



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The purpose of this audit was to determine whether the U.S. Environmental Protection Agency (EPA) has adequately monitored obligations on Superfund Cooperative Agreements. Our objectives were to determine the status of obligations under Superfund Cooperative Agreements for selected States, and the amount of unliquidated obligations for these States that could potentially be deobligated.

Background

A Cooperative Agreement is a legally binding obligating document that provides funding to a State to carry out or assist with Superfund removal and/or remedial activities. Timely review and deobligation of unneeded funds allow these funds to be used on other Superfund priorities.

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

To view the full report, click on the following link:
www.epa.gov/oig/reports/2009/20090922-09-P-0241.pdf

EPA Has Improved Efforts to Reduce Unliquidated Obligations in Superfund Cooperative Agreements, But a Uniform Policy Is Needed

What We Found

The regions audited (Regions 3, 5, and 8) have implemented effective procedures to adequately monitor the status of obligations under Superfund Cooperative Agreements. Those procedures should be used by all regions annually to identify funds available for deobligation. Also, the Agency has reduced the total amount of open obligations under Superfund Cooperative Agreements from December 4, 2006, to December 2, 2008.

We identified \$331,802 of open obligations in Region 3 that needed to be deobligated. During our audit, the Agency deobligated \$330,370 of that amount. The Agency deobligated \$1,432 less than the amount originally identified for one agreement because of a final drawdown; that agreement is now closed. The unliquidated obligations on the remaining agreements for the States reviewed are necessary for continuing project work. Because the practices for the regions reviewed have been effective in monitoring obligations and identifying amounts available for deobligation, we believe an Agency-wide uniform policy to review unliquidated obligations under Superfund Cooperative Agreements would be beneficial.

What We Recommended

We have identified several best practices used by Regions 3, 5 and 8, such as (1) requiring that States submit detailed reports on the status of each Superfund site twice a year, (2) requiring that budget officers solicit information from project officers and other staff twice a year to identify potential funds for deobligations, and (3) performing a deobligation exercise twice a year for Superfund Cooperative Agreements. We recommend that EPA's Director, Office of Grants and Debarment, incorporate these best practices into a uniform policy for reviewing unliquidated obligations under Superfund Cooperative Agreements in all regions. The Agency agreed to develop a uniform policy, and we consider its response acceptable.