



At a Glance

Inspection of Infrastructure Investment and Jobs Act-Funded Activities at Diaz Chemical Corp. Superfund Site in Holley, New York

Why We Did This Inspection

To accomplish this objective:

The U.S. Environmental Protection Agency Office of Inspector General conducted this inspection to determine the extent to which the EPA is using Infrastructure Investment and Jobs Act funds to progress remediation at the Diaz Chemical Corp. Superfund site and whether the EPA has site safety measures in place to protect public health and the environment. The Diaz Superfund site is in New York within EPA Region 2.

The Comprehensive Environmental Response, Compensation, and Liability Act, also known as Superfund, requires the EPA to maintain a National Priorities List of contaminated sites that it has prioritized for cleanup. The EPA added the Diaz Superfund site to this list in 2004. Superfund also requires the EPA to review a site's remedies once every five years if contamination remains above levels allowing unlimited use of and unrestricted exposure to the site.

Enacted in 2021, the Infrastructure Investment and Jobs Act provided \$3.5 billion of supplemental funds for the remediation of sites on the National Priorities List. An area of the Diaz Superfund site known as operable unit 2 is the beneficiary of \$13 million of remedial actions funded by the Act.

To support this EPA mission-related effort:

- *Cleaning up and revitalizing land.*

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What We Found

The EPA is making progress at the Diaz Superfund site and has taken steps to protect public health and the environment but can improve community involvement. The EPA initiated operable unit 2, or OU 2, remedial actions in August 2021. OU 2 remedial actions include thermally treating the soil by heating it to very high temperatures, which turns the contaminants into vapors that move through the soil for extraction. The EPA estimated that it will complete the thermal treatment of the soil in late 2027.

As of May 2025, nearly 55 percent of the \$13 million in Infrastructure Investment and Jobs Act, or IIJA, funds allocated for the Diaz Superfund site's OU 2 remediation had been spent. By July 2025, 87 percent of the site's soil had been successfully treated to meet the remediation goals. In October 2025, the EPA began the last OU 2 phase to treat the remaining 13 percent of soil. During our site visit, we observed site safety measures in place, such as noise barriers, air monitoring, fencing in good repair, and well-maintained construction areas.

The EPA and the U.S. Army Corps of Engineers coordinate to oversee the contractors performing the remedial actions. In compliance with U.S. Government Accountability Office standards, the EPA has effectively communicated about and monitored the Diaz Superfund site. For example, the EPA was integral in responding to and correcting deficiencies that led to the thermal treatment system shutting down in 2021. In contrast, during its five-year review of the Diaz Superfund site in 2022, the EPA did not follow its guidance, which recommends that the EPA conduct community interviews, if necessary. Additionally, while the EPA did publish a community involvement plan in 2007 for the Diaz Superfund site as required by regulations, that plan had not been updated in nearly 20 years. It was also not available online, as required by the EPA's program implementation manual.

The EPA has acted swiftly to address past complaints from the public, but conducting community interviews during five-year reviews would allow the EPA to confirm that there are no community concerns. Also, updating the community involvement plan and making it publicly available would ensure that the EPA's approaches for community engagement remain relevant.

Recommendations and Planned Agency Corrective Actions

We recommend that the regional administrator for Region 2 conduct community interviews during the 2027 five-year review of the Diaz Superfund site, update the Diaz Superfund site's community involvement plan, and make the community involvement plan and its updates available online. The EPA agreed with our recommendations, which we consider resolved with corrective actions pending.