



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We reviewed the U.S. Environmental Protection Agency's (EPA's) management of American Recovery and Reinvestment Act of 2009 (ARRA) funding for the Leaking Underground Storage Tank (LUST) program. We sought to determine whether this oversight ensures that ARRA-funded LUST cooperative agreements comply with applicable laws, regulations, and guidance.

Background

EPA allocated \$190.7 million of ARRA funds to support state and territorial LUST cleanup programs. The overall purposes of LUST Recovery Act money are to clean up contaminated LUST sites effectively while maximizing job creation and retention, and providing economic and environmental benefits to citizens of the United States.

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

To view the full report, click on the following link:
www.epa.gov/oig/reports/2011/20101122-11-R-0018.pdf

Leaking Underground Storage Tank Recovery Act Grants Contained Requirements but Priority Lists Need More Oversight

What We Found

While the Recovery Act grants we reviewed contained most of the requirements specified in Agency regulations and guidance, there were three management control deficiencies with these grants: (1) EPA had not clarified to states whether municipally owned LUST sites would be eligible for ARRA LUST funds, (2) EPA had no plan to deobligate unspent ARRA funds from grant recipients, and (3) EPA in many instances does not use state data to ensure that grants comply with site priority requirements of the Solid Waste Disposal Act, as amended (SWDA). EPA corrected the first two deficiencies by spring 2010 through additional guidance to the regions. However, EPA has not yet corrected the third deficiency.

In accordance with ARRA's economic and environmental purposes, the Office of Underground Storage Tanks' June 2009 Recovery Act guidance instructed states to use ARRA funds at sites that best met program priorities of being both shovel ready and most threatening to human health and the environment. While every ARRA LUST cooperative agreement we reviewed contained language to fund shovel-ready sites, the agreements varied considerably in how they addressed the SWDA site prioritization requirement. This management deficiency means that EPA regions are unable to ensure that states have directed ARRA funds to shovel-ready sites that provide the greatest environmental benefit.

What We Recommend

We recommend that the Assistant Administrator for Solid Waste and Emergency Response ensure that the SWDA site priority requirement is consistently incorporated into the terms and conditions of future LUST Trust Fund grant agreements. The Agency agreed with our recommendation.