



United States Department of the Interior
Office of Inspector General
Washington, DC 20240

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February 27, 2009

Memorandum

To: Assistant Secretary for Policy, Management and Budget
(Attention: Associate Director for Finance, Policy and Operations)

From: Chris Stubbs *Chris Stubbs*
Deputy Assistant Inspector General for Compliance and Financial Audits

Subject: Verification Review of Seven Recommendations Considered Implemented from
our August 2005 Audit Report "U.S. Department of the Interior Hazardous
Materials Site Management" (Report No. C-IN-MOA-0040-2004)

The Office of Inspector General has completed a verification review of recommendations presented in the subject audit report. The objective of the review was to determine whether seven recommendations were implemented, as reported by the Office of Financial Management. Based on our review, we concluded that all seven recommendations were implemented. The results of our review are summarized below.

Background

Our August 2005 audit report "U.S. Department of the Interior Hazardous Materials Site Management" made seven recommendations designed to assist the Department in furthering its efforts to maximize the effectiveness of the management of hazardous materials sites. On July 6, 2007 and January 4, 2008, the Associate Director for the Office of Financial Management issued memorandums and supporting documentation to the Office of the Inspector General explaining the corrective action that was implemented to address Recommendations 2 through 7 and Recommendation 1, respectively. Based on this information we concluded that all seven recommendations had been implemented.

Scope and Methodology

The scope of our review was limited to determining whether the Department implemented the seven report recommendations. To accomplish our objective, we reviewed the supporting documentation submitted to close the recommendations. We did not perform site visits or conduct detailed fieldwork to determine whether the underlying deficiencies identified in the original report had been corrected. This review was not conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

Results of Review

We concluded that the seven report recommendations had been implemented.

Recommendation 1: “Require the Office of Environmental Policy and Compliance [OEPC] to develop and implement uniform policies and procedures for bureaus to identify and prioritize hazardous sites.”

The OEPC issued an Environmental Compliance Memorandum ECM07-4, dated December 21, 2007, that provided a policy and step-by-step procedures for the bureaus to implement for identifying and ranking hazardous sites. Therefore, we concluded that Recommendation 1 has been implemented.

Recommendation 2: “Require the OEPC to oversee the bureaus’ actions to ensure compliance with policy and procedures.”

The OEPC has assembled an Environmental Disposal Liabilities Work Group with members from each of the land managing bureaus. The group has worked to identify protocols and procedures for the identification of cleanup sites and developing cost estimates. In addition, OEPC developed a handbook, “*Environmental and Disposal Liabilities Identification, Documentation and Reporting Handbook*”, that is intended to provide a consistent approach across the Department for estimating and reporting environmental liabilities. Based on the development of this handbook, we concluded that Recommendation 2 has been implemented.

Recommendation 3: “Require OEPC to develop a Management Information System that captures consistent and accurate data for all hazardous materials sites.”

The OEPC was tasked with developing a Department-wide database that captures consistent and accurate data for all hazardous materials sites. This task was completed during the FY 2006 2nd quarter with the implementation of a web-based database. Its use by bureaus was mandated in a letter dated 7/3/2006 from the Assistant Secretary for Policy, Management, and Budget. Further, the Assistant Secretary for Policy, Management and Budget mandated that bureaus use the database. Based on the development of the database and mandated usage, we concluded that Recommendation 3 has been implemented.

Recommendation 4: “Require the bureaus to reevaluate current cost estimates and liability codes for accuracy and report accurate information to OEPC.”

The OEPC was tasked with ensuring that bureaus submitted updated cost information for cleaning or mitigating hazardous waste sites. The supporting information stated that all bureaus are now complying and updating the environmental and disposal liability cost estimates on a quarterly basis. As an illustration the compliance memo from the Bureau of Reclamation was provided. We concluded that Recommendation 4 has been implemented.

Recommendation 5: “Provide the necessary resources to OEPC to implement an effective hazardous site management program.”

OEPC determined that a full-time program analyst was needed to implement an effective management program. Supporting information provided showed that a program analyst was hired to provide program oversight. Based on this information, we concluded that Recommendation 5 has been implemented.

Recommendation 6: "Evaluate current resource levels against cleanup needs. Request additional resources if necessary to address critical sites promptly."

The OEPC responded that they had reviewed site funding needs for FY 2005 and concluded that the funding was sufficient. However, OEPC had requested (as of 6/28/07) a funding increase in FY 2009. Based on this information, Recommendation 6 is considered implemented.

Recommendation 7: "Consider the U.S. Environmental Protection Agency's [EPA] promising practices when developing new procedures and tools for identifying, tracking, and prioritizing hazardous materials sites."

The OEPC reviewed various sources for applicable best practices and developed the "Environmental and Disposal Liabilities Identification, Documentation and Reporting Handbook". In addition OEPC personnel participate in an EPA roundtable discussion group regarding long-term monitoring of environmental hazardous sites. Based on this information, Recommendation 7 is considered implemented.

Conclusion

We communicated the results of this review to officials of the Office of Policy, Management and Budget and the Office of Environmental Policy and Compliance on February 4, 2009. We consider Recommendations 1 through 7 fully implemented and no further action is required. If you have any questions concerning this memorandum, please contact me at (202) 208-5659.

cc: Associate Director, Office of Financial Management
Director, Office Environmental Policy and Compliance
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