



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-4500

October 12, 1995

MEMORANDUM

TO: Richard M. Nemoytin, Acting Area Coordinator, Pittsburgh Area Office, 3ES

FROM: Janice LeRoy, District Inspector General Capital District, 3GGA

SUBJECT: Review of Contracted Lead-Based Paint Activities
Allegheny County Housing Authority, Pittsburgh, PA
Report No. 96-AO-209-1804

This is our final audit report based our review of contracted lead-based paint activities at the Allegheny County Housing Authority, Pittsburgh, PA. Briefly, we concluded that the abatement of lead-based paint, for which the contractor was paid more than \$822,000, was not performed in accordance with the terms of the contract. As a result, the Housing Authority cannot assure:

- Residents and workers were adequately safeguarded from exposure to lead-based paint and the dust resulting from the demolition and disposal activities.
- Lead contaminated debris was adequately tested for hazardous waste levels.
- All demolition waste, hazardous or not, was disposed of in an environmentally safe manner.

Background

Random tests of the Housing Authority's Burns Heights development indicated the presence of lead-based paint. As a consequence, the Authority entered into a demolition contract on December 11, 1992, to demolish the interior and remove siding from 27 buildings encompassing 186 units. Under the terms of the contract, the contractor was required to consider all existing painted surfaces as containing lead-based paint. Specifically, the demolition work entailed the removal and legal disposal of various materials which contain lead paint, or lead or which may be affixed to lead-based painted surfaces. Covered as well were component items which did not contain lead paint but, which may have become contaminated and, therefore, must be removed as lead contaminated materials.

The work was to be performed during the period January 15, 1993 and September 1, 1995, and carried out in compliance with all federal, state and local regulations and other authorities having jurisdiction over lead-base paint abatement procedures. All personnel of both the demolition contractor and abatement subcontractors were to be trained prior to any work and standard operating procedures were to be developed. Those operating procedures included proper protective clothing and respiratory protection, removing lead-based paint in ways that minimize spread of lead particles and dust, and packing, labeling, loading, transporting and disposing of contaminated material in a way that minimizes exposure and contamination.

Scope of Audit

As part of a national lead-based paint review, we audited the contracted lead-based paint activities at the Allegheny County Housing Authority and its Burns Heights development. Our objective was to determine whether lead-based paint abatement activities, as defined in the demolition contract for the Burns Heights development, complied with the terms of the contract.

Our review of the Housing Authority's lead-based paint activities covered the period December 1992 to June 1995. In performing our review, we visited the demolition site and alleged dumping sites, interviewed Housing Authority staff, and examined contract and abatement related documents. We performed our review in accordance with applicable government auditing standards. On site visits were conducted in November 1994 and May 1995 and additional work was performed in our offices in Washington, DC, through July 1995.

Review Results

The \$832,370 contract between Allegheny County Housing Authority and its Burns Heights demolition contractor required the contractor to follow HUD's Interim guidelines for lead-based paint abatement and federal hazardous waste disposal protocols. Those guidelines and protocols specified the procedures for paint removal, dust containment techniques, resident protection, and waste disposal requirements.

During our visits to Burns Heights in November 1994 and May 1995, we observed lead-based paint abatement work that was not performed in accordance with the contract. Specifically, dwellings were not contained (doors and windows fitted with plastic barriers) during demolition to minimize dust contamination, construction workers were not wearing protective clothing or respirators and paint chips and construction debris were thrown into dumpsters parked on the premises.

We were also told by construction workers that the contractor was dumping waste at an unauthorized site close to the development. We visited the site and found debris similar to debris we observed at Burns Heights. The person claiming to be the owner of the property was not willing to discuss where the debris came from. During a return visit to the site we

observed the alleged owner of the property burying the debris.

It does not appear that the lead-based paint aspects of the demolition work were being monitored by either the HUD area office or the Housing Authority. Monitoring records of the lead-based paint abatement and waste disposal were limited to a few lead tests and asbestos disposal manifests. The Housing Authority had hired an environmental consultant. However, most of the documented evidence of the consultant's work was related to asbestos removal, not lead-based paint removal.

The Housing Authority reported that the demolition contractor had hired a consultant to perform continuous environmental monitoring. However, records indicate that the consultant only developed an environmental work plan. There was no evidence of performance monitoring.

Summary

The demolition contractor was paid \$822,000 to complete the demolition in an environmentally safe manner and dispose of contaminated debris at authorized waste sites. Because the Housing Authority did not assure the contractor performed in accordance with the contract, the Housing Authority has not protected tenants or community residents from potential health problems from improper lead-based paint removal and disposal and has not assured the contractor was entitled to payment under the terms of the contract.

Recommendations

We recommend the Pittsburgh Area Office instruct the Allegheny County Housing Authority to:

1. Consult with its legal counsel to determine if there are sufficient grounds to file a claim to recover, under the performance bond, the \$822,000 paid for work not performed in accordance with the contract as well as any additional costs related to possible contamination issues. If so advised, take legal action against the contractor to recover damages as a result of its nonperformance under its contract.
2. Take soil samples at the Burns Heights demolition site to determine whether tenants are at risk and what preventative measures should be taken to reduce or eliminate health hazards.
3. Take any preventive measures identified under recommendation 2.
4. Hire environmental consultants to provide independent environmental monitoring for all future lead-based paint abatement work.
5. Provide lead-based paint training to Housing Authority development managers and modernization division staff.

Plan of Corrective Action

Our draft report was provided to you for comment on August 15, 1995. Although you did not provide written comments on the draft report, it is our understanding from telephone conversations with you, that you did not disagree with the findings and recommendations contained in that report.

Within 60 days please provide us, for each recommendation in this report, a status report on the corrective action taken; the proposed corrective action and the date to be completed; or why action is considered unnecessary. Also please furnish us copies of any correspondence or directives issued because of the audit. In all correspondence, please use the address given below.

Because this audit was part of our national audit of lead-based paint contracted activities, you will be dealing with the Capital District of the Office of Inspector General for this audit only. Should you have any questions, please call either me or Mark A. Chandler, auditor-in-charge, at 202-708-0351.

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*Review of Contracted Lead-Based Paint Activities—Allegheny County Housing Authority, Pittsburgh PA
Report No. 95-AO-209-1804*

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