

Audit of the EPA's Management of Superfund Special Accounts

April 21, 2026 | Report No. 26-P-0024



Abbreviations

CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
EPA	U.S. Environmental Protection Agency
OIG	Office of Inspector General
OLEM	Office of Land and Emergency Management
PCB	Polychlorinated Biphenyl
PPM	Parts per Million
PRP	Potentially Responsible Party

Key Definitions

Potentially Responsible Party	Any person potentially responsible for contamination at a Superfund site.
Reclassification	An accounting adjustment that replaces the source of funding used to pay for a response action.
Utilization Rate	The percentage of a special account's funds that has been received in comparison to the amount of funds used since the account's establishment.

Cover Image

Residential property at the Anniston Lead Superfund Site, Alabama, with a blue house and sod.
(EPA image)

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At a Glance

Audit of the EPA's Management of Superfund Special Accounts

Why We Did This Audit

To accomplish this objective:

The U.S. Environmental Protection Agency Office of Inspector General conducted this audit to determine whether the EPA is managing its Superfund special accounts properly and timely in accordance with applicable laws, policies, and guidance.

Superfund special accounts are site-specific, interest-bearing accounts housed within the Superfund Trust Fund. When the EPA enters into a settlement agreement recovering response costs from one or more potentially responsible parties, the funds received under the agreement may be placed into a special account and used for future Superfund response actions at the site. Use of special account funds helps the EPA conduct cleanups without relying solely on appropriated funds, thus preserving resources for sites without viable potentially responsible parties.

To support this EPA mission-related effort:

- *Operating efficiently and effectively.*

Address inquiries to our public affairs office at (202) 566-2391 or OIG.PublicAffairs@epa.gov.

[List of OIG reports.](#)

What We Found

Based on our in-depth review of nine Superfund special accounts, we found that the EPA generally managed special accounts in accordance with applicable laws, policies, and guidance, with the exceptions that the EPA needs to take steps to expeditiously use the funds in the Anniston Lead Superfund Site special account and needs to correct special accounts with negative balances in a timely manner.

Specifically, the EPA needs to decide how and when to use approximately \$5.9 million in the Anniston Lead Site special account. As of June 2025, this account had been open for over 19 years, and \$5.9 million in funds were set aside for the cleanup of 11 residential properties that the owners repeatedly denied the Agency access to. An internal EPA memorandum recommends that the EPA seek to obtain access through consent and, if the owners do not consent, through the judicial process or an administrative order. Additional EPA guidance recommends that special account funds be used as expeditiously as possible and allows funds that are no longer needed to be reclassified or transferred to the Superfund Trust Fund. The EPA has neither taken judicial or administrative action to access the 11 residential properties nor reclassified or transferred the \$5.9 million in the special account. This money could be put to better use if the EPA used the funds to conduct or finance other response actions at or in connection with the Anniston Lead Site, reclassified the funds, or transferred the funds to the Superfund Trust Fund.

In addition, the EPA's guidance has not been effective as it relates to the timely correction of special accounts with negative balances. This guidance states that the EPA regions should make corrections to address negative balances, generally within 30 days, or "provide a status" to the EPA's Cincinnati Finance Division about why they cannot make a correction. We identified a total of 11 special accounts with negative balances. The balances were negative for four to 49 months, and the regions did not provide sufficient explanations as to why the balances were not corrected. While the negative balances for these accounts only totaled approximately \$276,000 as of November 2023, none were corrected in a timely manner in accordance with the EPA guidance. Further, some negative balances were ultimately corrected by charging the amount to appropriated funding instead of to the special account. In these cases, the appropriated funds that were used to pay the charges were no longer available for response work at sites with no viable potentially responsible party or alternative source of funding.

We also found that cleanup challenges at Superfund sites, such as a lack of property access and the need for remediation redesign, can cause special accounts to remain open for long periods of time with a low utilization of the funds.

The EPA needs to take action to use approximately \$5.9 million in unused special account funds and improve its controls to correct special accounts with negative balances in a timely manner.

Recommendations and Planned Agency Corrective Actions

We recommend that the assistant administrator for Land and Emergency Management (1) determine and provide documentation to the OIG on how and when the unused \$5.9 million that had been set aside in the special account for the Anniston Lead Site will be used so that funds can be put to better use and (2) develop and implement additional controls to ensure the timely correction of negative special accounts. The Agency agreed with both recommendations and completed Recommendation 2. Recommendation 1 is resolved with corrective actions pending.



OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY

April 21, 2026

MEMORANDUM

SUBJECT: Audit of the EPA's Management of Superfund Special Accounts
Report No. 26-P-0024

FROM: Nicole N. Murley, Deputy Inspector General performing the duties
of the Inspector General *Nicole N. Murley*

TO: Thomas Croci, Acting Assistant Administrator
Office of Land and Emergency Management

Paige Hanson, Chief Financial Officer and Chief Administrative Officer
Office of Finance and Administration

This is our report on the subject audit conducted by the U.S. Environmental Protection Agency Office of Inspector General. The project number for this audit was OA-FY24-0025. This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The Office of Land and Emergency Management and the Office of Finance and Administration are responsible for the issues discussed in this report.

In accordance with EPA Manual 2750, your office completed corrective actions for Recommendation 2. Your office also provided acceptable planned corrective actions and estimated milestone dates in response to Recommendation 1. All recommendations are resolved, and no final response to this report is required. If your office submits a response, however, it will be posted on the OIG's website, along with our memorandum commenting on the response. The response should be provided as an Adobe PDF file that complies with the requirements of section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that your office does not want released to the public; if the response contains such data, your office should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epa.gov/oig.

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Chapter 1

Introduction

Purpose

The U.S. Environmental Protection Agency Office of Inspector General initiated this audit to determine whether the EPA is managing its Superfund special accounts properly and timely in accordance with applicable laws, policies, and guidance.

Background

According to the EPA, there are thousands of sites throughout the U.S. that are contaminated from hazardous waste that has been dumped, left out in the open, or improperly managed. These sites include manufacturing facilities, processing plants, landfills, and mining sites. Hazardous waste contaminants at these sites—such as lead, arsenic, and volatile organic compounds—can pose risks to nearby residents, communities, and the environment if not properly cleaned up. In 1980, Congress passed the Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA—informally known as Superfund—to provide federal funding and authority to clean up contaminated sites. CERCLA was amended by the Superfund Amendments and Reauthorization Act of 1986. In Executive Order 12580, Superfund Implementation, the president delegated much of the authority provided in CERCLA to the EPA administrator.

CERCLA Requires Responsible Parties to Conduct or Pay for Cleanups

CERCLA requires parties responsible for the contamination at Superfund sites to either perform cleanups or reimburse the government for cleanup work. Such parties are referred to as potentially responsible parties, or PRPs. A PRP is any person potentially responsible for contamination at a Superfund site. CERCLA defines a person as “an individual, firm, corporation, association, partnership, consortium, joint venture, commercial entity, United States government, State, municipality commission, political subdivision of a State, or interstate body.” The EPA enters into binding legal agreements, referred to as settlement agreements, with PRPs that require the PRPs to perform cleanup work, pay for cleanup work, or a combination of both. Each settlement agreement is unique to a given Superfund site so specific requirements will differ from site to site. These agreements typically include the amount and nature of costs the PRP is agreeing to pay and the mechanisms by which funds will be collected from the PRP, including the frequency of billing, if applicable.

Funds received from PRPs as a result of settlement agreements may be placed in interest-bearing accounts known as special accounts, which are housed within the Superfund Trust Fund. The Agency can invest the funds and accrue interest until drawdowns are needed for special account disbursements. The EPA uses the money deposited in special accounts for CERCLA response actions at or in connection with the site for which it received the money, according to the requirements in the settlement agreement. According to the Office of Land and Emergency Management’s, or OLEM’s, *Superfund Program*

Implementation Manual Fiscal Year 2022, dated April 2022, use of funds in special accounts “helps to achieve cleanup without relying solely on EPA’s annual Superfund appropriations,” thus preserving resources for sites without viable PRPs.

Superfund response actions are categorized as either removal or remedial actions. According to an EPA Superfund [fact sheet](#), “[a] removal action is a short-term response intended to stabilize or clean up an incident or site that poses a threat to public health or welfare.” Because removals are shorter-term responses, they may not fully address problems such as area-wide contaminated ground water, which require longer-term response actions. These longer-term response actions are referred to as remedial responses and involve the development of a permanent remedy, which may be implemented in conjunction with a removal response. A PRP may be responsible for either type of action, and a settlement agreement may cover removal, remedial activities, or both.

The EPA’s Internal Guidance and Procedures for Special Accounts

The Agency has developed guidance and procedures to help manage and establish internal controls for special accounts. Resource Management Directive System No.2550D-15-P1, *Financial Management of Special Accounts*, establishes the areas of responsibility for all EPA offices involved with the use of special accounts. This document defines special accounts and lists the EPA’s OLEM; its Office of Enforcement and Compliance Assurance; its now former Office of the Chief Financial Officer;¹ its Office of General Counsel; and the regional offices as responsible for managing special accounts. The EPA’s *Superfund Special Accounts Management Strategy for 2022 – 2024* sets forth the EPA’s plan for ensuring that regional and headquarters personnel who are responsible for the oversight and management of special accounts are successful. Goals of this management strategy include that special account funds are being used as expeditiously as possible for response work and that special accounts are closed when funds are no longer required for work at the site and there are no anticipated future deposits. The management strategy also instructs the EPA’s Cincinnati Finance Division to monitor accounts with negative fund balances and coordinate with the EPA regions, on a monthly basis, to correct any transaction that led to a negative balance within those accounts.

The EPA has developed *Guidance on Disbursement of Funds from EPA Special Accounts to Entities Performing CERCLA Response Actions* for its regional offices. This guidance is intended to help ensure that EPA regions are following the disbursement process. This guidance states that funds placed in special accounts may be disbursed to PRPs, to states that perform work at a site, or to other federal agencies to conduct or finance response actions.

Additional guidance on special accounts, found in the *Updated Consolidated Guidance on the Establishment, Management, and Use of CERCLA Special Accounts*, states that special account funds are to be used for site-specific CERCLA response actions and are to be reclassified and transferred to the

¹ In November 2025, the functions of the Office of the Chief Financial Officer were transferred to the newly formed Office of Finance and Administration. We continue to refer in this report to the Office of the Chief Financial Officer, as that was the office in place when we conducted our audit work.

general portion of the Superfund Trust Fund when they are no longer needed for future response work at the site. The EPA’s *Effective Utilization of Superfund Special Accounts* establishes actions that EPA regions and headquarters offices are expected to take to more effectively manage special accounts.

This document states that accounts with more than \$1 million available, no disbursements in the last five years, open for longer than 15 years after construction completion, and with less than \$25,000 available are to be reviewed to improve the EPA’s management and utilization of special accounts.

Status of Special Accounts

From October 1989 through June 2024, the EPA received deposits totaling approximately \$8.5 billion and disbursed more than \$5.1 billion in Superfund special account funds. Table 1 below shows the number of open and closed special accounts, the amounts received and disbursed, and the available balances for all special accounts for each EPA region as of June 27, 2024.

Table 1: Breakdown of special account activity in EPA regions from October 1, 1989, to June 27, 2024 (dollars rounded to millions)

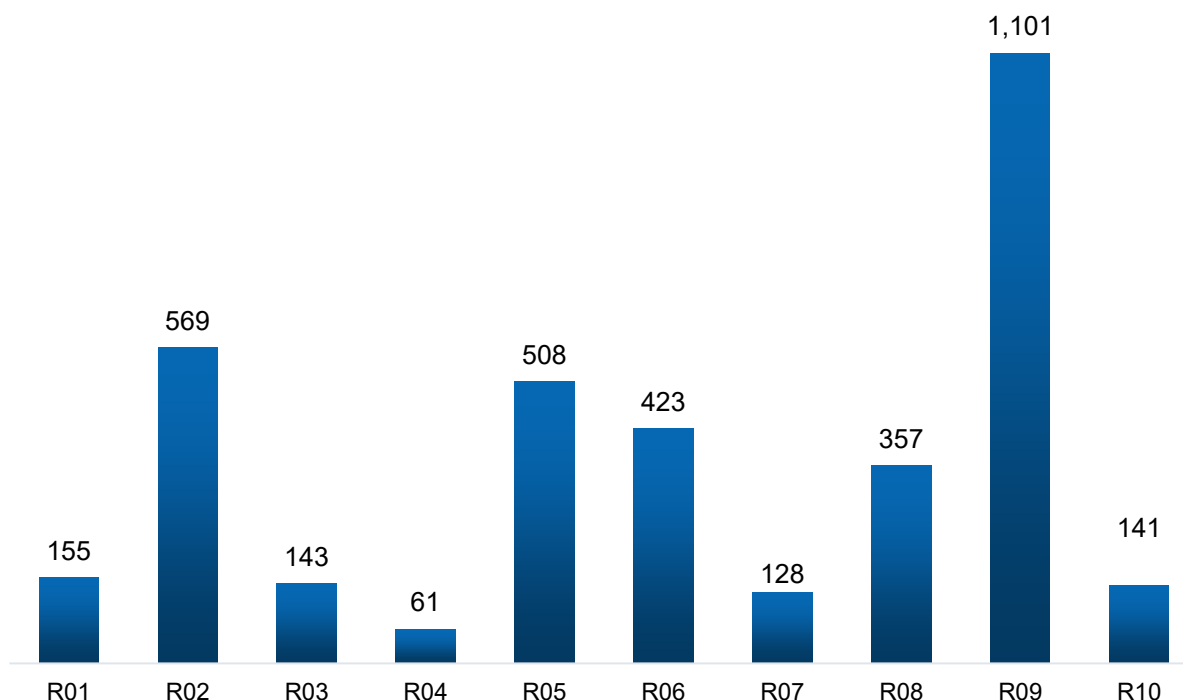
Region	Open	Closed	Received (\$)	Disbursed (\$)	Available balance (\$)
1	48	39	945	860	155
2	125	39	1,510	953	569
3	127	63	389	245	143
4	56	67	221	165	61
5	220	79	896	389	508
6	88	42	622	219	423
7	65	46	532	411	128
8	89	66	1,059	731	357
9	120	67	1,536	602	1,101
10	137	51	769	611	141
Total	1,075	559	8,479	5,186	3,586

Source: OIG formatting of data from the EPA’s Special Account Interest Database, as of June 27, 2024. (EPA OIG table)

Note: Other activities, such as receipt of interest earnings and transfers to other accounts, are not shown above. Therefore, normal calculations such as received minus disbursed will not equate to the available balances shown.

Figure 1 below illustrates the cumulative available balance for each of the regions' special accounts, as of June 27, 2024. Region 9 had the highest cumulative available balance, while Region 4 had the lowest.

Figure 1: Special account available balances by region, as of June 27, 2024 (dollars rounded to millions)



Source: OIG summary of data from the EPA's Special Account Interest Database. (EPA OIG image)

Responsible Offices

Four EPA headquarters offices share responsibility with EPA regional offices for coordinating and administrating special accounts. The four headquarters offices are OLEM, the Office of Finance and Administration, the Office of General Counsel, and the Office of Enforcement and Compliance Assurance. OLEM, the Office of the Chief Financial Officer, and selected regional offices were our primary auditees.

OLEM develops policy and guidance for the Agency's emergency response and waste programs. OLEM's Office of Superfund and Emergency Management is responsible for providing technical direction, guidance, and support to the regions with hazardous waste sites related to special accounts.²

² In November 2025, the Office of Land and Emergency Management underwent a reorganization of its offices. The management of Superfund and its components, including special accounts, was transferred from the office previously referred to as the Office of Superfund Remediation and Technology Innovation to the new Office of Superfund and Emergency Management.

The Office of the Chief Financial Officer provides financial services for the Agency and makes payments to EPA grant recipients, contractors, and other vendors.

The Office of the Controller's Cincinnati Finance Division, which is within the Office of the Chief Financial Officer, manages the financial transactions related to special accounts.

The Office of General Counsel provides legal support for the Agency's hazardous and solid waste management programs and cleanup initiatives, and advises on legal matters pertaining to the establishment and use of special accounts. The Office of Enforcement and Compliance Assurance is responsible for civil and criminal enforcement under CERCLA, develops guidance and ensures national consistency for settlement agreements and enforcement actions, and ensures that the use of special account funds is consistent with applicable guidance and settlement agreements.

The Office of Regional Counsel works with the regional program office to determine if a special account should be established for a particular settlement agreement. Regional offices determine the uses of special account funds to support response actions at sites. Regional staff also have financial responsibilities that include reviewing invoices, financial reports, and payment requests; maintaining document files on regional costs; entering obligation and reprogramming information into the EPA's Compass Financials System; submitting requests to the Cincinnati Finance Division for reclassification and transfer of funds to the Trust Fund; and monitoring activities. Regional remedial project managers are responsible for overseeing on-site remedial actions, and on-scene coordinators initiate, conduct, and manage the cleanup actions and response activities.

Scope and Methodology

We conducted this performance audit from November 2023 to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We assessed the internal controls necessary to satisfy our audit objective.³ In particular, we assessed the internal control components—as outlined in the U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*—significant to our audit objective. Any internal control deficiencies we found are discussed in this report.

We identified and reviewed laws, policies, and guidance to determine if the EPA has controls in place to appropriately manage its Superfund special account funds. During the review of relevant laws, policies, and guidance, we identified criteria to test and analyze special accounts. We conducted an analysis of

³ An entity designs, implements, and operates internal controls to achieve its objectives related to operations, reporting, and compliance. The U.S. Government Accountability Office sets internal control standards for federal entities in GAO-14-704G, *Standards for Internal Control in the Federal Government*, issued September 10, 2014.

fraud risks related to the use of special accounts. We also reviewed the internal controls that are in place by the EPA to verify the integrity of the special account financial data, usage, and management.

To address our objective, we reviewed special account information, including financial data, for October 2019 through November 2023. We first requested financial data for all special accounts—that is, the universe of special accounts—from the Agency for this time frame.

This request included, but was not limited to, special account financial information, which consists of receivables, disbursements, reclassified funds, interest earnings, and closed accounts; and specific delineations—such as site name and EPA region—as well as the account opened and closed dates. We then validated the universe of special accounts against the Agency’s financial system data to ensure accuracy. As of November 14, 2023, the universe consisted of 1,624 special accounts with a cumulative collection amount of approximately \$8.4 billion.

To determine whether the EPA is managing its Superfund special accounts properly and timely, we selected a sample of accounts in three EPA regions for in-depth analysis and review. We selected the region with the highest cumulative receipts special accounts balance (Region 9), the region with the lowest cumulative receipts special accounts balance (Region 4), and a region with a mid-range cumulative receipts special accounts balance (Region 5). We then categorized the accounts for each of these three regions into the following three categories based on whether they met certain criteria from the EPA’s guidance: (1) accounts 15 years or older, (2) accounts with balances over \$1 million, and (3) accounts with balances below \$25,000. We randomly selected one account from each category for each region, resulting in a total of nine sample accounts. We analyzed each of those accounts against applicable criteria from laws, regulations, and EPA guidance. Our analysis included determining whether the account was established pursuant to a settlement agreement and had work plans for proposed cleanup actions, and whether the Agency had conducted required reviews of the account and ongoing cleanup work. We further reviewed the applicable settlement agreement for each of the special accounts in our sample.

We also reviewed financial reports for each of the nine sampled accounts to determine if the account had a negative balance and, if so, how long the account had been negative.

Because we narrowed our in-depth review to nine accounts, we cannot project our overall findings about the management of accounts to the entire universe of special accounts.

After we identified accounts with negative balances within our sample, we reviewed the entire universe of accounts to identify all special accounts with negative balances as of November 2023. This review included determining the dollar amount of the negative balance and how long the account had been negative. There were two special accounts with negative balances in our sample and nine additional special accounts with negative balances for a total of 11 special accounts with negative balances reviewed.

We used several financial databases and respective reporting tools, as follows, in our audit to review and analyze the EPA's special accounts and to verify the accuracy of information received from the Agency:

- The Compass Financials System, which is a comprehensive financial planning application that the EPA utilizes to record financial transactions.
- The Compass Data Warehouse, which is a reporting tool that contains a collection of financial and administrative data in one database.
- The Compass Business Objects Reporting tool, which contains a collection of financial and administrative data pulled from the Compass Data Warehouse and other Agency systems.
- The Special Accounts Interest Database, which records interest earned on a special account, provides special account available balances, and tracks the opening and closing of accounts.
- The Superfund Enterprise Management System, which provides background information and documents for Superfund sites associated with the respective special account.

We also interviewed staff from OLEM, the Office of the Chief Financial Officer, the Solid Waste and Emergency Response Law Office, the Office of Enforcement and Compliance Assurance, and EPA Regions 4, 5, and 9 about the policies and procedures used in managing special accounts, applicable data, and accounting systems and their capabilities. Additionally, we visited two Superfund sites covered by two of our sampled special accounts in Regions 4 and 9 to gather additional information on the use and management of accounts and to see the cleanup work being conducted at the sites.

Prior Reports

We did not identify any recent OIG reports that were directly related to our objective.

Chapter 2

The EPA Needs to Take Management Actions to Use Approximately \$5.9 Million in Special Account Funds

While the EPA generally managed special accounts that we reviewed in accordance with applicable laws, policies, and guidance, we found that the EPA needs to take steps to more expeditiously use the funds in one of the nine special accounts in our sample. The Anniston Lead Site special account had been open for over 19 years (February 2006-June 2025), and approximately \$5.9 million in funds were being retained for the cleanup of 11 residential properties. The EPA has requested access to these residential properties for the same time period, but property owners continued to deny access to allow cleanup of their properties.

The EPA's 1987 memorandum titled *Entry and Continued Access Under CERCLA* recommends that the EPA seek to obtain access through consent. If consent is denied, the memorandum states that the EPA should use the judicial process or an administrative order to gain access. Additionally, other EPA guidance recommends that special account funds needed for future site cleanup work are used as expeditiously as possible and states that if special account funds are no longer needed those funds may be reclassified or transferred to the general portion of the Superfund Trust Fund.

The EPA has not used the judicial process or an administrative order to access the 11 residential properties and has not reclassified or transferred the \$5.9 million in funds that were set aside in the special account for the cleanup of the 11 properties. This \$5.9 million could be put to better use if the EPA used the funds to conduct or finance other response actions at or in connection with the Anniston Lead Site, reclassified the funds, or transferred the funds to the Superfund Trust Fund.

Anniston Lead Site Settlement Agreement Requires Potentially Responsible Parties to Pay for Cleanup of Residential Properties

The special account for the Anniston Lead Site—one of the nine accounts we reviewed in-depth—was created to house the collected funds resulting from a 2005 settlement agreement with the PRPs, which requires the performance of time-critical removal activities at the site and payment to the EPA for the costs of past or future response actions conducted by the Agency. Specifically, the settlement agreement requires sampling of soil at numerous residential properties and cleaning up the soil at residences with lead concentrations found to be equal to or greater than 400 parts per million, or ppm. The settlement agreement listed 209 residential properties already known to have soil lead concentrations greater than 400 ppm that required cleanup. It also required the PRPs to conduct sampling of other residences in designated zones to determine if soil lead concentrations were above 400 ppm and then clean up those properties as well. The settlement agreement further states that if the PRPs are unable to obtain access to residential properties despite their “best efforts,” the EPA will assist them “to the extent necessary” to implement the actions covered by the agreement “using such means as EPA deems appropriate.”

The EPA Can Pursue Access to Properties or Transfer Funds for Use at Other Sites

The EPA's 1987 memorandum titled *Entry and Continued Access Under CERCLA* recommends that the EPA seek to obtain access through consent and states that entry on consent is preferable for all activities. The memo states that if consent is denied the EPA should use the judicial process or an administrative order to gain access. The 2010 *Clarification of CERCLA Entry Policy*, which updated the 1987 *Entry and Continued Access Under CERCLA* memorandum, notes that access may be obtained by "any lawful means."

The EPA's *Superfund Special Accounts Management Strategy for 2022-2024* recommends that available special account funds needed for future site cleanup work are used as expeditiously as possible.

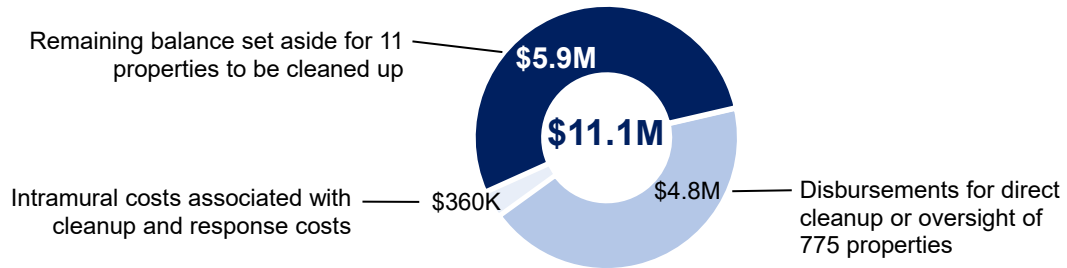
The EPA's *Effective Utilization of Superfund Special Accounts* memorandum states that if the EPA determines there are more funds in a special account than are needed for remaining response work, those funds may be reclassified or transferred to the general portion of the Superfund Trust Fund to support response work at other sites.

The Anniston Lead Special Account Funds Had Limited Utilization for Six Years

As of May 2024, 11 residential properties still needed cleanup actions, resulting in the work being stalled and a low utilization of the funds for six years of the 19-year period the Anniston Lead Site special account had been open. Based on Agency documentation, we found that from May 2018 through May 2024, only approximately \$95,000 had been disbursed, which equates to a utilization of just 1.5 percent of the funds available in the account. Region 4 had set aside \$5,876,679.25, or approximately \$5.9 million, of the total available balance of \$6.3 million, as of March 2024, to conduct cleanups at residential properties with elevated soil lead concentrations where access had not been obtained.

Previously, in December 2017, the EPA's contractor had concluded removal activities, leaving these 11 residential properties still in need of cleanup. In total since the account was set up, the EPA has collected cumulative payments and interest totaling approximately \$11.1 million for the Anniston Lead Site. Region 4 set aside approximately \$360,000 for intramural use costs—such as government personnel salaries and travel—associated with cleanup and response at this site. Region 4 has disbursed about \$4.8 million of the total funds (approximately 43 percent) for the cleanup and oversight of 775 properties since 2002. However, 53 percent of the total funds in the special account had been set aside for the cleanup and oversight for only 11 properties as shown in Figure 2 below.

Figure 2: Anniston Lead Site special account cost breakdown



Source: OIG summary of Anniston Special account usage, as of 2024. (EPA OIG image)

Anniston Lead Site
Anniston, Alabama
(Figures have been rounded.)

Special account established: February 16, 2006.
Cumulative receipts as of May 2024: \$9.776 million.
Interest received as of May 2024: \$1.340 million.
Disbursements as of May 2024: \$4.828 million.
Available Balance as of May 2024: \$6.288 million.
Utilization rate as of May 2024: 43.4 percent.

Site Information:
 The Anniston Lead Site is a Superfund site located in Anniston, Alabama. According to an EPA on-scene coordinator report dated August 21, 2012, from 1929 until 1971, companies manufactured polychlorinated biphenyls, or PCBs, in Anniston, and “millions of pounds of PCBs were reportedly released from the plant through the disposal of PCB liquids, sludges, and other wastes into unlined and uncapped landfills.” While investigating the Anniston PCB site in 1999 and 2000, the EPA became aware of elevated concentrations of lead—defined as greater than or equal to 400 ppm—in soil on some residential properties. In 2001, the EPA initiated a time-critical removal action at the Anniston Lead Site to address contaminated properties using a cleanup standard of soil containing lead concentrations greater than 400 parts per million. The Anniston Lead Site special account stores the amounts paid by the PRPs and used to finance response actions, including sampling residential properties and removal actions addressing soil with elevated PCB and lead concentrations.

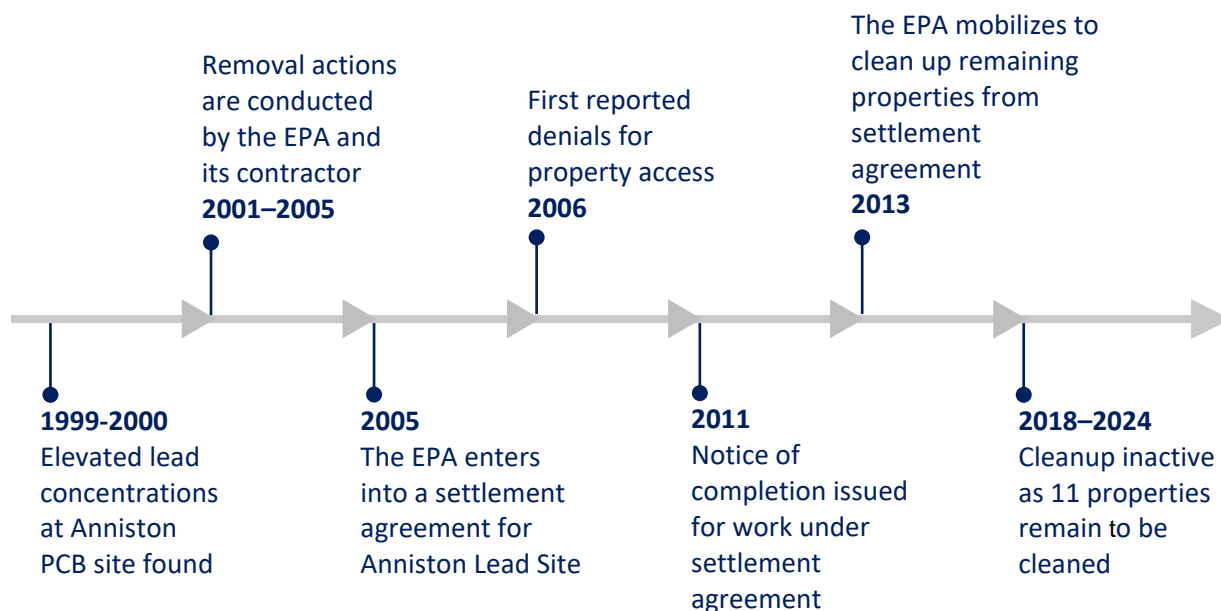



(Left) A residential property located on the Anniston Lead Site. *(Right)* Excavation of residential surface soil, Anniston PCB Superfund Site, Alabama. (EPA images)

Region 4 issued a notice of completion to the PRPs on September 16, 2011, which covered all properties at the Anniston Lead Site except for the 24 residential properties where cleanup was required but could not be performed because the PRPs and the EPA were unable to obtain access for the work despite

using "best efforts." The notice of completion indicates that the PRPs elected to negotiate a settlement payment to resolve their liability for these properties. In a memorandum dated April 2014, the remedial project manager asserted that 22 property owners who had previously denied access were sent certified letters by the EPA. The certified letters stated that the EPA previously had requested access in order to conduct the necessary cleanup of lead contamination at their properties. The letters also stated, "Although cleaning up the property is important to protect the health of any occupants of the property, concerns about your property rights have led the EPA to decide that no legal action will be taken to force access to clean up at this time." The EPA was able to complete removal activities for 11 of the 22 residential properties, leaving a remaining 11 residential properties still needing to be cleaned. Figure 3 below illustrates a summary of the remedial project officer's timeline of events at the Anniston Lead Site, from when the issues were first noted, which prompted the start of cleanup work, to the current stalled status, causing the limited utilization of special account funds.

Figure 3: Timeline of cleanup efforts at Anniston Lead Site



Source: OIG summary of significant events for the Anniston Lead Site. (EPA OIG image)

The EPA began requesting access to the residential properties in 2006 and over the years has requested access several more times. Region 4 staff stated that their current strategy is to conduct outreach either annually or semiannually. After more than 19 years, the Agency still has not received access to the remaining 11 sites. The Agency stated that it would mobilize to conduct the cleanups should access be provided to any of these properties.

The EPA Has Not Been Successful in Gaining Access to Residential Properties

The EPA has chosen not to take judicial action or use an administrative order to gain access to the remaining 11 properties that need to be cleaned up and has continued to request access to the

properties without permission being granted. Region 4 management told us that identifying the owners for some of these properties to obtain permission can be difficult because property owners change over time. Regional management also stated that some property owners have not wanted the EPA to access their property, and the Agency is reluctant to force access to residential properties via the judicial process or an administrative order when property owners are not willing to grant access. EPA management stated that they could notify the remaining 11 residential property owners that if access is not granted by a certain date, the funds will no longer be available to clean up their properties. According to Region 4 management, if access is still not granted to the 11 residential properties by the date provided in the proposed notification, then the funds could be used to conduct or finance other response actions at or in connection with the Anniston Lead Site.

The EPA May Be Missing the Opportunity to Put \$5.9 Million in Funds to Better Use for Other Response Activities

The \$5.9 million in the Anniston Lead special account that was set aside for residential properties where owners have denied cleanup could be put to better use if the EPA used the funds to conduct or finance other response actions at or in connection with the Anniston Lead Site, reclassified the funds, or transferred the funds to the Superfund Trust Fund. If the EPA continues to allow the special account funds to go unused, those funds will not be put to use for other response actions.

Recent EPA guidance may provide for additional utilization of the \$5.9 million that was set aside if the EPA determines that further evaluation is needed at the Anniston Lead Site. Specifically, the EPA issued [guidance](#) in January 2024 that lowered the recommended regional screening and removal management levels for residential soil lead concentrations at Superfund sites from 400 to 200 ppm, and 100 ppm where multiple sources of lead are present. In October 2025, the EPA updated this guidance to increase the soil lead removal management level to 600 ppm but kept the recommended regional screening level at 200 ppm. The October 2025 [guidance](#) states, “Residential properties with lead concentrations below 200 ppm generally do not require further action, however further evaluation may be warranted below the screening level in some specific situations.” Therefore, the Anniston Lead Site special account funds could be utilized if the EPA determines that further evaluation is warranted at residential properties at the site.

In November 2024, OLEM management stated that they updated the cost estimate to remediate the 11 residential properties to \$1.5 million instead of \$5.9 million. However, OLEM did not provide documentation that explains what this \$1.5 million amount is based on or how it plans to utilize the entire \$5.9 million that had been set aside for the 11 properties.

Conclusions

Since residential property owners have denied access to their properties for more than 19 years and the EPA has decided not to take legal action to access these properties, the \$5.9 million in special account funds that have been set aside with limited use for at least six years could be put to better use. Allowing these funds to remain in the account with low utilization is counter to one of the goals of the EPA’s

Superfund Special Accounts Management Strategy for 2022-2024 that available special account funds needed for future site cleanup work be used as expeditiously as possible. The Agency needs to determine how and when it will use the remaining funds in the Anniston Lead special account so that funds can be put to better use, as well as provide documentation to the OIG of its plan.

Recommendation

We recommend that the assistant administrator for Land and Emergency Management:

1. Determine how and when the unused \$5.9 million that had been set aside in the special account for the Anniston Lead Superfund Site will be used so that the funds can be put to better use, and use the funds to conduct or finance response actions at or in connection with the Anniston Lead Site, reclassify the funds, or transfer the funds to the Superfund Trust Fund to support response work at other sites. Provide documentation to the OIG that explains how and when the funds will be used and supports any reclassification or transfer of funds. This recommendation will help ensure that funds are better used to clean up contaminated sites to protect public health and welfare.

Agency Response and OIG Assessment

Appendix A includes the Agency's response to our draft report. OLEM agreed with Recommendation 1 and provided an acceptable proposed corrective action and planned completion date. OLEM stated that it "will work with Region 4 to update the site strategy document for the Anniston Lead Superfund Site...based on an OLEM project execution strategy for future work for sites with a significant number of residential yards impacted by lead contamination. Plans for the use of available special account funds will be updated in the Superfund Enterprise Management System (SEMS) based on the updates to the site strategy." We obtained confirmation from OLEM that the updates made to the Anniston Lead Superfund Site strategy document and the Superfund Emergency Management System will detail how and when the \$5.9 million in funds that were set aside in the special account will be used. Thus, we consider Recommendation 1 to be resolved with corrective actions pending.

Chapter 3

The EPA Needs to Improve Its Management of Special Accounts to Timely Correct Negative Balances

While the EPA generally managed special accounts in accordance with applicable laws, policies, and guidance, we found that it did not timely correct special accounts with negative balances. Specifically, we identified two accounts in our sample—and nine other accounts in the universe of special accounts—that had negative balances as of November 14, 2023. While the negative balances for these accounts only totaled approximately \$276,000, or approximately one-hundredth of one percent of all total available funds in special accounts, none of the 11 accounts were corrected timely in accordance with EPA guidance. The EPA’s *Superfund Special Accounts Management Strategy for 2022-2024* states that regions should make corrections to address negative balances, generally within 30 days, or provide a status to the EPA’s Cincinnati Finance Division as to why a correction cannot be made. We determined that the current process was not effective to timely correct the 11 negative special accounts, since we identified accounts that remained negative for as long as 49 months, without adequate explanations given as to why the accounts could not be corrected within 30 days. In cases where appropriated funds were eventually used to pay for the expenses that caused the negative balance, those appropriated funds were no longer available for response work at sites with no viable PRP or alternative source of funding. Without timely correction of negative balances, the EPA may have to spend more appropriated funds in the future.

The EPA’s Guidance Addresses Correction of Negative Balances and Use of Appropriated Funds When a Special Account Is Depleted

If a special account becomes negative, the EPA provides guidance to the regions regarding the appropriate steps to take. The EPA’s *Superfund Special Accounts Management Strategy for 2022-2024* states that regions should make corrections to address the negative funds issue, generally within 30 days, or provide a status to the EPA’s Cincinnati Finance Division as to why a correction cannot be made.

The EPA’s memorandum dated March 28, 2014, with the subject line *Use of Special Accounts for Oversight Costs*, states that “oversight billings should be prepared and collected in a timely manner. This ensures that EPA has funding available in the special account to continue oversight. If the special account is depleted and the oversight payment has not been deposited into the account, then EPA will be required to use appropriated funds for oversight rather than PRP funds.”

Special Accounts with Negative Balances Were Not Corrected in a Timely Manner

Based on our in-depth review of nine special accounts, we found that the EPA generally managed special accounts in accordance with applicable laws, policies, and guidance, with the exception of timely

correcting negative balances in some special accounts. In our sample, we identified two accounts with negative balances, which prompted us to review the entire universe of 1,624 special accounts to identify all negative balances. We identified an additional nine negative balances, resulting in a total of 11 special accounts that had negative balances totaling over \$276,000—approximately one-hundredth of one percent of total available funds—as of November 2023.

We found that all 11 accounts with negative balances had been negative for at least four months, with one account remaining negative for 49 months, before they were corrected. One of the negative special accounts, Kerr-McGee Chemical Corp. - Jacksonville, incurred additional costs after it first became negative, resulting in an even greater negative balance. As of November 2024, the Agency had corrected all 11 negative balances we identified. Table 2 below identifies each of the 11 negative special accounts, the available balance as of November 2023, and the period in which it was negative. Figure 4 illustrates the number of months each of the 11 special accounts remained negative.

Table 2: Status of identified special accounts with negative balances

Site name	Region	Available balance as of November 2023 (\$)	Date account first showed a negative balance	Date negative balance was corrected
Vestal Water Supply Well 1-1	2	(6,425)	June 12, 2020	July 23, 2024
Lindsay Light II	5	(1,531)	October 2, 2022	July 16, 2024
The Battery Recycling Company	2	(245)	November 6, 2022	July 23, 2024
Chevron Questa Mine	6	(200,503)	May 22, 2023	November 20, 2024
Lisbon Valley Group (Tronox)	8	(27,180)	May 22, 2023	August 15, 2024
Ore Knob Mine	4	(2,718)	May 22, 2023	June 30, 2024
Landia Chemical Company	4	(42)	October 1, 2023	July 4, 2024
Kerr-McGee Chemical Corp. - Jacksonville	4	(96)	November 13, 2023	September 11, 2024
Kerr-McGee Chemical Corp. - Navassa	4	(33,327)	May 22, 2023	December 19, 2023
Picayune Wood Treating Site	4	(2,483)	September 21, 2023	February 13, 2024
Motor Wheel Inc.	5	(1,460)	October 30, 2023	March 8, 2024
Total	—	(276,010)	—	—

Source: OIG compiled information from the EPA's Compass Business Objects Reporting tool, as of November 20, 2024. (EPA OIG table)

Note: Available balances are rounded.

Figure 4: Length of time accounts were negative as of November 20, 2024



Source: OIG compiled information from the EPA's Compass Business Objects Reporting tool as of November 20, 2024. (EPA OIG image)

The EPA Needs Additional Controls to Timely Correct Special Accounts with a Negative Balance

The EPA's *Superfund Special Accounts Management Strategy for 2022-2024* contains guidance to correct negative special accounts, but this guidance was not effective to timely correct the 11 negative special accounts we identified. These accounts remained negative for at least four months and as long as 49 months. While the guidance states that the regions should make corrections to address the negative funds issue "generally within 30 days," this language appears to be suggestive, rather than a firm requirement. In addition, while the guidance states that the regions should provide a status to the EPA's Cincinnati Finance Division as to why a correction cannot be made, we found that the provided statuses for these 11 accounts only contained the type of transaction that caused the account to become negative but did not include an explanation as to why the region had not made a correction. For example, a common reason written in the documentation for what caused the negative balances was the word "disbursements" with no additional information. Finally, we found that the EPA's Cincinnati Finance Division's review of the status of the negative special accounts did not ensure that actions were taken timely to correct the negative accounts or verify that all required information was included in regional status reports. The creation of additional controls to correct negative special accounts would aid in preventing the lengthy negative balances in the future.

For the two sampled special accounts with negative balances (Picayune Wood Treating Site and Motor Wheel Inc.), the remedial project managers told us that payroll charges were incurred when

funds were not available to cover the charges, thus resulting in the negative balances. For example, the remedial project manager for one of the special accounts stated that he failed to verify the remaining available balance before charging work to the special account. EPA staff therefore charged the work performed to depleted special accounts. As a result of our audit, the total negative balance of about \$3,943 for these two sampled special accounts has since been corrected. OLEM management stated that these oversight costs have been charged to appropriated funding.

Kerr-McGee Chemical Corp. - Jacksonville

Kerr-McGee Chemical Corp. - Jacksonville is a Superfund site in the main industrial port area of Jacksonville, Florida, which was placed on the Superfund Program's National Priorities List in 2010 due to contaminated soil and ground water, resulting from facility operations. The special account was opened on January 30, 2015. This special account saw an increase in its negative balance after initially becoming negative.

For one of the accounts that was not in our sample—Kerr-McGee Chemical Corp. - Jacksonville—the negative balance was related to the billing stipulations in the March 2000 settlement agreement. According to the agreement, the PRP is billed on an annual basis, and therefore the region accumulates the bills and sends them to the PRP per the timing dictated by the settlement agreement. We observed that the negative balance for this special account was allowed to remain negative and become more negative with no threshold, until billed. Between November 13, 2023, and May 9, 2024, additional charges of \$18,911 were applied to this already-negative account, thus increasing the total negative balance from -\$96 to -\$19,007. An EPA budget coordinator stated that the Agency anticipated a payment from the PRP. The Agency stated that this special account was part of a multi-regional bankruptcy with an environmental trust that is billed annually. As of November 2024, the Agency had been reimbursed for the costs, which resolved the negative balance. The EPA was unable to collect funds from the PRP for oversight work in a timely manner to avoid negative balances because it must adhere to billing requirements stated in the March 2000 settlement agreement.

In April 2023, the EPA's Office of Enforcement and Compliance Assurance added new language to its template for settlement agreements to allow for the periodic billing of oversight costs. The settlement agreement for the Kerr-McGee Chemical Corp. - Jacksonville special account was issued prior to the establishment of the new language that allows for periodic billing and therefore had a set billing period from which the Agency could not deviate. This new language helps mitigate the potential for negative balances to remain uncorrected while waiting for funds to be collected from PRPs.

Superfund Trust Funds Were Spent Covering for Costs That Depleted Special Accounts Cannot Cover

Based on information provided by the EPA, the Agency used several different methods to correct the negative balances we identified, including charging appropriations-funded accounts that could have been used for other purposes. While the largest negative balances were corrected by transferring funds from other special accounts for the same site, the Agency used over \$13,000 in appropriated funds, including funds from the Superfund Trust, to correct six of the negative accounts we identified, as shown

in Table 3. Special accounts are intended to ensure that PRPs pay for response work so that appropriated funds are preserved. In these cases where appropriated funds were used to pay for the expenses that caused the negative balance, the appropriated funds would no longer be available for response work at sites with no viable PRP or alternative source of funding.

Table 3: Negative balance special accounts corrected through use of appropriated funds

Count	Site name	Negative balance (\$) (November 14, 2023)	Available balance (\$) (November 20, 2024)
1	Picayune Wood Treating Site	(2,483.19)	735.65
2	Motor Wheel Inc.	(1,459.90)	1,223.28
3	Vestal Water Supply Well 1-1	(6,425.21)	1.04
4	The Battery Recycling Company	(244.62)	0.72
5	Landia Chemical Company	(42.10)	0.00
6	Ore Knob Mine	(2,718.27)	4,251.75
Total	—	(13,373.29)	6,212.44

Source: OIG compilation of data from the EPA’s Compass Business Objects Reporting tool. (EPA OIG table)

Conclusions

The approximately \$13,000 of appropriated funds used to cover the negative balances we identified represents a snapshot in time and is not material compared to the total amount in the Superfund Trust Fund (about \$21 billion in fiscal year 2024) or to the total amount received in all special accounts (about \$8.6 billion as of the end of fiscal year 2024). However, the EPA may end up expending more appropriated funds in the future if it does not take steps to prevent special accounts from becoming negative or correct them timely. In addition, when special accounts are allowed to remain negative for long periods of time, there is an increased risk that the Agency will not be able to recover those costs due to circumstances beyond its control, such as the bankruptcy of a PRP. To better avoid such issues, the Agency needs to develop additional controls to more timely address negative balances in the future.

Recommendation

We recommend that the assistant administrator for Land and Emergency Management, in coordination with the chief financial officer and chief administrative officer:

2. Develop and implement additional controls to ensure the timely correction of negative special accounts to prevent the use of appropriated funds to cover negative balances in the future. These controls should include a verification process to confirm that future negative balances are corrected timely.

Agency Response and OIG Assessment

Appendix A includes the Agency's response to our draft report. OLEM agreed with Recommendation 2 and has already completed corrective actions to address the recommendation. On July 28, 2025, OLEM issued the *Superfund Special Accounts Management Strategy for 2025 – 2027*, which included detailed directions to the regions to address negative special account balances in a more timely manner. These directions included tasking the Cincinnati Finance Division to monitor special accounts to identify negative balances on a monthly basis, then communicate with the applicable region and OLEM's Office of Superfund and Emergency Management to request corrective actions. If negative balances remain for two months, the strategy states that the matter will be elevated to the director level for expedited resolution. Regions will be instructed to avoid additional charges until the negative balance is resolved. We verified that the *Superfund Special Accounts Management Strategy for 2025 – 2027* had been implemented as of receipt of the Agency's response. Thus, we consider Recommendation 2 to be resolved with corrective actions completed.

Chapter 4

Challenges in the Cleanup of Superfund Sites Often Cause Special Accounts to Remain Open for Many Years

While we found that the EPA generally managed special accounts in accordance with applicable laws, policies, and guidance, we identified challenges in the cleanup of Superfund sites that can cause special account funds to not be used timely. The nature of cleaning up Superfund sites is a complex process, which may require years from studying the problem to developing and implementing a cleanup solution. Superfund remediations and cleanups also involve multiple parties such as PRPs and their contractors, property owners, adjacent property owners, and local and state officials. These challenges can all cause project delays that could last decades and result in special account funds remaining open and unused for extended periods with large balances.

Challenges in the Utilization of Special Account Funding

Out of the nine special accounts we selected for review, we identified five Superfund sites that experienced some sort of challenge that impacted the remedial or removal work and ultimately the use of the funds in the special account. The five sites are:

- Petroleum Products Corp. in Pembroke Park, Florida.
- Anniston Lead Site in Anniston, Alabama. (See Chapter 2 for details.)
- Cam-Or Inc. in Westville, Indiana.
- Hassayampa Landfill in Arlington, Arizona.
- North Hollywood Operable Unit in North Hollywood, California.

The average number of years these five accounts had been open was 23 years. The five sites that experienced challenges had a total available balance of \$26,282,894 as of May 21, 2024. Each site had over \$1 million in its available balance. Additionally, the average utilization rate for these sites that experienced challenges was 47 percent, meaning over half of special account funds remained unused.

Table 4: Special account sites with challenges, as of May 2024 (in thousands)

Site name	Available balance (\$)	Years special account had been open	Utilization rate of special account funds (%)
Petroleum Products Corp.	7,290	24	33.5
Anniston Lead Site	6,288	18	43.4
Cam-Or Inc.	1,772	17	49.3
Hassayampa Landfill	2,182	29	57.6

Site name	Available balance (\$)	Years special account had been open	Utilization rate of special account funds (%)
North Hollywood Operable Unit	8,751	27	53.1
Total or average	26,283	23	47.4

Source: OIG analysis of data in the EPA's Superfund Enterprise Management System, pulled by the OIG on May 21, 2024. (EPA OIG table)

We identified two primary factors that caused the challenges experienced at the Superfund sites, with some sites experiencing both of these factors:

- The EPA or contractors encountered property access issues or resistance from residents or local businesses that would be affected by proposed remedial or removal actions taken at three of the five sites.
- Remediation efforts at three of the five sites needed to be reevaluated and redesigned to enhance and optimize the existing remedies.

Table 5 summarizes the challenges experienced at five of the nine Superfund sites reviewed during this audit.

Table 5: Summary of Superfund sites that experienced challenges, as of May 2024

Site	Account inception date	Years since account inception	Cleanup response	Some challenges experienced
Petroleum Products Corp.	12/14/1999	24	Cleanup of contaminated ground water and soil	Access issues, resistance from the public, and remediation redesign.
Anniston Lead Site*	2/16/2006	18	Cleanup of lead in soil	Difficulties in gaining access to properties.
Cam-Or Inc.	5/22/2006	17	Cleanup of contaminated ground water and soil	Contractor experienced access issues and a remediation work plan is needed. The remediation was redesigned.
Hassayampa Landfill	12/5/1994	29	Cleanup of contaminated ground water and soil	Remediation redesign. The original soil vapor extraction system was shut down and replaced in 2006. Additional updates needed in 2016.
North Hollywood Operable Unit	9/16/1996	27	Cleanup of ground water	Remediation redesign to implement a second interim remedy.

Source: OIG summary of reviewed special accounts with noted challenges in the response work. (EPA OIG table)

* See Chapter 2 for details on the Anniston Lead Site.

Superfund Sites with Challenges

We conducted visits to two of the Superfund sites in our sample—the Petroleum Products Corp. site and the North Hollywood Operable Unit site. These sites highlight examples of challenges in cleaning up sites and why special accounts may remain open with funds unused for long periods of time. We present a case study on each of these sites below.

Petroleum Products Corp.

Pembroke Park, Florida

Special Account Established: December 14, 1999.

Available Balance as of May 2024: \$7.290 million.

Utilization Rate as of May 2024: 33.5 percent.

Site Information:

The Petroleum Products Corp. site is located in Pembroke Park, Florida. The area surrounding the site is highly developed and contains a high-density residential population in addition to a variety of commercial or industrial activities. From 1957 to 1971, the site contained a used oil re-refining facility that generated sulfuric acid and clay sludge. The facility disposed of waste into two unlined pits. The lack of lining led to leakage to the soil. From 1971 to 1985, the site served as an oil distribution center. During this time, multiple oil spills further contributed to ground water and soil contamination. The Petroleum Products special account was opened for the purpose of funding the cleanup of contaminated ground water and soil.

Description of Challenges:

The interim remedy first selected in 1990 and modified in 1991 and 1998 is not functioning as expected. After trying other technologies that failed, the EPA began studies to further understand contamination at the site. As of this audit, the EPA had not yet developed a final cleanup plan for the entire site. The EPA's remedial project manager indicated that the neighboring residential area had contamination, but the EPA faced pushback from private residents concerning the impact to their homes that may be caused by the first remedy. An EPA report detailed one instance where the PRP's contractor excavated an estimated 330 cubic yards of contaminated soil in a mobile park home but was unable to dig under a trailer to complete remedial work in that area due to access issues. The State of Florida provided funding to aid in the cleanup of the site which, according to the remedial project manager, allowed for a more acceptable remedy for local business and property owners.



(Left) Black markings on the concrete barricades from oil that deposits on the barricades when rainwater runs off the Petroleum Products Corp. site. Residential trailer homes are on the other side of the barricade. *(Right)* Petroleum Products Corp. site's Pembroke Park Warehouse contaminated business area. The EPA remedial project manager explained that this image captures one of the business areas where the floor was removed and free product was bailed from underneath that had oil seeping from the concrete floor. (EPA OIG images)

North Hollywood Operable Unit

North Hollywood, California

Special Account Established: September 16, 1996.

Available Balance as of May 2024: \$8.751 million.

Utilization Rate as of May 2024: 53.1 percent.

Site Information:

The North Hollywood-Burbank Well Field (North Hollywood Operable Unit) is located within the North Hollywood Site, which is one of four sites, or areas, in the San Fernando Valley. The sites came to the EPA's attention because of the discovery of trichloroethylene, tetrachloroethylene, and other volatile organic contaminants in the ground water. As stated in the EPA's documentation for this site, "Trichloroethylene and tetrachloroethylene were widely used in the San Fernando Valley starting in the 1940s for dry cleaning and for degreasing machinery. Disposal was not well regulated at that time." The EPA's documentation also states that "the Los Angeles Department of Water and Power (DWP) operates the North Hollywood-Burbank Well Field to provide drinking water to the residents of the City of Los Angeles located to the south of the San Fernando Valley."

Description of Challenges:

An interim remedy for this site was first selected in September 1987, which focused on ground water extraction and treatment of volatile organic compounds. A second interim remedy was initially selected in September 2009, which would entail rehabilitation and expansion of the previously installed extraction well network and expand the treatment system. Since 2009, the EPA has modified this second remedy three times, in 2014, 2016, and 2018. The first interim remedy was eventually shut down in November 2017 due to declining water levels and maintenance issues. The second interim remedy was under construction as of the audit team's visit in 2024, with only portions of it operating as of a 2023 review conducted by the EPA. During that 2023 review, the EPA anticipated that the second interim remedy would be constructed and operational by about 2028.



(Left) Water treatment system at the North Hollywood Operable Unit Site. (Right) Water wells located on the North Hollywood Operable Unit Site that collect and monitor the water cycling in and out of the site. (EPA OIG images)

Conclusions

For some Superfund sites, the EPA may be managing the special account properly but face challenges outside the Agency's control, such as public resistance and access issues. The challenges may cause the special account to remain open for long periods of time, resulting in the funds not being used timely. The EPA must address these situations on a case-by-case basis with the goal of resolving challenges as timely as possible in order to use the special account funding for site response work.

Status of Recommendations and Potential Monetary Benefits

Rec. No.	Page No.	Recommendation	Status*	Action Official	Planned Completion Date	Potential Monetary Benefits (in \$000s)
1	13	Determine how and when the unused \$5.9 million that had been set aside in the special account for the Anniston Lead Superfund Site will be used so that the funds can be put to better use, and use the funds to conduct or finance response actions at or in connection with the Anniston Lead Site, reclassify the funds, or transfer the funds to the Superfund Trust Fund to support response work at other sites. Provide documentation to the OIG that explains how and when the funds will be used and supports any reclassification or transfer of funds. This recommendation will help ensure that funds are better used to clean up contaminated sites to protect public health and welfare.	R	Assistant Administrator for Land and Emergency Management	3/31/26	\$5,877
2	18	In coordination with the chief financial officer and chief administrative officer, develop and implement additional controls to ensure the timely correction of negative special accounts to prevent the use of appropriated funds to cover negative balances in the future. These controls should include a verification process to confirm that future negative balances are corrected timely.	C	Assistant Administrator for Land and Emergency Management	7/28/25	—

* C = Corrective action completed.
 R = Recommendation resolved with corrective action pending.
 U = Recommendation unresolved with resolution efforts in progress.

Agency Response to Draft Report



OFFICE OF LAND AND EMERGENCY MANAGEMENT

WASHINGTON, D.C. 20460

MEMORANDUM

SUBJECT: Response to Office of Inspector General Draft Report No. OA-FY24-0025, "Audit of the EPA's Management of Superfund Special Accounts," dated September 11, 2025

FROM: Elizabeth C. Shaw
Acting Deputy Assistant Administrator for Management

ELIZABETH SHAW
Digitally signed by ELIZABETH SHAW
Date: 2025.10.12 17:27:32 -04'00'

TO: Katherine Trimble, Assistant Inspector General for Audits
Office of Inspector General

Thank you for the opportunity to respond to the issues and recommendations in the subject audit report. Following is a summary of the agency's overall position, along with its position on each of the report recommendations. We agree with the report's recommendations and have provided high-level intended corrective actions and estimated completion dates. This response has been coordinated with the Office of the Chief Financial Officer. For your consideration, we have included a Technical Comments attachment to supplement this response.

AGENCY'S OVERALL POSITION

OLEM generally agrees with the recommendations of the OIG report. The report provides a worthwhile review of EPA's management of special accounts and identified improvements to better manage special accounts.

In regards to Recommendation 1, *“Determine how and when the \$5.9 million in special account funds for the Anniston Lead Superfund Site will be used, so that the funds can be put to better use, and either use the funds to conduct or finance response actions at or in connection with the Anniston Lead Site or reclassify or transfer the funds to the Superfund Trust Fund to support response work at other sites. Provide documentation to the OIG that explains how and when the funds will be used and supports any reclassification or transfer of funds.”* Region 4 has developed a site strategy for the Anniston Lead Superfund Site that further builds on the cleanup work already conducted and identifies upcoming work at the site which will require the use of available special account funds. OLEM will work with Region 4 to update the site strategy document for the Anniston Lead Superfund Site by the end of 2nd Quarter FY 2026 based on an OLEM project execution strategy for sites with a significant number of residential yards impacted by lead contamination. Plans for the use of available special account funds will be updated in the Superfund Enterprise Management System (SEMS) based on the updates to the site strategy.

EPA has taken actions to address Recommendation 2, *“Develop and implement additional controls to ensure the timely correction of negative special accounts to prevent the unnecessary use of appropriated funds to cover negative balances in the future. These controls should include a verification process to confirm that future negative balances are corrected timely.”* We agree with the recommendation but suggest a revision for accuracy in the accompanying technical comments. On July 28, 2025, the Office of Superfund Remediation and Technology Innovation (OSRTI) issued on behalf of the Special Accounts Senior Management Committee (SASMC) the [Superfund Special Accounts Management Strategy for 2025 – 2027](#), which included more detailed directions to the regions, outlined in the table below, to address negative special account balances in a more timely manner. Implementation of the timeframes outlined in the strategy are to begin in 1st Quarter FY 2026.

AGENCY’S RESPONSE TO REPORT RECOMMENDATIONS

Agreements

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by Quarter and FY
1	Determine how and when the \$5.9 million in special account funds for the Anniston Lead Superfund Site will be used, so that the funds can be put to better use, and either use the funds to conduct or finance response actions at or in connection with the	<p>Update the site strategy document for the Anniston Lead Superfund Site identifying future work that will require the use of available special account funds.</p> <p>Update plans in the Superfund Enterprise Management System (SEMS) for use of the available special account funds for the Anniston Lead Superfund</p>	<p>2nd Quarter FY 2026</p> <p>2nd Quarter FY 2026</p>

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by Quarter and FY
	Anniston Lead Site or reclassify or transfer the funds to the Superfund Trust Fund to support response work at other sites. Provide documentation to the OIG that explains how and when the funds will be used and supports any reclassification or transfer of funds.	Site based on updates made to the site strategy.	
2	Develop and implement additional controls to ensure the timely correction of negative special accounts to prevent the unnecessary use of appropriated funds to cover negative balances in the future. These controls should include a verification process to confirm that future negative balances are corrected timely.	<p>2.1 OSRTI issued on behalf of the Special Accounts Senior Management Committee the Superfund Special Accounts Management Strategy for 2025 – 2027, which included the following direction to the regions on negative special account balances:</p> <p>Addressing Accounts with Negative Balances in a Timely Manner</p> <p>On a monthly basis, the Cincinnati Finance Division (CFD) will monitor accounts to identify negative fund balances. CFD will send an email of accounts with negative fund balances to the applicable region and OSRTI to request the necessary corrective actions be taken to correct the special accounts.</p> <ul style="list-style-type: none"> The regions should take steps to avoid additional charges until an account’s negative balance has been resolved. 	<p>2.1. Completed July 28, 2025, with issuance of the Superfund Special Accounts Management Strategy for 2025 – 2027.</p> <p>1st Quarter FY 2026</p>

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by Quarter and FY
		<ul style="list-style-type: none"> If a special account remains negative for two months since first being notified OSRTI will notify the SEMD and MSD directors to determine the action(s) needed to resolve the negative balance as expeditiously as possible. <p>2.2 The timeframes outlined in the Superfund Special Accounts Management Strategy for 2025 – 2027 will be implemented in October 2025 with transmittal of the monthly negative balance reviews to the regions.</p>	

CONTACT INFORMATION

If you have any questions regarding this response, please contact Kecia Thornton, Audit Follow-up Coordinator for the Office of Land and Emergency Management at Thornton.Kecia@epa.gov or Andrew LeBlanc, Audit Follow-up Coordinator for the Office of Chief Financial Officer at LeBlanc.Andrew@epa.gov.

Attachment

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