



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We sought to determine whether the U.S. Environmental Protection Agency (EPA) has been using funds in a timely manner for brownfields pilot projects, and whether funds were available for deobligation.

Background

EPA implemented the brownfields program in 1995 to empower States, communities, and other stakeholders to work together in a timely manner to assess, clean up, and reuse brownfields. A brownfield is an abandoned property that parties would like to redevelop or reuse but the property might be contaminated by hazardous substances or pollutants. EPA provides funds to local governments for brownfield pilot projects to assess brownfields and to loan money for brownfields clean-up.

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

To view the full report, click on the following link:
www.epa.gov/oig/reports/2008/20080916-08-P-0265.pdf

EPA Should Continue Efforts to Reduce Unliquidated Obligations in Brownfields Pilot Grants

What We Found

EPA is taking action to reduce unliquidated obligations under brownfields grants. EPA recently emphasized the need to close old grants. As a result, regions are deobligating funds on some grants. Unliquidated obligations decreased from about \$29.8 million in November 2007 to about \$20.9 million in March 2008, almost 30 percent.

Nonetheless, 48 grants more than 5 years old were still open as of March 2008. Of the almost \$11 million of unliquidated funds reviewed in Regions 2 and 4, the regions deobligated \$1.3 million (almost 12 percent) during our audit. Up to an additional \$6.8 million could be available for deobligation for the 21 grants that have ended or are scheduled to end by September 30, 2008. For grants awarded prior to October 1, 2002, EPA puts deobligated Superfund funds back into the national Superfund account. EPA can then use the funds for other projects.

EPA had not consistently implemented a national policy or process that provides reasonable assurance that brownfields grant funds will be spent in a timely manner. EPA Headquarters has not provided specific guidelines on when grants should be terminated, nor has it defined inadequate progress for grant performance. Regions have generally allowed time extensions when grantees requested them.

Long periods between awarding and expending grant funds indicate that EPA is not maximizing its resources. Rather than sitting idle, awarded funds could be put to better use by communities that are ready to proceed with assessment and clean-up activities. Also, as awarded funds go unspent over time, the purchasing power of those dollars decreases.

What We Recommend

We recommend that the Assistant Administrator for the Office of Solid Waste and Emergency Response establish a process for reviewing non-performing grants, and develop procedures for terminating and deobligating funds from those grants. We recommend that model terms and conditions for assessment grants define the term "insufficient progress." We also recommend that regions deobligate the remaining funds for 21 grants that are scheduled to end by September 30, 2008. EPA agreed with our recommendations and is in the process of establishing procedures that, when implemented, should adequately address the findings.