

U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS

FOR RELEASE
JANUARY 11, 1993

CONTACT: STEVE SPINA
(202) 225-3452

**GAO INVESTIGATION OF EPA CLEAN-UP AT MINDEN
CASTS DOUBTS ON AGENCY'S CREDIBILITY RAHALL SAYS**

WASHINGTON, D.C. -- U.S. Rep. Nick J. Rahall (D-WV) said today that an investigation by the U.S. General Accounting Office (GAO) into the EPA hazardous waste removal work at Minden casts serious doubts on the integrity of the agency's handling of the project.

"In my view, the EPA has paid lip service to the concerned citizens of Minden, and its entire review process has been a sham," Rahall stated.

Since 1984, EPA conducted three cleanup projects to remove PCBs generated by the Shaffer Equipment Company at Minden. Despite this work, area residents maintain that high levels of contamination are still present at the site. Meanwhile, the former EPA on-site coordinator of the project, Robert Caron, has pleaded guilty to lying about his credentials during federal court proceedings. Following Caron's resignation from EPA last year, the agency conducted a review of his management of the Minden project and found no improprieties.

However, the GAO investigation, conducted at Rahall's request, found that a colleague of Caron, who served as his deputy project officer, was not only the EPA official who conducted the review but is also now serving as the new on-site coordinator for the Minden project. Further compounding this situation, GAO found that this individual will also be in charge of reviewing the results of an EPA Quality Control Reviewer who is examining soil samples collected by the Concerned Citizens To Save Fayette County that indicate PCB contamination still exists at the site. According to the GAO report, based on this review, EPA will determine whether to return to the site for additional sampling.

GAO also found that the current on-site coordinator had no knowledge of allegations by area residents that a pit on the Shaffer site had had thousands of gallons of PCBs dumped into it over the years. The current on-site coordinator also admitted to the GAO that he has no knowledge of allegations that Shaffer Equipment had given or sold PCB-contaminated oil to area residents to burn as a heating source in their homes.

"I think it is clear that we are not going to get satisfaction from the current leadership at EPA. This will be a matter that I will raise with the incoming Clinton Administration and the new EPA officials," Rahall said.

The GAO investigation also revealed that the U.S. Center for Disease Control's Agency for Toxic Substances and Disease Registry is near completion of a health assessment of the Shaffer site. The assessment, aimed at determining the need to mitigate exposure to hazardous substances and whether additional health studies are necessary, will be available to the public in the very near future.

The GAO serves as the investigative arm of the Congress. Rahall made his request for a review of the EPA Minden project after meeting with local residents early last year.



United States
General Accounting Office
Washington, D.C. 20548

Office of Special Investigations

January 5, 1993

The Honorable Nick J. Rahall, II
Chairman, Subcommittee on Mining and
Natural Resources
Committee on Interior and Insular Affairs
House of Representatives

Dear Mr. Chairman:

In your March 18, 1992, letter and subsequent discussions with your staff, you requested that GAO determine the status of several issues that you raised concerning the Environmental Protection Agency's (EPA) management of hazardous waste removal at the Shaffer Equipment Company in Minden, West Virginia. GAO did not independently assess EPA's cleanup methods at the Shaffer site or EPA's internal review of a former On-Scene Coordinator's site management.

Your letter expressed concerns about (1) EPA's repeated efforts to clean up the site; (2) area residents' concerns that high levels of polychlorinated biphenyl (PCB) continue to threaten public health and safety; and (3) the EPA review of site management by the On-Scene Coordinator who had resigned because of questions about his academic credentials. You requested that GAO investigate allegations of improper EPA oversight of contractor activities at the Shaffer site. On July 20, 1992, at which time this report was requested, we briefed your office on the review's preliminary findings.

In brief, EPA initiated cleanup of the Shaffer site's PCB contamination three times between 1984 and 1990 although, according to EPA officials, the Shaffer site had not been designated a Superfund site on the National Priorities List. A local citizens group, Concerned Citizens To Save Fayette County, continues to voice concerns over what it considers to be indicators of danger posed by the Shaffer site, including allegations that an on-site building and an uncleaned pit contain PCB contamination, local residences have burned PCB-contaminated oil from the Shaffer site, and inadequate fencing allows individuals continual access to the site. As of November 1992, EPA was reviewing soil samples that were taken by the citizens group from the Shaffer site. The citizens group alleged that the soil samples showed high PCB concentrations.

In addition, EPA advised that an internal review of management of the Shaffer site cleanup, completed May 21, 1992, had concluded that the previous On-Scene Coordinator, who resigned in March 1992, had properly managed the site cleanup. However, the citizens group continues to express its displeasure with the internal investigation of the Shaffer site. We neither found nor were provided any evidence to support the allegations of improper contractor oversight by EPA. Because of ongoing litigation¹ involving EPA and its management of the Shaffer site cleanup, we did not interview the former On-Scene Coordinator.

EPA CLEANUP ATTEMPTS AND CITIZEN CONCERNS

EPA Cleanup Attempts

EPA began its PCB removal operation at the Shaffer Equipment Company on December 28, 1984. The company at that time built electrical substations for the local coal mining industry and stored unneeded, outdated, and damaged transformers on the property. According to an EPA Region III official, the cleanup of the Shaffer site was designated a Superfund removal action under Superfund authority. However, the Shaffer site itself was not a Superfund site because it had failed to meet EPA's criteria for a Superfund classification during evaluations in January and December 1989.

Although EPA certified the Shaffer site as a completed cleanup project in 1987, the agency had to conduct removal actions in 1989 and 1991. According to a Region III official, EPA's policy was, and is, to consider alternative options to landfilling contaminated waste. EPA, therefore, attempted to use a new solvent-extraction technology at the Shaffer site. However, the new technology was unsuccessful, and EPA landfilled the contaminated soil and certified the cleanup as complete in 1987. In 1989, because of citizen concerns, EPA returned to the site to remove and dispose of 21 drums left at the site. In a third attempt in November 1990 to clean up the site, again in response to citizen concerns, EPA removed and disposed of contaminated soil.

¹The government's action seeking recovery of cleanup costs against the Shaffer Equipment Company was dismissed on June 17, 1992, because government counsel failed to disclose the EPA On-Scene Coordinator's misrepresentations of his academic credentials. United States v. Shaffer Equip. Co., 796 F. Supp. 938 (S.D. W.Va. 1992). On August 13, 1992, the government appealed the dismissal.

Citizen Concerns

In 1985, local residents concerned about the hazardous levels of PCB at the site formed a citizens group to communicate with EPA. According to the citizens group, soil samples taken in late 1991 at the site by the group indicated that PCB contamination still existed at levels greater than EPA standards permit. As of November 1992, an EPA Quality Control Reviewer was reviewing the samples and the test results to determine their accuracy. According to the current EPA On-Scene Coordinator for Shaffer, he will review the Quality Control Reviewer's work. Depending on the results of these reviews, EPA may return to the site for additional sampling.

Members of the citizens group also alleged that Shaffer Equipment Company had given or sold residents PCB-contaminated oil to burn as a source of heat in their homes. Because neither residents nor their homes have been tested, the citizens group is concerned about potential exposure to dioxin, a hazardous by-product created when PCB-contaminated oil is burned. The current EPA On-Scene Coordinator told us that he had no personal knowledge of the issue and recalled no discussion of it. Because of ongoing litigation involving the former On-Scene Coordinator, we did not determine if he had knowledge of the issue. The U.S. Center for Disease Control's Agency for Toxic Substances and Disease Registry is currently conducting a health assessment of the Shaffer site, to help EPA determine the need for action to mitigate exposure to hazardous substances and for additional health studies or monitoring techniques. While an official of this agency has said that it plans to address the health concerns of the local residents, the agency will not officially comment on health and safety issues until the assessment is completed in December 1992.

The citizens group was also concerned that contamination within the stone building used by the Shaffer Equipment Company had never been cleaned up. According to a July 5, 1990, EPA report, the "PCB contamination inside the [Shaffer] building does not pose a threat of release by fire. As long as the building is maintained, no PCBs of significance could be released."

In addition, during our visit to the Shaffer site, a former Shaffer employee and citizens group member alleged that a pit on the Shaffer site had had thousands of gallons of PCBs dumped in it over the years. According to the former employee, no cleanup action had been taken at this location. The current EPA On-Scene Coordinator told us that he had no knowledge of the issue and recalled no discussion of it. According to the On-Scene Coordinator,

should EPA return to the Shaffer site for additional sampling, he will investigate the issue. Again, we did not determine if the former On-Scene Coordinator had knowledge of the issue.

During a site visit, we observed that the fence put up by EPA to partially enclose the 1.1-acre Shaffer property does not entirely limit access to the site. A local resident told us that people continue to walk through the site. According to an EPA official, EPA makes the decision to fence a site on an individual site basis.

EPA REVIEW OF PREVIOUS SITE MANAGEMENT

In March 1992, the then EPA On-Scene Coordinator for the Shaffer site, Robert E. Caron, resigned as a result of questions raised over his academic credentials.² Following the resignation, EPA conducted an internal review of the cleanup sites that he had managed and concluded that the Shaffer site had been properly managed. However, the citizens group continued to express concerns about both the EPA internal review and EPA's management of the site.

The current On-Scene Coordinator, a regional colleague of the former On-Scene Coordinator, conducted EPA's internal review of the former Coordinator's management of the Shaffer site cleanup. The reviewer had previously been involved with the Shaffer site cleanup as Deputy Project Officer. He will also, as stated previously, review the findings of the ongoing EPA Quality Control Review. According to citizens group representatives, the management review did not address many of the issues raised by local residents, including allegations that a PCB waste pit at the Shaffer site had never been cleaned up.

According to Region III officials, the former On-Scene Coordinator's decisions regarding the Shaffer site had been reviewed and approved by EPA officials before they were implemented.

ALLEGATIONS OF IMPROPER EPA CONTRACTOR OVERSIGHT

We investigated allegations of improper activity by Shaffer site contractors and the possibility that EPA had paid more for the Shaffer cleanup than it has publicly stated. To determine the credibility of these allegations, we reviewed numerous documents and interviewed individuals who might

²Mr. Caron pled guilty in May 1992 to violating 18 U.S.C. § 1623 (1988), making a false declaration before a grand jury or court, regarding his misrepresentations of his academic credentials.

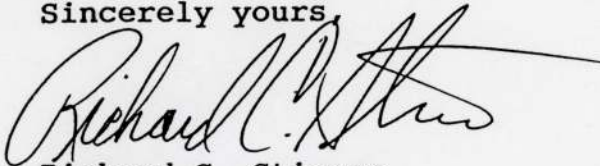
verify the allegations. These individuals could provide no specific information to support the allegations, and we found no other evidence to support them.

- - - - -

During this review, we interviewed officials of the EPA Region III, Department of Justice, Agency for Toxic Substances and Disease Registry, West Virginia Department of Health, and West Virginia Department of Natural Resources. We also interviewed members of Concerned Citizens To Save Fayette County, including a former Shaffer employee, and visited the Shaffer site. Additionally, we examined numerous documents, including EPA's pollution reports and final reports on the site, and pertinent reports, studies, and correspondence.

If you have any questions, please contact Houston Fuller, Assistant Director for Energy and Environmental Crimes, at (202) 272-5500.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Richard C. Stiener", with a long horizontal flourish extending to the right.

Richard C. Stiener
Director