



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We evaluated the U.S. Environmental Protection Agency's (EPA's) Superfund cost recovery and billing practices at a sample of National Priority List (NPL) sites. The objectives were to determine: (1) What were the total Superfund expenditures at NPL sites where a viable business is the primary responsible party, and have those expenditures been recovered? (2) Are EPA regional offices effectively billing site costs? (3) Were incorrect costs corrected and billed to the appropriate site?

Background

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, or Superfund) authorizes the Federal Government, States, and private parties to recover Superfund cleanup expenses (costs) from potentially responsible parties. When EPA conducts Superfund cleanup and oversight work, it takes actions to recover those costs from responsible parties.

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/2008/20080326-08-P-0116.pdf

EPA Can Recover More Federal Superfund Money

What We Found

We found that EPA regions have recovered \$165 million of \$294 million (56 percent) of the total Superfund costs from the sites we reviewed. Potentially responsible parties (PRPs) at these sites have generally paid what they have been billed. However, EPA has not recovered as much as \$129 million (44 percent) and has determined it will not attempt to recover between \$30 million and \$90 million of this amount. This indicates a potentially significant breakdown in controls over Superfund cost recovery.

Regions generally use similar billing processes to recover their Superfund costs from private parties, but exceptions exist. As a result of this evaluation, two EPA regions discovered they should have billed two sites approximately \$1.8 million. These costs are now being billed.

EPA regions have no formal process or information system controls to ensure staff correct costs assigned to the wrong site. Because of this lack of controls, we could not determine whether all incorrect costs were corrected and billed to the appropriate site. One EPA region did not include approximately \$8 million in a negotiated settlement for a site because the costs were incorrectly assigned to another site.

EPA has limited cost recovery performance measures and does not track the efficiency of cost recovery. Recommendations in this report will assist EPA in implementing improved controls for recovering Superfund costs.

What We Recommend

We recommend that EPA (1) enhance cost recovery guidance for all the regions, (2) implement mechanisms to support calculating how efficiently it is recovering site costs and tracking corrections, and (3) implement performance measures to track how efficiently it is recovering these costs. EPA concurred with our recommendations and has proposed actions to address them.