 million in unliquidated obligations reviewed, we identified \$2.3 million (49 percent) which should have been deobligated and used for other purposes, or which may have expired.

We determined that: (1) funds from inactive IAGs had not been timely deobligated, (2) interaction among Agency offices to deobligate IAG funds needed improvement, (3) the unliquidated review process could be strengthened, (4) Region 7 and Region 2 were proactive in deobligating IAG funds, and (5) the new IAG Close-Out Policy was a key factor in more IAG funds being deobligated. We concluded that Agency officials responsible for IAG funds control need to exercise better oversight of unliquidated obligations, and consistently implement their IAG policies and procedures.

We recommended that EPA deobligate \$2.3 million in unliquidated obligations no longer

valid, and review all IAGs inactive for 18 months or more to determine if funds should be deobligated. We also recommended the reinforcement of responsibilities for the ongoing review of IAG funds. To enhance EPA's review process, we recommended that the annual unliquidated obligation report be prepared in a format showing the age of the outstanding unliquidated balances.

We issued the final report (2000-P-00004) to the Assistant Administrator for Administration and Resources Management and the Chief Financial Officer on December 10, 1999. In response to our report, the Agency agreed to actions to address the issues we raised although with some alternative approaches to our recommendations.

REMEDIAL INVESTIGATIONS/FEASIBILITY STUDIES

We explained in last year's Report that we had refocused our attention to Superfund site characterization and remedy selection. In that reporting period, we undertook in-depth reviews of the reliability of site-specific analytical data as a basis for sound site remediation decisions.

The remedial investigation/feasibility study activity at Superfund sites is highly data dependent. If analytical data quality is inadequate, even strict adherence to Agency rules and guidance in carrying out the remedial investigation/feasibility study process will not assure sound decision making.

In fiscal 1999 we initiated assessment of instances of possible misrepresentation of analytical data produced in both Agency and contractor laboratories. We continued those assessments in

fiscal 2000.

We also completed acquisition and testing of an automated analytical data processing system that enables us to review analytical data sets for indications of improper manual manipulation of noncompliant analytical results to achieve method-specified or contract-specified quality. We are using this tool in support of ongoing investigations of suspected laboratory fraud, and it is also available for assessing analytical data quality on an ongoing basis.

We believe that our resources are better used in seeking to assure data of known quality to support Superfund remedial decision making than in site-specific retrospective reviews of the remedial planning process.

RESPONSE CLAIMS

Section 111(a)(2) of CERCLA, as amended by SARA, authorizes EPA to pay any claim for response costs incurred by "any other person" as a result of carrying out the NCP. Additionally, section 122(b)(1) of CERCLA, as amended by SARA, authorizes the President to reimburse Potentially Responsible Parties (PRPs) for "certain costs of actions under the agreement that the parties have agreed to perform but which the President has agreed to finance." The President delegated this authority to the EPA Administrator under Executive Order 12580, January 26, 1987, who further delegated it to EPA's Office of Solid Waste and Emergency Response. Authority for decisions regarding claims against the Fund is currently delegated to the Director, Office of Emergency and Remedial Response.

PRPs are required to enter into a Preauthorized Decision Document (PDD) with EPA to cover work for which some costs will be reimbursed. The PDD specifies the work to be performed, the portion of the cost that EPA will reimburse, and the procedures through which the PRPs can make claims for reimbursement.

During fiscal 2000, we issued four memorandums concerning our reviews of response claims. Our response claim reviews are not audits, but rather follow instructions in the Agency's claims guidance for the claims adjuster.

Parker Landfill Site

We reviewed claimed costs of \$4,156,800 for work performed to clean up the Parker Landfill site in Lyndon, Vermont. Under the PDD for the site, the claimant cleaning up the site is entitled to submit claims covering 47 per cent of eligible costs, not to exceed a total of \$3,015,432. This was the first claim submitted, and was for costs incurred from August 5, 1997 through December 31, 1999.

In our memorandum of August 21, 2000 (2000-S-00005), we recommended that the claim be paid except for \$302,590 (\$142,217 EPA share) in ineligible, unsupported, and unreasonable costs. We questioned \$277,439 as ineligible because the costs were incurred prior to the PDD date. We also questioned \$18,001 as unsupported because there was no documentation that it had been paid. In addition, we questioned \$7,150 as unreasonable because it was a cost estimate which the claimant mistook for an invoice. We also made

recommendations for improvements in the claimant's cost accounting procedures.

EPA allowed the costs questioned as ineligible because the claimant had been expressly told that pre-PDD costs would be covered in this case. EPA disallowed the costs we questioned as unsupported and unreasonable.

LCP Chemicals Site

We reviewed claimed costs of \$6,323,041 for work performed to clean up the LCP Chemicals site in Brunswick, Georgia. Under the PDD for the site, the three claimants cleaning up the site are entitled to submit claims covering 34.5 per cent of eligible costs, not to exceed a total of \$1,700,000.

In our memorandum of November 3, 1999, we questioned \$138,801 in claimed costs as unsupported because we found no documentation that this amount was actually paid. Because the EPA portion of the accepted claimed costs still exceeded the PDD ceiling, we recommended acceptance of the claimed amount of \$1,700,000.

Harvey & Knotts Drum Site

We reviewed a claim of \$1,182,206 for work performed to clean up the Harvey & Knotts Drum site in Kirkwood, Delaware. Under the PDD for the site, the claimant cleaning up the site is entitled to submit claims covering one-third of eligible costs, not to exceed a total of \$3,086,000.

In our memorandum of July 6, 2000 (2000-M-00018), we questioned \$48,000 of the claimed \$3,550,167 total costs (\$16,000 EPA share) because they were double billed. The claimant concurred with this finding. We recommended the claimant be awarded the balance of \$1,166,206.

C & D Recycling Site

We reviewed claimed costs of \$5,735,213.99 for work performed to clean up the C & D Recycling site in Foster Township, Luzerne County, Pennsylvania. Under the PDD for the site, the claimant cleaning up the site was entitled to submit claims not to exceed a total of \$3,000,000.

During our review, we identified additional costs

totaling \$1,482,476.88. However, this has no effect on the amount to be paid because of the \$3,000,000 cap. In our memorandum of May 17,

2000 (2000-M-00013), we recommended the claimant be paid the requested \$3,000,000 cap amount.

INTERNAL AUDITS AND SPECIAL REVIEWS

In addition to reviews required by CERCLA, as amended, we conduct other reviews of EPA's management of the Superfund program. We summarize below some particularly significant reviews of EPA management completed in fiscal 2000 not summarized elsewhere in this Report.

Brownfields Initiative to Revitalize Urban Areas Had Progressed

EPA had taken significant steps to implement recommendations in our original March 1998 report. For example, the Brownfields pilot proposals were more focused on site assessment than before. Also, site assessment pilots were providing better quarterly reports to EPA. However, the loan program had been slow to make loans, and better reporting and documentation were needed in certain areas relating to site assessment pilots. The purpose of the Brownfields Initiative is to restore contaminated industrial and commercial facilities to productive use. The following areas needed improvement:

- The Brownfields Cleanup Revolving Loan Fund (BCRLF) grant program pilots had been slow to make loans. As of June 30, 2000, only about \$1 million of \$43 million available had been lent, and only one cleanup had been completed. The Fund needed additional flexibility and time before its success can be fairly evaluated.
- Site assessment pilots needed to improve on the timeliness of their quarterly reports to EPA.
- The site assessment pilot selection process needed to be better documented. In general, the strength of regional quality assurance programs varied.

We recommended that EPA complete implementing our prior recommendations, revise and better document the results of the assessment pilot selection process, evaluate regional implementation of quality assurance guidelines, and clarify pilot reporting requirements. The Agency's response to our draft report included corrective actions that, when completed, will address the recommendations. We issued the final report (2000-P-00027) on September 29, 2000.

As of August 2001, the Agency reported that the BCRLF pilots had made nine loans for a total of \$2.66 million, with additional loans in process.

EPA Planned Additional Tests to Increase Public Confidence in Cleanup

Region 8 was confident that the risk from radionuclides at the Lowry Landfill site is low, and that early warning systems and effective monitoring to detect radionuclides throughout the treatment process should ensure protection. We found no apparent credible evidence that man-made radionuclides were illegally disposed at the Lowry site. Region 8 had taken steps, including hiring an independent party to conduct additional groundwater tests, to assure the Lowry cleanup plan adequately protects human health and the environment and help allay public concerns.

From the mid-1960s until 1980, the City and County of Denver operated an industrial liquid waste and municipal solid waste landfill at the Lowry Landfill site. More than 130 million gallons of liquid waste were disposed of at the site. Over time the liquid seeped through the soil and mixed with groundwater. Some members of the public criticized the way Region 8 addressed the question of whether radionuclides (materials that exhibit radioactive decay) were in the groundwater at the Lowry site and challenged whether the Lowry cleanup plan adequately protected human health and the environment. Radionuclides can cause potential health effects in humans by directly damaging sensitive biological tissue.

Region 8 did not effectively manage four public presentations we evaluated in which members of the public, concerned about radionuclides, challenged the Region's decision to send Lowry groundwater offsite to public wastewater treatment facilities. Region 8's mistakes in the handling of the presentations increased public criticism and negative publicity about its offsite treatment decision. We found Region 8 had taken meaningful steps to more effectively communicate with the public and better manage situations when the public challenges its cleanup decisions.

We recommended that the Regional Administrator implement the independent party's recommendations, as appropriate, to ensure monitoring and early warning systems are adequate to detect unacceptable levels of radionuclides in groundwater before it leaves the site; clearly explain to the public the factors involved in making site decisions; and carefully plan for all public meetings.

We issued the final report (2000-P-00007) to the Region 8 Administrator on February 29, 2000. In response to the draft report, the Region concurred with the recommendations in the report and indicated that it was taking steps to address them. In response to the final report, the Region provided an action plan for implementing the recommendations.

National Remedy Review Board Saves Millions in Cleanup Costs

Actions by EPA's National Remedy Review Board (NRRB) will save an estimated \$68 million at Superfund cleanup sites. These savings are attributable to effective operations and decisions by the NRRB.

In 1995, EPA created the NRRB as part of a comprehensive package of reforms to make the Superfund program faster, fairer and more efficient. The NRRB is a peer group composed of 20 EPA managers and senior technical experts. NRRB's goal is to annually review about 10 percent of all proposed cleanup remedies for Superfund sites. The reviews are generally limited to proposed high-cost cleanup decisions that meet specific dollar thresholds to assure that the proposed remedies are cost efficient and consistent with current law, regulations, and guidance. As of December 1998, the NRRB had reviewed proposed cleanup decisions for 34 sites with estimated costs of almost \$2.9 billion. As of January 1999, EPA regions had documented estimated future savings of \$68 million based on NRRB recommendations for seven of the 34 sites.

We found the NRRB was generally effective in performing comprehensive reviews of high-cost remedies and providing advice that fostered consistency in regional remedial decisions. The estimated savings resulting from the NRRB's decisions appeared to be realistic and sometimes conservative. NRRB's requirements for regional proposal packages and subsequent reviews have

also promoted improved decision-making and documentation of proposed remedies by regional staffs. We identified several opportunities for EPA to improve the NRRB's operations and offered suggestions for implementing these improvements.

We issued the final report (2000-P-00005) to the Assistant Administrator for Solid Waste and Emergency Response on December 21, 1999. Since there were no formal recommendations, the report was closed upon issuance.

EPA Protected Public Despite Difficulties in Managing Abex Site Cleanup

Senator Charles Robb requested that our office review specific topics related to EPA's cleanup of the Abex Superfund site in Portsmouth, Virginia. His office was concerned about the adequacy of site cleanup and whether Region 3 sufficiently addressed concerns of the Washington Park Housing residents about lead in their heating ducts.

The Region inadvertently omitted a portion of the contaminated soil in the cleanup plan. However, this oversight was discovered before the contaminated area was scheduled for cleanup. There was an unusual amount of personnel turnover during the design phase, with three remedial project managers assigned to this site in a 14-month period. The Region indicated this turnover contributed to the misunderstanding of what area was to be cleaned up. We later reviewed this issue separately.

Between 1997 and 1999, the Region conducted lead sampling inside the apartments and did not find significant amounts of contamination. However, the Region did find lead at levels of concern inside the ducts and arranged cleanup. Because EPA had no prior experience in cleaning duct work, we did not consider delays in testing to be intentional.

We recommended the Region inform other EPA Regions of its experience with testing inside ducts for lead contaminants. We issued our final memorandum report (2000-S-00006) to the Region 3 Administrator on August 31, 2000. In response to the final report, the Region issued a memorandum to its site managers on lessons learned and transmitted that memorandum to

Headquarters for sharing with other regions.

INVESTIGATIVE ACTIVITY

The OIG Office of Investigations (OI) continues to focus its investigative resources on high cost program and administrative areas. Priority is also given to environmental programs and employees when the action under investigation has the potential to seriously undermine the integrity of the Agency and/or the public trust in its ability to carry out its mission to protect public health and safeguard the environment. Many of our investigations resulted in successful prosecutions of companies and individuals who jeopardized public health and the environment by falsifying environmental test data and reports that the Agency, local governments, and individual customers rely on to assess threats and control hazardous wastes, toxins, and other contaminants that pollute our ground water, rivers, and streams.

Major proactive investigative efforts have covered all stages of the Superfund program, with a special emphasis on contracting for removals and remediation. As a result of OI proactive efforts in prior years, we continue to initiate criminal investigations across the nation. We continue to see a corresponding increase in the number of civil cases filed as a result of this investigative activity. Responding to an increase in investigative referrals, OI continued its initiative to detect and investigate laboratory fraud within the environmental community, involving commercial, contractual, and Agency, laboratories. Over the last five years, monetary fines, restitution, and recoveries resulting from Superfund program investigations totaled more than \$75 million. We expect to see a continued increase in significant actions as a result of OI's investigative emphasis on major Agency contracting.

During fiscal 2000, our Superfund investigative efforts resulted in 1 conviction, 13 indictments, and 11 civil/administrative actions. Monetary fines, restitution, and recoveries resulting from investigations totaled \$61.9 million. At the end of fiscal 2000, we had 57 active Superfund investigations, 33 percent of all active OIG investigations at EPA.

We give examples of Superfund investigative activity with results in fiscal 2000 in the following synopses.

Excess Lease Costs Case Resulted in \$35 Million Settlement

In March 2000, Jacobs Engineering Group, Inc. (Jacobs), entered into an agreement with the United States in U.S. District Court, Central District of California, to settle a civil lawsuit charging that Jacobs submitted false claims for 15 years by charging excess lease costs to its government contracts. The original complaint was filed as a False Claims Act *qui tam* suit alleging that Jacobs had knowingly violated a provision of the Federal Acquisition Regulation governing sales and leaseback arrangements.

The suit alleged that Jacobs overcharged the EPA; the Departments of the Air Force, Army, and Navy; the Department of Energy; and the National Aeronautics and Space Administration. According to the complaint, Jacobs sold its corporate headquarters in 1982 and then entered into a 15-year leaseback agreement that included rates in excess of its prior ownership costs, passing the higher rental costs to the government in the form of unallowable charges on its contracts. Jacobs, headquartered in California and one of the largest global engineering, architecture, technology, and construction firms, had performed work for EPA under the construction grant program. EPA was awarded \$669,674 in damages by the settlement.

This investigation was conducted jointly by the EPA OIG, the Air Force Office of Special Investigations, the Naval Criminal Investigative Service, the Army Criminal Investigation Division Command, and the Department of Energy OIG, with the Defense Contract Audit Agency providing audit support.

Contractor False Claims Settlement Saved EPA \$24.3 Million

Kaiser Group International, Inc., entered into a settlement with the United States Attorney's Office under which the government will realize \$24.3 million in contract savings. The agreement, reached on September 15, 2000, in the Eastern District of Virginia, settled a federal False Claims Act case that involved the EPA and 17 other federal departments/agencies.

The settlement was the culmination of a lengthy investigation that disclosed that Kaiser (formerly

ICF Kaiser International, Inc.) billed government contracts for computer center costs in excess of costs actually incurred. In addition, EPA OIG questioned costs relating to the allocability, allowability, and reasonableness of Kaiser's direct and indirect costs dating back to their fiscal year ending February 28, 1985, due to unsatisfactory documentary support.

Under the terms of the settlement agreement, the government's potential contract savings could reach \$390.1 million pending verification of unbilled obligated fund balances by the 17 other federal departments/agencies. In settling the final rates, EPA to date will realize \$23.2 million in contract savings due to Kaiser's agreement to relinquish all rights in potential claims in the form of retainages, rate variances, costs, profits, and fees accrued or otherwise owed in connection with services provided under a schedule of government contracts from March 1, 1985 through December 31, 1999. Additionally, in settling the alleged false claims associated with the computer center over billing, Kaiser agreed to forgo \$828,604 in repudiated claims against two Department of the Navy contracts. *This investigation was conducted jointly by the EPA OIG and the Nuclear Regulatory Commission OIG.*

Three Laboratory Employees Sentenced for Falsifying Test Results at a North Carolina Laboratory

Three employees of CompuChem Environmental Corporation of Cary, North Carolina, were sentenced in U. S. District Court, Eastern District of North Carolina, on charges of making a false statement and aiding and abetting others in the commission of making a false statement.

On October 29, 2000, Mark Bevan, a laboratory supervisor, was sentenced to 3 years probation, 100 hours of community service, and ordered to pay a \$1,000 fine. On December 16, 1999, Richard P. Lemis, a second shift supervisor at the laboratory, was sentenced to 3 years probation, 75 hours of community service, and ordered to pay \$2,100 in restitution. On December 17, 1999, Valerie Smith, a chemist, was sentenced to 5 years probation, a period of home confinement not to exceed 180 consecutive days, 100 hours of community service, and ordered to pay \$1,800 in restitution.

Bevan, Lemis, and Smith had been charged with conducting improper gas chromatograph/mass

spectrometer analyses on samples taken from hazardous waste sites nationwide and falsely certifying that the analyses complied with all EPA contract requirements. The EPA relies on the testing data provided by laboratories participating in the Contract Laboratory Program to assess threats to public health and the environment and to determine where and when remedial action is needed.

Former Employees of Laboratory Contractor Charged in 30-Count Indictment

A vice president and 12 former employees of Intertek Testing Services Environmental Laboratories, Inc. (ITS), were indicted in U.S. District Court on charges of conspiracy, mail fraud, wire fraud, and presenting false claims against the United States. The indictments were handed down on September 21, 2000, in the Northern District of Texas. ITS was formerly known as NDRC Laboratories, Inc., and Inchcape Testing Services Environmental Laboratories, Inc.

Between January 1994 and December 1997, ITS, a full-service environmental testing laboratory, generated \$35.7 million in gross billings and performed environmental sample analysis on more than 59,000 separate environmental projects involving more than 250,000 samples of air, soil, liquids, pesticides, explosives, and nerve/chemical agents. These analyses were conducted for determining, among other things, the presence of known or suspected human cancer-causing contaminants.

The 30-count indictment charges that each of the 13 named defendants was involved in the conspiracy at some time during the period 1988 through 1997. The alleged conspiracy involved:

- altering data to make diagnostic instruments appear to be properly calibrated and within the quality control limits when they were not;
- falsely certifying that the equipment used to perform the analyses was properly calibrated and within the quality assurance/quality control criteria set by their clients and the EPA;
- presenting reports of analysis on previously submitted environmental samples; and
- representing that ITS analysis of samples

was done in accordance with contract specifications requiring specific procedures, quality controls, and assurance methods.

This investigation was conducted jointly by the

EPA OIG, the EPA Criminal Investigations Division, the Defense Criminal Investigative Service, the Army Criminal Investigation Command, and the Air Force Office of Special Investigations.

FISCAL 2000 SUPERFUND REPORTS

Internal and Management Reports

<u>Report No.</u>	<u>Description</u>	<u>Date</u>
Review Related to Statutory Requirements (other than IG Act)		
2000-P-00002	Superfund Annual Report to Congress Review-Fiscal 1998	10/27/99
Follow-up Reviews		
2000-P-00027	Brownfields Initiative to Revitalize Urban Areas	9/29/00
2000-P-00026	Region 5's Billing and Collections of Accounts Receivable	9/28/00
Other Performance Reviews		
2000-S-00006	Abex Superfund Site Management	8/31/00
2000-P-00004	Interagency Agreement Deobligations	12/10/99
2000-P-00007	Lowry Landfill Groundwater Treatment Decision	2/22/00
2000-P-00005	National Remedy Review Board Effectiveness	12/21/99
2000-P-00014	Region 2's Collection of Oversight Costs from PRPs	3/29/00

Cooperative Agreement Reports

2000-3-00100	Delaware Dept. of Natural Resources and Environmental Control	6/14/00
2000-P-00020	Ohio Environmental Protection Agency	9/18/00

Response Claims Reports¹

2000-M-00013	C & D Recycling Site, Foster Township, Luzerne County, PA	5/17/00
2000-M-00018	Harvey & Knotts Drum site, Kirkwood, Delaware	7/ 6/00
2000-S-00005	Parker Landfill site, Lyndon, Vermont	8/21/00

Contract Reports

¹ Some response claims reviews may be completed with just a memorandum and not a numbered report.

<u>Report No.</u>	<u>Description</u>	<u>Date</u>
<i>Initial Pricing Reviews (Preward Audits)</i>		
2000-2- 00033	Ecology & Environment, Inc. - Army & Air Force Natl. Guard	9/29/00
2000-2- 00014	Ecology & Environment, Inc. - Site Assessment Team - Region 2	8/18/00
2000-2- 00013	Ecology & Environment, Inc. - START - Region 4	8/18/00
2000-2- 00016	Ecology & Environment, Inc. - START - Region 8	9/20/00
2000-2- 00015	Malcolm Pirnie, Inc. - Site Assessment Team - Region 2	8/25/00

FISCAL 2000 SUPERFUND REPORTS

Contract Reports (continued)

<u>Report No.</u>	<u>Auditee/Description</u>	<u>Date</u>
Incurred Costs		
2000-1-00315	Ageiss Environmental, Inc. - Fiscal 1997	6/ 7/00
2000-1-00127	Armstrong Data Services - Fiscal 1996	12/14/99
2000-1-00293	Arthur D. Little - Fiscal 1995	5/ 8/00
2000-1-00292	Arthur D. Little - Fiscal 1996	5/ 8/00
2000-1-00063	Bechtel Group, Inc. - Fiscal 1996	10/22/99
2000-1-00249	Bechtel Group, Inc. - Fiscal 1996	3/22/00
2000-1-00186	Bechtel Group, Inc. - Fiscal 1997	1/24/00
2000-1-00248	Bechtel Group, Inc. - Fiscal 1998	3/16/00
2000-1-00218	Bionetics Corp. - Fiscal 1996	2/ 9/00
2000-1-00136	Black & Veatch - Fiscal 1993 ARCS	12/17/99
2000-1-00139	Black & Veatch Special Projects Corp. - Fiscal 1995	12/17/99
2000-1-00137	Black & Veatch Waste Science - Calendar 1994 ARCS	12/17/99
2000-1-00138	Black & Veatch Waste Science - Calendar 1994 ARCS	12/17/99
2000-1-00038	Booz & Allen - Fiscal 1998	10/12/99
2000-1-00350	Brown & Root Environmental - Fiscal 1997	8/ 4/00
2000-1-00337	CDM Federal Programs Corp. - Fiscal 1998	7/10/00
2000-1-00322	Computer Sciences Corp. - Fiscal 1995 and 1996	6/16/00
2000-1-00006	Development Planning & Research Associates, Inc.- Fiscal 1998	10/ 5/99
2000-1-00264	Development Planning & Research Associates, Inc.- Fiscal 1999	4/ 4/00
2000-1-00321	Dyncorp, Inc. - Calendar 1997-1998	6/16/00
2000-1-00009	Earth Technology Remediation Service - Fiscal 1997	10/ 5/99
2000-1-00183	Environmental Management Support - Fiscal 1997-1998	1/12/00
2000-1-00318	Environmental Quality Management, Inc. - 1998	6/ 7/00
2000-1-00375	Four Seasons Industrial Services - Fiscal 1993	8/25/00

Contract Reports (continued)

<u>Report No.</u>	<u>Auditee/Description</u>	<u>Date</u>
2000-1-00376	Four Seasons Industrial Services - Fiscal 1994	8/25/00
2000-1-00377	Four Seasons Industrial Services - Fiscal 1995	8/25/00
2000-1-00423	Gannett Fleming Environmental Engineers - Fiscal 1998	9/27/00
2000-1-00310	Griffin Services, Inc. - Fiscal 1994-96	5/25/00
2000-1-00351	Halliburton/NUS c/o Brown & Root - Fiscal 1996	8/ 4/00
2000-1-00432	Jacobs Engineering - Fiscal 1996	9/27/00
2000-1-00343	Life Systems - Fiscal 1990-93 Supplemental	7/26/00
2000-1-00158	Lockheed - Fiscal 1991	12/22/99
2000-1-00273	Lockheed Martin Services Group - Fiscal 1997	4/10/00
2000-1-00008	Marasco Newton Group, Ltd. - Fiscal 1997	10/5/99
2000-1-00422	Marasco Newton Group, Ltd. - Fiscal 1998	9/27/00
2000-1-00418	Metcalfe & Eddy, Inc. - Fiscal 1991-95	9/22/00
2000-1-00086	Morrison Knudsen Co. - Fiscal 1996	11/23/99
2000-1-00084	Morrison Knudsen Co. - Fiscal 1997	11/23/99
2000-1-00352	Morrison Knudsen Co. - Fiscal 1998	8/ 7/00
2000-1-00212	Northbridge Environmental Management Consultants- Fiscal 1995	2/ 4/00
2001-4-00005	Northbridge Environmental Management Consultants- Fiscal 1996	10/14/99
2000-1-00319	Parsons Engineering Science - Fiscal 1994	6/ 8/00
2000-1-00379	PRC/Tetra Tech Environmental Management, Inc. - Fiscal 1998	8/30/00
2000-1-00017	Program Resources, Inc. - Fiscal 1994	10/7/99
2000-1-00228	Roy F. Weston, Inc. - Fiscal 1997	2/17/00
2000-1-00413	Roy F. Weston, Inc. - Fiscal 1998	9/18/00
2000-1-00209	Tetra Tech, Inc. - Fiscal 1997	2/ 3/00
2000-1-00415	Tetra Tech, Inc. - Fiscal 1998	9/18/00

FISCAL 2000 SUPERFUND REPORTS

Contract Reports (Continued)

<u>Report No.</u>	<u>Auditee/Description</u>	<u>Date</u>
<i>Incurred Costs (Continued)</i>		
2000-1-00214	Tetra Tech/PRC Environmental Management, Inc. - Fiscal 1996	2/ 4/00
2000-1-00210	Tetra Tech/PRC Environmental Management, Inc. - Fiscal 1997	2/ 3/00
2000-1-00385	URS Greiner, Inc. - Fiscal 1997	8/30/00
<i>Final (Closeout) Audits</i>		
2000-1-00140	Black & Veatch Special Projects Corp. - Fiscal 1995 ARCS	12/17/99
2000-1-00317	Black & Veatch Special Projects Corp. - Fiscal 1996 ARCS	6/ 7/00
2000-1-00389	Black & Veatch Special Projects Corp. - Fiscal 1997 ARCS	9/ 7/00
2000-1-00184	Booz Allen Hamilton - 68-01-7282	1/13/00
2000-1-00407	CDM Federal Programs Corp. - Fiscal 1997 ARCS	9/14/00
2000-1-00193	Dynamac Corp. - 68-C8-0058	1/27/00
2000-1-00233	ENSR Consulting & Engineering - 68-02-4548	2/29/00
2000-1-00208	Environmental Management Support - 68-W2-0004	2/ 3/00
2000-1-00237	Environmental Management Support - 68-W1-0016	2/29/00
2000-2-00004	Foster Wheeler Environmental Corp. - Fiscal 1996 ARCS	2/ 2/00
2000-1-00014	Peer Consultants, P.C. - 68-01-7448	10/6/99
2000-1-00386	PRC Environmental Management, Inc. - Tech. Enforcement Supp. 2	9/ 5/00
2000-1-00263	Research & Evaluation Associates, Inc. - 68-D1-0136	3/29/00
2000-1-00229	Roy F. Weston, Inc. - Fiscal 1991-94 ARCS	2/17/00
2000-1-00180	Versar, Inc. - 68-03-3484	1/ 3/00
<i>Internal Controls</i>		
2000-1-00071	Bechtel Group, Inc. - 1999	12/28/99
2000-1-00072	Bechtel Group, Inc. - 1999	12/28/99
2000-1-00073	Bechtel Group, Inc. - 1999	12/28/99
2000-1-00074	Bechtel Group, Inc. - 1999	12/28/99

Contract Reports (Continued)

2000-1-00342	CET Environmental Services, Inc. - Fiscal 1999 Floorcheck	7/24/00
2000-S-00003	Environmental Quality Management, Inc. - 1999 Floorcheck	11/ 3/99
2000-4-00060	Guardian Environmental Services - Accounting System Review	9/22/00
2000-1-00332	Jacobs Engineering Group - Billing System Internal Controls	7/ 5/ 00

Cost Accounting Standards

2000-1-00177	Bechtel - Cost Accounting Standards 403, 414 and 418	12/28/9 9
2000-1-00178	Bechtel - Cost Accounting Standards 403, 414 and 418	12/28/9 9
2000-1-00179	Bechtel - Cost Accounting Standards 403, 414 and 418	12/28/9 9
2000-1-00417	Bechtel National - Cost Accounting Standard 408	9/22/00
2000-1-00255	CH2M Hill, Inc. - Cost Accounting Standard 410	3/23/00
2000-1-00307	Development Planning & Research Associates, Inc. - CAS 404	5/23/00
2000-1-00308	Development Planning & Research Associates, Inc. - CAS 409	5/23/00
2000-1-00338	Development Planning & Research Associates, Inc.- Discl. St.	7/10/00
2000-1-00267	Enserch Corp. - Cost Accounting Standard 405	4/ 6/00
2000-1-00196	Foster Wheeler Environmental Corp. - CAS 406	2/ 2/00
2000-1-00200	Foster Wheeler Environmental Corp. - CAS 408	2/ 3/00
2000-1-00198	Foster Wheeler Environmental Corp. - CAS 410	2/ 2/00
2000-1-00197	Foster Wheeler Environmental Corp. - CAS 420	2/ 2/00
2000-1-00159	ICF Kaiser - Initial Disclosure Statement Adequacy Review	12/22/9 9
2000-1-00098	ICF Kaiser Consulting Group, Inc. - Disclosure Statement	11/29/9 9

FISCAL 2000 SUPERFUND REPORTS

Contract Reports (continued)

<u>Report No.</u>	<u>Auditee/Description</u>	<u>Date</u>
Cost Accounting Standards (continued)		
2000-1-00221	Industrial Economics, Inc. - Disclosure Statement	2/ 9/00
2000-1-00103	IT Environmental - Cost Accounting Standards 404, 405, 414	12/ 2/99
2000-1-00104	IT Environmental - Cost Accounting Standards 404, 405, 414	12/ 2/99
2000-1-00105	IT Environmental - Cost Accounting Standards 404, 405, 414	12/ 2/99
2000-1-00106	IT Environmental - Cost Accounting Standards 411, 418, 420	12/ 2/99
2000-1-00107	IT Environmental - Cost Accounting Standards 411, 418, 420	12/ 2/99
2000-1-00108	IT Environmental - Cost Accounting Standards 411, 418, 420	12/ 2/99
2000-1-00109	IT Environmental - Cost Accounting Standards 413, 414, 415	12/ 2/99
2000-1-00110	IT Environmental - Cost Accounting Standards 413, 414, 415	12/ 2/99
2000-1-00111	IT Environmental - Cost Accounting Standards 413, 414, 415	12/ 2/99
2000-1-00101	IT Environmental - Fiscal 1998 Disclosure Statement	12/ 1/99
2000-1-00152	Lockheed Martin Services, Inc. - Cost Accounting Standard 406	12/21/9 9
Other Contract Audits		
2000-1-00306	Analytical Engineering - Accounting System	5/23/00
2000-1-00083	Bechtel Environmental, Inc. - Disclosure Statement	11/23/9 9
2000-1-00175	Bechtel Environmental, Inc. - 1999 MAARs	12/28/9 9
2000-1-00176	Bechtel Environmental, Inc. - 1999 MAARs	12/28/9 9
2000-1-00434	Bechtel Environmental, Inc. - MAARs 13 & 6	9/28/00
2000-1-00435	Bechtel Environmental, Inc. - MAARs 13 & 6	9/28/00
2000-1-00436	Bechtel Environmental, Inc. - MAARs 13 & 6	9/28/00
2000-1-00387	Bechtel Environmental, Inc. - Investigation	9/ 6/00
2000-1-00431	Bechtel Environmental, Inc. - Systems and Infrastructure	9/27/00
2000-1-00334	Black & Veatch Special Projects Corp. - Cost Acctg. Standards	7/ 5/00
2000-1-00260	Black & Veatch Special Projects Corp. - Fiscal 1995 RAC	3/27/00

Contract Reports (continued)

<u>Report No.</u>	<u>Auditee/Description</u>	<u>Date</u>
2000-1-00133	Black & Veatch Special Projects Corp. - Fiscal 1997 Discl. St.	12/15/99
2000-1-00135	Black & Veatch Special Projects Corp. - Fiscal 1997 Floorcheck	12/15/99
2000-1-00134	Black & Veatch Special Projects Corp.-FY 1997 Purchase System	12/15/99
2000-1-00430	CDM Federal Programs Corp. - Fiscal 1998 ARCS	9/27/00
2000-1-00355	CET Environmental Services, Inc. - Review of Invoices	8/10/00
2000-1-00369	CET Environmental Services, Inc. - Review of Invoices	8/24/00
2000-1-00370	CET Environmental Services, Inc. - Review of Invoices	8/24/00
2000-1-00426	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-1-00428	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-1-00429	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00018	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00019	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00020	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00021	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00022	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00023	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00024	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00025	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00026	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00027	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00028	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00029	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00030	CET Environmental Services, Inc. - Review of Invoices	9/27/00
2000-2-00031	CET Environmental Services, Inc. - Review of Invoices	9/27/00

FISCAL 2000 SUPERFUND REPORTS

Contract Reports (continued)

<u>Report No.</u>	<u>Auditee/Description</u>	<u>Date</u>
Other Contract Audits (continued)		
2000-1-00254	CH2M Hill, Inc. - Billing System - Fiscal 1998	3/23/00
2000-1-00340	CH2M Hill, Inc. - Compensation Review	7/24/00
2000-1-00235	CH2M Hill, Inc. - Disclosure Statement Revision 2a & 2b	2/29/00
2000-1-00236	CH2M Hill, Inc. - Disclosure Statement Revision 3a & 3b	2/29/00
2000-1-00240	CH2M Hill, Inc. - Disclosure Statement Revision 4d & 5e	3/ 6/00
2000-1-00246	CH2M Hill, Inc. - Disclosure Statement Revision 6a & 6b	3/16/00
2000-1-00245	CH2M Hill, Inc. - Disclosure Statement Revision 7a & 7b	3/16/00
2000-1-00253	CH2M Hill, Inc. - Floorcheck - Fiscal 1999	3/22/00
2000-1-00234	CH2M Hill, Inc. - Purchasing System Review Follow-up	2/29/00
2000-1-00275	Development Planning & Research Assoc., Inc.-Discl. St. Rev. 7	4/10/00
2000-1-00291	Development Planning & Research Assoc., Inc.-Discl. St. Rev. 8	5/ 8/00
2000-1-00276	Development Planning & Research Associates, Inc. - Floorcheck	4/11/00
2000-1-00410	Entropy Environmentalists, Inc. - 68-02-4442	9/15/00
2000-1-00300	FEV Engine Technology - Accounting System & Internal Controls	5/16/00
2000-1-00201	Foster Wheeler Environmental Corp. - Accounting System	2/ 3/00
2000-1-00199	Foster Wheeler Environmental Corp. - Compensation	2/ 3/00
2000-1-00206	Foster Wheeler Environmental Corp. - Financial System	2/ 3/00
2000-1-00207	Foster Wheeler Environmental Corp. - Financial System	2/ 3/00
2000-2-00008	Foster Wheeler Environmental Corp. - RAC - Fiscal 1998	3/22/00
2000-1-00202	Foster Wheeler Environmental Corp. - Floorcheck	2/ 3/00
2000-1-00205	Foster Wheeler Environmental Corp.-IS Vendor Master File Cont.	2/ 3/00
2000-1-00204	Foster Wheeler Environmental Corp./Ebasco-Labor Acctg. System	2/ 3/00
2000-1-00102	IT Environmental - Billing System	12/ 1/99
2000-1-00099	IT Environmental - Fiscal 1998 Labor Follow-up	12/ 1/99

Contract Reports (continued)

<u>Report No.</u>	<u>Auditee/Description</u>	<u>Date</u>
2000-1-00097	IT Environmental - MAAR 6 Floorcheck	11/26/99
2000-1-00284	IT Group, Inc. - Disclosure Statement Revision 5	4/26/00
2000-1-00333	Jacobs Engineering Group - Accounting System Controls	7/ 5/00
2000-1-00151	Lockheed Martin Services, Inc. - Accounting System	12/21/99
2000-1-00282	Lockheed Martin Services, Inc. - Disclosure Statement Rev. 3	4/26/00
2000-1-00153	Lockheed Martin Services, Inc. - Estimating System-Fiscal 1996	12/21/99
2000-1-00068	Morrison Knudsen Co. - ARCS Fiscal 1997	10/28/99
2000-1-00257	Roy F. Weston, Inc. - 68-03-3482	3/24/00
2000-1-00311	Roy F. Weston, Inc. - ARCS Closeout - 68-W8-0089 - Fiscal 1993	5/25/00
2000-1-00258	Roy F. Weston, Inc. - ARCS Closeout - 68-W9-0046 - Fiscal 1994	3/27/00
2000-1-00230	Roy F. Weston, Inc. - ARCS Closeout - 68-W9-0022 - Fiscal 1995	2/17/00
2000-1-00313	Roy F. Weston, Inc. - ARCS Closeout - 68-W9-0046 - Fiscal 1995	6/ 7/00
2000-1-00225	Roy F. Weston, Inc. - Floorcheck - Fiscal 1995	2/16/00
2000-1-00226	Roy F. Weston, Inc. - Floorcheck - Fiscal 1997	2/17/00
2000-1-00252	Science Applications International Corp. - 68-D2-0157	3/22/00
2000-1-00065	Smith Environmental Tech. - Floorcheck - Fiscal 1996	10/25/99
2000-1-00001	Sverdrup Civil - Floorcheck - Fiscal 1999	10/1/99
2000-1-00309	Sverdrup Civil - Floorcheck - Fiscal 2000	5/25/00
2000-1-00055	Sverdrup Corp. - ARCS Closeout - 68-W9-0032 - Fiscal 1994	10/14/99
2000-1-00056	Sverdrup Environmental - RAC Closeout - 68-W5-0014 - FY 1997	10/14/99
2000-1-00211	Tetra Tech Env. Mgmt., Inc.-ARCS Closeout - 68-W8-0084 - FY97	2/ 4/00
2000-1-00242	Tetra Tech Env. Mgmt., Inc.-ARCS Closeout - 68-W8-0092-FY88-95	3/ 7/00
2000-1-00213	Tetra Tech Env. Mgmt., Inc.-RAC Closeout - 68-W7-0003-FY97-98	2/ 4/00
2000-1-00409	URS Operating Service, Inc. - Proposal PR-HQ-99-17386	9/15/00

APPENDIX: ABBREVIATIONS

Acctg.	Accounting
ARCS	Alternative Remedial Contracting Strategy
BCRLF	Brownfields Cleanup Revolving Loan Fund
CAS	Cost Accounting Standard
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended
EPA	Environmental Protection Agency
IAG	Interagency Agreement
IG	Inspector General
ITS	Intertek Testing Services
Ltd.	Limited
NCP	National Oil and Hazardous Substances Contingency Plan, 40 CFR Part 300
NPL	National Priorities List
NRRB	National Remedy Review Board
OCFO	Office of the Chief Financial Officer (EPA)
OI	Office of Investigations (EPA OIG)
OIG	Office of the Inspector General
PA	Pennsylvania
PDD	Preauthorized Decision Document
PRC	Planning Research Corporation
PRP	Potentially Responsible Party
RAC	Remedial Action Contract
Rev.	Revision
SARA	Superfund Amendments and Reauthorization Act of 1986
St.	Statement
START	Superfund Technical Assessment and Response Team (EPA contract)
Tech.	Technical <i>or</i> Technology
UAO	Unilateral Administrative Order