



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

In February 2006, the Office of Inspector General recommended that the U.S. Environmental Protection Agency (EPA) timely review Superfund special accounts to ensure funds are used consistent with its guidance. We followed up on EPA's progress in implementing this recommendation by evaluating EPA's use of special accounts that had high available balances or were at least 10 years old. The special accounts for the Stringfellow Superfund site have a high available balance of \$117.8 million.

Background

Section 122(b)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) authorizes EPA to retain and use funds received in settlements to address CERCLA response actions contemplated in the settlement agreements. EPA retains these funds in site-specific accounts, called "special accounts," which are sub accounts within the EPA Hazardous Substance Superfund Trust Fund (Trust Fund).

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/2008/20080709-08-P-0196.pdf

Making Better Use of Stringfellow Superfund Special Accounts

What We Found

By Fiscal Year 2010, EPA Region 9 could reclassify, or transfer to the Trust Fund, up to \$47.8 million in special account funds for the Stringfellow Superfund site, located near Glen Avon, California. Reclassifying or transferring is consistent with EPA guidance and would potentially allow \$47.8 million to be available for better use in Region 9's Superfund program or elsewhere in the Nation.

In response to our draft report, Region 9 agreed to reclassify \$20 million of the \$47.8 million by the end of Fiscal Year 2008. It also stated it would review the remaining amount (\$27.8 million) in annual reviews and when it achieves a record of decision and settlement for the remaining site work in Fiscal Year 2010.

The Stringfellow special accounts had a balance of approximately \$117.8 million as of June 11, 2008. The \$70 million remaining in the accounts are to cover potential EPA cleanup costs if the responsible party (the State of California) is unable to pay. The OIG will address EPA's management of funds held back for these purposes in a future report.

What We Recommend

We recommend that the Region 9 Administrator reclassify or transfer to the Superfund Trust Fund, as appropriate, \$47.8 million of the Stringfellow special accounts. In response to our draft report, EPA agreed to reclassify \$20 million of the \$47.8 million by the end of Fiscal Year 2008.

The Agency stated that the remaining amount (up to \$27.8 million) was a "buffer for unknowns," some amount of which will be needed for oversight costs, and indicated that it could potentially reclassify or transfer this remaining amount (\$27.8 million) to the Superfund Trust Fund (plus any earned interest) by the end of Fiscal Year 2010.