



OFFICE OF INSPECTOR GENERAL

*Catalyst for Improving the Environment*

EPA-350-R-07-001

May 2007

# Annual Superfund Report to Congress for Fiscal Year 2006



# ***OIG Scorecard Summary of Superfund Results by OIG Goal - Fiscal Year 2006***

**OIG GOAL: *Contribute to Human Health and Environmental Quality Through Improved Business Practices, Accountability, and Integrity of Program Operations.***

**Below are Superfund Results of OIG Work in Terms of Outputs, Actions by EPA, and Impacts  
*Dollars in Millions***

- 19 Policy, Practice, Process Actions, or Changes Made
- 4 Critical Public or Congressional Concerns Addressed
- 37 Recommendations for Agency/Stakeholder Action
- 44 Certifications/Validations/Verifications/Allegations Disproved
- \$ 3.2 Questioned Costs (Federal)
- \$ 683.5 Cost Efficiencies (Federal)
- \$ 1.2 Fines, Settlements, Restitutions
  - 3 Sentencings
  - 1 Civil Judgment/Settlement
  - 4 Administrative Actions
- \$ 26.2 Questioned Cost Sustained (EPA)
- \$ 83.8 Cost Efficiencies Sustained (EPA)

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Office of Inspector General, visit our Website at:**

**<http://www.epa.gov/oig>**

**Cover Photo:** The Army Creek Landfill site before (left) and after (right) cleanup. The abandoned sand and gravel quarry in New Castle, Delaware, which was subsequently used as a municipal landfill, was turned into a wildlife preserve.



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## Foreword

This report covers Fiscal Year 2006 Superfund-related activity of the U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG). The Superfund Amendments and Reauthorization Act of 1986 requires the OIG to annually audit the Superfund program and report the results to Congress.

Due to some significant Agency activities in April 2006 we were able to remove “Superfund Evaluation and Policy Identification” as one of EPA’s key management challenges. EPA had developed an action plan to respond to the majority of the 108 recommendations in its *120-Day Study* of the Superfund program. Also, the Agency agreed to implement OIG recommendations related to Superfund. We will continue to monitor EPA’s progress related to improving the Superfund program.

In response to a congressional request, we looked at EPA’s Superfund resources and found that EPA needs to better account for those resources, particularly in light of decreased funding. We found several obstacles that prevented EPA from efficiently and effectively managing Superfund program performance and adequately accounting for resources. These obstacles included the way EPA accounts for program resources, manages by function, and relies on an outdated workload model. Total cost efficiencies resulting from this report to date are \$639 million.

In a separate review, we noted that EPA did not timely redistribute Superfund cooperative agreement, interagency agreement, and small purchase payments from a general site identifier to specific Superfund sites. As of January 2006, the finance offices recorded \$39 million in a general account, and those payments remained undistributed for as much as 10 years. Subsequent to our bringing this issue to EPA’s attention, EPA provided unaudited data reports that indicated the undistributed costs were reduced to \$13 million as of May 12, 2006.

EPA needs to better manage cleaning up contaminated sediments to cut down on the adverse effects on human health and the environment. Contaminated sediments are the soils and other material that accumulate at the bottom of water bodies, and contain toxic or hazardous materials that often originate from Superfund sites. EPA has made progress with its Contaminated Sediment Management Strategy, but needs to make better use of that strategy.

We found that EPA appropriately handled hazardous material releases and debris that resulted after Hurricane Katrina struck in August 2005. EPA established quality and timely approaches for rapidly identifying, prioritizing, and assessing the impact of hazardous material releases

following the hurricane. Further, EPA assessed results of damage or releases at all 18 Superfund National Priorities List sites over which the hurricane passed. EPA concluded that the hurricane did not impact 15 of the 18 sites, and the Agency was monitoring the remaining 3 sites.

Addressing Superfund funding and program management remains an important issue. We will continue to assist Congress and EPA in their efforts to protect against potential adverse health and environmental impacts resulting from Superfund sites. Early identification, communication, and evaluation of issues needed to reform the Superfund program can better prepare the Agency to address Superfund issues.

A handwritten signature in black ink, appearing to read "Bill A. Roderick", written over a horizontal line.

Bill A. Roderick  
Acting Inspector General

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## Hazardous Substance Superfund Trust Fund

The Government Management and Reform Act requires Federal agencies to prepare annual audited financial statements. The act was passed to help improve agencies' financial management practices, systems, and controls so that timely, reliable information is available to manage Federal programs.

One of the major entities covered by EPA's financial statements is the Hazardous Substance Superfund Trust Fund. OIG's audit of EPA financial statements also meets our Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) requirement to annually audit the Superfund Trust Fund. EPA presented the financial statements for Fiscal Year 2006 in a consolidated format and did not include a separate presentation on the Superfund Trust Fund.

The following summary of our Fiscal Year 2006 financial statement audit relates to all findings resulting from our audit of EPA's financial statements, including those of the Hazardous Substance Superfund Trust Fund. After the details on the financial statement audit are summaries on several other reviews we conducted that note ways EPA can improve its management of Superfund resources.

### **EPA Earns Unqualified Opinion on Financial Statements**

EPA earned an unqualified opinion on its Fiscal Year 2006 financial statements. That means we found the statements to be fairly presented and free of material misstatements. However, in evaluating internal controls, we noted two reportable conditions. Reportable conditions do not represent weaknesses that would cause a material misstatement of financial amounts.

Rather, they represent significant deficiencies in the design or operation of internal controls. One of the reportable conditions involved EPA implementing two accounting processes in Fiscal Year 2006 that led to misstatements. These misstatements involved the Agency's bad debt expense, revenue, contra revenue, advance accounts, and unearned revenue accounts. The processes included reclassifying receivables older than 2 years as currently not collectible. They also involved transferring the receivables and related allowance accounts from regional financial management offices to financial management centers. Among other things, the advance account for Superfund future cost special account receivables had a debit balance of \$2,749,860. Advances received from others should normally have a credit balance.

The other reportable condition involved EPA not properly accounting for advance funding agreements with other Federal Government agencies. EPA recorded nearly \$56 million in advances disbursed under Interagency Agreements as expenses rather than assets.

We also found that EPA did not comply with regulations related to reconciling intragovernmental transactions. The Agency did not reconcile material activity and balances with the Department of Health and Human Services, and had out-of-balance situations with many other agencies. This instance of noncompliance did not result in material misstatements to the audited financial statements.

The Agency agreed with the issues raised and indicated it has begun taking corrective actions.

We issued our report (2007-1-00019) on November 15, 2006.

## **EPA Can Better Manage Superfund Resources**

In response to a congressional request, we examined EPA's Superfund resources and found that EPA needs to overcome challenges in accounting for and managing those resources.

Created in 1980, the Superfund program has cleaned up over 1,500 of the Nation's highest priority hazardous waste sites. However, funding for the program has decreased over the years. In Fiscal Years 2004 and 2005, all Superfund appropriations came from general tax revenue rather than the Superfund Trust Fund. Two recent OIG studies have reported shortages in funding.

We found several obstacles that prevented EPA from efficiently and effectively managing Superfund program performance and adequately accounting for Superfund resources. This is because of the way it:

- accounts for program resources,
- manages by functions,
- supplements the program with other funds,
- relies on an outdated workload model, and
- maintains unliquidated Superfund obligations and funds in special accounts.

We recommended changes to help EPA overcome these obstacles, better manage its Superfund resources, and direct additional funds to Superfund cleanup. We also noted that Congress could direct EPA to monitor all Superfund carryover before each fiscal year expires, and demonstrate how reprogrammed or non-reprogrammed Superfund carryover directly benefits Superfund response and cleanup activities.

In response to our recommendations, the Agency has deobligated \$38.6 million in Superfund dollars and returned \$352,000 in Superfund Special Account funds to the trust fund. Total cost efficiencies to date from this report are \$639 million.

We issued our report (2006-P-00013) on February 28, 2006.

## **EPA Can Improve Redistributing Superfund Payments from General Site Identifiers**

EPA did not timely redistribute Superfund cooperative agreement, interagency agreement, and small purchase payments from a general site identifier to specific Superfund sites.

When EPA cannot readily identify costs incurred for certain response activities to a specific site, EPA assigns a general site identifier, and subsequently will redistribute the costs to a more appropriate general or site-specific identifier when such costs are paid.

However, the finance offices reviewed did not timely record costs to specific site identifiers, as required. As of January 2006, the finance offices recorded \$39 million in a general account. Those payments remained undistributed for periods ranging from 2 months to 10 years. As a result, the \$39 million may not be considered in settlement negotiations and oversight billings, and thus may not be recovered from responsible parties. The bulk of the \$39 million (\$31 million) involved cooperative agreements.

Subsequent to our bringing this issue to EPA's attention, EPA provided unaudited data reports that indicated the undistributed costs were reduced to \$13 million as of May 12, 2006. Besides recommending that EPA redistribute the remaining amount, we recommended that it develop written procedures, provide training, and change cooperative agreement conditions to require recipients to provide detail for distributing costs within 24 hours. EPA has begun corrective actions.

We issued our report (2006-P-00027) on July 31, 2006.

## Assistance Agreements

About half of EPA's Fiscal Year 2006 budget was awarded to organizations outside the Agency through assistance agreements, including a significant amount of funds related to Superfund sites. CERCLA requires audits "of a sample of agreements with States." During 2006, we issued one report on a specific assistance agreement related to Superfund awarded to a State.

### **Oregon Outlays of \$782,693 Questioned**

We questioned \$782,693 in unallowable and unsupported outlays for a cooperative agreement awarded to Oregon for work at the McCormick and Baxter Superfund site in Portland, Oregon.

EPA awarded the agreement to the Oregon Department of Environmental Quality on July 22, 1997. The award, as amended, provides

\$9,372,588 to the State for remedial design and actions at the McCormick and Baxter site.

We questioned \$505,122 in contract outlays due to not complying with Federal procurement requirements, and \$33,553 in prepaid expenses reported under a contract with a Federal agency. We also questioned \$244,018 for other contract outlays regarding issues previously raised by the contractor's cognizant auditor, work performed outside the scope of the contract, and costs not supported by invoice details.

We recommended that EPA disallow the \$782,693 in unallowable and unsupported contract outlays.

We issued our report (2006-4-00147) on September 21, 2006.



## Remedial Action Decision Making

We performed in-depth reviews of the reliability of site-specific analytical data for sound site remediation decisions. Also, we have worked closely with the Agency to characterize Superfund sites. Through these and other actions, we are working to ensure that the Agency decisions on site remediation are based on data of known quality.

During 2006, we determined that the improvements EPA had made were sufficient for us to remove “Superfund Evaluation and Policy Identification” as a key management challenge. Nonetheless, during 2006 we continued to find ways in which EPA could improve its remedial action decision making. Details follow.

### **EPA Can Better Manage Efforts to Clean Up Contaminated Sediments**

EPA needs to better manage cleaning up contaminated sediments to cut down on the adverse effects on human health and the environment.

Contaminated sediments are the soils and other materials that accumulate at the bottom of water bodies and contain toxic or hazardous materials that often originate from Superfund sites. As of 2004, over 3,200 fish consumption advisories were in place in the United States covering 24 percent of the Nation’s river miles and 35 percent of its lake acres. CERCLA provides EPA authority to conduct or compel remedial actions for contaminated sediments.

EPA has made progress with its Contaminated Sediment Management Strategy, but more improvement is needed. Program offices generally did not use National Sediment Inventory data for decisionmaking, even though the inventory is the most comprehensive data source available. Also, EPA’s various program offices did not fully coordinate their activities within EPA, or

effectively coordinate and communicate with other Federal agencies. Further, EPA did not develop adequate sediment quality criteria to ensure comparability, or develop sufficient performance measures.

We recommended that EPA assign responsibility for overseeing and evaluating its Contaminated Sediment Management Strategy to a committee or office. We also recommended developing better performance measures, evaluating the need to develop sediment criteria, and continuing to improve research coordination. Further, we recommended that EPA develop and implement a plan to provide a comprehensive national assessment of contaminated sediments. The Agency generally agreed with our recommendations.

We issued our report (2007-P-00016) on March 15, 2006.

### **Contamination Problems Reviewed in California Agricultural Community**

In response to a request, we reviewed contamination concerns regarding the agricultural community of McFarland, California, and noted areas where EPA can improve.

During the 1980s, residents of McFarland noticed health problems that they attributed to water, air, and soil contamination. A study by State and county officials noted unusually high rates of cancer, but it could make no causal association between health data and the contaminants. We looked at EPA efforts in the area as a result of issues raised by concerned citizens and an environmental group.

EPA developed preliminary remediation goals for McFarland using a lifetime residential exposure of 30 years based on Agency Superfund guidance. However, we believe a 70-year lifetime exposure

assumption better reflects the intent of the National Contingency Plan and would better protect the public. EPA appears to have conducted air and soil sampling activities appropriately, although it should consider analyzing the synergistic effects of multiple contaminants.

We recommended that EPA identify available sources of information on the toxicology of contaminant mixtures that may be found in drinking water, and continue to support research characterizing the joint toxic action of contaminants in drinking water. We also made several suggestions, such as providing an explanation for not using the 70-year lifetime exposure assumption. EPA disagreed with some of our conclusions, such as using the 70-year lifetime exposure assumption.

We issued our report (2006-P-00041) on September 28, 2006.

### **More Information Needed on Toxaphene Degradation Products**

During review of concerns raised regarding a Superfund site, we determined that the current methods EPA uses to identify and measure toxaphene are not designed to identify toxaphene degradation products. However, other methods are available.

The Glynn Environmental Coalition, a nonprofit community organization, brought to the prior Ombudsman's attention concerns about toxaphene at a Superfund site in Georgia. Toxaphene, an agricultural pesticide heavily used in the United States in the 1960s and 1970s, was totally banned by 1990 because of its effect on humans and the environment.

Toxaphene in the environment changes, or degrades, into products different from the original material in chemical composition and how they appear to testing instruments. EPA's current methods to test for toxaphene do not test for the degradation products. However, a new testing method used by others specifically tests for toxaphene degradation products.

The OIG recommended that EPA validate, approve, and use the new method, as well as arrange for specific research needed to determine the risk that toxaphene degradation products may pose to people. In general, EPA officials concurred with the recommendations.

We issued our report (2006-P-00007) on December 16, 2005.

## Response Claims

CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986, authorizes EPA to pay any claim for response costs as a result of carrying out the National Contingency Plan. Potentially responsible parties, who often make these claims, are required to enter into a preauthorized decision document with EPA to cover work for which some costs will be reimbursed. The document specifies the work to be performed, the portion of the cost EPA will reimburse, and the procedures through which the potentially responsible parties can make claims for reimbursement. While we do not audit response claims, we review claims by following the instructions in EPA's claims guidance for the claims adjuster. During 2006, we performed several such reviews, as discussed below.

### Reviews of Whitehouse Oil Pits Superfund Site Claims

We reviewed the first mixed funding claim submitted by the Whitehouse Remedial Action Group, for CERCLA response action at the Whitehouse Oil Pits Superfund Site in Duval County, Florida. The preauthorized decision document authorizes the claimant to submit claims against the Superfund Trust for an amount not to exceed \$6,206,600 or 81.6 percent of eligible, reasonable, and necessary costs incurred for designing the remedial action pursuant to the Record of Decision and Consent Decree. The claimant submitted documentation detailing incurred costs of \$3,722,239 and requesting reimbursement of \$394,748. We recommended that EPA reimburse the claimant \$366,340 of the total allowable eligible costs. We reduced eligible costs claimed by \$34,815, which represents unsupported labor costs incurred by the City of Jacksonville (a member of the Whitehouse Remedial Action Group). EPA sustained the questioned amount. We issued our report (2006-4-00027) on October 31, 2005.

We also reviewed the second claim submitted by the Whitehouse Remedial Action Group for the CERCLA response action at the Whitehouse site. The preauthorized decision document had the same limitations as the first claim. The claimant submitted documentation detailing incurred costs of \$4,445,960 and requesting reimbursement of \$3,627,621. We recommended that EPA accept the claim as perfected, and reimburse the claimant \$3,627,621. We issued our report (2006-4-00139) on September 7, 2006.

### Review of Bofors-Nobel Superfund Site Claim

We reviewed the mixed funding claim submitted by De Maximis, Incorporated, on behalf of the settling defendants for the Bofors-Nobel Superfund Site in Muskegon, Michigan. The preauthorized decision document authorizes the claimant to submit claims for an amount which was the lesser of \$7,200,000 or 47 percent of eligible, reasonable, and necessary costs incurred for design of the remedial action pursuant to the Record of Decision and Consent Decree. We recommended that EPA accept the claim as perfected, and accept for reimbursement \$923,527.86 of the total allowable eligible costs of \$1,964,952.89. We issued our report (2006-4-00093) on April 4, 2006.

### Review of Armour Road Superfund Site Claim

We reviewed the mixed funding claim submitted by Morrison and Foerster LLP on behalf of U.S. Borax, Inc., for the Armour Road Superfund Site, in North Kansas City, Missouri. The June 1999 amended Administrative Order on Consent authorized the claimant to submit a claim for 50 percent of the actual eligible costs of the work performed pursuant to the Electrokinetic Technology Study Work Plan. The claimant identified \$489,611 as total eligible costs in its initial

claim, representing costs for an Electrokinetic Technology Study and Building Demolition and Disposal services. The costs claimed for the Building Demolition and Disposal services were subsequently eliminated from the claim plus an additional \$251 for unallowable costs.

We recommended that EPA accept the claim as perfected, and reimburse the claimant \$104,767 of the total allowable eligible costs of \$209,535. Further, we identified four invoices, totaling approximately \$40,000, for costs incurred after EPA approved the request to participate in the Electrokinetic Technology Study but before it amended the Administrative Order on Consent. Nothing came to our attention that led us to believe that these costs were not required, reasonable, or allocable to the Electrokinetic Technology studies, but only invoices representing post-Administrative Order on Consent costs can be considered allowable. We recommended that EPA ratify these costs into the Order. EPA sustained the questioned amounts and agreed to revise the Administrative Order. We issued our report (2006-4-00102) on May 9, 2006.

#### **Review of Army Creek Landfill Superfund Site Claim**

We reviewed the second claim submitted by Clean Tech, Incorporated, on behalf of New Castle County for the Army Creek Landfill Superfund Site, in New Castle, Delaware. The preauthorized decision document authorized New Castle County

to submit claims for 40 percent of its eligible costs for designing and constructing a pump and treat groundwater system pursuant to the Record of Decision and the Consent Decree. We found that the County's total claims for reimbursement (Claim Nos. 1 and 2) exceeded the maximum ceiling of \$2,000,000 by \$123,552, and thus were ineligible for reimbursement. EPA sustained the ineligible amounts. We issued our report (2006-4-00097) on April 27, 2006.

#### **Review of Illinois Credit Claim for Ottawa Radiation Site**

We reviewed the State of Illinois Emergency Management Agency's credit claim for costs associated with its remediation of the Luminous Processing facility and grounds prior to its listing on the National Priorities List. The Illinois agency's credit claim identified \$4,729,677 of costs incurred between State Fiscal Years 1984 and 1987. The Illinois agency escalated these expenditures by \$3,213,181 to reflect current dollars by using a consumer price index, bringing its total credit claim to \$7,942,858. Our review noted no exceptions to the \$4,729,677 in costs incurred and recommended Region 5 seek a legal opinion on the validity of the claimed consumer price adjustments. Based on our recommendation, Region 5 acquired a legal opinion, and rejected the Illinois Emergency Management Agency's \$3,213,181 price adjustment in its entirety. We issued our report (2006-4-00026) on October 31, 2005.

## Performance Review

In addition to the reviews required by CERCLA and the Superfund Amendments and Reauthorization Act, we conduct other reviews related to Superfund issues. Following is a summary on one completed during Fiscal Year 2006.

### **EPA Appropriately Handled Hazardous Waste Releases and Debris after Hurricane Katrina**

EPA established quality and timely approaches for rapidly identifying, prioritizing, and assessing the impact of hazardous material releases following Hurricane Katrina, including at Superfund sites. EPA also adequately reviewed the handling of hurricane-generated debris and waste.

Hurricane Katrina created an estimated 86 million cubic yards of debris, caused more than 7 million gallons of oil to spill, and produced floodwaters that deposited hazardous substances in sediments. EPA was the Federal agency with the lead for addressing hurricane-generated hazardous debris and waste.

EPA assessed results of damage or releases at all 18 Superfund National Priorities List sites (15 in Louisiana and 3 in Mississippi) over which the hurricane passed, as well as more than 400 industrial facilities in the affected area.

EPA concluded that the hurricane did not impact 15 of the 18 Superfund sites. The remaining three sites are all in Louisiana. Two of these sites – Delatte Metals and PAB Oil – showed higher concentrations of metal in groundwater samples than from pre-hurricane samples. EPA said it will continue to monitor groundwater at these sites as part of routine operations and maintenance. Initial results from a third site – Agriculture Street Landfill – confirmed that the remedy implemented at the site was not impacted by the hurricane, but completion of the final evaluation was pending further sampling.

In its overall efforts to assess the impact of Hurricane Katrina, EPA coordinated with State, local, and other Federal Government agencies to assess potential impacts, and provided quality and timely information for determining risks and impacts. EPA provided information on chemicals present in sediment samples. EPA distinguished between hazardous and nonhazardous debris, provided the public with information on how to properly dispose of household waste, and collected over 2.5 million hazardous waste containers.

We did not make any recommendations.

We issued our report (2006-P-00023) on May 2, 2006.

## Investigative Activity

The OIG Office of Investigations continued to focus its investigative resources on allegations of fraud, waste, and abuse in high risk and high dollar areas, including the Superfund program. During Fiscal Year 2006, our Superfund investigative efforts resulted in:

- \$1.2 million in monetary fines and restitution
- Three sentencings
- One civil settlement
- Four administrative actions

Following are two instances of Superfund investigative activities with results in Fiscal Year 2006.

### Three Sentenced in Kickback Scheme

Three men were sentenced on conspiracy charges related to a kickback scheme involving a contract awarded by EPA for the cleanup of the Berkley Products Superfund site in Denver, Pennsylvania.

On July 19, 2006, in the U.S. District Court for the Eastern District of Pennsylvania:

- Ronald Check, Jr., president of Grace Industries, Inc., was sentenced to 60 months probation, the first 6 months to be served under house arrest, and was ordered to pay a \$5,000 fine and a special assessment of \$200.
- James Vagra, a former project manager for Grace, was sentenced to 6 months in prison followed by 3 years supervised release, and was ordered to pay a \$32,382 fine and a \$200 special assessment.
- Gary Sanders, a former site foreman for Grace, was sentenced to 60 months of probation and was ordered to pay a \$32,382 fine and a \$200 special assessment.

In 1996, EPA awarded a contract to Tetra Tech Nus, Inc., to serve as the prime contractor for the Berkley Products site cleanup. In 2000, Tetra Tech awarded a subcontract to Grace to construct a landfill cap at the site. James Risner, the project manager for Tetra Tech, solicited approximately \$129,531 in kickbacks from Check, Jr. in exchange for certifying that the work performed by Grace was completed in a satisfactory manner. Risner then kicked back approximately half of all the money he received to Vagra, who in turn provided half of that to Sanders. Vagra and Sanders each received \$32,382 in kickbacks. Risner provided Grace with phony invoices in the amount of the kickbacks to disguise the illegal payments.

In addition to the sentencings, on February 16, 2006, Risner, Check, Jr., and Sanders each pled guilty to one count of conspiracy to violate the anti-kickback statute and one count of conspiracy to defraud the Internal Revenue Service (IRS). Vagra pled guilty to the same charges on March 1, 2006. Grace paid \$113,711 to the IRS for deducting the kickback payments as business expenses. Vagra paid \$12,177 to the IRS and Sanders paid \$21,527 for underreporting income. Risner's sentencing is pending.

### Contractor Enters into \$1 Million Settlement Agreement

A contractor entered into a \$1 million settlement agreement related to performing cleanup activities at the Tar Creek Superfund Site, Northern Ottawa County, Oklahoma.

On December 23, 2005, while making no admission of wrongdoing or liability, Washington Group International, Inc. (WGI), formerly known as Morrison Knudson Corporation, entered into a \$1 million settlement agreement with the U.S. Department of Justice, Civil Division, and the U.S. Attorney's Office for the Northern District of Oklahoma.



In its case, the Government alleged that between 1996 and 2003, WGI submitted false representations and certifications in progress reports provided to the Government. WGI also improperly billed costs during its performance of a U.S. Army Corps of Engineers contract funded by EPA to perform cleanup activities at the Tar Creek site. These false representations and claims resulted in the Government paying more for the cleanup contract than was necessary.

Specifically, it was alleged that WGI:

- required truck drivers and others to falsely record, on truck tickets and other reports, more cubic yardage, truck loads, and/or full loads than were actually hauled;
- directed or caused truck drivers to give the false appearance that the trucks were being fully and efficiently utilized for their intended purpose;

- paid full salary to workers who had been injured on the job and therefore should have been paid worker's compensation benefits rather than wages; and
- billed the Government for time and expenses associated with transporting injured workers to medical care.

WGI also entered into a compliance agreement with the EPA Suspension and Debarment Division. According to the agreement, WGI must continue to maintain its internal audit program, program efficiency and cost accountability system, code of business conduct, and ethics and compliance training program.

*This investigation was conducted jointly with the Defense Criminal Investigative Service and the U.S. Army Criminal Investigation Command.*

## Listing of Fiscal Year 2006 Superfund Reports

<u>Report No.</u>	<u>Description</u>	<u>Date</u>
2006-2-00001	CH2M Hill Inc - FY 2002 RAC Annual Close-Out 68-W6-0036	07-OCT-05
2006-2-00002	CH2M Hill Inc - FY 2001 RAC Annual Close-Out	11-OCT-05
2006-2-00005	Tetra Tech FW, Inc. - FY 2002 RAC 68-W9-8214	28-OCT-05
2006-2-00004	Tetra Tech FW, Inc. - FY 2003 RAC 68-W9-8214	28-OCT-05
2006-4-00026	Illinois Credit Claim for Ottawa Radiation Site	31-OCT-05
2006-4-00027	Whitehouse Oil Pits Superfund Site, First Response Claim	31-OCT-05
2006-2-00008	E&E Agreed Upon Procedures RFP-PR-R7-05-10029	29-NOV-05
2006-P-00007	More Information Is Needed on Toxaphene Degradation Products	16-DEC-05
2006-2-00010	CH2M Hill, Inc. - FY 2003 RAC - 68-W6-0036	18-JAN-06
2006-P-00013	EPA Can Better Manage Superfund Resources	28-FEB-06
2006-2-00013	Weston Solution, Inc. - FY 2003 RAC 68-W7-0026	03-MAR-06
2006-P-00016	EPA's Management Strategy for Contaminated Sediments	15-MAR-06
2006-1-00036	Washington Group Int'l-formerly Morrison Knudsen FY 2003 RAC	28-MAR-06
2006-4-00093	Bofors-Nobel Superfund Site Response Claim	04-APR-06
2006-2-00017	E&E Data Input CAS 402 Noncomp - Cost Impact	26-APR-06
2006-4-00097	Army Creek Landfill Superfund Site Response Claim	27-APR-06
2006-P-00023	Hurricane Katrina Hazardous Material Releases/Debris Management	02-MAY-06
2006-4-00102	Armour Road Superfund Response Claim	09-MAY-06
2006-M-00010	Followup on State Cleanup Programs	02-JUN-06
2006-2-00021	Tetra Tech NUS, Inc. - FY 2002 RAC 68-W6-0045	14-JUN-06
2006-2-00023	Tetra Tech NUS, Inc. - FY 2002 RAC 68-S6-3003	15-JUN-06
2006-2-00024	Tetra Tech EM, Inc. - FY 2002 RAC Close-Out 68-W6-0037	27-JUN-06
2006-2-00025	Tetra Tech EMI, Inc. - FYE 9/30/03 RAC Annual Close-Out 68-W6-0037	11-JUL-06
2006-2-00026	Weston Solution, Inc. - FY 2002 RAC 68-W7-0026	13-JUL-06
2006-2-00027	Tetra Tech NUS, Inc. - FY 2001 RAC 68-S6-3003	20-JUL-06
2006-P-00027	Redistribution of Superfund Payments to Specific Sites	31-JUL-06
2006-2-00029	CDM Federal Program Corp. - FY 2002 Annual RAC 68-W9-8210	16-AUG-06
2006-4-00130	Nobis Engineering, Inc. - Financial Cap Risk Assessment	17-AUG-06
2006-2-00030	Tetra Tech NUS, Inc. - FYE 9/30/2003 RAC Annual Close-Out 68-W6-0045	17-AUG-06
2006-4-00131	E&E Accounting System	21-AUG-06
2006-2-00031	Nobis Engineering, Inc. - Preaward - PR-HQ-05-10957	22-AUG-06
2006-M-00013	Assistance to Department of Justice on Wellfield Superfund Site	05-SEP-06
2006-4-00139	Whitehouse Oil Pits Superfund Site, Second Response Claim	07-SEP-06
2006-4-00147	Oregon DEQ Reported Outlays Under Agreement V99060102	21-SEP-06
2006-P-00041	Review of Environmental Concerns at McFarland, California	28-SEP-06
2006-2-00034	Tetra Tech NUS, Inc. - FY 2003 RAC 68-S6-3003	28-SEP-06
2007-1-00019 *	EPA's Fiscal Year 2006 Financial Statements	15-NOV-06

\* Report issued in Fiscal Year 2007





