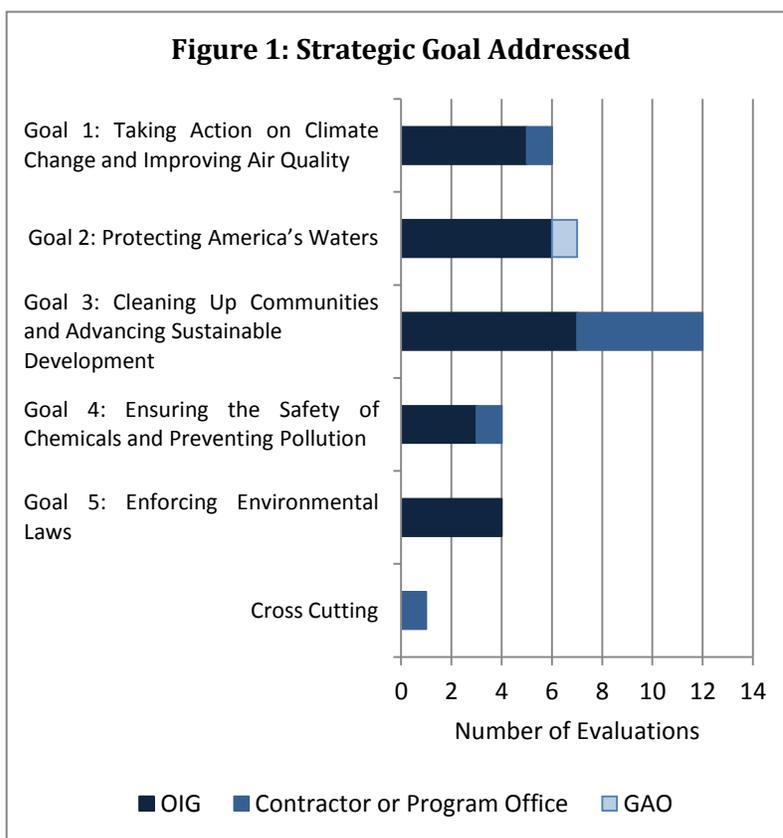


## Summary of FY 2012 Program Evaluations

In FY2012, 34 EPA programs were evaluated in order to support program improvement, learning, and accountability.<sup>1</sup> The evaluations addressed all five of the Agency's strategic goals, and particularly emphasized Goal 3, Cleaning Up Communities and Advancing Sustainable Development (see Figure 1).

The EPA Office of the Inspector General (OIG) conducted the majority (25 evaluations, or 74 percent) of the evaluations; contractors and program offices conducted eight evaluations (24 percent), and the U.S. Government Accountability Office (GAO) conducted one evaluation (three percent).

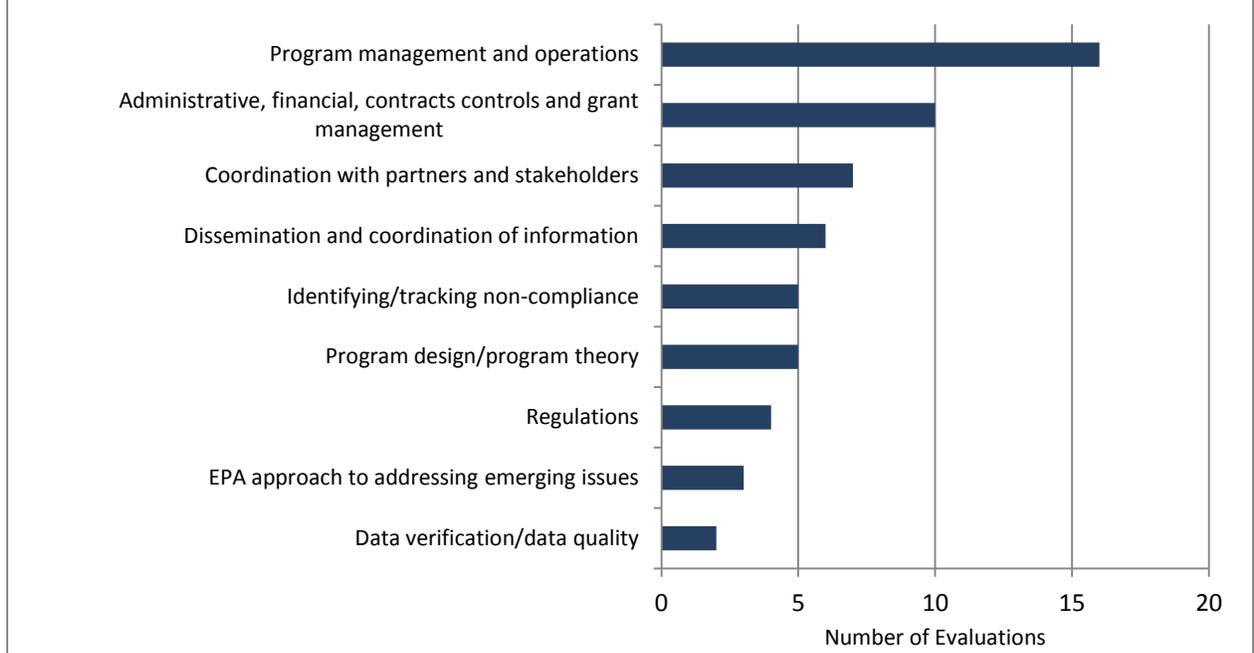


The evaluations addressed a variety of themes, but focused primarily on program management and operations (see Figure 2).<sup>2</sup> For example, one evaluation characterized the Leaking Underground Storage Tank cleanup backlog to better understand the universe of unaddressed sites and the constraints experienced by state implementing programs.

<sup>1</sup> This analysis includes evaluations and other research finalized by the end of FY2012 that is relevant to EPA's understanding of the performance of its programs, the problems the program is trying to tackle, and the identification of external factors that might influence agency performance.

<sup>2</sup> In cases where a single evaluation addressed multiple themes, each theme addressed is included in in Figure 2. There are a total of 58 themes addressed across 34 evaluations.

**Figure 2: Themes in FY2012 Evaluation Findings**



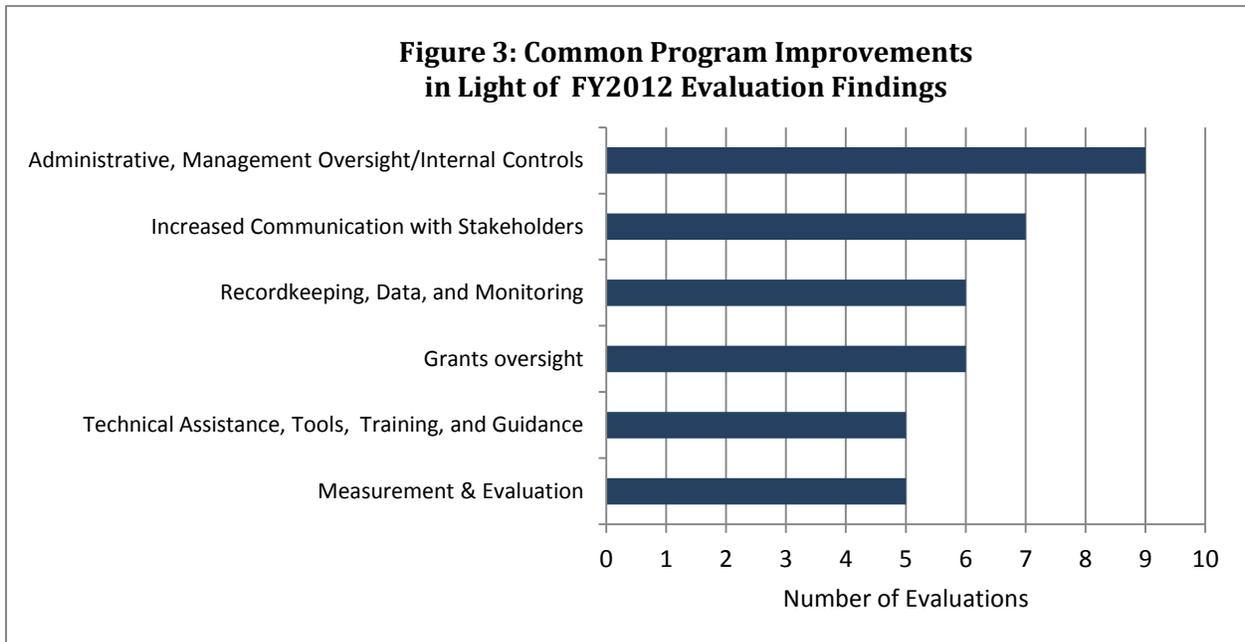
The vast majority (91 percent) of evaluations were used to primarily to improve the specific programs evaluated.<sup>3</sup> For example, the Office of the Chief Financial Officer (OCFO) used the results on an evaluation of current implementation of Federal Managers’ Financial Integrity Act (FMFIA) to verify and validate the corrective actions taken to address the agency’s FMFIA implementation weakness. Agency managers and the OIG agreed to close the weakness in September 2012. OCFO will continue to use findings and recommendations to strengthen its agency-wide management integrity guidance for FY 2013 and to update tools and training for FY 2013 and beyond. OCFO will also use these evaluation results to inform its approach to Management Accountability Reviews to be initiated in FY 2013.

The most common ways that programs have improved in light of evaluation findings has been to strengthen administrative, management, oversight, and internal controls (see Figure 3).<sup>4</sup> For example, in response to an evaluation of EPA’s Environmental Workforce Development and Job Training program, the Agency committed to improve internal controls in order to better identify and prevent duplication with other EPA job training programs. Another common program improvement has been to increase communications with stakeholders. For example, in response to the Evaluation of Region 7 Tribal Grants Programmatic Processes, great strides have been

<sup>3</sup> In the three remaining evaluations, findings were also used to inform development of programs related to those evaluated.

<sup>4</sup> In cases where a single evaluation resulted in multiple program improvements, each improvement is included in in Figure 2. There are a total of 38 common improvements addressed across 32 evaluations where program responses were available. There are an additional 11 specific improvements that did not fit into these common categories.

made with regard to communication and negotiating workplans between Region 7 and the tribes. Additional areas of improvement for multiple evaluations involve recordkeeping, data, and monitoring (e.g., establishing a mechanism to verify the accuracy of industry-reported data); grants oversight (e.g., developing additional guidance for grantees and conducting additional grant reviews); technical assistance, tools, training, and guidance (e.g., improving or clarifying regulatory guidance and technical assistance); and measurement and evaluation (e.g., selecting metrics to measure program success).



In addition to improving the specific programs evaluated, a few programs have used evaluation results to inform other programs, beyond the ones directly evaluated. For example, the Office of International and Tribal Affairs is using results from the evaluation of the Partnership for Clean Fuels and Vehicles (PCFV) Lead Campaign to improve the effectiveness of the related, but separate, PCFV Low Sulfur Fuels and Clean Vehicles Campaigns, which promote cleaner fuels and vehicles in developing and transition countries. In October 2012, EPA and other PCFV partners agreed to restructure these campaigns to address evaluation findings about the need to engage regional and international partners early on and the need for clear and measurable targets. The evaluation has also informed other existing and developing international partnerships in which EPA is engaged, such as the Climate and Clean Air Coalition and the Global Alliance for the Elimination of Lead in Paints.

**FY 2012 Annual Performance Report Program Evaluations**

<b>Goal</b>	<b>Evaluation Title/Evaluator/Scope</b>	<b>Findings</b>	<b>Recommendations</b>
Multiple goals	<p><b>Internal Controls Over Programmatic Operations: Evaluation of the Effectiveness of EPA Actions to Address Agency Weakness</b></p> <p>OPAA and its contractor, Industrial Economics, Inc.</p> <p>The purpose of the evaluation was to assess 1) whether EPA responded effectively to issues raised by the Office of Inspector General in 2009 regarding the agency's implementation of the Federal Managers' Financial Integrity Act; 2) whether the agency close the internal control weakness regarding FMFIA implementation which it identified in Fall 2009; and 3) what further changes are needed to strengthen and improve EPA's Management Integrity Program.</p>	<p>The evaluation found that EPA had effectively responded to the majority of issues about FMFIA implementation raised by OIG in 2009, and that new tools and approaches have significantly improved the way the agency addresses programmatic management integrity. Among the findings:</p> <ul style="list-style-type: none"> <li>• Assurance letters reflect an improved approach and are organized around all five GAO standards</li> <li>• Offices are doing a better job of addressing implementation of other statutory requirements in their assurance letters</li> <li>• Senior managers are more involved than previously in the management integrity process</li> </ul>	<ul style="list-style-type: none"> <li>• OCFO can streamline number of guidance documents and templates and clarify headquarters vs. regional office roles and responsibilities</li> <li>• OCFO should codify its strategy for assessing annual assurance letters</li> <li>• OCFO should continue to provide online training, updating and modifying annually</li> </ul>
1	<p><b>Early Warning Report: Use of Contractors to Conduct Clean Air Act Risk Management Program Inspections in Certain States Goes Against Court Decisions</b></p> <p>OIG</p> <p>The purpose of the review was to evaluate whether EPA has adequate management controls for ensuring the effectiveness of its Clean Air Act (CAA) Section 112(r) risk management program inspections in Kansas,</p>	<p>OIG identified that EPA Regions 4 and 7 use contractors to conduct CAA 112(r) risk management program inspections in Kansas, Kentucky, and Tennessee despite decisions by the Sixth and Tenth Circuit Courts prohibiting this practice and EPA policy memo that reiterated this prohibition. The Region 4 risk management program coordinator identified that he was aware of EPA's 1984 guidance on this subject but neither the region nor</p>	<p>OIG recommended that EPA should immediately review the legality and appropriateness of its practice of using contractors to perform CAA risk management program inspections in the states covered by the Sixth and Tenth Circuit Courts (Colorado, Kansas, Kentucky, Michigan, New Mexico, Ohio,</p>

	<p>Kentucky, and Tennessee despite federal court decisions prohibiting EPA’s use of contractors to conduct CAA inspections in these states and EPA policy memo that incorporated the decisions.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120328-12-P-0376.pdf">http://www.epa.gov/oig/reports/2012/20120328-12-P-0376.pdf</a></p>	<p>headquarters had questioned this practice, and inspected facilities have not challenged the region’s use of contractors in Kentucky and Tennessee. The staff coordinator confirmed that Region 4 had not obtained approval from counsel to use contractors for these inspections. The risk management program team leader in Region 7 identified that he was not aware of EPA’s 1984 policy memo prohibiting the use of contractors in Kansas. The team leader was not aware of any specific discussions with counsel regarding the use of contractors to conduct inspections in Kansas.</p>	<p>Oklahoma, Tennessee, Utah, and Wyoming). This review should also determine whether contractors are used to conduct other CAA program inspections in states covered by the Sixth and Tenth Circuit Courts. If needed based on the results of its review, EPA should take immediate action to eliminate or revise its use of contractors to conduct risk management program inspections. EPA should also update and reissue its policy memo on the use of contractors to perform CAA inspections.</p>
1	<p><b>Early Warning Report: Use of Unapproved Asbestos Demolition Methods May Threaten Public Health</b></p> <p>OIG</p> <p>The purpose of the review is to evaluate allegations that EPA has authorized the use of unapproved methods to demolish buildings containing asbestos.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20111214-12-P-0125.pdf">http://www.epa.gov/oig/reports/2012/20111214-12-P-0125.pdf</a></p>	<p>OIG identified that unapproved methods are currently being used or considered at multiple sites. The Hanford Superfund Site, near Richland, Washington, is one location where the use of Alternative Asbestos Control Method-like methods has been allowed by EPA under conditions that are less restrictive than required by the Asbestos National Emission Standards for Hazardous Air Pollutants (NESHAP). EPA is also considering other unapproved methods for demolition at a gaseous diffusion plant in</p>	<p>OIG recommended that EPA should immediately and clearly communicate NESHAP and Occupational Safety and Health Administration requirements for the demolition of asbestos-containing structures to regional, program, and field offices to prevent potentially hazardous asbestos exposures. EPA should notify these</p>

		<p>Paducah, Kentucky. The use of unapproved methods is counter to EPA regulations. The current and proposed use of unapproved methods may jeopardize the health and safety of the public.</p>	<p>offices that unapproved methods are not to be used without obtaining appropriate waivers. Further, EPA should identify all sites, such as Hanford, with work plans that contain EPA authorization to use unapproved methods for asbestos demolitions, and retract any such approvals that deviate from the Asbestos NESHAP regulation. In addition, EPA should assess whether any authorizations resulted in potential asbestos exposure of workers or the public, and notify them accordingly.</p>
1	<p><b>EPA Could Improve the SmartWay Transport Partnership Program by Implementing a Direct Data Verification Process</b></p> <p>OIG</p> <p>OIG conducted a design evaluation of the SmartWay program to determine whether controls were in place to ensure the overall validity of claimed SmartWay Transport Partnership Results. OIG examined the SmartWay guidance, procedures and the</p>	<p>EPA relies on self-reported industry data to calculate SmartWay program emission reductions. The SmartWay program performs some checks of data provided by industry. However, there is no independent direct verification by EPA of data submitted by SmartWay participants. The IG also highlighted that representatives from environmental, retail and trucking associations consider the SmartWay program an effective program for reducing fuel costs and the</p>	<p>OIG recommends that the SmartWay program develop and implement direct verification or other measures to verify the accuracy of a sample of the self-reported, industry data for the SmartWay Transport Partnership program.</p>

	<p>existing SmartWay Partner tools as well as peer review reports for the tools. OIG also reviewed: the results of prior OIG reports on the SmartWay program as well as other voluntary program; the contents of the SmartWay Transport website; and, government-wide guidance on data accountability. SmartWay program managers were also interviewed on the program, policies and procedures for the program and how they validate the data.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120830-12-P-0747.pdf">http://www.epa.gov/oig/reports/2012/20120830-12-P-0747.pdf</a></p>	<p>environmental impact of freight movement. Furthermore, the number of partners in the program has grown considerably since 2008.</p>	
1	<p><b>Partnership for Clean Fuels and Vehicles: Evaluation of the Design and Implementation of the Lead Campaign</b></p> <p>Industrial Economics, Inc. and Ross Strategic (contractors)</p> <p>The purpose was to identify and examine lessons-learned from one (Lead Campaign) of the three, currently ongoing campaigns in the PCFV, a partnership that promotes <b>cleaner fuels and vehicles in developing and transition countries. Any lessons learned could</b> be transferable and potentially to other existing or future international partnerships. The evaluation focused on the Lead Campaign’s startup and design, implementation, and overarching insights that could inform other partnership efforts. The evaluation did not identify</p>	<p>The evaluation concluded that a combination of preceding developments, sound design, strong implementation strategy and exceptional partners have made the Lead Campaign an “extraordinary example” in the realm of voluntary partnerships.</p> <p>The evaluation identified:</p> <ol style="list-style-type: none"> <li>1. Key factors that led to the success of the PCFV Lead Campaign that could be transferable to other activities within the PCFV as well as additional partnerships (e.g., known adverse health effects of lead exposure galvanized momentum for change, a clear, measurable and ambitious goal, partner ownership and trust fostered by strong partnership design and design process, implementation strategy that engages key stakeholders, resource investments modest yet</li> </ol>	None

	<p>the benefits of eliminating lead from fuel or the role (influence) of PCFV in the elimination of lead in fuel, as these have been studied previously by others. This was a third-party evaluation, which consisted of a qualitative analysis of information on PCFV, results of formal interviews, and review of literature on voluntary partnerships.</p> <p><a href="http://www.epa.gov/international/air/pcf.html">www.epa.gov/international/air/pcf.html</a></p>	<p>focused);</p> <p>2. An emerging set of design principles for successful voluntary partnerships (e.g., develop clear goals, build strong core membership, neutral management, build ability to adapt and course correct, guarantee transparency and accountability); and</p> <p>3. What might be done differently in hindsight (e.g., identify regional partners and advocates earlier on, recruit more private sector involvement, require active involvement by each partner, offer additional technical assistance, build an exit strategy from the beginning.)</p>	
1	<p><b>EPA Needs Better Information on New Source Review Permits</b></p> <p>General Accountability Office (GAO)</p> <p>To assess what information the Environmental Protection Agency (EPA) maintains on New Source Review (NSR) permits issued for fossil fuel electricity generating units, GAO gathered information from EPA and selected states on the status of their NSR permitting programs and efforts to collect and maintain permitting data. GAO selected a nonprobability sample of nine states on the basis of (1) the number of older electricity generating units in the state; (2) the quantity of electricity generated by such units in those states; (3) the volume of sulfur</p>	<p>EPA does not maintain complete information on New Source Review (NSR) permits issued to fossil fuel electricity generating units. State and local permitting agencies track the NSR permits they issue, but EPA does not maintain complete or centralized information on permits. The absence of more complete information on NSR permitting makes it difficult to know which units have obtained NSR permits or to assess how state and local permitting agencies vary from EPA in their interpretations of NSR requirements. Officials from EPA, state, and local agencies face challenges in ensuring that owners of fossil fuel electricity generating units comply with requirements to obtain NSR permits. Many of these challenges stem from</p>	<p>GAO recommends that EPA, among other actions, consider ways to develop a centralized source of data on NSR permits issued to electricity generating units. GAO believes that its recommendations would enhance oversight of NSR permitting and enforcement.</p>

	<p>dioxide, nitrogen oxides, and carbon dioxide emitted by units in those states; and (4) the region in which the generating unit was located. To examine what challenges, if any, EPA, state, and local agencies face in ensuring compliance by electricity generating units with requirements to obtain NSR permits, GAO reviewed relevant provisions of the Clean Air Act and NSR regulations; guidance and other information on implementing NSR maintained by EPA; and, literature on NSR from government agencies, academic and research institutions, environmental organizations, and industry groups. GAO also interviewed knowledgeable officials and stakeholders from these agencies and institutions, as well as officials from the selected states and localities.</p> <p><a href="http://www.gao.gov/products/GAO-12-590">http://www.gao.gov/products/GAO-12-590</a></p>	<p>two overarching issues. First, in some cases it is difficult to determine whether an NSR permit is required. NSR applicability depends on, among other factors, whether a change to a unit qualifies as routine maintenance, repair, and replacement; and whether the change results in a significant net increase in emissions. The rules governing NSR are complex, however, and applicability is determined on a case-by-case basis. Second, it is often difficult to identify noncompliance—instances where unit owners made a major modification without first obtaining an NSR permit—partly because owners of generating units determine whether a permit is needed, and in many cases their determinations are not reviewed by permitting agencies or EPA.</p>	
1	<p><b>Weaknesses in EPA’s Management of the Radiation Network System Demands Attention</b></p> <p>U.S. EPA, Office of Inspector General (OIG)</p> <p>To determine whether EPA is following quality control procedures to ensure that data submitted from Radiation Network (RadNet) monitors nationwide are reliable and accurate, and whether EPA effectively implemented corrective actions in response to</p>	<p>OIG found that broken RadNet monitors and late filter changes impaired the full functioning of RadNet. At the time of the Japan nuclear incident, 20 percent of the monitors were out of service for an average of 130 days. Although quickly repaired following the incident, it indicates that the network was not being managed as a high priority. Out-of-service monitors and unchanged filters may reduce the quality and availability of critical data needed to assess radioactive</p>	<p>OIG recommended:</p> <ol style="list-style-type: none"> <li>1. EPA establish and enforce expectations for RadNet readiness.</li> <li>2. Improved planning and management of parts availability, monitoring of filter replacement and operators, and monitoring of the installation of the remaining RadNet monitors.</li> <li>3. OAR and OARM</li> </ol>

	<p>EPA OIG’s January 27, 2009, audit report on RadNet.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120419-12-P-0417.pdf">http://www.epa.gov/oig/reports/2012/20120419-12-P-0417.pdf</a></p>	<p>threats to public health and the environment. EPA remains behind schedule for installing the full RadNet monitor network and did not fully resolve the contracting issues identified in earlier OIG reports.</p>	<p>hold contractors accountable by establishing milestones, using incentives and disincentives, requiring contracting officers and their technical representatives to formally evaluate RadNet annually.</p>
<p>2</p>	<p><b>Alleged Misuse of Tribal Clean Water Act Section 106 Funds in EPA Region 8</b></p> <p>OIG</p> <p>To evaluate the hotline complaint on alleged misuse of Clean Water Act (CWA) Section 106 funds in EPA Region 8. The complaint alleged that Region 8: (1) withheld funds meant for tribal programs; (2) provided funds to the U.S. Geological Survey and used funds for a water quality database that neither benefitted tribes nor had their approval; and (3) provided ineffective tribal support by separating decision making between two offices.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120504-12-P-0453.pdf">http://www.epa.gov/oig/reports/2012/20120504-12-P-0453.pdf</a></p>	<p>OIG determined that on the first allegation, Region 8 funded tribal Section 106 programs based on the region’s review of tribal work plans and did not inappropriately withhold funds. Region 8 frequently determined that tribal work plans did not warrant the level of funds requested and, therefore, did not award all program funds to the tribes.</p> <p>On the second allegation, Region 8 provided evidence that both the interagency agreement and water quality database benefit the tribes. However, Region 8 does not have an effective method for gaining tribal approval to use Section 106 funds for special projects/associated program support costs.</p> <p>On the third allegation, Region 8 properly followed Agency guidance by housing regional program managers separately from the regional grants management office, but there were opportunities for improvement. The region had</p>	<p>OIG recommended that the Office of Water develop guidance on the use of Section 106 tribal grants funds for associated program support costs, similar to that developed by EPA’s Office of Air and Radiation for Clean Air Act Section 105. OIG also recommended that Region 8 develop guidance to formalize the process by which the region gains approval from tribes for associated program support costs funded with Section 106 program funds. Further, OIG recommended that Region 8 evaluate the effectiveness of the region’s team approach to tribal technical assistance—as part of regional guidance—by</p>

		taken steps to improve cross-office coordination and communication before we started our review.	querying tribal Regional Operations Committee members and making adjustments as needed based on tribal feedback.
2	<p><b>Congressionally Requested Information on the Status and Length of Review for Appalachian Surface Mining Permit Applications</b></p> <p>OIG</p> <p>To determine in response to a letter of inquiry from the Ranking Member of the Senate Committee on Environment and Public Works on October 15, 2010, EPA’s:</p> <ol style="list-style-type: none"> <li>1. Status of a list of 237 mountaintop mining permit applications<sup>1</sup> and the length of time to review each permit</li> <li>2. Reasons for the length of review for each permit</li> <li>3. Number of permits from the list of 237 that EPA has processed according to the “enhanced review” and “conductivity” procedures, as well as the average length of time to process a permit under these procedures</li> </ol> <p><a href="http://www.epa.gov/oig/reports/2012/20111121-12-P-0083.pdf">http://www.epa.gov/oig/reports/2012/20111121-12-P-0083.pdf</a></p>	<p>In response to the senator’s first request, OIG identified 185 surface mining permit applications to review from the list of 237 that we received from the senator, and found that over half of all permit activities—whether permitted, withdrawn, or pending— have taken a year or longer, with approximately 40 percent exceeding 2 years. Of our vetted universe of 185 projects, the Corps reviewed and issued 25 permits within 144 days from the notification/ application date. (According to EPA, this is historically the average length of review for all individual permits, not simply those for surface coal mining.) Of the 25, the Corps reviewed and issued 20 permits within 90 days and another 3 by 120 days (the Corps’ goal). More than one-third of issued permits took a year or longer to process.</p> <p>In response to the senator’s second request, OIG found that several reasons account for the length of time associated with processing permit applications:</p> <p>*Complex reviews based on new scientific evidence *Applicant factors</p>	None

		<p>*Involvement of EPA headquarters *Corps procedural change</p> <p>In response to the senator's third request, OIG found that EPA identified 79 permit applications for enhanced review and, to date, has issued 8 permits. (The United States District Court for the District of Columbia recently held that EPA operated beyond the scope of its authority under the Clean Water Act when it instituted the enhanced coordination process, and the court ordered it to be set aside.) In April 2010, EPA issued interim guidance that included conductivity benchmarks for Appalachian projects. Conductivity is a measure of a stream's ability to conduct an electrical current, and an EPA study observed an association between high conductivities in streams below surface coal mining operations and impairment of aquatic life. They found that, to date, EPA has commented on 24 projects in light of its April 1, 2010, interim guidance. EPA issued its final guidance on July 21, 2011, which replaced the interim guidance. EPA said that regions should begin consulting the final guidance immediately. On July 31, 2012, Judge Walton of the U.S. District Court for the District of Columbia ruled that EPA had overstepped its authority in issuing this</p>	
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		guidance, and ordered the guidance be set aside as an unlawful agency action. The US Department of Justice has appealed this decision.	
2	<p><b>Enhanced Coordination Needed to Ensure Drinking Water State Revolving Funds Are Used to Help Communities Not Meeting Standards</b></p> <p>OIG</p> <p>The evaluation sought to determine if Drinking Water State Revolving Fund (DWSRF) funds are effectively used to assist communities. The evaluation looked at 2 states: Missouri in Region 7 and Oregon in Region 10. These states were selected based on the highest percentage of systems in violation of health based standards and the total population served that was listed in the Safe Drinking Water Information System for 2008 and 2009. The highest number of violations were looked at because the evaluator felt the systems with most violations are also likely in need of technical, financial, and managerial capacity.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20111201-12-P-0102.pdf">http://www.epa.gov/oig/reports/2012/20111201-12-P-0102.pdf</a></p>	<p>The DWSRF program is not taking full advantage of the data and tools that are available to identify noncompliant systems that may benefit from DWSRF funding.</p> <p>EPA DWSRF program should encourage enhanced coordination with enforcement programs and use the available Agency enforcement data and tools to identify noncompliant systems that may benefit from DWSRF funding.</p>	<p>In the regional annual review checklist that supports the PER, include an assessment of the coordination between state and DWSRF and enforcement programs. Create a national IUP review checklist that includes a requirement for regions to assess how the state DWSRF programs take into consideration the needs of systems with multiple violations when developing the IUP and selecting projects. To help achieve the Agency’s strategic “water safe to drink” sub-objective, identify and implement actions to enhance coordination between regional and state DWSRF and PWSS programs.</p>
2	<p><b>EPA Needs to Further Improve How It Manages Its Oil Pollution Prevention</b></p>	<p>OIG determined that although EPA has taken steps to improve its program to prevent</p>	<p>OIG recommended that the Assistant Administrator for</p>

	<p><b>Program</b></p> <p>U.S. EPA, Office of Inspector General (OIG)</p> <p>The purpose of the evaluation was to review EPA’s steps to ensure the quality and consistency of oil spill prevention and response plans, and to review how EPA tracks violators under the Clean Water Act (CWA) Section 311 program as a response to a request from the House Committee on Transportation and Infrastructure.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120206-12-P-0253.pdf">http://www.epa.gov/oig/reports/2012/20120206-12-P-0253.pdf</a></p>	<p>oil spills from known facilities to waters of the United States, the Agency remains largely unaware of the identity and compliance status of the vast majority of CWA Section 311 regulated facilities. Effective program management requires EPA to know the identity and nature of the facilities it is responsible for regulating. EPA has taken a number of steps to improve the quality and consistency of the Spill Prevention, Control, and Countermeasure (SPCC) Plans and Facility Response Plans (FRPs). EPA has also improved its ability to track individual CWA Section 311 violations and violators in a new national database. However, EPA still does not have knowledge of most facilities it is responsible for regulating.</p>	<p>Solid Waste and Emergency Response, in consultation with the Assistant Administrator for Enforcement and Compliance Assurance, improve oversight of facilities regulated by EPA’s oil pollution prevention program. Specifically, OIG recommended that EPA improve oversight by biennially assessing and reporting on the quality and consistency of SPCC Plans and FRPs, implementing a risk-based inspection strategy, updating guidance, and consistently interpreting SPCC and FRP regulations. OIG further recommended that the two Assistant Administrators work together to establish a national oil program database that contains compliance histories for regulated facilities, can track compliance trends, and exchanges data with other EPA databases.</p>
2	<p><b>EPA Should Strengthen Records Management on</b></p>	<p>OIG found that EPA staff in Regions 3, 4, and 5 should</p>	<p>OIG recommended that EPA:</p>

	<p><b>Clean Water Act Section 404 Permit Notification Reviews for Surface Coal Mining</b></p> <p>OIG</p> <p>To determine whether EPA Regions 3, 4, and 5 maintain records in accordance with the Federal Records Act for Clean Water Act (CWA) Section 404 permit notification reviews for surface coal mining.</p>	<p>better document their records of review activities on CWA Section 404 surface mining permit notifications. EPA regional staff believe that Agency comment letters are the only official records that they should maintain related to notification reviews. Because of the limited documentation, information OIG needed to complete its congressional review was not available, and OIG could not discern whether EPA had reviewed some notifications. Without knowledge of permit status and the resolution of comments, EPA may not be able to determine whether its reviews have desired environmental impacts. Also, without properly maintaining evidence of CWA Section 404 permit notification reviews, EPA risks being out of compliance with the Federal Records Act.</p> <p>EPA has recently taken actions that should improve documentation of the Agency's CWA Section 404 activities nationwide—not just those related to surface mining activities in Regions 3, 4, and 5.</p>	<ol style="list-style-type: none"> <li>1. Coordinate with the appropriate headquarters and regional personnel to identify DARTER as an official recordkeeping system and to identify the basic information entered in DARTER (such as preapplication coordination, public notice review, and postpermit review) as official records documenting EPA's role in CWA Section 404 permit notification reviews</li> <li>2. Coordinate with the regions to develop a full implementation plan for DARTER identifying when DARTER will incorporate additional permit actions (e.g., nationwide permits, jurisdictional determinations).</li> <li>3. Work with Region 5 to reconcile any data duplication between DARTER and Region 5's Coal Tracker system</li> <li>4. Revise Records Schedules 205 and 514 as appropriate to clarify usage/applicability and retention requirements for</li> </ol>
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			CWA Section 404 reviews for both headquarters and regional staff.
2	<p><b>Great Lakes National Program Should Improve Internal Controls to Ensure Effective Legacy Act Operations</b></p> <p>OIG</p> <p>To evaluate whether EPA has adequate controls over various financial aspects of the Great Lakes Legacy Act of 2002 (GLLA) funding and payments, and to determine whether project agreements contain goals that tie to the Agency’s strategic plan, hold parties accountable, and ensure that nonfederal sponsors meet their obligations.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120409-12-P-0407.pdf">http://www.epa.gov/oig/reports/2012/20120409-12-P-0407.pdf</a></p>	<p>GLLA program funding has increased five-fold over the last 7 years; however, the program has not established needed internal controls to ensure effective operations. The program has grown in terms of resources and staffing, but the focus on programmatic over financial activities negatively affected Great Lakes National Program Office's (GLNPO’s) development of internal controls and led to many of the findings in this report. Without adequate internal controls, funds owed from nonfederal sponsors may not be collected timely, costs invoiced on GLLA projects may not be reasonable and allowable, and nonfederal sponsors with whom GLNPO enters into project agreements may not be able to meet their commitments.</p>	<p>EPA develop and implement policies and procedures for GLNPO that address the establishment of accounts receivable, recording of in-kind contributions, completion of final accounting, and reviews of the financial capability of nonfederal sponsors.</p>
2	<p><b><u>Nonpoint Source Water Pollution: Greater Oversight and Additional Data Needed for Key EPA Water Program</u></b></p> <p>GAO</p> <p>Pollution from nonpoint sources—such as runoff from farms or construction sites—remains the leading cause of impairment to the nation’s waters. Under section 319 of the Clean Water Act, each year EPA provides grants to states to</p>	<p>Under section 319 of the Clean Water Act, state-selected projects to reduce nonpoint source pollution have helped restore more than 350 impaired water bodies since 2000, but other projects have encountered significant challenges. EPA’s oversight and measures of effectiveness of states’ programs have not consistently ensured the selection of projects likely to yield measurable water quality outcomes. EPA’s 10 regional</p>	<p>To help protect the quality of our nation’s water resources, and to strengthen EPA’s implementation of its responsibilities under the Clean Water Act’s section 319 nonpoint source pollution control program, the Administrator of EPA should:</p>

	<p>implement programs and fund projects that address nonpoint source pollution; the program received \$165 million in fiscal year 2012. Section 319 includes minimum conditions that states must meet to receive grants. By regulation, EPA's 10 regional offices oversee state programs and are to ensure that states' projects can be feasibly implemented. USDA also has programs to protect water resources.</p> <p>GAO examined (1) states' experiences in funding projects that address nonpoint source pollution, (2) the extent to which EPA oversees the section 319 program and measures its effectiveness, and (3) the extent to which key agricultural programs complement EPA efforts to control such pollution. GAO surveyed project managers, reviewed information from EPA's 10 regional offices on oversight of state programs, and analyzed USDA data</p> <p><a href="http://www.gao.gov/products/GAO-12-335">http://www.gao.gov/products/GAO-12-335</a></p>	<p>offices varied widely in their review of states' work plans. EPA, however, has not provided its 10 regions with guidance on how to oversee the state programs.</p> <p>The USDA's Environmental Quality Incentives Program is the key agricultural conservation program that can complement EPA efforts to reduce nonpoint source pollution, and its conservation practices have significantly reduced pollutants coming from agricultural land across the country. Notwithstanding its achievements, certain conservation practices can adversely affect water quality if not properly implemented. The Agency's Natural Resources Conservation Service (NRCS) has procedures in place intended to ensure that its practices do not inadvertently harm water quality. During its field work, GAO identified a few instances where these procedures may not have been followed (including in watersheds where EPA's section 319 funds had been used), and therefore sought NRCS data to determine if they were isolated instances or indicative of a more prevalent issue.</p>	<p>*Provide specific guidance to EPA's 10 regional offices on how they are to fulfill their oversight responsibilities, such as how to review states' plans for project feasibility and criteria to ensure that funded projects have characteristics that reflect the greatest likelihood of effective implementation and tangible water quality results.</p> <p>*In revising section 319 guidelines to states, and in addition to existing statutorily required reporting measures, emphasize measures that (1) more accurately reflect the overall health of targeted water bodies (e.g., the number, kind, and condition of living organisms) and (2) demonstrate states' focus on protecting high-quality water bodies, where appropriate.</p> <p>To help protect the quality of our nation's water resources, and to provide assurance that efforts to conserve soil</p>
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<p>3</p>	<p><b>Controls Over State Underground Storage Tank Inspection Programs in EPA Regions Generally Effective</b></p> <p>OIG</p> <p>The purpose of the evaluation was to determine how EPA ensures that the quality of compliance inspections at underground storage tanks (USTs) is protective of public health and the environment. Preventing releases through regular tank inspections and maintenance is key to protecting public health and the environment.</p>	<p>OIG determined that EPA regions have management controls to verify the quality of state UST inspections. All three regions where OIG conducted our review had annually reviewed UST inspection programs to verify compliance with requirements. Further, two of the three regions reviewed conducted more extensive annual reviews and made recommendations to improve state UST inspection programs. While OIG did not find any major deficiencies in the administration of the state UST inspection programs or</p>	<p>OIG recommended that EPA and states enter into MOAs that reflect program changes from the 2005 Energy Policy Act and address oversight of municipalities conducting inspections.</p>

		<p>regional oversight activities, OIG did identify one concern about EPA's oversight of state UST inspection programs. The memoranda of agreement (MOAs) between regions and the state UST programs either do not exist or do not reflect changes resulting from the Energy Policy Act of 2005.</p>	
<p>3</p>	<p><b>EPA Has Implemented Corrective Actions to Improve Conditions at Asheville, North Carolina Superfund Site</b></p> <p>OIG</p> <p>The purpose of the review was to determine whether EPA Region 4 implemented agreed to actions in response to OIG May 2010 report concerning improvements needed at the CTS Superfund site located in Asheville, North Carolina.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120321-12-P-0362.pdf">http://www.epa.gov/oig/reports/2012/20120321-12-P-0362.pdf</a></p>	<p>OIG identified that Region 4 took actions to implement all recommendations made in EPA OIG Report No. 10-P-0130, EPA Activities Provide Limited Assurance of the Extent of Contamination and Risk at a North Carolina Hazardous Waste Site, May 17, 2010. The region completed 8 of the 10 recommendations. Further actions are needed to complete 2 OIG recommendations. Specifically:</p> <ul style="list-style-type: none"> <li>• The region modified letters to residents communicating well water sampling results by including a supplemental fact sheet in the letters. However, the sheet does not conform to Region 4 standard operating procedures created in October 2010.</li> <li>• The region revised the site's Community Involvement Plan in April 2010. However, the plan did not include a specific communication strategy. Additionally, the plan does not reflect the site's current National Priorities List status and recent site activities. Three additional issues came to our attention during this review:</li> </ul>	<p>OIG recommended the Region 4 Administrator implement the following actions:</p> <ul style="list-style-type: none"> <li>• Revise an information sheet on the results of private well sampling.</li> <li>• Revise the Community Involvement Plan.</li> <li>• Create and maintain an index for the site informational repository.</li> <li>• Complete the final report on the removal action pilot study and fact sheet for the community on the results of the study.</li> </ul>

		<ul style="list-style-type: none"> <li>• The region did not have controls in place to ensure the site's public informational repository is being kept up to date and maintained. Also, the region did not complete a report on a removal action pilot study, nor provide a fact sheet to the community on the results as planned.</li> <li>• The region did not timely bill responsible parties approximately \$175,000 in federal government costs incurred at the site. The billing lapse was an oversight, which has since been corrected.</li> </ul>	
3	<p><b>EPA Inaction in Identifying Hazardous Waste Pharmaceuticals May Result in Unsafe Disposal</b></p> <p>OIG</p> <p>The purpose of the review was to evaluate EPA's process to identify and appropriately classify pharmaceuticals as hazardous waste and to ensure their safe disposal.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120525-12-P-0508.pdf">http://www.epa.gov/oig/reports/2012/20120525-12-P-0508.pdf</a></p>	<p>OIG found that since 1980, EPA has not used its Resource Conservation and Recovery Act (RCRA) authority to determine whether pharmaceuticals may qualify as hazardous waste. EPA also has not established a process for the regular identification and review of pharmaceuticals that may qualify for regulation as hazardous waste. Without a regular process, EPA cannot provide assurance that pharmaceuticals that may pose a hazardous risk to human health and the environment have been identified. OIG identified eight chemicals found in pharmaceuticals that meet EPA's criteria for regulation as acute hazardous waste, but wastes containing these chemicals are not regulated as such. There are over 100 drugs that federal occupational safety organizations have identified as hazardous but may not have</p>	<p>OIG recommended that the Assistant Administrator for Solid Waste and Emergency Response:</p> <ol style="list-style-type: none"> <li>1. Identify and review existing pharmaceuticals to determine whether they qualify for regulation as hazardous waste.</li> <li>2. Establish a process to review new pharmaceuticals to determine whether they qualify for regulation as hazardous waste.</li> <li>3. Develop a nationally consistent outreach and compliance assistance plan to help states address challenges that health care facilities, and others as</li> </ol>

		<p>been reviewed by EPA to determine whether they may qualify as hazardous waste. EPA staff stated they have started examining these drugs for listing as hazardous waste. Further, the state of Minnesota recently noted that there has been a proliferation of pharmaceutical development since RCRA regulations were established. This OIG review also found a risk that there are unknown but potentially dangerous unregulated Hazardous Waste Pharmaceuticals that may be unsafely disposed and released into the environment.</p>	<p>needed, have in complying with RCRA regulations for managing HWPs.</p>
<p>3</p>	<p><b>EPA Must Improve Oversight of State Enforcement</b></p> <p>OIG</p> <p>The purpose of the evaluation was to determine whether EPA set clear national performance benchmarks for state enforcement programs, and to what extent EPA headquarters holds regions accountable and supports them to ensure that all state enforcement programs protect human health and the environment.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20111209-12-P-0113.pdf">http://www.epa.gov/oig/reports/2012/20111209-12-P-0113.pdf</a></p>	<p>OIG found that EPA does not administer a consistent national enforcement program. Despite efforts by the Office of Enforcement and Compliance Assurance (OECA) and EPA regions to improve state enforcement performance, state enforcement programs frequently do not meet national goals and states do not always take necessary enforcement actions. State enforcement programs are underperforming: EPA data indicate that noncompliance is high and the level of enforcement is low. OIG also identified that EPA does not consistently hold states accountable for meeting enforcement standards, has not set clear and consistent national benchmarks, and</p>	<p>OIG recommended that EPA establish clear national lines of authority for enforcement that include centralized authority over resources; cancel outdated guidance and policies, and consolidate and clarify remaining enforcement policies; establish clear benchmarks for state performance; and establish a clear policy describing when and how EPA will intervene in states, and procedures to move resources to intervene</p>

		does not act effectively to curtail weak and inconsistent enforcement by states.	decisively, when appropriate, under its escalation policy.
3	<p><b>EPA Superfund Contract Initiatives and Controls to Reduce Fraud, Waste, and Abuse</b></p> <p>OIG</p> <p>OIG conducted this congressionally required review to report to the House and Senate Committees on Appropriations the Agency's current efforts to strengthen Superfund contracting controls to prevent future waste, fraud, and abuse.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120316-12-P-0360.pdf">http://www.epa.gov/oig/reports/2012/20120316-12-P-0360.pdf</a></p>	<p>OIG identified three EPA initiatives related to Superfund contracting controls:</p> <ul style="list-style-type: none"> <li>• Contracts 2010 Strategy;</li> <li>• Office of Acquisition Management's Performance Measurement and Management Program; and</li> <li>• Recovery Act Stewardship Plan.</li> </ul> <p>In addition to the above initiatives, EPA has other contract internal controls in place. EPA describes its contracting internal controls in documents such as the Contracts Management Manual, EPA Acquisition Handbook, EPA Acquisition Regulation, and Interagency Agreements Desk Manual. EPA evaluates implementation of internal controls through Office of Management and Budget Circular A-123 reviews. OIG also identified as required by the Committees, 20 OIG audit reports were issued to EPA since fiscal year 2005 with recommendations related to Superfund contracting controls.</p>	<p>A full listing of OIG recommendations and EPA's corrective actions are provided in appendix A of the report. Some of the corrective actions implemented by EPA as a result of OIG recommendations include:</p> <ul style="list-style-type: none"> <li>• EPA began verifying the timeliness of contractor performance evaluations by contracting officers and revised EPA Acquisition Handbook.</li> <li>• EPA developed a process to ensure adjustment vouchers and monies owed to EPA are tracked until receipt.</li> <li>• EPA revised internal guidance to require a cost-benefit analysis be conducted prior to awarding a Cost-Plus-Award-Fee contract.</li> </ul>
3	<p><b>Evaluation of 2003-2008 Brownfields Assessment, Revolving Loan Fund, and</b></p>	<ul style="list-style-type: none"> <li>• There is a significant variation by region and by type of Brownfield grant in</li> </ul>	<ul style="list-style-type: none"> <li>• For the current year, only established</li> </ul>

	<p><b>Cleanup Grants</b></p> <p>EPA’s Office of Brownfields and Land Revitalization in OSWER, EPA’s Center for Program Analysis in OSWER</p> <p>For Outcomes and Efficiencies sections:</p> <ul style="list-style-type: none"> <li>• Queried Brownfields database and contacted grant recipients for properties funded by 2003-2008 assessment, revolving loan fund, and cleanup grants.</li> <li>• Queried EPA’s financial database to obtain information on obligations and draw downs.</li> </ul> <p>For property values section:</p> <ul style="list-style-type: none"> <li>• Estimated the causal effect of brownfields cleanup on housing property values using rigorous, quasi-experimental methods based on the national Brownfields database.</li> </ul> <p><a href="http://www.epa.gov/brownfields/pdfs/Brownfields-Evaluation-Parts-I-II.pdf">http://www.epa.gov/brownfields/pdfs/Brownfields-Evaluation-Parts-I-II.pdf</a></p>	<p>producing outcomes</p> <ul style="list-style-type: none"> <li>• Most properties receiving assessment grants do not report progress once a Phase I assessment has been completed and are not able to be tracked by EPA</li> <li>• Very strong correlation between a property having a Phase II assessment and reaching Ready for Reuse, Redevelopment Underway or Completed</li> <li>• Dollars obligated per cleanup complete varies between cleanup grants and RLFs</li> <li>• There is a significant difference in the percent of funds drawn down from RLFs and cleanup grants</li> <li>• A significant number of properties that received EPA assessment funding did not report whether cleanup was required</li> <li>• Averaging over the experiences at a large number of brownfield properties throughout the United States, cleanup leads to housing price increases between 5.1% and 12.8%.</li> </ul>	<p>Revolving Loan fund recipients with low balances could apply for supplemental funding.</p> <ul style="list-style-type: none"> <li>• Funding for first time Revolving Loan fund recipients was reduced.</li> <li>• Emphasized the importance of Phase II assessments in the ARC guidelines for the 2012 grants competition.</li> </ul>
3	<p><b>Evaluation of Implementation of the Superfund Green Remediation Strategy</b></p> <p>Industrial Economics, Inc. (contractor)</p> <p>As part of the implementation of the Superfund Green Remediation Strategy, the Superfund program evaluated the implementation of the Strategy itself. The chosen approach was to conduct a</p>	<p>Overall, interview respondents were uniformly positive in their opinions of the <i>GR Strategy</i> structure and purpose, though responses identified some differences of opinion in how best to present “goals” and objectives. Several respondents noted that a more precise goal statement could be useful both in increasing awareness and focusing further implementation of the <i>GR Strategy</i>.</p>	<p>The evaluator recommended that EPA:</p> <ul style="list-style-type: none"> <li>• Focus on clarity of goals and implementation objectives.</li> <li>• Continue to emphasize practical tools for GR implementation.</li> <li>• Increase focus on policy and legal information and</li> </ul>

	<p>“formative” evaluation of the national-level effort. The purpose of the evaluation was to document the Strategy’s effectiveness in achieving its stated goals. OSRTI was the co-sponsor with the Office of Policy.</p> <p><a href="http://epa.gov/evaluate/pdf/waste/gr-strategy-eval-final-report.pdf">http://epa.gov/evaluate/pdf/waste/gr-strategy-eval-final-report.pdf</a></p>	<p>Interview responses from the regions indicated that most have not focused to date on developing a baseline. Overall most of the regions (eight of ten) identified that their current practices represent a fairly accurate baseline before the <i>GR Strategy</i> was released because the implementation of GR efforts is just beginning. A review of the logic model associated with the <i>GR Strategy</i> suggests that a suite of appropriate performance measures for program performance would directly assess the short-term (changes in awareness), intermediate term (changes in behavior), and long-term (changes in site practice and impacts) outcomes of the <i>GR Strategy</i>.</p>	<p>tools, or on other HQ “signaling.”</p> <ul style="list-style-type: none"> <li>• Develop a region-specific baseline for documenting site-level changes (core elements) and attributing change to the GR Strategy.</li> <li>• Work with regions and develop guidance on how and when to conduct footprint analyses and to examine the potential for utilizing such tools to quantify environmental impacts at sites.</li> <li>• Select metrics to measure program success based upon the proposed criteria listed above.</li> </ul>
3	<p><b>Evaluation of Region 7 Tribal Grants Programmatic Processes</b></p> <p>Industrial Economics, Inc. (contractor)</p> <p>In EPA Region 7, some tribal representatives had expressed concerns about the programmatic grants processes. These points, albeit anecdotal in nature, encompass a variety of issues, including that the grants negotiation process is too lengthy, differing requirements among the different media programs, that feedback related to grant products is not timely or productive, and that tribal priorities are undervalued in</p>	<p>Evaluation results were grouped into three categories.</p> <p><i>Efficiency, Consistency, and Transparency</i></p> <ul style="list-style-type: none"> <li>• For the most part, the grant programs evaluated follow the same steps in administering tribal grants, but there are distinctions in how the programs implement these steps.</li> <li>• Issues that arise are generally attributable to the implementation of the steps rather than the steps themselves.</li> </ul> <p>Overall, the biggest “sticking point” in the process occurs around workplan negotiation.</p> <ul style="list-style-type: none"> <li>• Different program</li> </ul>	<p>Based on the key issues that the Region wanted addressed in the evaluation and an analysis of the findings, the evaluator identified the following set of recommendations for EPA to consider:</p> <ul style="list-style-type: none"> <li>• Implement grant programs as consistently as practicable across all grant programs, following the Best Management Practices developed by the Tribal/EPA Grants and</li> </ul>

	<p>workplan activities.</p> <p>In order to better understand these concerns and to ensure that the programmatic grant processes are as clear and efficient as possible, the Region 7 tribal program and the Regional Tribal Operations Committee (RTOC) have formed a subgroup charged with reviewing and improving communications around the tribal grants, specifically focusing on increasing transparency to improve grant implementation.</p> <p>In support of this review, EPA initiated this evaluation of the tribal grants program to assess how grants are currently handled and to make recommendations to ensure that grants are addressed efficiently, consistently, and transparently. In addition, EPA wanted to identify recommendations that would encourage effective communication between Region 7 staff and tribes as well as collaboration among Region 7 programs. This evaluation focuses on the Agency's tribal grant allocation, approval, and management practices, rather than on grant products or activities conducted under the grants by tribes.</p> <p>The evaluation centers around four Region 7 grants: CAA 103, CWA 106, CERCLA 128(a), and GAP, with the understanding that examining this set of grants would address</p>	<p>responsibilities as well as budget and staffing realities directly motivate the regional program offices' structures; distinctions in the organization can impact interactions internally or with the tribes.</p> <p><i>Communication with the Tribes and Issues Affecting Workplan Negotiation</i></p> <ul style="list-style-type: none"> <li>• Many of the issues identified had a common underlying theme: communication issues and personality clashes between EPA and tribal personnel.</li> <li>• Due to tribal environmental staff turnover, EPA staff often works with tribal staff who have limited experience with grants management.</li> <li>• Tribal staff cited the turnover of EPA project officers as contributing to delays in the workplan negotiation position. Although newly-assigned EPA project officers may not be inexperienced in grants management, they may lack experience in working with tribes.</li> <li>• There is a need for more face-to-face or direct communication to improve the efficiency of the review of workplan and QAPP submissions.</li> <li>• Interviewees noted that more comprehensive and interactive training on working with tribes as sovereign entities would benefit EPA staff.</li> </ul> <p><i>Collaboration among Region 7 Programs</i></p>	<p>Communications Workgroup;</p> <ul style="list-style-type: none"> <li>• Identify organizational structures that facilitate or hinder efficient operation of the grant program and collaboration among programs;</li> <li>• Work to improve communications with the Tribes, especially with regard to workplan negotiations;</li> <li>• Better equip EPA staff to work effectively with Tribal staff, who are often new or inexperienced; and</li> <li>• Formalize the internal process to review grants among programs to ensure that activities are funded under the right grants and to limit duplication of effort.</li> </ul>
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	<p>the issues and concerns that had been identified.</p> <p><a href="http://www.epa.gov/evaluate/pdf/cross-media/r7-tribal-grants-eval-report.pdf">http://www.epa.gov/evaluate/pdf/cross-media/r7-tribal-grants-eval-report.pdf</a></p>	<ul style="list-style-type: none"> <li>• There is no systematic procedure in place to review grants across programs. Some EPA program representatives indicated that their grants' workplans are cross-checked by GAP PO, however this occurs only on a periodic and ad hoc basis.</li> <li>• Uncertainty exists over which activities can be funded under GAP. This is not unique to Region 7 and is being addressed by the Agency as a whole.</li> </ul>	
3	<p><b>LUST Backlog Study</b></p> <p>EPA's Office of Underground Storage Tanks, and Skeo (contractor)</p> <p>The purpose of the study was to provide a more detailed characterization of the LUST cleanup backlog and to examine potential opportunities for reducing the backlog. The study was done to better understand the universe of unaddressed sites (age, priority, issues impeding progress, etc.) and the constraints experienced by state implementing programs, and to use the insights gained to engage states and regions in developing and implementing realistic strategies and approaches for reducing the backlog. There is no national database of open LUST releases and the performance information gathered semi-annually provides only broad general information. Fourteen states, representing 66% of the cleanup backlog and the 10</p>	<p>Results included:</p> <ul style="list-style-type: none"> <li>• A specific analysis of the backlog universe in each of the participating states, reflecting how each state is different in its requirements and implementation.</li> <li>• Identification of potential opportunities to address attributes of concern (very old sites, unaddressed priority sites, etc.)</li> <li>• Concrete improvements to states programs (review of priority ranking systems, further characterization of individual state programs, use of contractors to do administrative reviews of existing information, etc.)</li> </ul>	<p>EPA identified potential opportunities to use as starting points for developing strategies for reducing the backlog jointly with the states. The potential opportunities identified in the study fall into three general categories:</p> <ul style="list-style-type: none"> <li>• Accelerating corrective action;</li> <li>• Pursuing targeted initiatives;</li> <li>• Improving program implementation.</li> </ul>

	<p>states with the largest backlogs and all 10 regions participated in the study.</p> <p><a href="http://www.epa.gov/swrust1/pubs/backlog_national_chapter.pdf">http://www.epa.gov/swrust1/pubs/backlog_national_chapter.pdf</a></p>		
3	<p><b>Oversight of UST/LUST grants</b></p> <p>OSWER/OUST HQ and Regions</p> <p>OUST initiated a national discussion with the regional offices to evaluate state grant utilization and increase OUST's understanding of how regions oversee the state grants. We looked at a number of variables, including: age/status of grants, rate of drawdowns, impacts of state budgets, approaches used by regions to address issues, etc. We worked with all ten regions to review data on all open UST/LUST grants. We reviewed data and discussed the status of the state grants in each region, to identify any issues needing resolution.</p>	<ul style="list-style-type: none"> <li>• OUST gathered specific information on open states grants in each region, and the issues in the individual states that contribute to the status of the grants</li> <li>• For those states with large or unexplained ULOs, OUST worked with the regions to tailor a process forward to either reduce the states' ULOs, or shift future funding to other states with greater need and/or greater ability to expeditiously use the funding</li> <li>• - OUST increased its understanding of the status and issues of state grants, and was able to use that knowledge to inform modifications to future allocation formulas.</li> </ul>	<ul style="list-style-type: none"> <li>• An annual review should be conducted with each region</li> <li>• More complex issues will also be included in the annual regional programmatic reviews</li> <li>• OUST will develop more uniform and useful reports to aid the discussions with each region</li> <li>• Ultimately, regions should use state drawdown status and history to inform annual grant allocations</li> </ul>
3	<p><b>Review of Hotline Complaint Concerning Cost and Benefit Estimates for EPA's Lead-Based Paint Rule</b></p> <p>OIG</p> <p>As requested by a hotline complaint to OIG, to evaluate how EPA determined the costs and benefits of the 2008 Lead, Renovation, Repair, and Painting Rule (Lead</p>	<p>OIG found that although EPA stated that its economic analysis underwent extensive intra-Agency review and was approved by the Office of Management Budget prior to publication, EPA used limited data to develop its cost and benefit estimates for the Lead Rule. OIG did not conclude that EPA violated policies or failed to follow requirements in conducting its analysis. Rather, EPA conducted its</p>	<p>OIG recommended that EPA reexamine the costs and benefits of the 2008 Lead Rule and the 2010 amendment to determine whether the rule should be modified, streamlined, expanded, or repealed. OIG also recommended that</p>

	<p>Rule).</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120725-12-P-0600.pdf">http://www.epa.gov/oig/reports/2012/20120725-12-P-0600.pdf</a></p>	<p>economic analysis under time pressures and subsequently used its discretion to complete its analysis using some limited data and approaches.</p>	<p>EPA add a disclaimer to its training program materials to communicate the differences between required and recommended work practices.</p>
3	<p><b>Stronger Management Controls Will Improve EPA Five-Year Reviews of Superfund Sites</b></p> <p>OIG</p> <p>To evaluate the Office of Solid Waste and Emergency Response (OSWER) management controls to ensure Superfund Five-Year Reviews (FYRs) are thorough, meet policy, and lead to well-supported determinations that accurately report how well cleanup remedies protect human health and the environment.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120206-12-P-0251.pdf">http://www.epa.gov/oig/reports/2012/20120206-12-P-0251.pdf</a></p>	<p>OIG found that the FYR process benefited from OSWER Office of Superfund Remediation and Technology Innovation (OSRTI) reviews of draft reports, but improvements could be made to increase the impact of these reviews. OSRTI's reviews are intended to ensure protectiveness determinations are accurate, supported by available information, and consistent in format nationwide. OSRTI has not established sufficient management controls to make certain that FYR reports consistently meet quality standards and adhere to guidance. No formal process is in place to resolve differences when OSRTI and regions disagree on conclusions before final reports are released to the public. OSRTI reviewers did not always follow up to determine whether the region implemented recommendations, and regions sometimes disregarded valid OSRTI comments that were based on Agency guidance.</p>	<p>OIG recommended that OSWER establish a process to resolve disagreements with regions on protectiveness determinations. OIG also recommended steps to improve the consistency, thoroughness, and communication of OSRTI reviews and to better define protectiveness determinations.</p>
4	<p><b>2011 Evaluation of the Oregon Paint Stewardship</b></p>	<p><i>Collaboration:</i> A primary goal of the PPSI</p>	<p>None.</p>

	<p><b>Program</b></p> <p>Evaluation Support Division and its contractor ERG</p> <p>In 2002, a coalition of paint manufacturers, represented by American Coatings Association (ACA); local, state, and federal environmental agencies; retailers; and consumer and environmental agencies formed the Paint Product Stewardship Initiative (PPSI) and began negotiations facilitated by the Product Stewardship Institute (PSI) to create an industry-managed post-consumer paint management system. This report summarizes the results of the evaluation of the Oregon paint recycling program performed by the PPSI Evaluation Committee, which includes members representing the diversity of participants in the PPSI.</p> <p><a href="http://www.paintstewardshipprogram.com/images/2011%20EPA%20Evaluation%20of%20the%20Oregon%20Paint%20Stewardship%20Program.pdf">http://www.paintstewardshipprogram.com/images/2011%20EPA%20Evaluation%20of%20the%20Oregon%20Paint%20Stewardship%20Program.pdf</a></p>	<p>was that the pilot program, from planning to implementation, was to be a collaborative process. Most stakeholders involved in the PPSI agreed that the program development process was collaborative. Stakeholders also pointed to break downs in collaboration when the program transitioned from designing and planning the PPSI pilot program to drafting Oregon legislation and planning and implementing the Oregon program.</p> <p><i>Paint Stewardship Organization</i></p> <p>A goal of the PPSI was for a pilot program to create a Paint Stewardship Organization (PSO) that would operate under the direction of the paint industry and this was achieved in the Oregon legislation that created the program. The PSO for the Oregon program, PaintCare, is a coalition of paint producers and is operated by the American Coatings Association (ACA), although membership in ACA is not required for a paint producer to be part of PaintCare.</p> <p><i>Education and Outreach</i></p> <p>The Oregon program included an extensive education and outreach program and a broad approach to spreading its messages. The program did not strategically aim its messages at specific target audiences with specific means</p>	
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		of communication. For additional findings, see the final report.	
4	<p><b>Environmental Job Training Program Implemented Well, But Focus Needed on Possible Duplication With Other EPA Programs</b></p> <p>OIG</p> <p>The purpose of the evaluation is to examine whether EPA’s Environmental Workforce Development and Job Training (Environmental Job Training) program is addressing its program goals and whether duplications may occur with other EPA job training programs.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120921-12-P-0843_glance.pdf">http://www.epa.gov/oig/reports/2012/20120921-12-P-0843_glance.pdf</a></p>	<p>OIG found that EPA effectively established and adhered to competitive criteria that resulted in the selection of job training proposals that addressed the broad goals of the Environmental Job Training program. However, OIG identified that EPA did not have internal controls to identify and prevent duplication with other EPA job training programs. Consequently, there is some risk of duplication in EPA awards for job training programs. Other EPA programs that could possibly duplicate Environmental Job Training activities include the:</p> <ul style="list-style-type: none"> <li>• Superfund Job Training Initiative (SuperJTI) job readiness program;</li> <li>• Surveys, Studies, Investigations, Training and Special Purpose Activities Relating to Environmental Justice grant program; and</li> <li>• Environmental Justice Small Grant Program.</li> </ul>	<p>OIG recommended that the Assistant Administrator for Solid Waste and Emergency Response establish internal controls for coordination with other EPA-funded job training programs to prevent duplication of effort and spending.</p>
4	<p><b>EPA Needs to Manage Nanomaterial Risks More Effectively</b></p> <p>OIG</p> <p>The purpose of this review was to determine how effectively the U.S. EPA is managing the human health and environmental risks of</p>	<p>OIG concluded that: (1) EPA does not have sufficient information to determine the risks nanomaterials pose to human health and the environment; (2) industry stakeholders and the public are not receiving an overall message about policy changes or nanomaterial risks; (3) these management issues, combined</p>	<p>OIG recommended that OCSPP develop a process to assure the effective dissemination and coordination or nanomaterial information across relevant program offices.</p>

	<p>nanomaterials, focusing on EPA's responsibilities for oversight, assessment and regulation. Data were obtained from interviews with EPA personnel in all applicable media offices and the Office of General Counsel, and with representatives of academic institutions, nongovernmental organizations, and an international organization. A literature review also was conducted.</p>	<p>with other factors, create significant barriers to nanomaterial management; and (4) unless improvements are made, EPA will not be able to assure that it is effectively managing nanomaterial risks.</p>	
<p>4</p>	<p><b>EPA's EDSP Should Establish Management Controls to Ensure More Timely Results</b></p> <p>OIG</p> <p>OIG sought to determine whether EPA has planned and conducted the requisite research and testing to evaluate and regulate endocrine-disrupting chemicals. OIG focused on EPA's Endocrine Disruptor Screening Program (EDSP) because it is the program that focuses on screening and testing chemicals with endocrine-disrupting effects.</p> <p><a href="http://www.epa.gov/oig/reports/2011/20110503-11-P-0215.pdf">www.epa.gov/oig/reports/2011/20110503-11-P-0215.pdf</a></p>	<p>Fourteen years after passage of the FQPA and Safe Drinking Water Act amendments, EPA's EDSP has not determined whether any chemical is a potential endocrine disruptor. EDSP has not developed a management plan laying out the program's goals and priorities, or established outcome performance measures to track program results. EDSP missed milestones for assay validation and chemical selection established by the 2001 Natural Resources Defense Council (NRDC) settlement agreement. Completed activities exceeded their targets by about 4½ to 6 years. Concerned about program progress, in 2007, Congress instituted reporting requirements, and in 2009, specified deadlines for certain EDSP activities. As a result, EPA recently published two EDSP documents for public comment. OIG acknowledged the difficulties involved in</p>	<p>OIG recommended that EPA: (1) define and identify the universe of chemicals for screening and testing, (2) develop and publish a standardized methodology for prioritizing the universe of chemicals for screening and testing, (3) finalize specific Tier 1 and Tier 2 criteria to evaluate testing data, (4) develop performance measures, (5) develop a comprehensive management plan, and (6) hold annual program reviews.</p>

		<p>establishing an effective endocrine disruptor screening and testing program. However, in addition to lacking a management plan and outcome measures, EDSP has not created a final statement of policy, finalized specific procedures to evaluate Tier 1 screening results, or established specific procedures to evaluate Tier 2 testing results. EDSP needs to develop and implement plans and performance measures to establish management control and accountability. EDSP plans to develop a management plan for the program but had not done so at the time of our review.</p>	
4	<p><b>EPA’s Voluntary Chemical Evaluation Program Did Not Achieve Children’s Health Protection Goals</b></p> <p>OIG</p> <p>The purpose of this study was to determine the outcomes of EPA’s Voluntary Children’s Chemical Evaluation Program (VCCEP). Data were collected through interviews with program directors and staff in OPPT and the Office of Children’s Health Protection regarding their experiences with VCCEP. Also interviewed were a research scientist with EPA’s Office of Research and Development, a former EPA AA for OCSPP and representatives of selected nongovernmental organizations. Literature review included</p>	<p>OIG concluded that (1) VCCEP did not address the chemical posing the greatest potential risk to children; (2) VCCEP missed an opportunity to assess chemicals of high concern; (3) EPA failed to adequately explain chemical information to the general public; (4) the VCCEP pilot did not produce complete or timely results or employ EPA’s regulatory authorities; and (5) EPA lacks an effective children-specific chemicals management program. These shortcomings were attributed by OIG to poor program design and EPA’s failure to use its TSCA regulatory authorities to compel data collection. EPA demonstrated that it could not achieve children’s health goals with a voluntary program. EPA has</p>	<p>OIG recommended that OCSPP design and implement a process to assess the safety of chemicals to children, including the following specific features: a chemical selection process that identifies and includes the chemicals with the highest potential risk to children, a workable data collection strategy, a communications strategy and specific outcome measures.</p>

	<p>VCCEP documents, Congressional testimony, scientific journals, prior evaluation reports and other materials.</p> <p><a href="http://www.epa.gov/oig/reports/2011/20110721-11-P-0379.pdf">www.epa.gov/oig/reports/2011/20110721-11-P-0379.pdf</a></p>	<p>discontinued VCCEP, and there is still no readily understandable source of chemical exposure information that the general public can access to determine potential risks to children.</p>	
5	<p><b>EPA Data Standards Plan Completed But Additional Steps Are Needed</b></p> <p>OIG</p> <p>The purpose of the review is to determine what progress EPA made in completing its corrective action plan to close out the Agency-level weakness on data standards.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120605-12-P-0519.pdf">http://www.epa.gov/oig/reports/2012/20120605-12-P-0519.pdf</a></p>	<p>OIG identified that although EPA completed the steps listed in its corrective action plan to close out the Agency-level weakness on data standards, the actions taken were either incomplete or lacked steps to help management determine the overall effectiveness of the Agency's implementation of data standards. In particular, OIG determined that EPA:</p> <ul style="list-style-type: none"> <li>• Developed a data standards training program. However, management took no steps to identify who needed the training, track whether the appropriate personnel took the training, or obtain feedback from staff on the training to ascertain the training's effectiveness.</li> <li>• Created data standards report cards. However, these report cards are inaccurate because EPA offices did not update the system used to create the report cards. Also, the report card format is such that management could not clearly see whether individual offices were in compliance with data standards.</li> <li>• Completed two conformance reviews to determine system compliance with the data standards. However, management made no plans to</li> </ul>	<p>OIG recommended that the Office of Environmental Information:</p> <ul style="list-style-type: none"> <li>• Update the data standards guidance available to EPA offices.</li> <li>• Implement a new data standards communication plan.</li> <li>• Provide specific instructions to EPA offices for updating the Registry of EPA Applications and Databases.</li> <li>• Create a high-level data standards report card for senior executives.</li> <li>• Develop a new strategy for ensuring compliance with data standards.</li> </ul>

		conduct additional reviews.	
5	<p><b>EPA's Review of Applications for a Water Research Grant Did Not Follow All Review Procedures and Lacked Transparency</b></p> <p>OIG</p> <p>Based on a request from EPA Assistant Administrator for the Office of Research and Development, OIG examined EPA's review process for Science to Achieve Results grant Request for Applications EPA-G2009-STAR-F1, "Advancing Public Health Protection through Water Infrastructure Sustainability." EPA had voided the results of a December 2009 peer review panel due to concerns over reviewer expertise and innovativeness, and completed a second peer review in June 2010. OIG sought to determine whether EPA followed applicable policies and procedures, and communicated with applicants appropriately.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120925-12-P-0864.pdf">http://www.epa.gov/oig/reports/2012/20120925-12-P-0864.pdf</a></p>	<p>OIG found that the National Center for Environmental Research did not follow the review process required by the Code of Federal Regulations, and although EPA subsequently issued a class exception, it did not make this known to the public. Also, for more than half of the 72 applications reviewed during each peer review, at least one of the three assigned peer reviewers did not provide written comments addressing each evaluation criterion as required. Further, the National Center for Environmental Research did not have a clearly defined "firewall" policy for its peer review process. The process used to select reviewers for the June 2010 review, in our view, was inconsistent with descriptions of the National Center for Environmental Research's firewall practice published in prior National Academies reports. The issues noted stemmed from a lack of program procedures and management controls, resulting in delays and additional costs for EPA. The weaknesses could also harm the reputation of EPA's Science to Achieve Results grant program.</p> <p>The National Center for Environmental Research did not communicate with grant applicants in a transparent, appropriate, accurate, and</p>	<p>OIG recommended that EPA ensure that the National Center for Environmental Research makes the public aware of its class exception from the Code of Federal Regulations and establish and adhere to improved procedures and management controls for its firewall and communication with applicants. EPA agreed with the intent of OIG recommendations.</p>

		<p>timely manner. OIG found that EPA's National Center for Environmental Research was not transparent in communicating its decision to conduct a second review. Also, declination letters did not sufficiently explain why applicants were not selected or inform them of the option to request a debriefing. Such ineffective communications with grant applicants can potentially damage the reputation of the Science to Achieve Results grant program.</p>	
5	<p><b>Limited Public Comment on EPA's Regulatory Flexibility Act Section 610 Reviews</b></p> <p>OIG</p> <p>The purpose of this review was to identify the reasons for the lack of public comments and responses to EPA's Regulatory Flexibility Act (RFA) Section 610 retrospective reviews.</p> <p><a href="http://www.epa.gov/oig/reports/2012/20120719-12-P-0579.pdf">http://www.epa.gov/oig/reports/2012/20120719-12-P-0579.pdf</a></p>	<p>OIG identified that an essential aspect of Section 610 reviews is obtaining public comment on the impact of regulations. OIG also found that EPA receives little to no public comment when Section 610 review notices are published in the Federal Register. This limited public comment can hinder the ability of the Agency to implement an effective Section 610 review process. EPA's ability to conduct effective retrospective reviews is dependent on feedback from the public and the regulated community. OIG also found that the shortage of comments may be the result of the following reasons:</p> <ul style="list-style-type: none"> <li>• If small business concerns are identified, the Agency is mandated by the RFA to address these during the initial rulemaking process, which could result in concerns being addressed at the outset.</li> </ul>	<p>OIG recommended that EPA's Associate Administrator for Policy coordinate the Section 610 review with other required retrospective reviews, and implement additional public outreach efforts to increase awareness of the Section 610 purpose and process.</p>

		<ul style="list-style-type: none"><li>• EPA is required by a number of other statutes to conduct retrospective reviews; the Agency may have already reviewed and modified regulations before the 10-year mark for the Section 610 review. These other reviews are generally not coordinated with Section 610 reviews.</li><li>• Ten years after a rule is finalized may not be the optimal time to seek feedback; some rules may benefit from a review closer to issuance.</li><li>• Some of the stakeholders in the regulated community that we contacted were unaware of the purpose or execution of the Section 610 reviews.</li></ul>	
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