

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

June 16, 2026 | Report No. 26-E-0036



## Abbreviations

C.F.R.	Code of Federal Regulations
EPA	U.S. Environmental Protection Agency
IIJA	Infrastructure Investment and Jobs Act
OIG	Office of Inspector General
OU	Operable Unit
U.S.C.	United States Code

## Cover Image

A thermal treatment area at the Diaz Chemical Corp. Superfund site. In the foreground is plain ground with a smattering of small rocks. The main portion of the picture is a large area with a plywood border filled with small rocks and rows of multiphase extraction piping coming out of the ground. In the background are telephone poles, wires, and large green trees, with construction-type vehicles toward the back right corner. (EPA OIG image)

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# 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.



**OFFICE OF INSPECTOR GENERAL**  
U.S. ENVIRONMENTAL PROTECTION AGENCY

June 16, 2026

**MEMORANDUM**

**SUBJECT:** Inspection of Infrastructure Investment and Jobs Act-Funded Activities at Diaz Chemical Corp. Superfund Site in Holley, New York  
Report No. 26-E-0036

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

**TO:** Michael R. Martucci, Regional Administrator  
Region 2

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

This is our report on the subject inspection conducted by the U.S. Environmental Protection Agency Office of Inspector General. The project number for this inspection was [OSRE-FY25-0071](#). 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.

EPA Region 2 has the primary responsibility for the issues discussed in this report.

In accordance with EPA Manual 2750, your office provided acceptable planned corrective actions and estimated milestone dates for Recommendations 1, 2, and 3. These recommendations are resolved. A final response pertaining to these recommendations is not required; however, if your office submits a response, 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](http://www.epa.gov/oig).

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# Purpose and Overview

The U.S. Environmental Protection Agency Office of Inspector General [initiated](#) an inspection to determine the extent to which the EPA is using Infrastructure Investment and Jobs Act, or IIJA, 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.

In the following pages, we summarize the criteria that we reviewed during our inspection and describe whether the requirement was met, not met, or partially met. An overview of our findings is shown in Table 1. We recommend that the EPA take action to address each criterion that it did not meet. We detail any recommendations related to these findings in the “Recommendations” [section](#).

**Table 1: Overview of OIG findings**

Finding	Did the EPA meet the criterion?
<p><b>The EPA is making progress at the Diaz Superfund site and has taken steps to protect public health and the environment.</b> In accordance with the Comprehensive Environmental Response, Compensation, and Liability Act, the remedy should be protective of human health and the environment, as well as minimize untreated waste.* The short-term risks to the community and potential impacts on workers must also be considered.† The EPA uses a combination of treatment and controls as appropriate to achieve protection of human health and the environment.‡ There should be an information repository at or near the site.§</p>	
<p><b>The EPA effectively addressed deficiencies at the Diaz Superfund site.</b> In accordance with Office of Management and Budget Circular No. A-123, <i>Management’s Responsibility for Enterprise Risk Management and Internal Control</i>, agencies must integrate internal control functions into their programs and operations.¶ The U.S. Government Accountability Office’s <i>Standards for Internal Control in the Federal Government</i> outlines internal control principles, including that management should communicate internally, monitor activities, and remediate identified deficiencies on a timely basis to achieve program objectives.</p>	
<p><b>The EPA did not conduct community interviews during the 2022 five-year review.</b> The EPA’s <i>Comprehensive Five-Year Review Guidance</i> recommends that the EPA conduct community interviews, if necessary, as part of its oversight activities during five-year reviews.</p>	
<p><b>The EPA created a Diaz Superfund site community involvement plan but should update it and post it on the online site profile page.</b> In accordance with the National Contingency Plan, the EPA must prepare a community involvement plan. Additionally, in accordance with the EPA’s <i>Superfund Program Implementation Manual: Fiscal Year 2025</i>, the EPA must include a Superfund site’s community involvement plan on the site’s public-facing online profile page.</p>	

Source: OIG inspection criteria and findings. (EPA OIG table)

Notes: A green checkmark in a box indicates that the EPA met the criterion, a red “x” in a box indicates that the EPA did not meet the criterion, and a yellow box with a thick border indicates that the EPA partially met the criterion.

\* 40 C.F.R. §§ 300.430(a)(1).

† 40 C.F.R. §§ 300.430(e)(9)(iii)(E).

‡ 40 C.F.R. § 300.430(a)(1)(iii)(C).

§ 40 C.F.R. § 300.430(c)(2)(iii).

¶ *OMB Circular No. A-123, Management’s Responsibility for Internal Control*, was updated in March 2026.

# Background

## Key Information

The Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund, authorizes the EPA to require property owners and other potentially responsible parties to clean up contaminated sites. Superfund requires the EPA to maintain a list of sites that it has prioritized for cleanup based on the relative threat that the on-site contamination poses to human health and the environment.<sup>1</sup> This list is called the [National Priorities List](#). Enacted in 2021, the IIJA provided over \$60 billion in supplemental funds to the EPA, including \$3.5 billion for the remediation of Superfund sites on the National Priorities List.

The EPA added the Diaz Superfund site to the National Priorities List in 2004. Located in Holley, New York, the Diaz Superfund site is a five-acre area comprising residential land and a former industrial plant. The property was previously used for tomato processing and cider vinegar production, and it became a chemical manufacturing facility in 1974. Due to decades of improperly disposed chemicals and waste products, the soil and groundwater at the site are contaminated with volatile organic compounds, including benzene, toluene, and vinyl chloride.

New York is part of EPA Region 2, which is the EPA regional office overseeing the Diaz Superfund site remediation. To address site contamination more efficiently, the EPA divides some Superfund sites into distinct areas called operable units, or OUs. At the Diaz Superfund site, OU 2 is the beneficiary of IIJA-funded remedial actions totaling \$13 million.

As shown in Table 2 and Figure 1 on the next page, the EPA has further divided the remediation for OU 2 into two phases. OU 2 remedial actions include the treatment of soil. Thermal treatment of contaminated soil involves heating the soil to very high temperatures, which turns the contaminants into vapors that can move more easily through the soil for extraction. In a remedial action work plan for the Diaz Superfund site, the contractors stated that the thermal treatment system will operate 24 hours a day during the heating process. In a flyer distributed to the community in June 2021, the EPA also specified that the system would operate 24 hours a day.

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<sup>1</sup> 42 U.S.C. § 9605(a)(8)(B).

**Table 2: Diaz Superfund site OU 2 remediation phases**

Phase	Description
<p><b>1</b> (10% of site)</p>	<p>Lasting from 2017 to 2018, this phase involved a thermal treatment pilot area. The results of this pilot informed the full-scale thermal treatment undertaken in phase 2. As the IIJA was not enacted until 2021, this phase did not use IIJA funds.</p>
<p><b>2*</b> (90% of site)</p>	<p><b>2.1:</b> Initiated in August 2021, this phase involved the thermal treatment of an area that was not treated in phase 1. The thermal heating was completed in July 2025. IIJA funds were used for part of this phase.</p> <p><b>2.2:</b> Thermal treatment was initiated in October 2025. This phase involves the thermal treatment of the rest of the site, applying lessons learned during phase 2.1 to improve the remediation efforts. IIJA funds are being used for this phase.</p>

Source: OIG analysis of EPA documents and interviews. (EPA OIG table)

\* The EPA classifies the two parts of phase 2 as stage 1 and stage 2. For simplicity, we refer to them as phases 2.1 and 2.2 in our report.

**Figure 1: Overview of the different remediation phases at the site**



Source: OIG analysis of Diaz Superfund site data. (EPA OIG modification of GIS mapping)

Notes: This image is for informational purposes only. The site boundaries in this map are not based on precise coordinates.

## Responsible Offices

The EPA Office of Land and Emergency Management and Region 2 have responsibilities related to the topic of our inspection. The U.S. Army Corps of Engineers is a managerial presence at the Diaz Superfund site and helps the EPA oversee the thermal treatment remediation through an interagency agreement. The EPA defines a federal interagency agreement as a written agreement between itself and another federal agency where goods, services, information, and other resources are provided and funds can be transferred between agencies. Appendix A provides more information about the responsible offices.

## Scope and Methodology

We conducted this inspection from June 2025 to March 2026 in accordance with the *Quality Standards for Inspection and Evaluation* published in December 2020 by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we perform the inspection to obtain sufficient and appropriate evidence to support our findings.

We identified the Diaz Superfund site as a suitable inspection site based on its remediation construction schedule, size, complexity, and proximity to another IJJA-funded Superfund site remediation with potential for an additional OIG inspection.<sup>2</sup> Our inspection focused on the site's IJJA-funded remedial activities occurring in OU 2. We visited the site in July 2025 and used a standardized checklist to document our observations. During our inspection, we checked the condition of the fence, determined the status of remedial activities, and assessed whether the thermal treatment system was operating 24 hours a day as intended. We also reviewed the site's records of decision, five-year review report, community updates, emails, invoices for specific time frames of the remediation, and financial information in the EPA's Superfund Enterprise Management System.

### **What are records of decision and five-year review reports?**

Records of decision are official cleanup plans that outline the remedies to be implemented at a site to control and mitigate contamination. If contamination at a site remains above the levels that would allow unlimited use of and unrestricted exposure to the site, Superfund requires the EPA to review the site every five years to ensure that the remedies are still effective. This is called a five-year review. The EPA summarizes its findings for each five-year review in a five-year review report.

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<sup>2</sup> We did inspect this second site as well, as detailed in EPA OIG Report No. [26-E-0018](#), *Fish Consumption Advisory Signage at the Eighteenmile Creek Superfund Site in Niagara County, New York*, issued March 18, 2026.

# Results

## ✓ The EPA Is Making Progress at the Diaz Superfund Site and Has Taken Steps to Protect Public Health and the Environment

In October 2025, the EPA began the thermal treatment of the last phase, phase 2.2, of the Diaz Superfund site OU 2 remediation. The phase 2.1 thermal treatment, which was completed in July 2025, resulted in 87 percent of the treated soil meeting the remediation goals. The soil that did not meet the remediation goals was either retreated during phase 2.1 or used as backfill for phase 2.2, when it will be retreated. We confirmed that the thermal treatment system operates continuously by visiting the site at various times during the day and evening and taking sound decibel recordings. The sound decibel recordings allowed us to ensure that the system was running as well as not exceeding the noise level allowance. The acting EPA remedial project manager also confirmed that the thermal treatment system operates continuously and sends any error alerts to the on-site contractors. The EPA estimated that it would complete thermal treatment in fall or winter 2027.

During our site visit, we observed the soil that did not meet remediation goals from phase 2.1 being retreated, the disassembly of completed phase 2.1 thermal treatment system piping, and the assembly of phase 2.2 thermal treatment system piping. As of May 2025, \$7,087,631 of the IJA funds allocated for the Diaz Superfund site OU 2 remediation had been spent, which is nearly 55 percent of the \$13 million allocated. The images below and Table 3 depict other signs of project status that we observed at the Diaz Superfund site, such as the installation of noise barriers, fencing in good repair, and the construction areas.

### Diaz Superfund site inspection areas



*Left image:* Noise barriers along the Diaz Superfund site fenceline, which is the border between the site and an adjacent property. *Right image:* A 10-foot wooden privacy fence along the northern edge of the site with the entrance sign that includes information about EPA points of contact. (EPA OIG images)

**Table 3: Diaz Superfund site observations**

Site inspection focus area	Description
<b>Access controls</b>	The site had an 8-foot chain-link fence around most of the property and a 10-foot wooden privacy fence along the northern edge of the site, which faces private residences. The fencing was in good repair with no visible gaps or holes.
<b>Site safety</b>	We received a safety briefing from the site’s occupational health and safety officer, as well as the required safety protocol for short-term site visitors. All site personnel must be in Level D personal protective equipment and must sign in and out of the site’s log. Level D equipment is the minimum protection required when entering a hazardous waste site and may include eye protection, shirts with sleeves and long pants, and safety toe work boots. The site was equipped with four safety alarm systems and tripping hazards were marked.
<b>Site conditions</b>	The site was in active construction and was well maintained. Both on-site trailers were neat and organized. The roads on and around the site were in good repair. There was no excessive vegetation overgrowth or evidence of housing encampments or dumping.
<b>Off-site conditions</b>	We did not observe any signs of off-site tracking of materials or debris in the adjacent neighborhood; off-site equipment storage; or off-site stockpiling of materials, such as dirt or gravel.
<b>Public health</b>	The EPA took noise mitigation measures at the site, including moving noisier equipment away from residences and installing noise barriers along any fenceline with an adjacent residential property. We recorded sound levels at various points adjacent to the site during the day and at night. All average noise readings were below 55 decibels, which is below the EPA’s noise goal of 65 decibels. We observed five air monitoring stations on the site that have 24-hour notification systems, as well as daily manual air monitoring logs. We did not detect any odors during the site visit.
<b>Informational devices</b>	The signs at the entrance to the site indicated that the site is a Superfund site and included the contact information for the EPA regional point of contact and the EPA community involvement coordinator.
<b>Administrative record</b>	The administrative record was located at a nearby library and was well organized.

Source: OIG analysis of site conditions. (EPA OIG table)

## **The EPA Effectively Addressed Deficiencies at the Diaz Superfund Site**

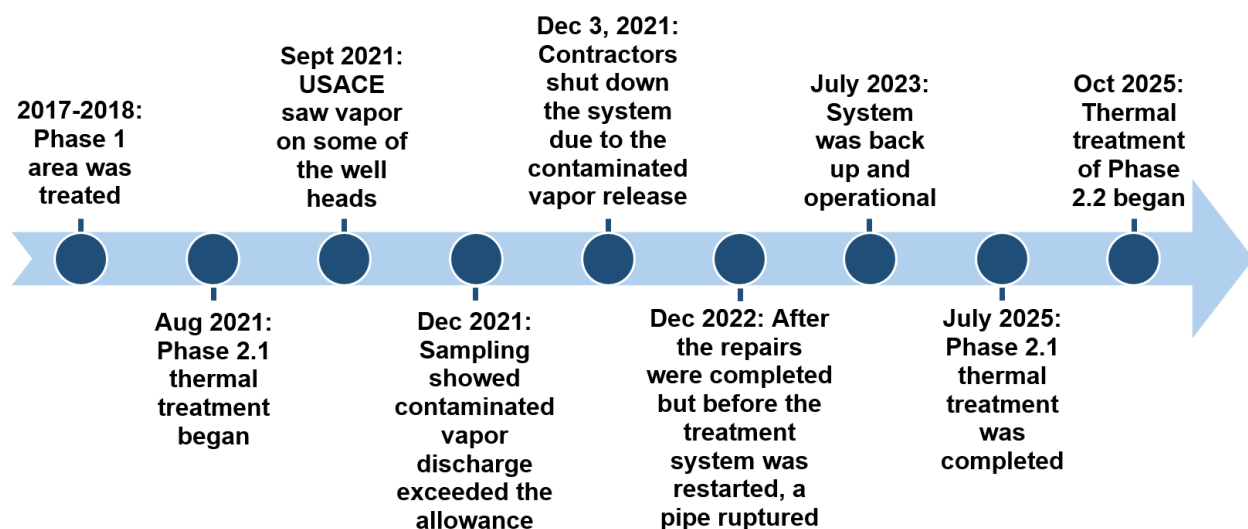
At the Diaz Superfund site, the EPA and the Army Corps of Engineers coordinate to oversee the contractors’ site remediation activities. The EPA has demonstrated effective communication and monitoring of the site, as well as effective remediation of deficiencies, as outlined in the U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government*, commonly referred to as the Green Book. The Green Book identifies an internal control as “a process ... that provides reasonable assurance that the objectives of an entity will be achieved.” The Green Book also identifies several key principles to maintaining the effectiveness of an entity’s internal controls, including the communication of quality information to personnel so that they can understand and perform their functions, including ongoing monitoring and management of internal control activities, as

well as the reporting of, development of corrective actions for, and timely resolution of any deficiencies identified.

Our review of emails, documents, invoices, and meeting notes, as well as interviews that we conducted, shows that the EPA has been actively involved in the early identification of issues at the site; has consistently communicated with the Army Corps of Engineers and the contractors; and has reviewed, planned, and implemented corrective actions. These efforts signify the Agency’s ability to effectively manage the Diaz Superfund site, which is critical as the EPA uses IJA funds to complete the OU 2 remediation.

For example, the EPA was integral in responding to and correcting deficiencies that led to the thermal treatment system shutting down at the Diaz Superfund site in 2021. After the system was turned on in August 2021 for phase 2.1 work, it experienced excessive steaming. As shown in Figure 2, this resulted in the system being shut down for corrective actions from December 2021 to July 2023. The EPA and Army Corps of Engineers first acted to address deficiencies through effective communication of relevant information. They discussed their concerns with the contractors and then issued letters of noncompliance. These letters clearly communicated that the government would not reimburse the contractors for noncompliant operations, and they demonstrated effective ongoing monitoring and management of internal control activities. While the EPA did use IJA funds to pay the Army Corps of Engineers for oversight activities, such as the review of updated work plans and quality assurance activities, the Agency did not use IJA funds to pay the contractors during the system shutdown.

**Figure 2: Timeline of thermal treatment system operations**



Source: OIG summary of EPA information. (EPA OIG image)

Note: USACE = U.S. Army Corps of Engineers.

The EPA continued to maintain effective communications with the Army Corps of Engineers and with the contractor regarding the project as it progressed through the phases. According to email evidence, the EPA provided technical comments on the contractors’ corrective measures plan to address the noncompliance issues. The EPA’s comments described a need for improved communication and

reporting at the site. Army Corps of Engineers staff ensured that the EPA approved the contractors' corrective measures plan before allowing activities to resume. Additionally, the Army Corps of Engineers kept the EPA informed about site operations during the system shutdown by sharing the contractors' weekly and monthly reports and via internal government meetings.

We also identified that the EPA raised concerns regarding whether the contractors were leveraging lessons learned from phase 2.1 to improve performance in phase 2.2. Staff from the Army Corps of Engineers explained that, during phase 2.1, the contractors encountered challenges that made the thermal treatment system less effective, such as unexpected physical properties of the soil, an unidentified chemical created during the thermal treatment process, and concrete substructures. The contractors acted to mitigate these challenges and make the system more flexible and effective for phase 2.2. For example, the contractors installed new vents, added additional carbon capture vessels, and removed subsurface structures.

In response to Executive Order 14210, *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative*, which was issued in February 2025, the Agency reduced its workforce and initiated comprehensive restructuring efforts. During our inspection work, we learned that both the EPA remedial project manager and the remedial project manager's direct supervisor separated from the Agency as part of the restructuring efforts. The EPA Superfund section supervisor for western New York assumed the acting remedial project manager role for the Diaz Superfund site, adding those duties to the normally assigned section supervisor duties. This section supervisor also became the acting project manager for at least four other Superfund sites. Army Corps of Engineers staff told us that the EPA has been diligent in keeping up with its communication. We recognize the EPA's efforts to maintain continuity. We also caution that the EPA must continue to manage risks to communication and continuity of operations as its remaining staff assume multiple concurrent duties or new roles at sites in active remediation.

## **The EPA Did Not Conduct Community Interviews During the 2022 Five-Year Review**

The EPA's *Comprehensive Five-Year Review Guidance*, dated July 2001, recommends incorporating community interviews in oversight activities, if necessary, to gather input on site conditions and related issues. The same guidance states that the site team may "interview several community members, at least some of whom live or work near the site, to get their views about current site conditions, problems, or related concerns." The EPA's *Superfund Community Involvement Handbook*, dated March 2020, further states that when assessing the need for community involvement activities during a five-year review, among other factors, the site team should consider whether significant remediation activities are ongoing at the site; whether there have been developments in the past five years that could cause the community to question operations; and whether community members have contacted the EPA about the site remedy, site operation, or site conditions.

The Agency did not conduct community interviews during its five-year review of the Diaz Superfund site in 2022. According to the EPA community involvement coordinator for the site, this was because community members did not raise concerns when they were notified that the five-year review was in progress. Therefore, the Agency did not believe conducting interviews would garner additional information. However, conducting interviews would have allowed the EPA to proactively capture community perspectives as the site entered a new remediation phase.

The community involvement coordinator also suggested that the EPA may not conduct interviews during the 2027 five-year review unless there is a change in site circumstances. However, given the ongoing remediation and the remediation challenges that occurred since the last five-year review, conducting community interviews during the 2027 five-year review would provide the Agency with at least two benefits. First, interviews would allow the EPA, the Army Corps of Engineers, and the contractors to proactively confirm that there are no community concerns. Second, since the thermal treatment system was shut down during the 2022 five-year review, community interviews would confirm that the actions taken since restarting the system have been well-received.

## **The EPA Created a Diaz Superfund Site Community Involvement Plan but Should Update It and Post It on the Online Site Profile Page**

The National Contingency Plan acts as “the federal government's blueprint for responding to both oil spills and hazardous substance releases” and requires the EPA to create a community involvement plan for each Superfund site.<sup>3</sup> A community involvement plan details the Agency’s strategy for engaging the community during the Superfund cleanup process. The EPA’s *Superfund Program Implementation Manual: Fiscal Year 2025* requires the Agency’s online Superfund site profile pages to include the sites’ community involvement plans, allowing the public to have quick access to this information.

The EPA published a community involvement plan for the Diaz Superfund site in July 2007. The images below show where the physical copy of the community involvement plan is kept as part of the site’s administrative record.

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<sup>3</sup> EPA, *National Oil and Hazardous Substances Pollution Contingency Plan (NCP) Overview*, <https://www.epa.gov/emergency-response/national-oil-and-hazardous-substances-pollution-contingency-plan-ncp-overview> (last visited Jan. 14, 2026).

## The Diaz Superfund site's administrative record



*Left image:* The Community Library is where the Diaz Superfund site's administrative record is located, including the community involvement plan. *Right image:* The Diaz Superfund site documents that the librarian gathered for us. (EPA OIG images)

While EPA guidance does not prescribe how often the Agency should update a community involvement plan, it does state that the plan is a “living document” that is most effective when it is updated as the site or community conditions change. The *Superfund Community Involvement Handbook* advises that a community involvement plan can be an invaluable tool when planning for community involvement during the five-year review. However, community attitudes, perceptions, and demographics may change significantly over time, which means a community involvement plan that is not updated may not accurately reflect current community attitudes. The EPA has not updated the community involvement plan or issued a new one for the Diaz Superfund site since 2007 despite changing site conditions, such as the thermal treatment system becoming operational in 2017 and then shutting down for more than 1.5 years. The site's community involvement plan is also not posted on the site's online profile page, as required. Updating the Diaz Superfund site community involvement plan would help ensure that the EPA, the Army Corps of Engineers, and the contractors understand the community's needs and preferences for communication about the site's progress. In addition, posting the community involvement plan on the site profile page would give the community easier access to information on how to publicly participate in the cleanup decision process.

Although the community involvement plan has not been updated since 2007, the EPA community involvement coordinator for the Diaz Superfund site has responded promptly to residents' complaints about noise and odor. For example, within one week of receiving information about an odor complaint that residents made to the state in September 2021, the community involvement coordinator connected with those residents and notified the EPA remedial project manager, who then notified the Army Corps of Engineers. While this email exchange predates the IJJA, it shows how the EPA expeditiously responded to past issues at the Diaz Superfund site and foretells how the EPA will manage site issues as the project continues with IJJA funding.

# Conclusions and Recommendations

## Conclusions

The EPA is making progress at the Diaz Superfund site and has taken steps to protect public health and the environment. As IJJA-funded remedial activities continue, the EPA should sustain its level of communication and oversight. Region 2 has taken steps to ensure continuity of EPA involvement with the Army Corps of Engineers, and the community involvement coordinator has acted swiftly to address past complaints from the public. However, adhering to the EPA's recommendation to conduct community interviews during the five-year review process, especially given the site's past remediation issues, would create an opportunity to formally document community feedback. Additionally, updating the site's community involvement plan would ensure that the EPA's approaches for community engagement remain relevant, and posting that plan on the Diaz Superfund site profile page would make it easily accessible for the surrounding communities and other interested stakeholders.

## Recommendations

We recommend that the regional administrator for Region 2:

1. Conduct community interviews during the 2027 five-year review of the Diaz Chemical Corp. Superfund site. Conducting interviews will align with EPA guidance on effective community engagement and allow the EPA to proactively confirm that there are no community concerns.
2. Update the Diaz Chemical Corp. Superfund site's community involvement plan, which will ensure that the EPA understands the community's needs and preferences for communication about the site's progress.
3. Make the Diaz Chemical Corp. Superfund site community involvement plan, and any subsequent updates of that plan, available on the site profile page. Posting the plan on the site's online profile page will ensure that the public can easily access information on how to participate in the cleanup decision process for the site.

## Agency Response and OIG Assessment

Appendix B includes the EPA's response to our draft report. The Agency also provided technical comments, which we considered and incorporated as necessary. The Agency agreed with our three recommendations and provided acceptable corrective actions that meet the intent of our recommendations. The Agency committed to conducting community interviews during the 2027 five-year review of the Diaz Superfund site, updating the site's community involvement plan, and making the community involvement plan available on the site's online profile page. All three recommendations are resolved with corrective actions pending.

# Status of Recommendations

<b>Rec. No.</b>	<b>Page No.</b>	<b>Recommendation</b>	<b>Status*</b>	<b>Action Official</b>	<b>Planned Completion Date</b>
1	11	Conduct community interviews during the 2027 five-year review of the Diaz Chemical Corp. Superfund site. Conducting interviews will align with EPA guidance on effective community engagement and allow the EPA to proactively confirm that there are no community concerns.	R	Regional Administrator for Region 2	11/30/26
2	11	Update the Diaz Chemical Corp. Superfund site's community involvement plan, which will ensure that the EPA understands the community's needs and preferences for communication about the site's progress.	R	Regional Administrator for Region 2	9/30/26
3	11	Make the Diaz Chemical Corp. Superfund site community involvement plan, and any subsequent updates of that plan, available on the site profile page. Posting the plan on the site's online profile page will ensure that the public can easily access information on how to participate in the cleanup decision process for the site.	R	Regional Administrator for Region 2	9/30/26

\* C = Corrective action completed.

R = Recommendation resolved with corrective action pending.

U = Recommendation unresolved with resolution efforts in progress.

## ***Responsible Offices: Additional Information***

The Office of Land and Emergency Management is responsible for developing guidance, policy, and program management for Superfund sites nationwide. In fiscal year 2025, the Office of Land and Emergency Management's budget from annual appropriations was approximately \$838.4 million. This figure does not include amounts from supplemental appropriations legislation or the revenues generated from Superfund excise taxes.

The Diaz Superfund site is in Region 2, which covers New Jersey, New York, Puerto Rico, the U.S. Virgin Islands, and eight Indian Nations. The Region 2 Superfund Emergency Management Division is responsible for implementing the Comprehensive Environmental Response, Compensation, and Liability Act and the National Contingency Plan in New York and other locations within the region's area of responsibility. To accomplish this, Region 2 delegates Superfund site management responsibilities to remedial project managers. Region 2 also appoints community involvement coordinators to facilitate community outreach and engagement programs, as well as site attorneys from its Office of Regional Counsel to provide legal support for regulatory actions associated with cleanup activities.

The Army Corps of Engineers assists the EPA with the thermal treatment remediation at the Diaz Superfund site through an interagency agreement. The Army Corps of Engineers is responsible for the procurement of contractors to conduct the thermal treatment portion of the OU 2 remedy. In coordination with the site's EPA remedial project manager, the Army Corps of Engineers provides oversight and monitoring of construction activities to ensure compliance with all contract requirements and specifications. The Army Corps of Engineers is also responsible for conducting the final inspection and certification of the completed remedial actions in coordination with the site's EPA remedial project manager. In accordance with the interagency agreement, the Army Corps of Engineers is required to submit monthly progress reports and monthly cost reports to the site's EPA remedial project manager.

## Agency Response to the Draft Report



REGION 2  
NEW YORK, N.Y. 10007

April 6, 2026

### MEMORANDUM

**SUBJECT:** Response to the Office of Inspector General Draft Report, Project No. OSRE-FY25-0071, *Inspection of Infrastructure Investment and Jobs Act-Funded Activities at Diaz Chemical Corp. Superfund Site in Holley, New York*, dated March 5, 2026

**FROM:** Michael R. Martucci, Regional Administrator, Region 2

**TO:** Paul H. Bergstrand, Assistant Inspector General for Special Review and Evaluation  
Office of Inspector General

MICHAEL  
MARTUCCI

Digitally signed by  
MICHAEL MARTUCCI  
Date: 2026.04.06  
09:02:18 -04'00'

Thank you for the opportunity to respond to the issues and recommendations in the subject draft report. The Region agrees with the report recommendations and is providing intended corrective actions and estimated completion dates in this memorandum.

### AGENCY'S OVERALL POSITION

Region 2 appreciates the Office of Inspector General's (OIG's) inspection to determine the extent to which EPA is using Infrastructure Investment and Jobs Act funds to progress remediation at the Diaz Chemical Corporation Superfund site in Holley, New York and whether EPA has site safety measures in place to protect public health and the environment. The report provides a coherent evaluation of EPA's oversight of the thermal treatment remedy being implemented by the Army Corps of Engineers and its contractors on EPA's behalf, and how EPA is protecting public health and the environment during the implementation. Your office's independence and detachment add a valuable perspective.

The draft report contains three recommendations for Region 2. The Region agrees with all the recommendations. Our responses to the recommendations highlight how the Region plans to address your concerns.

The Office of Land and Emergency Management has reviewed and concurred with this response.

Attached are technical comments to improve the accuracy of the report.

**REGION’S RESPONSE TO REPORT RECOMMENDATIONS**

Recommendation	Office	High-Level Intended Corrective Action(s)	Estimated Completion Date
<p>1. Conduct community interviews during the 2027 five-year review of the Diaz Chemical Corp. Superfund site. Conducting interviews will align with EPA guidance on effective community engagement and allow the EPA to proactively confirm that there are no community concerns.</p>	<p>EPA Region 2</p>	<p><u>Concur:</u> The Site’s Community Involvement Coordinator will interview community members and stakeholders during the upcoming 2027 five-year review. It is anticipated that the thermal treatment portion of the remediation will be nearing completion in the summer of 2026. Community interviews may prove to be an excellent communications tool for EPA at this time.</p>	<p>November 30, 2026</p>
<p>2. Update the Diaz Chemical Corp. Superfund site’s community involvement plan, which will ensure that the EPA understands the community’s needs and preferences for communication about the site’s progress.</p>	<p>EPA Region 2</p>	<p><u>Concur:</u> The Site Team, including the Community Involvement Coordinator, is currently in the process of updating the Site’s 2007 Community Involvement Plan.</p>	<p>September 30, 2026</p>
<p>3. Make the Diaz Chemical Corp. Superfund site community involvement plan, and any subsequent updates of that plan, available on the site profile page. Posting the plan on the site’s online profile page will ensure that the public can easily access information on how to</p>	<p>EPA Region 2</p>	<p><u>Concur:</u> The 2007 Community Involvement Plan was placed in the field repository at a library in Holley, NY, as was noted during the inspection, and has now been posted on the online Diaz Site Profile Page. Once it is complete, the Community Involvement Coordinator will place the updated Community Involvement Plan at the local</p>	<p>September 30, 2026</p>

Recommendation	Office	High-Level Intended Corrective Action(s)	Estimated Completion Date
participate in the cleanup decision process for the site.		repository and post it on the online Diaz Site Profile Page.	

**CONTACT INFORMATION**

If you have any questions regarding this response, please let me know or have your staff contact Arlene Chin, Region 2’s Audit Follow-Up Coordinator, at 212-637-3408 or [Chin.Arlene@epa.gov](mailto:Chin.Arlene@epa.gov) or Rudnell (Rudy) O’Neal, Manager, Grants and Compliance Management Branch, at 212-637-3427 or [Oneal.Rudnell@epa.gov](mailto:Oneal.Rudnell@epa.gov).

Attachment:

Technical Comments on OIG Draft Report: OSRE-FY25-0071

- cc: Alyssa Arcaya, R2  
Pat Evangelista, R2  
John Prince, R2  
Jennifer LaPoma, R2  
Courtney McEnery, R2  
Michael Sivak, R2  
Alice Yeh, R2  
Michael Basile, R2  
Sabina Byck, R2  
Shareen Kandil, R2  
Rudnell O’Neal, R2  
Sandy Whitaker, R2  
Wendy Jie, R2  
Arlene Chin, R2 AFC  
Tom Croci, OLEM  
Nena Shaw, OLEM  
Teresa Booeshaghi, OLEM  
Steven Cook, OLEM  
Kecia Thornton, OLEM AFC  
Susan Perkins, OCFO/Agency AFC  
Jose Kercado, OCFO/Agency AFC

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## Whistleblower Protection

U.S. Environmental Protection Agency

*The whistleblower protection coordinator's role is to educate Agency employees about prohibitions against retaliation for protected disclosures and the rights and remedies against retaliation. For more information, please visit our [website](#).*

### Contact us:



**Congressional & Media Inquiries:** [OIG.PublicAffairs@epa.gov](mailto:OIG.PublicAffairs@epa.gov)



**EPA OIG Hotline:** [OIG.Hotline@epa.gov](mailto:OIG.Hotline@epa.gov)



**Web:** [epa.gov/oig](http://epa.gov/oig)

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