

US EPA ARCHIVE DOCUMENT



Data, Planning and Results

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Compliance and Enforcement Annual Results - FY2004

In fiscal year 2004, EPA enforcement activities resulted in legal commitments by companies, governments and other regulated entities to reduce, treat or properly manage approximately 1 billion pounds of pollution. FY2004 is the second-highest year on record for EPA pollution reduction results. These are conservative estimates of the reductions that will be achieved for one year when the facilities that have entered into legally enforceable agreements with EPA have met all their obligations under the agreements. Since the facilities will continue to operate for many years after coming into compliance, the pollution reductions will be repeated annually.

FY2004 was a record year for EPA in injunctive relief--\$4.8 billion, which is the amount of money committed by violators to correct violations, restore the environment and prevent future harm to human health and the environment.

Some other environmental benefits gained in FY2004 are:

- People protected by Safe Drinking Water Act enforcement: 4 million
- Wetlands mitigated: 1,300 acres
- Stream miles mitigated: 34 thousand feet
- Contaminated soil to be cleaned up: 3.4 million cubic yards.
- Contaminated water to be cleaned: 9.5 million cubic yards.

Supplemental environmental projects (SEPs) increased 42 percent over the last year to 213, valued at \$48 million SEPs are environmentally beneficial projects that a violator voluntarily agrees to perform as part of an enforcement settlement. In FY2004, 26 of these projects were specifically designed to promote environmental justice.

EPA charged 293 defendants with environmental crimes in FY2004.

EPA helped more than 730,000 businesses and individuals comply with environmental requirements.

Inspections, civil investigations and facilities self-disclosing violations increased in FY2004.

[Press Release](#)

[Results](#) (16 pp, 371K, [About PDF](#)) — Charts and graphs

[Numbers at a Glance](#) — Fact sheet on annual results

[Five-Year Trends](#) (3 pp, 207K, [About PDF](#)) — Charts tracking key results for five years

[Civil Enforcement Highlights](#) — Brief summaries of major civil cases and activities

[Criminal Enforcement Highlights](#) — Brief summaries of criminal major cases and activities

[Compliance Assistance Activities Highlights](#) — Brief summaries of major assistance activities

Annual Results by Fiscal Year:

FY2004 Annual Results Topics

- [FY2004 Home](#)
- [Press Release](#)
- [Results \(PDF\)](#) (16 pp, 371K, [About PDF](#))
- [Numbers at a Glance](#)
- [Five-Year Trends \(PDF\)](#) (3 pp, 207K, [About PDF](#))
- [Civil Enforcement Highlights](#)
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- [Compliance Assistance Activities Highlights](#)

[FY2010](#) | [FY2009](#) | [FY2008](#) | [FY2007](#) | [FY2006](#) | [FY2005](#) | [FY2004](#) | [FY2003](#) | [FY2002](#) | [FY2001](#) | [FY2000](#) | [FY1999](#)

EPA
FY 2004 End of Year
Enforcement & Compliance
Assurance Results



Prepared by the Office of Enforcement and Compliance Assurance

November 15, 2004



EPA FY 2004 End of Year Enforcement & Compliance Assurance Results

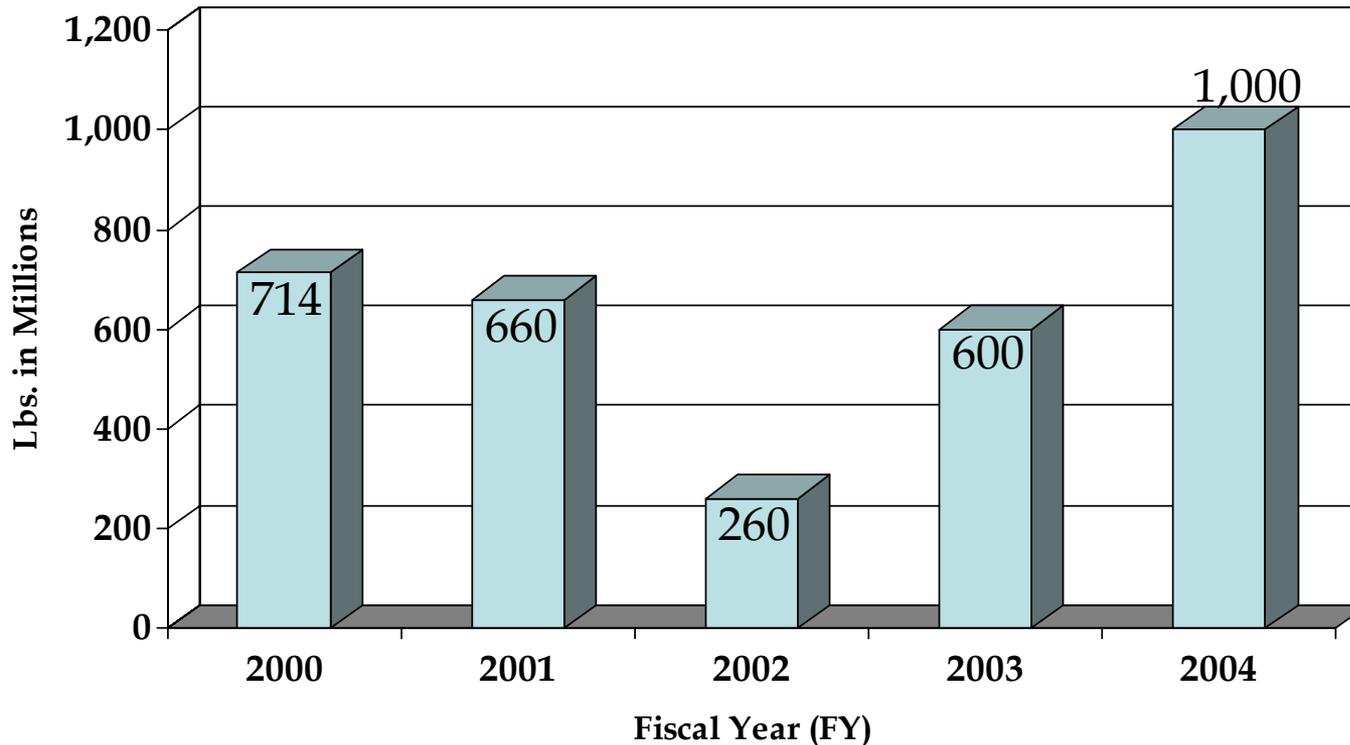
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| Total Entities Reached by Compliance Assistance | 16 |



EPA Environmental Results

Estimated Pollutant Reduction Commitments Obtained through Formal Enforcement Case Conclusions FY 2000 - FY 2004



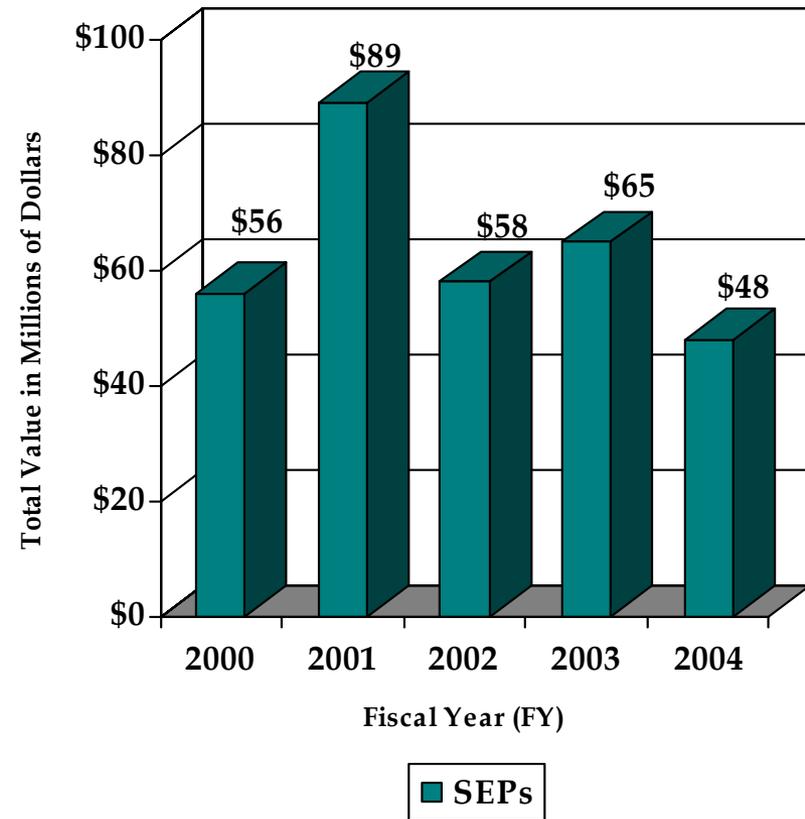
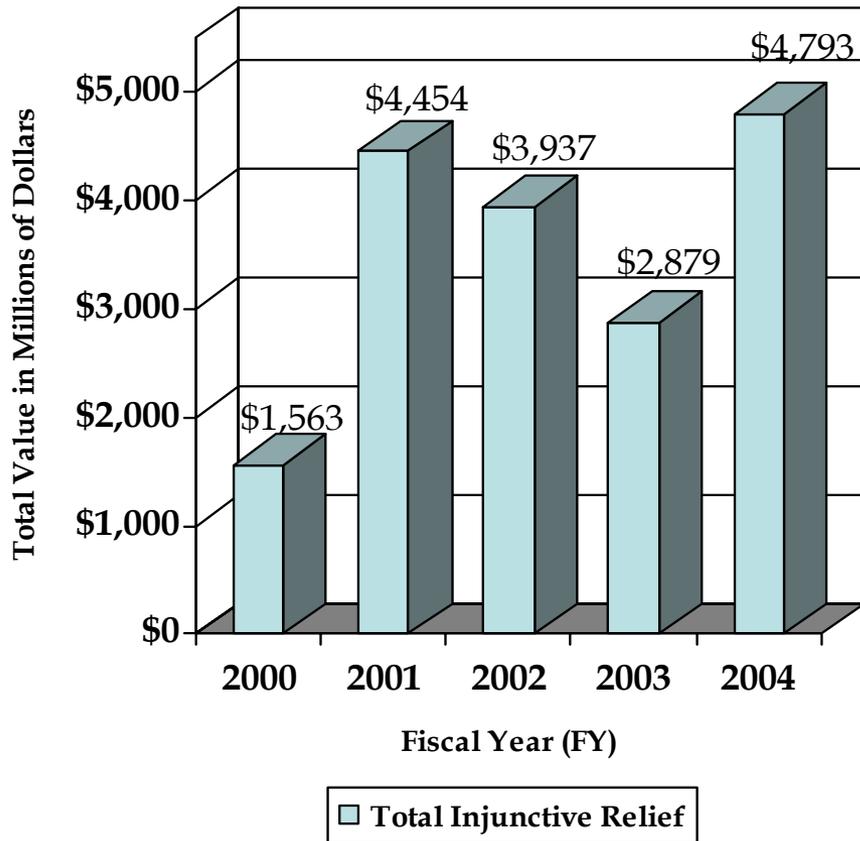
FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004 & Manual Calculations

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2004 End-of-Year Report contains updated enforcement and compliance data for prior years.



EPA Environmental Results

Injunctive Relief and Supplemental Environmental Projects (SEPs) FY 2000 - FY 2004



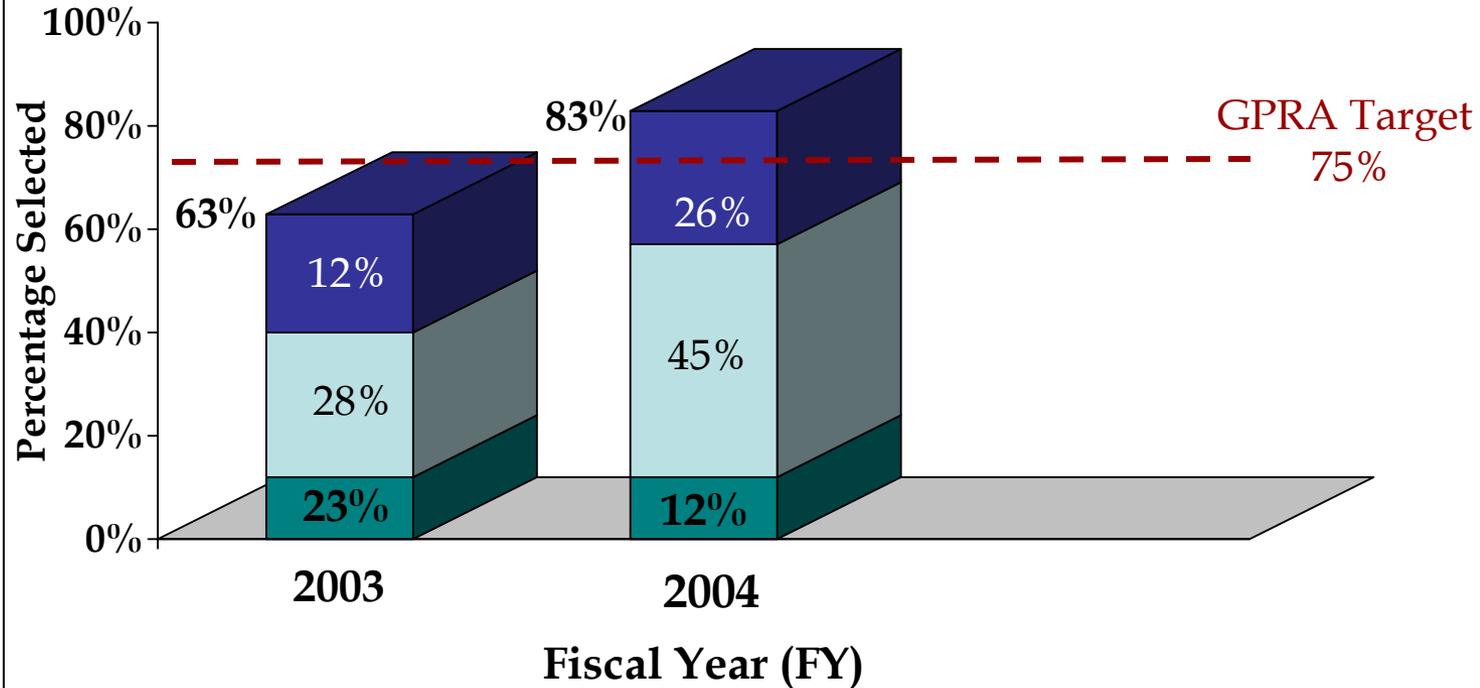
FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004 & Manual Calculations

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EPA Environmental Results

EPA Cases Reporting Environmental Benefits FY 2003 - FY 2004



Examples of Complying Actions

Physical Actions:

- ✓ Disposal
- ✓ Emission or Discharge Change
- ✓ Storage Change
- ✓ Wetlands Mitigation

Nonphysical Actions:

- ✓ Auditing
- ✓ Reporting
- ✓ Testing
- ✓ Training

Physical
 Nonphysical
 Both Physical & Nonphysical

FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004

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EPA Environmental Results

Government Performance Results Act (GPR) - Goal 5 Measures

| Measure Description | FY 04 Target | FY 04 Actual | Status |
|---|--------------|----------------|---------------|
| Millions of pounds of pollutants required to be reduced. | 350 Mil lbs. | 1,000 Mil lbs. | GOAL EXCEEDED |
| Number of Federal Inspections/Evaluations Conducted | 15,500 | 21,000 | GOAL EXCEEDED |
| Percent of concluded enforcement actions that require physical action that result in pollutant reductions and/or changes in facility management or information practices. | 75% | 83% | GOAL EXCEEDED |
| Develop and use valid compliance rates or other indicators of compliance for selected populations. | 5 | 5 | GOAL MET |
| Number of facilities, states, technical assistance providers or other entities reached through targeted compliance assistance | 500,000 | 731,000 | GOAL EXCEEDED |
| Conduct EPA-assisted inspections to help build state program capacity. | 400 | 600 | GOAL EXCEEDED |
| Number of Criminal Investigations | 400 | 425 | GOAL EXCEEDED |
| Number of Civil Investigations | 225 | 455 | GOAL EXCEEDED |
| Facilities voluntarily self-disclose and correct violations with reduced or no penalty as a result of EPA self-disclosure policy. | 500 | 969 | GOAL EXCEEDED |

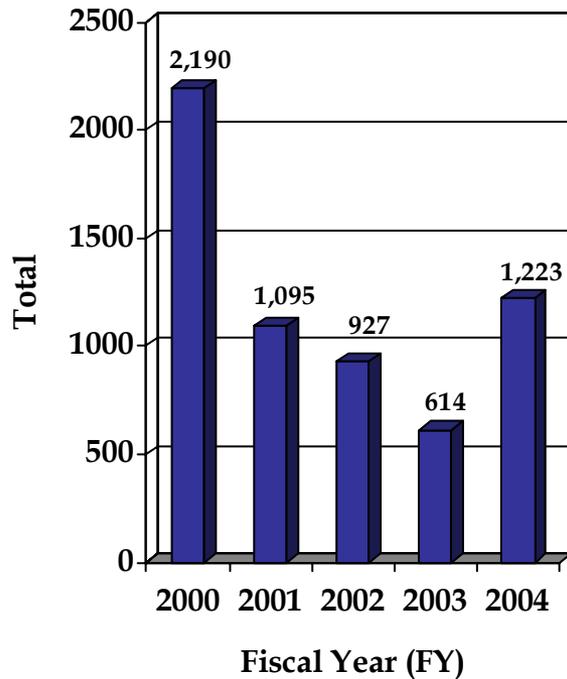


EPA Compliance Incentives Program

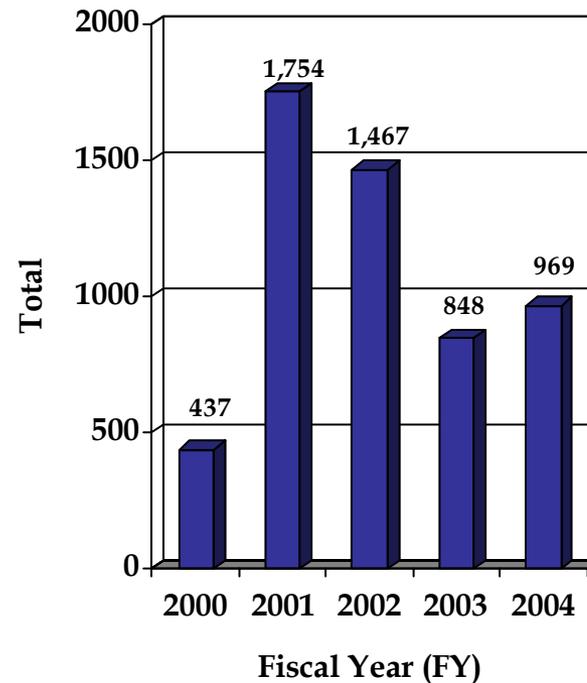
Facilities Disclosing & Correcting Violations

FY 2000 - FY 2004

Audit Policy Disclosures



Audit Policy Resolutions Correcting Violations



FY 04 GPRA Target = 500 Facilities Resolved

FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004

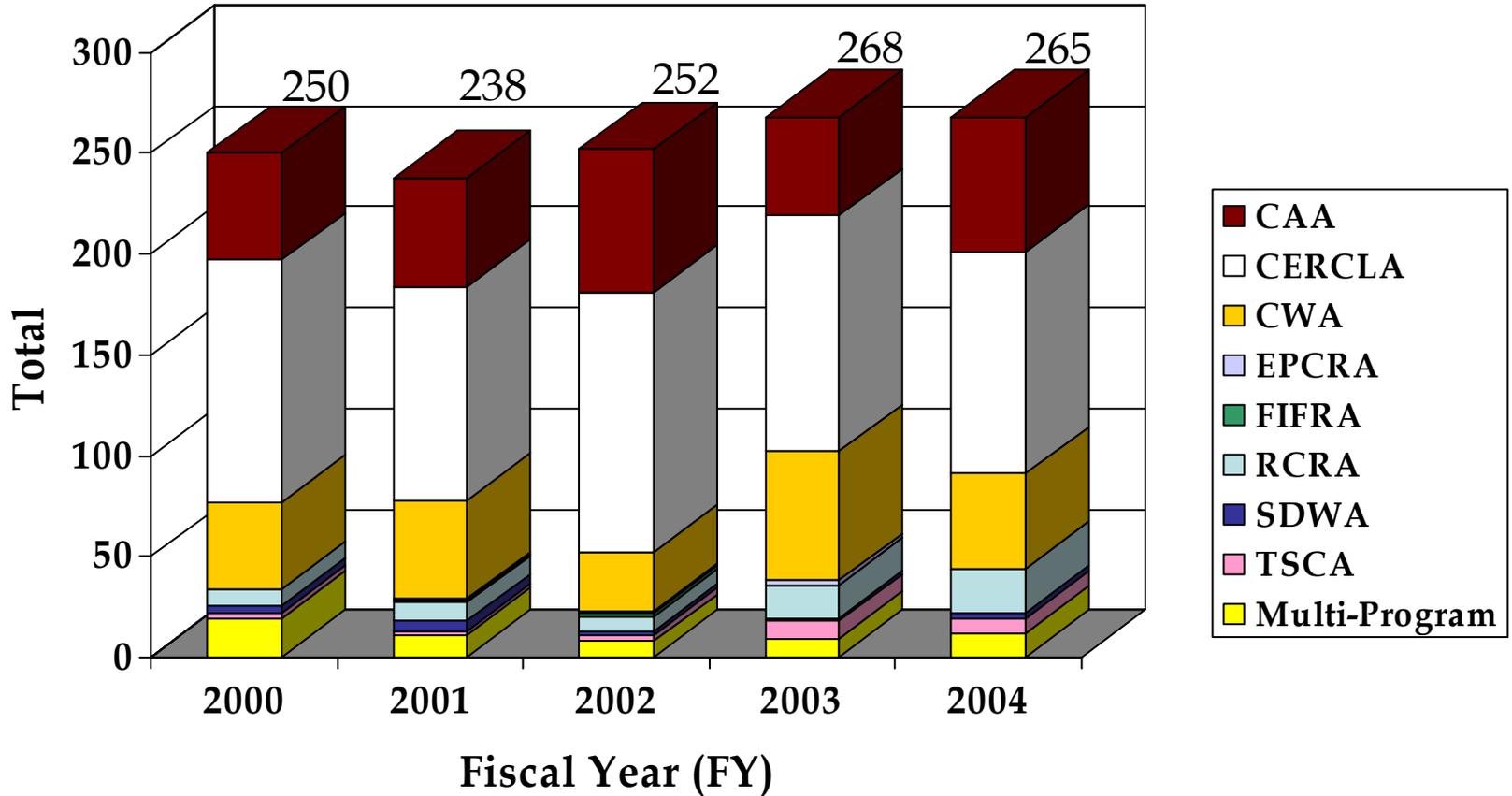
Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2004 End-of-Year Report contains updated enforcement and compliance data for prior years.



EPA Civil Enforcement Program

EPA Civil Judicial Referrals to Department of Justice (DOJ)

FY 2000 - FY 2004



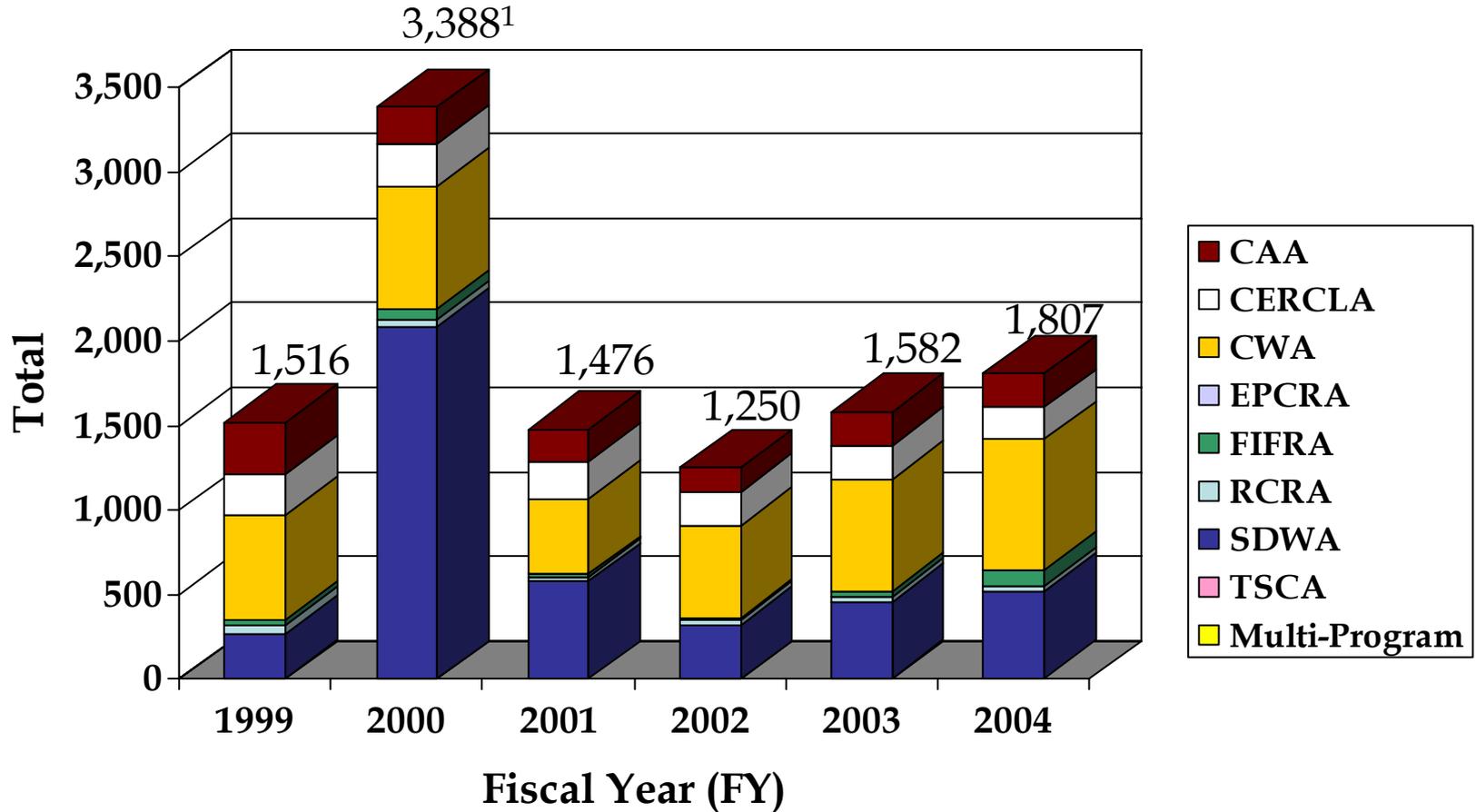
FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004

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EPA Civil Enforcement Program

Administrative Compliance Orders FY 1999 - FY 2004



¹ The large FY 2000 total is due to the initial year of enforcement of the SDWA Consumer Confidence Rule.

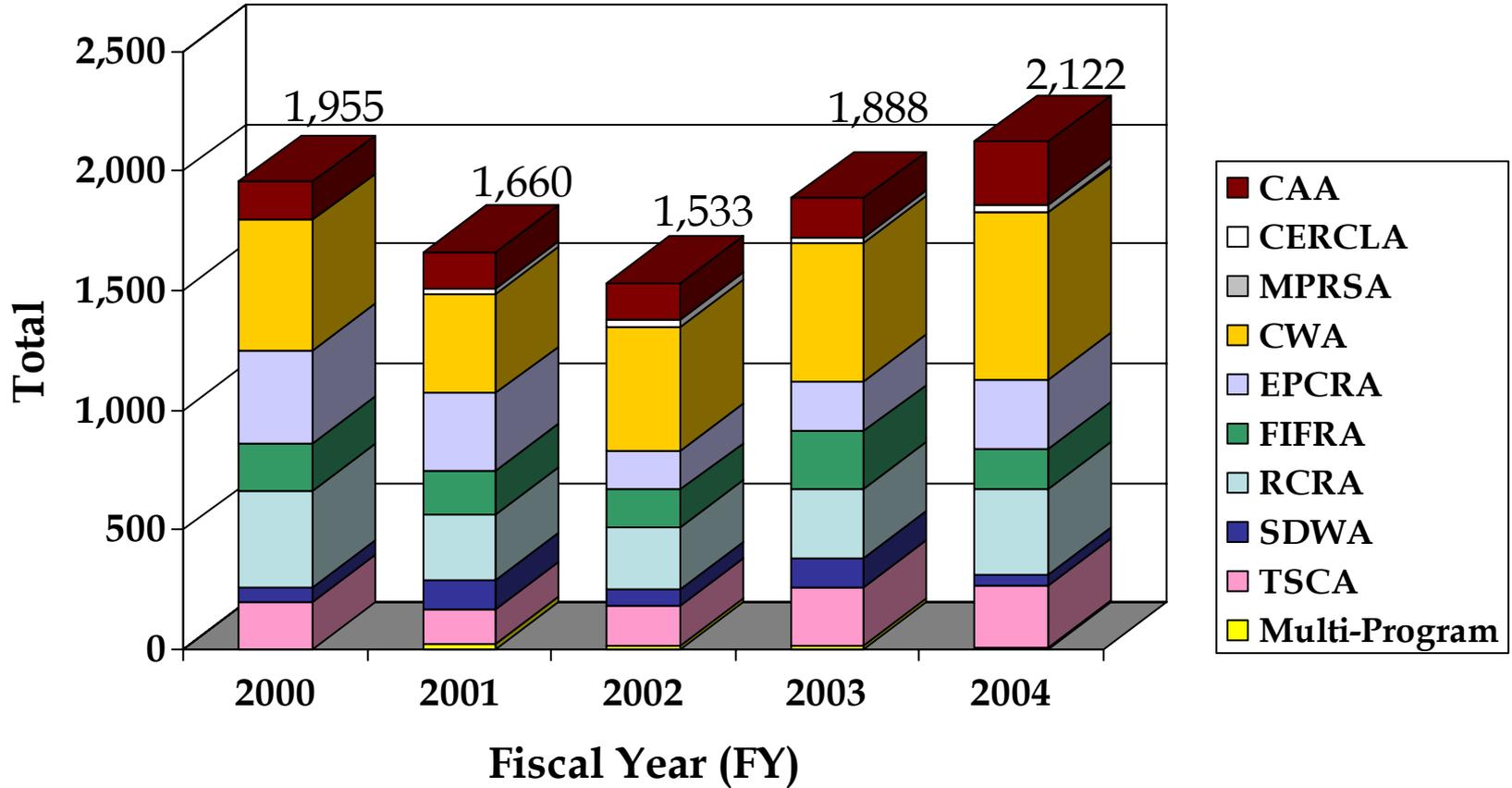
FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004

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EPA Civil Enforcement Program

Administrative Penalty Complaints FY 2000 - FY 2004



FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004

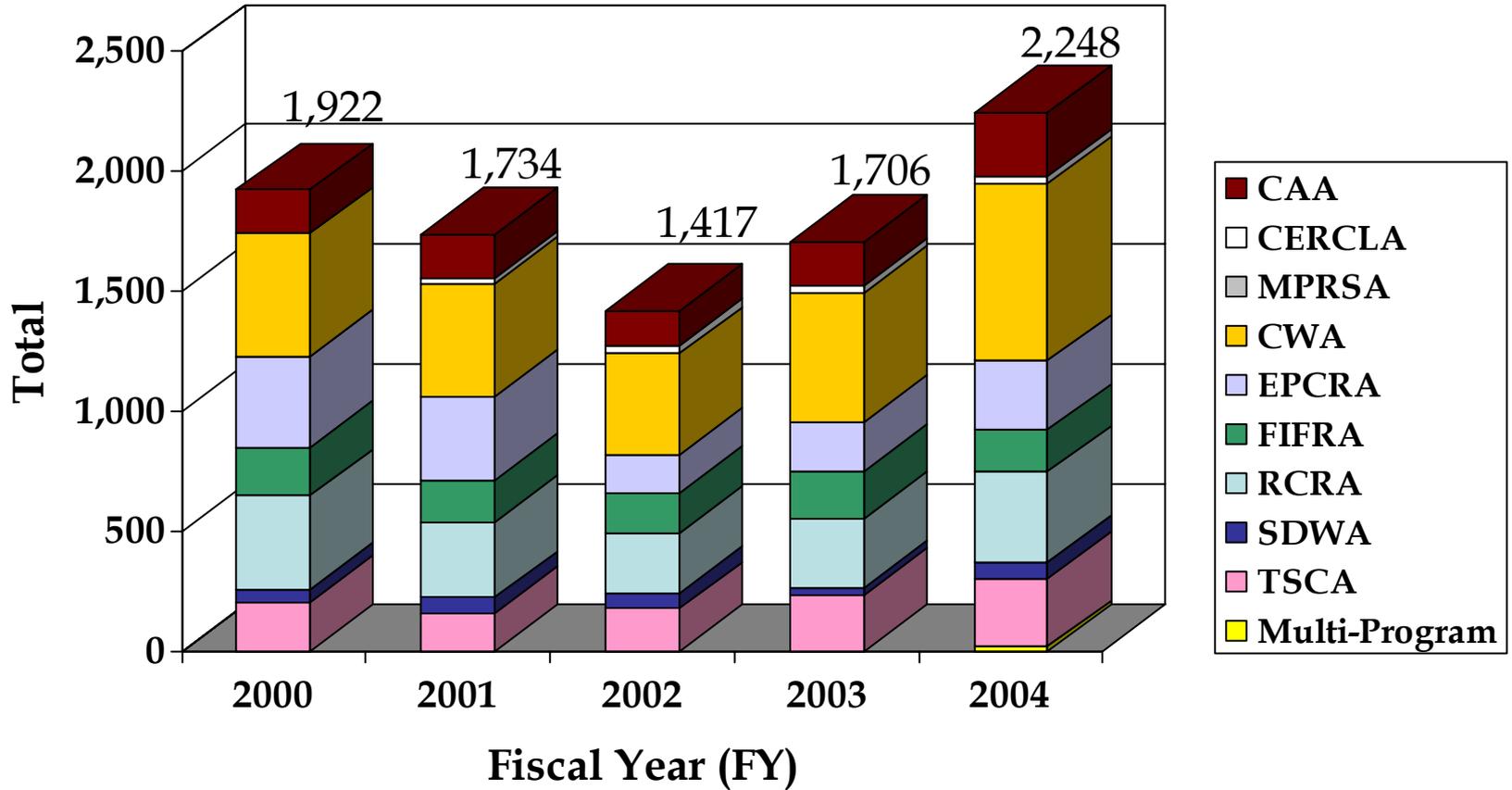
Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2004 End-of-Year Report contains updated enforcement and compliance data for prior years.



EPA Civil Enforcement Program

EPA Final Administrative Penalty Orders

FY 2000 - FY 2004



FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004

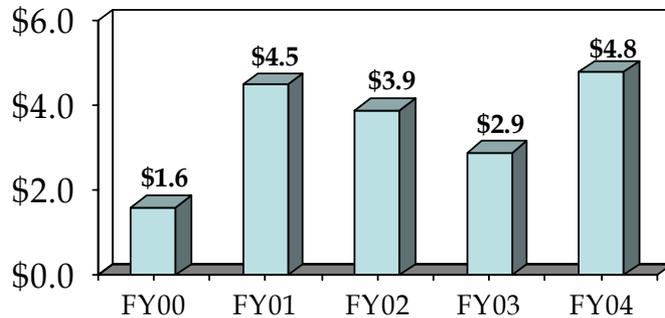
Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2004 End-of-Year Report contains updated enforcement and compliance data for prior years.



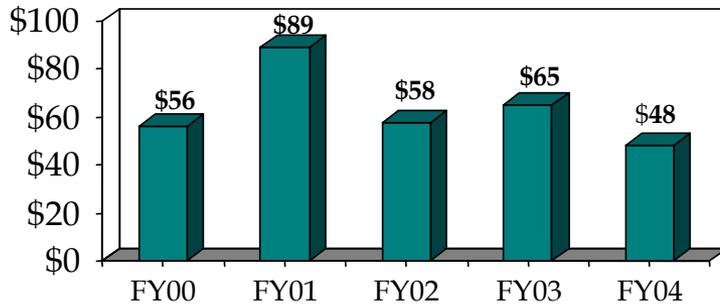
EPA Civil Enforcement Program

EPA Results of Concluded Enforcement Actions FY 2000 - FY 2004

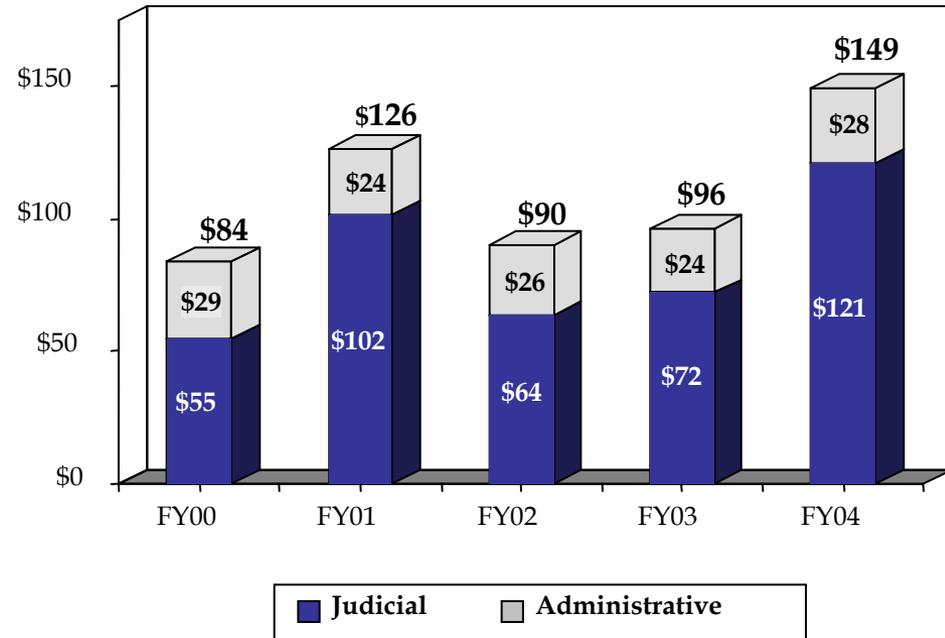
Injunctive Relief (\$ Bil)



Supplemental Environmental Projects (\$Mil)



Total Civil Penalties (\$Mil)



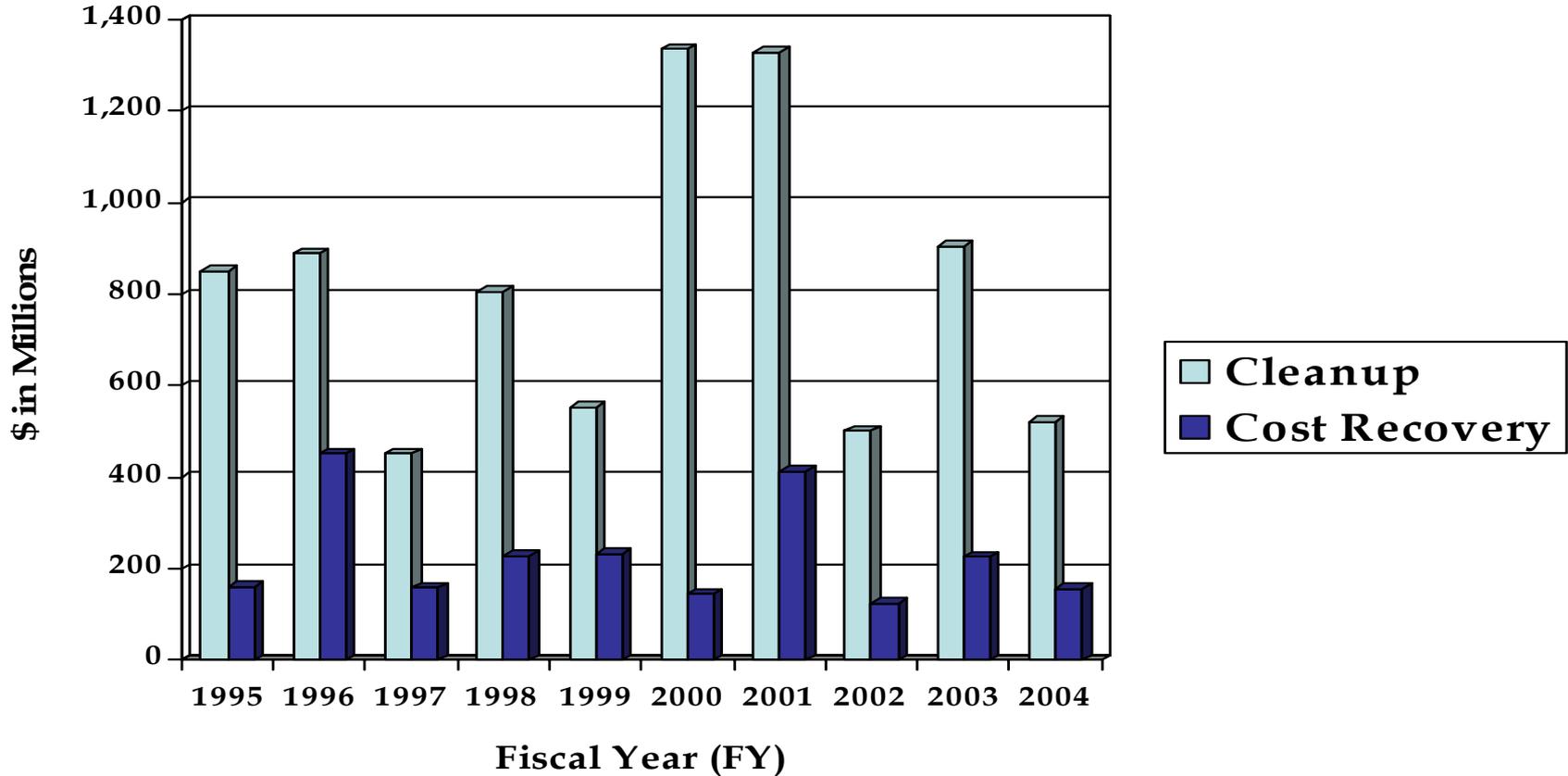
FY 2004 Data Source: Integrated Compliance Information System (ICIS), October 29, 2004



EPA Civil Enforcement Program

Superfund Site Remediation Program

FY 1995 - FY 2004



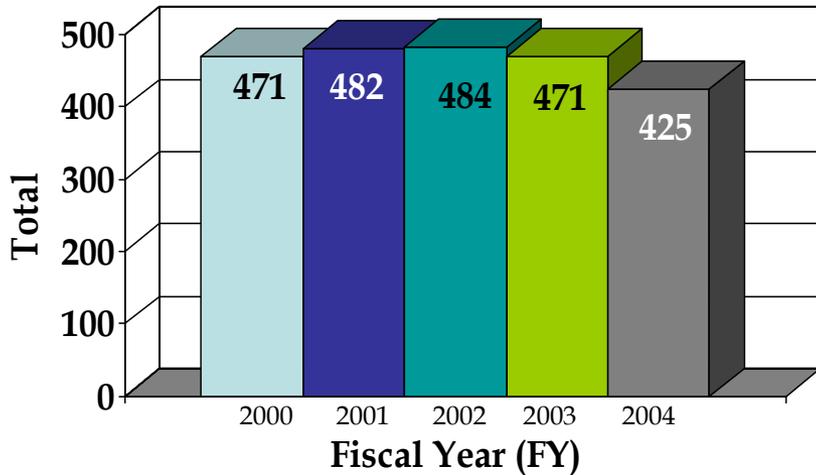
The Office of Site Remediation Enforcement (OSRE) takes credit for case results in CERCLIS when the Regional Administrator signs the consent decree.



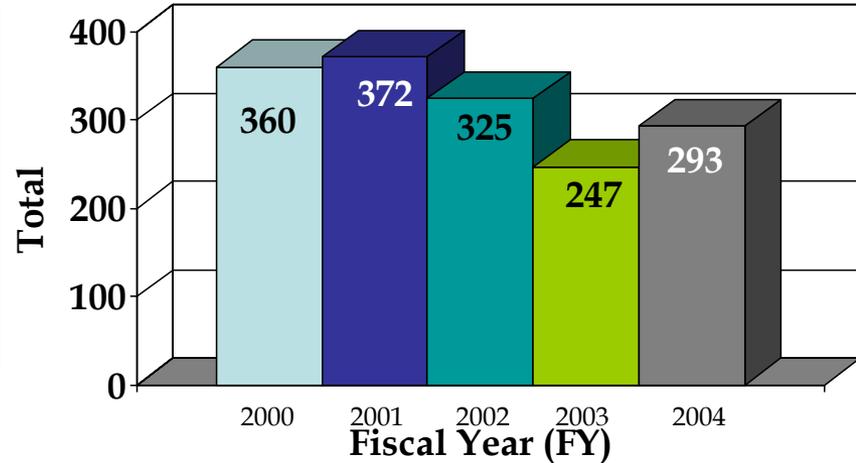
EPA Criminal Enforcement Program

Criminal Investigations and Defendants Charged FY 2000 - FY 2004

Criminal Investigations



Defendants Charged



FY 2004 Data Source: Criminal Docket, October 29, 2004

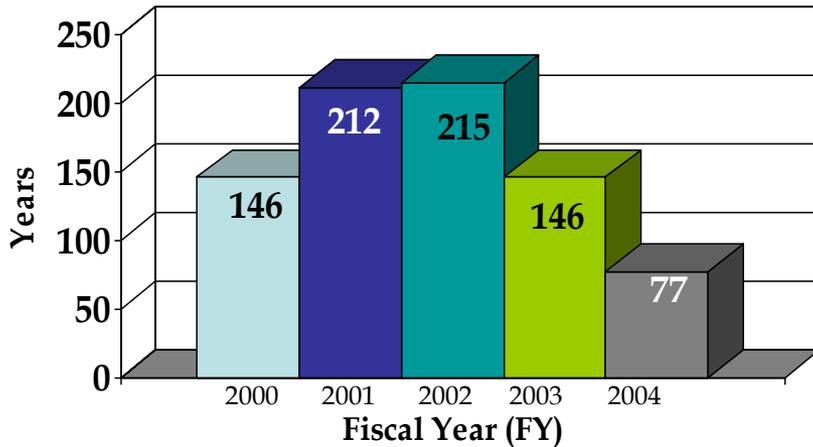
Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2004 End-of-Year Report contains updated enforcement and compliance data for prior years.



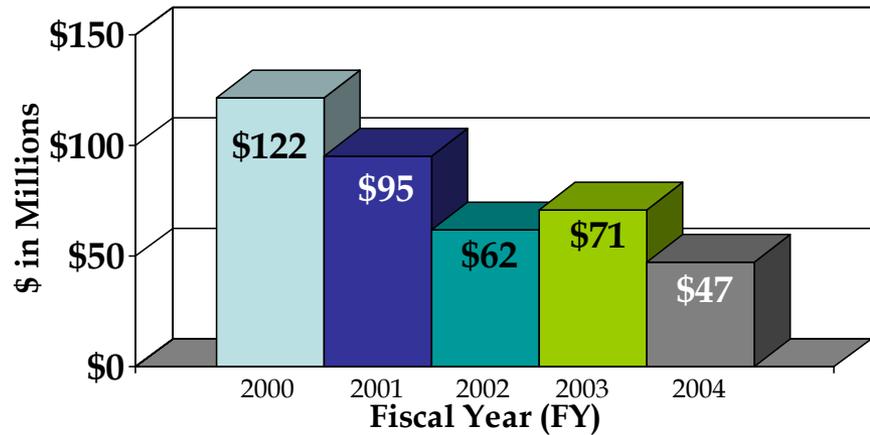
EPA Criminal Enforcement Program

Sentencing Results FY 2000 - FY 2004

Incarceration



Fines and Restitution



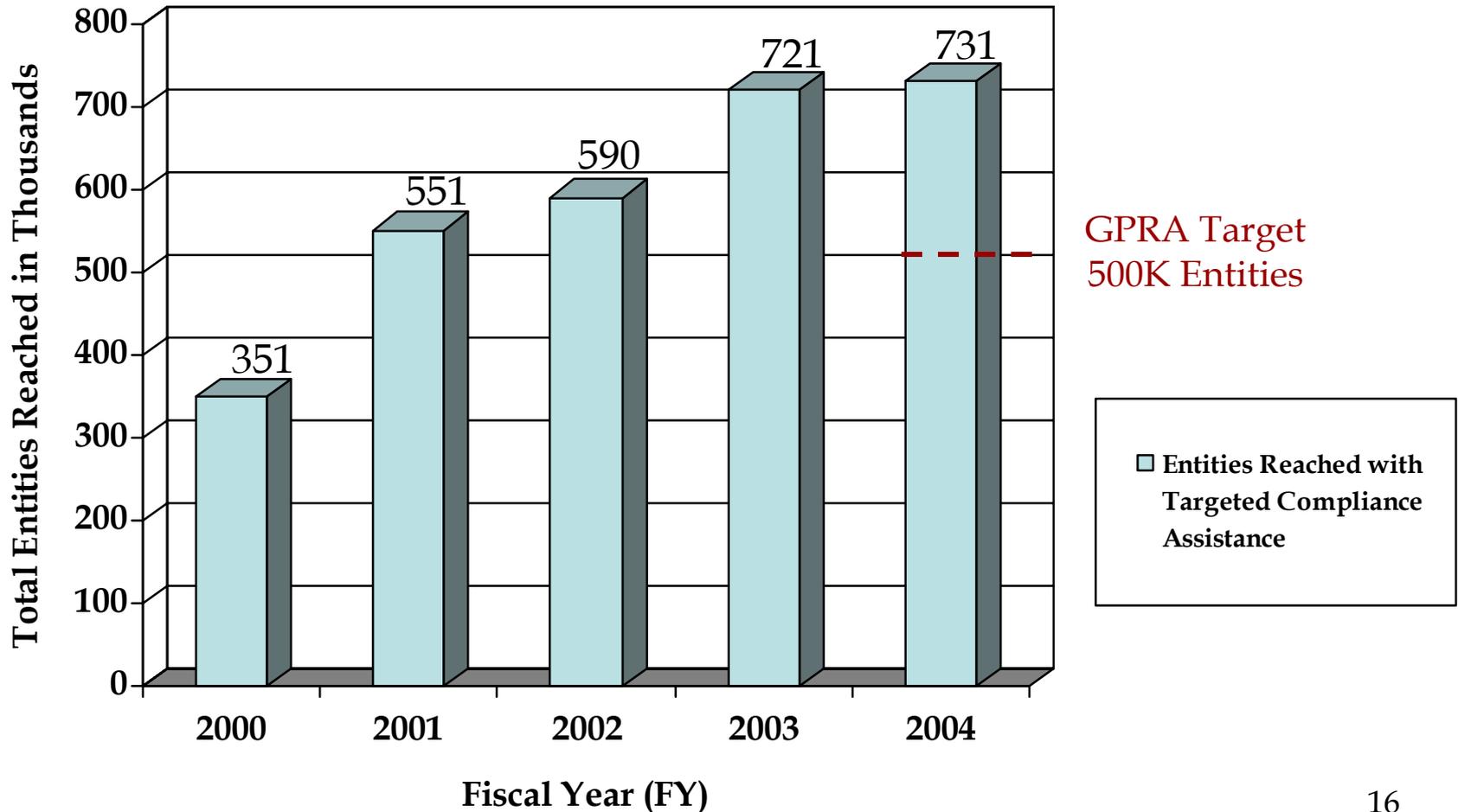
FY 2004 Data Source: Criminal Docket, October 29, 2004

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EPA Compliance Assistance Program

Total Targeted Entities Reached with Compliance Assistance in FY 2004



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U.S. Environmental Protection Agency
Enforcement and Compliance Assurance Results
Numbers at a Glance
Fiscal Year 2004

| | |
|--|-----------------|
| □ Estimated Environmental Benefits of Enforcement Actions (Including Supplemental Environmental Projects (SEPs)) | |
| ▪ Pollutants Reduced (Pounds/year) | 1,000,000,000 |
| ▪ Contaminated Soil and Sediment to be Cleaned Up (Cubic Yds) | 3,400,000 |
| ▪ Contaminated Water to be Cleaned Up (Cubic Yds) | 9,500,000 |
| ▪ Stream Miles (Linear Feet) | 34,000 |
| ▪ Wetlands Protected (Acres) | 1,300 |
| ▪ People Protected by Safe Drinking Water Act (SDWA) Enforcement | 4,000,000 |
| □ Value of Injunctive Relief | \$4,800,000,000 |
| □ Value of Supplemental Environmental Projects (SEPs) | \$48,000,000 |
| □ Cases with SEPs | 213 |
| □ Compliance Incentives Program | |
| ▪ Facilities Initiated | 1,223 |
| ▪ Notices of Determination (NODs) | 449 |
| ▪ Facilities Resolved | 969 |
| □ Total Entities Reached by Compliance Assistance | 731,000 |
| □ EPA Administrative Compliance Orders (ACOs) | 1,807 |
| □ EPA Administrative Penalty Complaints (APCs) | 2,122 |
| □ EPA Civil Judicial Referrals | 265 |

| | |
|--|---------------|
| □ EPA Final Administrative Penalty Order (FAPO) Settlements | 2,248 |
| □ EPA Administrative Penalties | \$28,000,000 |
| □ EPA Judicial Penalties | \$121,000,000 |
| □ EPA Stipulated Penalties | \$68,000,000 |
| □ EPA Inspections/Evaluations | 21,000 |
| □ EPA Civil Investigations | 455 |
| □ Criminal Enforcement Program | |
| ▪ Criminal Investigations | 425 |
| ▪ Environmental Homeland Security Cases Initiated | 7 |
| ▪ Defendants Charged | 293 |
| ▪ Incarceration (Years) | 77 |
| ▪ Fines and Restitution | \$47,000,000 |
| ▪ Judicially Mandated Projects | \$6,000,000 |
| ▪ Pollutant Reductions (Pounds/year) | 25,000,000 |
| □ Superfund Site Remediation Program | |
| ▪ RA starts where Settlement Reached or Enforcement Action Taken by the time of the RA Start (during the FY) at Non-Federal Superfund Sites that have Known Viable, Liable Parties (%) | 98% |
| ▪ Private Party Commitments for Future Response Work (Incl cashouts) | \$522,000,000 |
| ▪ Private Party Commitments for Past Cost | \$157,000,000 |
| ▪ Cost Recovery Statute of Limitation Cases Addressed with Total Past Greater than or Equal to \$200,000 (%) | 100% |



End-of-Year Enforcement and Compliance Five Year Trends

| Measures | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 |
|--|---------|---------|---------|---------|---------|
| Environmental Results | | | | | |
| Lbs of Poll. Reduced, Treated or Properly Managed (Millions) | 714 | 660 | 260 | 600 | 1,000 |
| Lbs of Cont. Soil/Sed. to be Cleaned Up (Millions) | 1,300 | 1,800 | 513 | 7,500 | NA* |
| Cubic Yds of Contaminated Soil to be Cleaned Up (Thousands) | NC** | NC** | NC** | NC** | 3,400 |
| Gallons of Wastewater/Groundwater Treated (Millions) | NC** | NC** | 2,800 | 6,500 | NA* |
| Cubic Yds of Contaminated Water to be Cleaned Up (Thousands) | NC** | NC** | NC** | NC** | 9,500 |
| Linear Feet of Stream Mitigated | NC** | NC** | NC** | NC** | 34,000 |
| Acres of Wetlands Mitigated | NC** | NC** | 29 | 1,050 | 1,300 |
| People Protected by SDWA Enforcement (Thousands) | NC** | NC** | 3,000 | 2,000 | 4,000 |
| Value of Injunctive Relief (Millions) | \$1,600 | \$4,500 | \$3,900 | \$2,900 | \$4,800 |
| Value of SEPs (Millions) | \$56 | \$89 | \$58 | \$65 | \$48 |
| Number of Cases with SEPs | 193 | 164 | 157 | 150 | 213 |

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2004 End-of-Year Report contains updated enforcement and compliance data for prior years. FY 2004 Pollutant Reduction and Results shown above are rounded.

** NA - Not Applicable because these measures were replaced in FY 2004 with the measures immediately below them to better reflect environmental benefit*

*** NC - Not Collected*



End-of-Year Enforcement and Compliance Five Year Trends

| Measures | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 |
|--|---------|---------|---------|---------|---------|
| Compliance Incentives Program | | | | | |
| <i>Facilities Initiated</i> | 2,190 | 1,095 | 927 | 614 | 1,223 |
| <i>Notices of Determination (NODs)</i> | 144 | 234 | 247 | 514 | 449 |
| <i>Facilities Resolved</i> | 437 | 1,754 | 1,467 | 848 | 969 |
| Civil Enforcement Program | | | | | |
| <i>EPA Administrative Compliance Orders (ACOs)</i> | 3,388 | 1,476 | 1,250 | 1,582 | 1,807 |
| <i>Total EPA Administrative Penalty Complaints (APCs)</i> | 1,955 | 1,660 | 1,533 | 1,888 | 2,122 |
| <i>EPA Civil Judicial New Referrals to DOJ</i> | 250 | 238 | 252 | 268 | 265 |
| <i>EPA Final Administrative Penalty Order (FAPOs) Settlements (incl. RCRA Field Citations)</i> | 1,922 | 1,734 | 1,417 | 1,706 | 2,248 |
| <i>EPA Administrative Penalties (Millions)</i> | \$29 | \$24 | \$26 | \$24 | \$28 |
| <i>EPA Judicial Penalties (Millions)</i> | \$55 | \$102 | \$64 | \$72 | \$121 |
| <i>EPA Stipulated Penalties (Millions)</i> | NC** | NC** | \$4 | \$128 | \$68 |

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** NC - Not Collected



End-of-Year Enforcement and Compliance Five Year Trends

| Measures | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 |
|----------|---------|---------|---------|---------|---------|
|----------|---------|---------|---------|---------|---------|

Compliance and Enforcement Activity

| | | | | | |
|-------------------------|--------|--------|--------|--------|--------|
| Inspections/Evaluations | 20,337 | 17,560 | 17,668 | 18,880 | 21,000 |
| Civil Investigations | 660 | 366 | 422 | 344 | 455 |

Superfund Site Remediation Program

| | | | | | |
|--|---------|---------|-------|-------|-------|
| % of RA Starts Where Settlement Reached or Enforcement Taken by the Time of the RA Start (during the FY) at Non-Federal Superfund Sites that have Known Viable, Liable Parties. ¹ | NC** | NC** | NC** | NC** | 98% |
| PRP-financed Remedial Action (RA) Starts ² | 64 | 33 | 48 | 50 | NA |
| PRP-lead RA Starts (%) ² | 68% | 67% | 71% | 87% | NA |
| Private Party Commitments (\$ in Millions for future response work incl. Cashouts) | \$1,336 | \$1,329 | \$501 | \$904 | \$523 |
| Private Party Commitments (\$ in Millions for past cost) | \$146 | \$414 | \$126 | \$225 | \$157 |
| % of Cost Recovery Statute of Limitation Cases Addressed with Total Past Greater than or Equal to \$200,000. | 98.5% | 97.8% | 100% | 100% | 100% |

Criminal Enforcement Program

| | | | | | |
|--|-------|------|------|------|------|
| Criminal Investigations ³ | 477 | 482 | 484 | 471 | 425 |
| Defendants Charged | 360 | 372 | 325 | 247 | 293 |
| Incarceration (Years) | 146 | 212 | 215 | 146 | 77 |
| Fines and Restitution (Millions) | \$122 | \$95 | \$62 | \$71 | \$47 |
| Judicially Mandated Projects (Millions) ⁴ | NC** | NC** | NC** | NC** | \$6 |
| Lbs of Poll. Reduced, Treated or Properly Managed (Millions) | NC** | NC** | NC** | 41 | 25 |

Compliance Assistance Program

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Total Entities Reached by EPA Compliance Assistance (Thousands) | 351 | 551 | 590 | 721 | 731 |
|---|-----|-----|-----|-----|-----|

¹ New FY 04 measure.

² Discontinued measure in FY04.

³ Does not include the 7 homeland security investigations.

⁴ A new category consisting of the monetary value of sentencing conditions which are not fines and restitution.

* NA - Not Applicable because these measures were replaced in FY 2004 with the measures immediately below them to better reflect environmental benefit

** NC - Not Collected

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FY2004 Civil Enforcement Highlights

The Fiscal Year 2004 Civil Enforcement Highlights report contains the following categories:

- [Clean Air Act](#)
 - [Coal-fired Electric Utilities](#)
 - [Petroleum Refineries](#)
 - [Pulp and Paper Sector](#)
 - [Oil-Fired Electric Power Plant](#)
 - [Ozone Depleting Substances](#)
- [Clean Water Act](#)
- [Resource Conservation and Recovery Act](#)
 - [Universities and Colleges](#)
 - [Foundries](#)
 - [Illegally Exported Hazardous Waste](#)
- [Emergency Planning and Community Right to Know Act](#)
- [Compliance Incentives](#)
- [Supplemental Environmental Projects](#)
- [National Lead-Based Paint Enforcement Program](#)
- [Comprehensive Environmental Response Compensation and Liability Act](#)
- [Innovative Enforcement Cases](#)
- [Early 2005 Case Highlights](#)

FY2004 Annual Results Topics

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- [Civil Enforcement Highlights](#)
- [Criminal Enforcement Highlights](#)
- [Compliance Assistance Activities Highlights](#)

Clean Air Act

Coal-fired Electric Utilities

Since 1999, EPA and the Department of Justice (DOJ) have filed several Clean Air Act (CAA) New Source Review (NSR) lawsuits against several coal-fired electric utilities, alleging that these companies made major modifications to their plants without installing equipment to control pollution that causes smog, acid rain and soot. EPA has litigated and resolved several of these actions and negotiated settlements with seven companies: Tampa Electric Company; PSEG Fossil; Southern Indiana Gas and Electric Company; Virginia Electric Power Company; Alcoa; Wisconsin Electric Power Company; and Santee Cooper. These settlements resulted in the removal of over 658,000 tons of pollution from the air annually and expenditure of over \$3.9 billion to install state-of-the-art air pollution controls. EPA has cases pending in the courts against seven companies: Alabama Power, American Electric Power, Duke Power, East Kentucky, First Energy (Ohio Edison), Georgia Power, and Illinois Power (Dynergy). In 2004, EPA entered into negotiated settlements with Santee Cooper and VEPCO, filed a judicial complaint against East Kentucky, and issued Notices of Violations (NOVs) to Northern Indiana Public Service Company, Nevada Power and Westar.

Santee Cooper, South Carolina

EPA, joined by the State of South Carolina, entered into a major CAA NSR settlement with the South Carolina Public Service Authority (Santee Cooper) to resolve violations at several of the company's coal-fired power plants in

South Carolina. Under the settlement, Santee Cooper will spend approximately \$400 million to install state-of-the-art pollution controls on more than 83 percent of its existing coal-fired megawatt generating capacity, which will reduce emissions of sulfur dioxide and nitrogen oxides by approximately 70,000 tons per year. Santee Cooper will also improve its control of particulate matter, pay a \$2 million civil penalty and spend at least \$250,000 to implement an environmental management system. In addition, Santee Cooper will spend \$4.25 million on supplemental environmental projects, including: \$1.25 million for a South Carolina land conservation project, \$1 million for an energy-efficient technologies project, \$1 million for a demand-side management project, and \$1 million for a clean diesel school bus project. The consent decree was entered by the court in June 2004.

Virginia Electric and Power Co., Virginia, West Virginia

EPA, joined by the States of New York, New Jersey, Connecticut, Virginia and West Virginia and the National Park Service, entered into a consent decree with the Virginia Electric and Power Co. (VEPCO) on Oct. 3, 2003. The settlement requires VEPCO to spend \$1.2 billion by 2013 for environmentally beneficial projects and to install pollution control equipment and upgrade existing controls that will eliminate 237,000 tons of sulfur dioxide and nitrogen oxides emissions annually from eight coal-fired electricity-generating plants in Virginia and West Virginia. This is the largest CAA settlement of an enforcement action against a utility. It resolves charges that the company made major modifications to its plants without installing the required pollution control equipment to control pollution that causes smog, acid rain, and soot. VEPCO also agreed to pay a \$5.3 million civil penalty and spend at least \$3 million on supplemental environmental projects to offset the impact of past emissions on New York, New Jersey, Connecticut, Virginia and West Virginia. These projects include retrofitting or otherwise reducing emissions from diesel engines (including school buses), installing photovoltaic cells on municipal buildings, purchasing conservation easements to preserve environmentally sensitive areas, and providing alternative-fueled vehicles for use in the Shenandoah National Park.

Petroleum Refineries

The Petroleum Refinery Initiative is one of the largest, most comprehensive and successful enforcement initiatives ever undertaken by EPA. It is addressing issues of widespread noncompliance under four complex regulatory programs administered by EPA: New Source Review (NSR); New Source Performance Standards (NSPS), leak detection and repair (LDAR); and benzene waste National Emissions Standards for Hazardous Air Pollutants (NESHAP) requirements. EPA initiated over 150 issue-specific investigations at more than 100 refineries and, beginning in FY 2000, embarked on a process of "global" settlements, which address each issue of concern at all of a company's refineries. These settlements require state-of-the-art controls and the implementation of enhanced programs to ensure continuing compliance with applicable requirements.

Through the end of FY 2004, EPA has entered into eleven global settlements affecting 42 refineries, representing more than 40 percent of domestic refining capacity, to reduce emissions by approximately 150,000 tons per year at a combined cost of \$1.9 billion. EPA entered into 12 other, narrower settlements and is actively pursuing global settlements with companies representing an additional 40 percent of domestic refining

capacity.

During FY 2004, EPA entered into a series of mini-global settlements with medium-to-small refiners and two, narrower refinery settlements:

Coastal, Cenex and Ergon, New Jersey, Montana, West Virginia, Mississippi

EPA filed a series of separate global refinery settlements covering refineries in Westville, N. J. (Coastal Eagle Point Oil Company, joined in by New Jersey), Laurel, Mont., (Cenex/CHS, joined in by Montana), Newell, W.V. (Ergon-West Virginia, joined in by West Virginia) and Vicksburg, Miss., (Ergon Refining, joined in by Mississippi). These refineries will install state-of-the-art technologies and collectively reduce refinery emissions by 4,000 tons per year, pay penalties of \$2.9 million and implement supplemental and other environmental projects valued at more than \$1.6 million. As with other global settlements, these include similarly enhanced programs to reduce flaring, minimize equipment leaks (a major source of volatile organic compound emissions) and manage benzene wastes properly.

Coffeyville Resources and National Cooperative Refining Association, Kansas

EPA, joined by the state of Kansas, entered into separate, narrower settlements involving NSR and other issues to reduce emissions by 5,000 tons per year from refineries located in Coffeyville and McPherson, Kans. Coffeyville Resources will spend \$59.3 million to install state-of-the-art control on its fluidized catalytic cracking unit (the largest emission source at the refinery) and implement enhanced benzene waste management programs at the Coffeyville refinery, acquired through the bankruptcy liquidation of Farmland Industries. NCRA will utilize innovative pollution control technologies, implement enhanced programs to minimize flaring events, pay civil penalties of \$350,000 and complete supplemental environmental projects valued at \$1.5 million.

Ethanol Industry

In FY 2004, EPA and DOJ settled the latest in a series of enforcement actions to ensure CAA compliance in the ethanol industry. EPA previously settled cases against several other ethanol, grain and seed processors that violated CAA Prevention of Significant Deterioration (PSD) provisions by expanding their operations without installing controls or getting the proper permits. Through the end of FY 2004, EPA has entered into settlements covering 64 ethanol plants nationwide to reduce air emissions over 65,000 tons per year at a combined cost of over \$350 million. For example, twelve Minnesota companies agreed to a simultaneous settlement, on Oct. 2, 2002, which requires these dry corn ethanol plants to install state-of-the-art controls at a cost of about \$2 million per plant, reduce emissions by a total of 2,600 tons per year of VOC and 1,900 tons of carbon monoxide, and pay civil penalties ranging from \$29,000 to \$39,000. Archer Daniels Midland (ADM) was another case in this grain/seed/ethanol initiative, in which ADM agreed in FY 2003 to settle similar PSD violations at 52 plants in 16 states by installing similar state of the art controls, thermal oxidizers for VOCs and other controls for NO_x, and other pollutants, which will reduce emissions by over 61,000 tons per year at a cost of \$340 million. ADM paid a total civil penalty of \$4.6 million and will spend \$6.3 million on federal and state Supplemental Environmental Projects.

Ace Ethanol, Wisconsin

EPA and DOJ settled the case against Ace Ethanol in December 2003 for alleged violations of the Prevention of Significant Deterioration (PSD) provisions of the CAA, as well as other sections of the CAA, such as the New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAPs). Ace's ethanol dry mill processes corn into ethanol. This facility is one of 75 ethanol plants in the United States. Ace is required to install a regenerative thermal oxidizer (RTO) to achieve 95 percent destruction of volatile organic compounds. The RTO will also reduce particulate matter and carbon monoxide. Compliance with NSPS and NESHAPs will also be required, along with appropriate compliance testing, monitoring, and record-keeping. The estimated cost of these compliance measures is over \$1 million. Ace agreed to pay a \$337,609 civil penalty to the State of Wisconsin.

Pulp and Paper Sector

Weyerhaeuser Company, Pennsylvania

EPA settled its case against Weyerhaeuser in July 2004. The settlement resolves Prevention of Significant Deterioration (PSD) and New Source Performance Standards (NSPS) CAA violations at a pulp and paper mill located in Johnsonburg, Pa.. The total penalty in this action is \$900,000; 25 percent of the penalty (\$225,000) will be shared with the Commonwealth of Pennsylvania. To achieve compliance with its PSD requirements, the company installed wet flue gas desulfurization (FGD) scrubbers designed to achieve Best Available Control Technology control of sulfur dioxide. The FGD scrubbers cost Weyerhaeuser approximately \$5.5 million to construct.

Concentrated Animal Feeding Operations

EPA and DOJ entered into a consent decree with Buckeye Egg Farm, L.P., of Ohio on July 6, 2004, that represented one of the first Clean Air Act Prevention of Significant Deterioration settlements of an enforcement action against a concentrated animal feeding operation.

Buckeye Egg Farm, Ohio

The company will spend more than \$1.6 million to test and install innovative pollution controls to reduce air emissions of particulate matter over 1,300 tons each year and ammonia over 700 tons each year. Buckeye Egg Farm's facilities hold nearly 12 million laying hens, which produce 2.6 billion eggs, representing nearly 4 percent of the nation's eggs. The decrease in emissions for the three facilities, in Croton, Marseilles, and Mt. Victory, correlate to a reduction of 50 to 70 percent of the particulate matter and 50 percent of the ammonia. In addition to implementing these controls, which will minimize the negative impacts of these facilities on local residents, the company also paid civil penalties of nearly \$900,000. If the controls do not provide sufficient emission reductions, the company will apply for all applicable federally enforceable permits.

Oil-Fired Electric Power Plant

Puerto Rico Electric Power Authority

On Sept. 8, 2004, the United States District Court of Puerto Rico entered a modification of a previously entered consent decree to address substantial noncompliance with opacity regulations and other CAA violations discovered by EPA after entry of the original . PREPA is required to lower the sulfur content of its fuel at three plants, switch fuels at one plant, and burn diesel fuel when starting up units that are cold. EPA estimates over \$150 million as the projected cost for fuel switching. Over the next six years, EPA expects a 230,000-ton reduction of SO₂ emissions and thereafter, maintenance of a 49,900 tons-per-year reduction. As an alternative to fuel switching, to address the SO₂ emissions, PREPA is considering the purchase of flue gas desulfurization pollution control devices, at an estimated cost of \$200 million. The modification also requires PREPA to conduct a Nitrogen Oxide Emissions Reduction Program that will result in estimated nitrogen oxide reductions of at least 4,300 tons per year. PREPA will pay a civil penalty of \$300,000 and supplement with two environmental projects, spending an additional \$100,000 to acquire valuable wetlands and \$100,000 to pay a contractor to oversee compliance with the 1999 consent decree.

Ozone Depleting Substances

Wal-Mart

EPA and DOJ entered into a consent decree with Wal-Mart on Jan. 22, 2004, that represented the largest CAA settlement for illegal sales of ozone-depleting refrigerants. The settlement requires Wal-Mart to stop selling canisters of ozone-depleting refrigerants at all of its stores. It resolves charges that the company sold ozone-depleting refrigerants to consumers without verifying that they were certified technicians. Wal-Mart also will pay a \$400,000 civil penalty.

Clean Water Act

Wet Weather Priorities – Combined Sewer Overflows and Sanitary Sewer Overflows

Combined sewer overflows (CSOs) and sanitary sewer overflows (SSOs) typically contain pollutant concentrations that can cause or contribute to violations of water quality standards, precluding the use of the water body for swimming, boating, fishing or such activities. CSOs and SSOs also contribute to beach closings, shellfish bed closures, contamination of drinking water supplies and other environmental damage because they discharge untreated wastewater that contains microbial pathogens, suspended solids, toxics, nutrients, trash and pollutants that deplete dissolved oxygen.

CSOs and SSOs have been a national compliance and enforcement priority for EPA since 1998. EPA has concluded approximately 15 CSO civil judicial enforcement cases and 25 SSO civil judicial enforcement cases, including more than \$14 million in penalties, addressing over 164 billion gallons of sewage overflows annually, and requiring over \$11 billion in injunctive relief to protect public health and the environment.

In FY 2004, EPA concluded the following case:

Hamilton County Sewer System, Cincinnati, Ohio

In June 2004, the U.S. District Court for the Southern District of Ohio entered a consent decree resolving CSO, SSO, and wastewater treatment plant violations at the Hamilton County sewer system in Cincinnati, Ohio. The settlement will reduce by at least 85 percent the 6.2 billion gallons of raw sewage discharged annually from the defendants' CSOs and eliminate hundreds of millions of gallons of raw sewage overflows annually at the defendants' SSOs. The defendants are required to complete remedial measures to control CSOs based on an updated Long Term Control Plan (LTCP) by Feb. 28, 2022. The defendants are required to eliminate SSOs based on a Capacity Assurance Program Plan (CAPP) by the same date. If remedial measures under the LTCP and CAPP exceed \$1.5 billion, the defendants may request a schedule extension. The settlement establishes a program to address impacts from the defendants' sewage system to residents' basements. The program requires the defendants to (1) clean up residents' basements, (2) compensate residents for real and personal property damage caused by sewage backups, and (3) implement measures to prevent further backups. In addition to a \$1.2 million civil penalty, the settlement includes over \$5.3 million in supplemental environmental projects that require restoration work and green way development along the Mill Creek, the water body most impacted by the discharges.

In addition, EPA and the Department of Justice, together with a coalition of citizen groups entered a partial settlement with:

Washington, D.C., Water and Sewer Authority

WASA will initiate an extensive program to reduce illegal discharges of untreated sewage into the Anacostia and Potomac Rivers and Rock Creek. This effort will include steps to limit CSOs by improving operations and maintenance, rehabilitating pump stations, increasing sewage storage and flow capacity, working to prevent dry weather overflows and upgrading pretreatment requirements for industrial discharges at an estimated cost of \$150 million. WASA will pay a \$250,000 penalty for past violations and fund \$1.7 million in storm water pollution prevention.

Resource Conservation and Recovery Act

Universities and Colleges

Many academic institutions are similar to small cities in the activities that occur within their campus borders. If these activities are not in compliance with applicable requirements, they can have a significant impact on human health and the environment on campus and in surrounding communities. Since 2000, when an EPA Enforcement Alert first summarized the results of university and college inspections, EPA regions have continued to address noncompliance at universities, including several significant actions in FY 2004.

EPA Region 9, with state and local authorities, invited the University of California to voluntarily evaluate its compliance with RCRA requirements and other environmental obligations at all campuses and sites that are part of the UC system:

University of California

On Sept. 30, 2004, EPA concluded an administrative enforcement action for

RCRA violations of hazardous waste management practices voluntarily disclosed by the University of California. UC audited 47 facilities, including its nine campuses, agricultural research stations, medical and veterinary schools and other facilities. UC discovered, disclosed, and corrected violations of RCRA requirements at 34 facilities involving approximately 4,000 containers of hazardous waste. Some of these hazardous wastes were ignitable paint and solvent wastes, corrosive acid wastes, reactive cyanide wastes, silver contaminated photochemical wastes, and toxic contaminated wastes. For each campus, UC identified measures taken or proposed to prevent recurrence of these violations. UC estimated that the audit took 23,645 work hours representing approximately \$1.78 million. Under EPA's Audit Policy, many of the RCRA violations were eligible for penalty mitigation. As a result, the penalty was assessed at \$9,570. An EPA Enforcement Alert in November will feature this program.

EPA **Region 2** concluded five enforcement actions in FY2004 against universities. Four of them included supplemental environmental projects (SEPs) that provide local high schools with training to promote better management of hazardous waste. The aggregated value of the SEPs commitments is more than \$320,000.

Pratt Institute, Brooklyn, N.Y.

As part of a settlement of several RCRA violations governing the identification and management of hazardous waste, Pratt Institute of Brooklyn, N.Y., agreed to implement a project that is intended to train high school personnel on complying with regulations on chemical handling, hazardous waste management and disposal, identification of hazardous waste, safe and proper storage of laboratory chemicals and hazard communication. The value of the Pratt project is \$269,416.

Foundries

During FY 2004, EPA settled two cases that resulted in the removal of lead-contaminated hazardous waste that had been placed on land.

Conbraco Industries Inc., North Carolina

EPA **Region 4** issued an administrative order on consent pursuant to Section 3008(a) of RCRA to Conbraco Industries Inc. It requires Conbraco to investigate and remediate several large areas located at its Matthews, N.C., facility, where it had improperly placed untreated waste foundry sands, which are a lead hazard. Conbraco was also ordered to close its illegal waste sand treatment system at its Pageland, S.C., facility and to excavate a waste pile containing foundry sand contaminated with lead. EPA assessed a penalty of \$500,000. The cost of the injunctive relief will likely reach \$3.5 million. The injunctive relief addresses approximately 24,000 tons of lead contaminated soil and foundry sand at the Matthews facility and an excavated lead contaminated foundry sand pile and soil at the Pageland facility totaling 100 cubic yards.

Emporia Foundry, Virginia

EPA Region 3 signed an administrative consent agreement and final order to

settle outstanding RCRA violations at the Emporia Foundry in Emporia, Va., which involved the storage of partially treated baghouse dust contaminated with lead on an unlined pad. Emporia also shipped, in a three-month period, approximately 142 tons of hazardous waste to a land disposal site not authorized to receive hazardous waste. The violations continued for a significant period of time and the mismanagement of the waste resulted in the release of lead into the environment. Although the Agency had requested a significant penalty (\$1.2 million) for these violations, the EPA agreed to \$110,000 after the company documented an inability to pay more without incurring financial hardship. As part of the settlement, Emporia has ceased improperly managing its hazardous waste and ships it off-site to a permitted treatment, storage and disposal facility.

Illegally Exported Hazardous Waste

EPA also focused on international waste issues, entering into a case that is significant because it supports EPA's authority to order the reimbursement of costs to cleanup hazardous waste illegally exported to another country:

Pyramid Chemical Company

On Sept. 16, 2004, EPA's Environmental Appeals Board issued a default order and final decision in a case that arose out of Pyramid's export of 29, 40-foot containers of hazardous waste to the Netherlands, in violation of RCRA. The board ordered Pyramid to reimburse the Dutch government for over \$1.2 million in costs it had incurred in removing and properly disposing of the illegally exported hazardous waste. The Board held that there was no "good cause" to excuse Pyramid's untimely response to the complaint that EPA filed in June 2003.

Emergency Planning and Community Right to Know Act

EPA uses innovative approaches to achieve compliance at a cost-savings and to enable the Agency to devote its resources to significant environmental and public health problems. Compliance is EPA's objective and innovative approaches can help get us there more effectively. The Community Right-To-Know Initiative was developed to ensure that Toxics Release Inventory (TRI) facilities submit timely TRI data required under section 313 of the Emergency Planning and Community Right to Know Act (EPCRA). It is a broad enforcement effort designed to heighten facilities' awareness of the annual reporting deadline. The primary purpose of EPCRA Section 313 is to make available to the public annual toxic chemical release and other waste management data from certain facilities within their communities. This initiative helps ensure that the public has timely access to information about releases of chemicals in the community by providing a stronger incentive for facilities to submit their reports on time.

Community Right-to-Know Initiative

EPA settled 16 cases as part of this national initiative. Under terms of the settlements, each company paid a penalty of \$5,000. The initiative responded to a large and increasing number of companies that consistently for two or more years submitted Toxic Release Inventory (TRI) reporting forms too late to appear in the annual Public Data Release (PDR). In 2000 and 2001, over 3,000 facilities submitted more than 8,000 late TRI forms that reported over 3 billion pounds of toxic chemical releases and transfers. About 1.3 billion pounds were reported so late that they could not be included in the

annual Public Data Release, undermining the communities' right to know, which is the purpose of EPCRA § 313. A number of late reporters would have been among the "top ten" releasing facilities in their states as published in the PDR. Some late reporters accounted for more than half the pounds released and transferred in a given community. Citizens using PDR data (from books or CDs sent to libraries or TRI data available online) will not see these reports.

Compliance Incentives

EPA is committed to a strong civil enforcement program to achieve environmental protection by deterring violators, bringing violators into compliance, correcting damage to the environment and ensuring that those who follow the law are not put at an economic disadvantage by those who fail to comply. EPA also uses compliance incentives to promote self-policing and improvement. The number of facilities disclosing violations under the Audit Policy increased significantly from 614 facilities in FY 2003 to 1,223 facilities in FY 2004. In addition, EPA resolved self disclosures by 969 facilities, compared to 848 in FY03. Many of these disclosures came from initiatives tailored to improve environmental management at certain types of facilities, such as colleges, universities or health-care institutions.

Since EPA reached its first Audit Policy settlement with a telecommunications company in 1998, more than 25 telecommunications businesses have disclosed violations of EPCRA, CWA, CAA and RCRA under EPA's Audit Policy as part of EPA's Telecom Compliance Incentives Initiative. Over \$48 million in gravity-based penalties were waived. EPA is committed to pursuing those in noncompliance who have elected not to participate and take advantage of EPA's compliance incentive efforts. In FY 2004, EPA settled a case with ALLTEL, which had failed to self-disclose its violations.

ALLTEL Corporation

On Dec. 16, 2003, EPA and DOJ entered into a consent decree with ALLTEL Corporation, a leading provider of communications and information services. The settlement requires ALLTEL to carry out cross-cutting environmental compliance audits at its more than 7,500 facilities nationwide and pay a \$1,058,000 civil penalty. The agreement resolves claims that ALLTEL violated the Clean Air Act, Clean Water Act, and/or the Emergency Planning and Community Right-to-Know Act at 196 of its facilities in 18 states.

Supplemental Environmental Projects

Several FY 2004 EPA enforcement settlements included supplemental environmental projects that provided significant benefits to public health and the environment. Lead-based paint abatement and diesel school bus retrofits focused on improving children's health removing harmful pollutants from their environment. Numerous settlements included emergency response supplemental environmental projects in which hazardous response equipment was provided to local communities. Finally, environmental restoration supplemental environmental projects provided for improved water quality, restoration of wetlands, and conservation of environmentally important properties. In addition to the supplemental environmental projects described in the preceding case highlights, the following settlements include innovative projects:

Massachusetts Bay Transportation Authority

EPA settled its case against MBTA in March 2004. MBTA is Boston's regional

transit authority. The case involves storm water and spill prevention control and countermeasure violations and violations of a Massachusetts state implementation plan provision that limits vehicle idling times to five minutes. Under the settlement, MBTA will pay a penalty of \$328,274, come into compliance with the CAA, develop and implement an environmental management system, and spend over \$1 million on supplemental environmental projects (SEPs). One MBTA SEP involves switching the MBTA's commuter rail trains operating from Boston's South Station from high- to low-sulfur diesel fuel. The cleaner fuel will eliminate about 32 tons of particulate pollution and 429 tons of sulfur dioxide from the Boston area over three years. (In a separate Region 1 settlement with Exelon Mystic, another SEP will make the same switch on the trains running from Boston's North Station.) The other MBTA SEP involves a donation of land along the Mystic River for the extension of an existing bike path into Boston, thereby enhancing possibilities for alternative commuting.

True Manufacturing, Missouri

EPA settled a case against True Manufacturing of Missouri, which alleged that between 1981 and 1999, True committed numerous violations of the New Source Review (NSR) provisions of the CAA by constructing and operating manufacturing units that together emitted 166 tons per year of volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) without obtaining a pre-construction permit or installing emissions controls. The installations occurred when the St. Louis area was not in attainment with the National Ambient Air Quality Standards for ozone. True manufactures commercial refrigeration equipment, including display cases, food preparation tables, restaurant refrigerators and freezers. VOCs contribute to the formation of ground-level ozone. True resolved the CAA and self-disclosed violations under RCRA and CWA by installing innovative new equipment that does not emit VOCs or HAPs for a 138-ton annual emissions reduction (83 percent), and by installing a wastewater filtration system. True will also pay a civil penalty of \$1,500,000 and perform SEPs valued at \$1,900,000 to reduce VOC emissions.

National Lead-Based Paint Enforcement Program

EPA, alone and in conjunction with DOJ and HUD, enforces violations of the Lead-based Paint Real Estate Notification and Disclosure Rule. In FY 2004, 14 of EPA's administrative settlements included supplemental environmental projects aimed at eliminating risks of lead poisoning from lead-based paint, with a total value of over \$5.5 million.

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Winn Managed Properties, LLC, Massachusetts

On Sept. 30, 2004, Region 1 issued a consent agreement and final order against Winn Managed Properties, LLC, Winn Management Company, LLC, and Lend Lease Apartment Management, LLC (collectively Winn) for Disclosure Rule violations. Winn, a large property management company based in Boston, and entities related to Winn, own and manage more than

235 residential properties, of which more than 10,000 units are subject to the Lead Disclosure Rule. Winn failed to adequately comply for many of its properties. The order requires Winn to pay a cash penalty of \$105,000 (to be split equally with HUD) and to spend at least \$3.7 million to perform lead-paint risk assessments and lead-paint hazard abatement where necessary in approximately 10,400 units of residential property located in Massachusetts, Rhode Island, Connecticut, New Hampshire, New York, Pennsylvania, Virginia, Washington, D.C., and California. Winn also will develop and implement an operations and maintenance plan to monitor and repair any lead hazards.

Ceebraid Signal Management Group, Connecticut

Ceebraid manages seven apartment complexes in Connecticut, comprising 1,600 units. Under the administrative settlement with EPA Region 1, Ceebraid will pay a \$95,000 penalty; spend at least \$120,000 to test all seven apartment complexes for lead-based paint and lead-based paint hazards; develop and implement a Lead Management Plan to monitor lead paint surfaces and abate any hazards detected; and have its employees take Lead-Safe Work Practices training to properly implement the Lead Management Plan.

Comprehensive Environmental Response, Compensation and Liability Act

Palmetto Recycling Superfund Site, Columbia, S.C

On Nov. 26, 2003, the United States District Court for South Carolina, Columbia Division entered default judgments on two counts against James Hobbs and Phillip Gaido, the former owners/operators of the Palmetto Recycling Site in Columbia, S.C. On March 16, the court found that the United States is entitled to recover response costs for \$1,220,488.76 against the defendants jointly and severally. In addition, the court found that defendants should be subjected to civil penalties under CERCLA for failing to respond to Information Requests for 1,679 days and assessed civil penalties in the amount of \$46,172,500.00 against each defendant for a total of \$92,345,000. The civil complaint, filed on April 30, 2003, by the Department of Justice (DOJ) alleged that a release or threat of a release of hazardous substance had occurred at the site and that the defendants are liable for costs incurred by the government. In addition, DOJ filed a complaint under Section '104(e)(5)(B) of CERCLA to enforce compliance with '104(e) and 122(e)(3)(B), requests for information and administrative subpoenas. The defendants made no effort to respond and had a history of disregarding requests for information and administrative subpoenas. This case was developed by EPA **Region 4**.

Fox River Site, Wis.

In April 2004, EPA entered into a consent decree and administrative order on consent (AOC) with two potentially responsible parties (PRPs) for remedial design (RD) and remedial action (RA) work at the Fox River Superfund Site in Wisconsin. The consent decree provides for the performance of the RD/RA for OU1. The two PRPs each made initial payments of \$25 million to an escrow account and an additional \$10 million came from an earlier \$40 million interim settlement with API/NCR. The dredging work under this consent decree began in September. The work is estimated to cost approximately \$60 million, and is the first major step toward clean-up of the approximately 65,000 pounds of PCBs estimated to be in the sediment of the Fox River.

The administrative order on consent, signed on March 18 was for performance of the remedial design for operating units (OUs) 3-5. The record of decision (ROD) includes portions of Green Bay and 13 miles of the Fox River directly upstream from where it empties into Green Bay. The ROD calls for dredging almost 7 million cubic yards of PCB-contaminated sediment from the River and Green Bay. The ROD for OUs 1-2 covers 26 miles of the River upstream from OUs 3-5. The response activities proposed by the two RODs will cost approximately \$400 million.

Representatives from EPA, DOJ, Wisconsin DOJ, and Wisconsin Department of Natural Resources have met with PRPs throughout FY2004 to discuss both work and cashout settlements. Since January 2004, the PRPs met with the intergovernmental parties several times and presented variations on their proposal for an insurance-backed, Mattiace-like settlement that would clean up the whole site. This case was developed by **Region 5**.

El Monte Operable Unit and San Gabriel Valley Superfund Sites, Calif.

EPA reached a settlement with 27 companies for the implementation of a \$40 million cleanup of a 10-square-mile groundwater plume in the San Gabriel Valley of Los Angeles County. The San Gabriel Basin groundwater aquifer underlies most of the San Gabriel Valley and is the primary source of water for most of the Basin's 1 million residents. Contamination in the San Gabriel Valley has severely impacted numerous public water supply wells, forcing water purveyors to shut down wells or construct new treatment systems. The settlement is embodied in a consent decree, which was entered by the District Court for the Central District of California on April 21, 2004. The settlement addresses one portion of the San Gabriel Basin's contamination, known as the El Monte Operable Unit. Under the consent decree, the settling companies will provide for the construction and operation of treatment systems that will address various contaminants, including volatile organic compounds and, if needed, perchlorate. In addition, the companies will reimburse EPA for approximately \$2 million in response costs that EPA incurred in investigating the contamination and selecting a remedy. This case was developed by EPA **Region 9**.

Palmerton Zinc Pile Superfund Site, Palmerton, Pa.

On Nov. 21, 2003, the court entered a Consent Decree settling the cost recovery litigation between the United States and Horsehead Industries, Inc., Horsehead Resource Development Company, Inc., Viacom International Inc., and TCI Pacific Communications, Inc. in connection with the Palmerton Zinc Pile Superfund Site located in Palmerton, Carbon County, Pa. The Consent Decree provides that Horsehead and Viacom will pay a total of \$13 million in past costs incurred by the United States at the Site and will perform all work required by the RODs for OU#1, OU#2, and OU#3 at the Site with an estimated value of \$27 million. Horsehead and Viacom will also reimburse EPA for any future response costs, including remedial action oversight costs, and will make a lump sum payment of \$300,000 to DOI in reimbursement of its future response costs. Horsehead is also obligated to perform the work required by a 1995 Consent Decree in connection with OU#2 and to pay EPA \$252,745.00 in past oversight costs in connection with OU#1. In addition, Horsehead agreed to dismiss counterclaims it had filed against the United States under Sections 107 and 113 of CERCLA. This case was developed by EPA **Region 3**.

Tennessee Products Superfund Site

On Sept. 27, 2004, EPA signed a consent decree concerning the Tennessee Products

Superfund Site for RD/RA work and reimbursement of past costs with a total value of over \$33 million dollars. In order to overcome the potentially responsible parties' divisibility arguments, **Region 4** developed a detailed history of the operations of the Tennessee Products coke plant dating back to the 1920s. The history was complicated by the fact that the U.S. Government owned a portion of the plant during World War II. Region 4 relied upon several industry experts, including experts from NEIC to understand coke plant operations. It worked with cartographers and local water management officials to interpret historic sewer maps. Based largely on the information provided by these experts, EPA and the PRPs, including the federal parties, were able to agree on an allocation for the settlement.

MW Custom Papers, LLC, Reilly Industries, Inc., and Southern Wood Piedmont have agreed to conduct the remedy, valued at \$13,148,485, and to pay \$2,793,912 toward reimbursing EPA's past response costs. The federal PRP has agreed to cash out its liability for \$17,400,000, of which \$6,519,128 will be applied toward reimbursement of EPA's past response costs. EPA has agreed to forgive a percentage of past response costs attributable to orphan share, litigation risk and other equitable factors.

Starmet Removal Superfund Site, Barnwell, S.C.

On Feb. 6, 2004, **Region 4** executed an Administrative Order on Consent for a removal response at the former Starmet CMI Inc. uranium processing facility located in Barnwell, S.C. Respondents are the Department of Energy (DOE), the Department of the Army, and the United States Enrichment Corporation (USEC). The federal parties are required to fund an EPA lead removal on a portion of the site, and USEC is to perform a removal on a separate portion. The order addresses waste material not addressed by EPA's initial removal action. Through records provided by Starmet, EPA was able to attribute most of the materials on site to specific generators. As a result, the order provides for two simultaneous removals of separate waste materials. EPA is performing the first removal, funded by the federal parties, who placed \$15 million into a special account. USECEC is performing the second removal and the private party provides financing. Total costs for these responses are expected to exceed \$25 million.

Starmet CMI Inc. converted uranium hexafluoride (UF₆) to a more stable material, uranium tetrafluoride (UF₄); reduced a portion of this UF₄ to uranium metal for sale; and re-plated uranium counterweights. In 2002, the South Carolina Department of Environmental Control (DHEC) issued an Emergency and Administrative Order, which required the facility to cease operations. A number of conditions at the Site posed an imminent threat to public health. Among these were a compromised retention pond containing uranium contaminated wastewater, drums of pyrophoric uranium metal shavings, vats of plating acids contaminated with uranium, and approximately 20,000 drums of radioactive material stored without the operation of the facility's ventilation and fire suppression systems. At the request of DHEC, in the summer of 2002, EPA initiated a removal action at the Site.

Princeton Gamma Tech Superfund Site, New Jersey

EPA **Region 2**, working with the State of New Jersey, will split a total of \$22.5 million in a settlement with defendant, Princeton Gamma-Tech (PGT) Under a consent decree entered by the Court on Sept. 29, 2004, PGT will pay \$14.2 million to EPA and \$8.3 million to the State of New Jersey. Because PGT has claimed an inability to pay, these monies are coming from PGT's various insurance carriers. EPA's recovery will be split evenly between the Montgomery Township Housing Development Superfund Site and the Rocky Hill Municipal Well Superfund Site and placed into special accounts. PGT will

receive a release and contribution protection from the United States and the State of New Jersey. A second consent decree, being finalized in FY2005, will settle the case against the remaining defendants: Fifth Dimension, Inc.; George, Estelle and Jeffrey Sands; and third party defendants, Frederick DeCicco and Cornelius Van Cleef.

Under a separate consent decree, which has been lodged for public comment, PGT will pay an additional \$5 million to EPA to obtain a release and contribution protection in the cost recovery actions regarding the Higgins Disposal and Higgins Farm Superfund Sites.

Passaic River and Newark Bay Superfund, New Jersey

In Oct. 2003, EPA announced a \$19 million joint study by EPA and the U.S. Army Corp. of Engineers on a 17-mile stretch of the Lower Passaic River in New Jersey. The study, an EPA-approved pilot under the Urban Rivers Restoration initiative, will take an estimated 5 to 7 years to complete. In spring 2004, **Region 2** signed an Administrative Order on Consent with 31 potentially responsible parties (PRPs) under which the PRPs will provide \$10 million in funding for EPA's portion of the joint study.

In February 2004, EPA entered into an Administrative Order on Consent with another PRP, Occidental Chemical Corp., to forestall a potentially disruptive citizen suit. Under the order, Occidental will perform a remedial investigation/feasibility study (RI/FS) for Newark Bay. Occidental will also fund certain response actions that EPA will conduct as part of the RI/FS, and reimburse EPA for all its associated response costs, including oversight costs, over the life of the project. Under the order, Occidental made a prepayment of \$750,000 to fund, initially, EPA's work and its oversight costs. EPA may also demand that Occidental pay additional sums necessary to fund pending work if the special account for the Newark Bay Study Area falls below \$500,000 at any time.

Innovative Enforcement Cases

Denova Environmental, Inc. Site, Rialto, Calif.

EPA entered into a global settlement with the current owners of the Denova Environmental Inc. site in Rialto, San Bernardino County, Calif., and the prospective purchaser of a portion of the site, under which the parties are reimbursing more than \$600,000 of EPA's response costs and performing an additional \$1 million in environmental investigation and cleanup. The former owner and operator, Denova, was a hazardous waste treatment, storage, and disposal facility, storing a large volume of chemicals and explosives. In 2001 and 2002, after the state terminated Denova's permit for failure to comply with environmental laws, EPA performed extensive response actions to address the abandoned wastes. As part of the settlement, Target Corporation, which had no prior connection to the site and no liability for the contamination, is acquiring a portion of the property to develop a 3.3 million-square-foot distribution center. It expects the development to generate an estimated 1,000 temporary jobs for the 18-month construction period and the distribution center to create approximately 1,300 permanent jobs with a \$40 million annual payroll.

Early 2005 Case Highlights

Wet Weather Priorities – Combined Sewer Overflows and Sanitary Sewer Overflows

Combined sewer overflows (CSOs) and sanitary sewer overflows (SSOs) typically contain pollutant concentrations that can cause or contribute to violations of water quality standards, precluding the use of the water body for swimming, boating, fishing

or such activities. CSOs and SSOs also contribute to beach closings, shellfish bed closures, contamination of drinking water supplies and other environmental damage because they discharge untreated wastewater that contains microbial pathogens, suspended solids, toxics, nutrients, trash and pollutants that deplete dissolved oxygen.

EPA concluded a case in early FY2005 that we expect will be counted in EPA's enforcement accomplishments for FY2005:

City of Los Angeles Sewer System

On October 28, 2004, the court entered a consent decree resolving SSO violations and requiring the City of Los Angeles to improve its sewer system to decrease by more than half the over 4,500 sewage spills it has experienced since 1994. Los Angeles will rebuild at least 488 miles of sewer lines and clean 2,800 miles of sewers annually to reduce raw sewage discharged by about 42 million gallons annually at a cost of \$2 billion. Los Angeles operates the largest sewage collection system in the country—serving 3.8 million people. In addition to a \$1.6 million penalty to be shared equally with the U.S. Treasury and the Los Angeles Regional Water Quality Control Board, the city will perform \$8.5 million in environmental projects throughout the city to restore streams and wetlands and to capture and treat polluted storm drain flows.

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FY 2004 Criminal Enforcement Highlights

The Fiscal Year 2004 Criminal Enforcement Highlights report contains the following categories:

- [Hazardous Waste](#)
- [Clean Air](#)
- [Clean Water](#)
- [Ocean Dumping](#)
- [Pesticides](#)

Hazardous Waste

AAD Distribution and Dry Cleaning Services Inc., California

Hormoz Pourat, vice president of AAD Distribution and Dry Cleaning Services Inc. (AAD) and also the manager of Right Choice Inc., was sentenced to 37 months imprisonment and ordered to pay \$1.29 million in restitution on Dec. 3, 2003, in U.S. District Court following conviction on conspiracy to violate hazardous waste laws. AAD, which was one of California's largest handlers of cleaning waste until it shut down in January 2001, charged cleaning establishments to pick up and properly dispose of drums of a used cleaning compound called perchloroethylene (PERC). The drums of PERC, a cancer-causing hazardous waste, were stored at the AAD facility even after the number of drums far exceeded the limit in AAD's state permit. To conceal this situation from state inspectors, Pourat moved and stored the drums off site and falsified the required hazardous waste shipment manifests. Pourat also pleaded guilty to committing a similar scheme at Right Choice, where he stored flammable solvents from auto repair shops without a permit and transported the wastes off site to avoid detection. Cleaning up the AAD site and other facilities where PERC was illegally stored cost approximately \$1 million. In a companion hazardous waste case in Colorado, Pourat was sentenced on July 3, 2003, to 204 months in prison and a \$100,000 fine by the Jefferson County District Court.

Rhodia Inc., Montana

Rhodia Inc. agreed to pay a \$16.2 million criminal fine and \$1.8 million in restitution to the Montana Department of Environmental Quality and to clean up more than 7 million pounds of pollution at its now-closed elemental phosphorus manufacturing plant in Silver Bow. The company will serve probation for five years or for the duration of the cleanup, whichever is longer. The company pled guilty and was sentenced on April 29, 2004, to two felony counts of violating RCRA, admitting that from January 1999 until August 2000, it illegally stored approximately 500,000 gallons of elemental phosphorus-contaminated sludge, as well as other elemental phosphorus waste, in a 100-foot-diameter tank. The illegal storage posed a serious threat to the environment and human safety since elemental phosphorus waste can spontaneously ignite when exposed to air, creating a risk of explosion.

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RT Automotive, Michigan

George C. Singleton of Clinton, Mich., owner of RT Automotive, was sentenced in February 2004 to serve 37 months in prison and pay \$84,000 in restitution for illegal disposal of paint wastes containing flammable materials. He was previously convicted of conspiring to violate the Resource Conservation and Recovery Act (RCRA) and on three counts of violating RCRA. In 1998, the defendant entered into an agreement with an auto salvage yard to dispose of approximately 70 drums of paint wastes containing ignitable materials. In August 1998, Singleton directed the illegal disposal of the wastes which were placed in an abandoned trailer in an open field in Van Buren Township, Mich. Two police officers and four firefighters required medical evaluation after approaching the trailer because of exposure to fumes.

Clean Air

Saybolt Inc., New Jersey, Massachusetts

Thomas M. Hayes, former vice-president of Saybolt Inc.'s Western Hemisphere Operations, was sentenced to 57 months in prison on Feb. 5, 2004, for conspiring to violate the Clean Air Act. The defendant was convicted in April 2003 of conspiring to falsify oxygen and other test results on reformulated gasoline, making false statements to the EPA, committing mail fraud and obstructing justice by falsifying reformulated gasoline test results from Saybolt's testing facilities in New Jersey and Massachusetts. The falsifications inflated the amount of oxygen the gasoline contained, leading to the possible sale of sub-standard gasoline. The CAA requires that at certain times of the year, gasoline sold in specific markets must be reformulated to contain sufficient oxygen to reduce the levels of pollutants emitted by automobiles. High automobile emissions lead to high atmospheric ozone levels, which increase the incidence of breathing disorders such as emphysema and asthma. In July 2001, three former employees of Saybolt pled guilty to conspiracy to violate the CAA and testified at the trial of Hayes. In January 1999, Saybolt Inc. entered a corporate guilty plea in federal court in Boston to conspiracy and wire fraud. Saybolt's parent company, Saybolt North America Inc., pled guilty to related charges as well.

Clean Water

Crown E.G Inc., Indiana

Crown E.G. Inc., an environmental consulting firm that supervised the wastewater treatment facility at the Guide Corporation's automotive signal manufacturing facility in Anderson, Ind., pled guilty and was sentenced on June 29, 2004, in Indianapolis for negligently violating the Clean Water Act. Crown will pay a \$100,000 fine, serve five years probation and develop a comprehensive environmental compliance and education program. In September 1999, Guide Corporation closed an electro-plating facility at its Anderson plant and sent electroplating chemicals and wastes to its on-site facility for treatment, where large quantities of treatment chemicals were added under Crown's supervision. In December 1999, approximately 1.6 million gallons of water contaminated with the by-products of the treatment chemicals was discharged into the Anderson sewer system, which ultimately discharges into the White River, killing approximately 100 tons of fish.

David Van Dyke, Indiana

David Van Dyke, who was the certified operator of the Warsaw, Ind., Wastewater Treatment Plant, was sentenced on Nov. 18, 2003, to serve 46 months in prison followed by one year of supervised release for his conviction on three counts of violating the Clean Water Act. The Warsaw Wastewater Treatment Plant discharges into Walnut Creek, a tributary of the Tippicanoe River. Van Dyke altered and falsified a lab report submitted to the Indiana Department of Environmental Management. He also falsified records of the sewage plant's weekly limit for Carbonaceous Biological Oxygen Demand, ammonia, total suspended solids and E-coli bacteria. Rather than pay for sludge disposal, the defendant ordered that sludge be recirculated within the plant. This killed the plant's biological treatment system, leading to the release of untreated sewage into the creek, which killed thousands of fish in Walnut Creek between late July and early August 2002. Approximately 22,000 cubic yards of sewage sludge remains in Walnut Creek as a result of the improper operation of the facility.

Industrial Zeolite Limited, Louisiana

Industrial Zeolite Limited, and the company's former acting plant manager, were each sentenced in federal court on Sept. 1, 2004, following guilty pleas for violating the Clean Water Act. Industrial Zeolite manufactures a product used in the production of detergents and other products. The company released 1.1 million gallons of wastewater exhibiting a high pH into a ditch that flows into the Callahan Bayou. Releasing water with a high pH into the bayou can harm fish and wildlife. The company will pay \$1.457 million in fines and restitution, some of which will provide local government agencies with training and equipment to deal with hazardous material spills. The company also was required to remediate damage caused by the spill. The manager will serve five months in prison and five months in home confinement and pay a \$10,000 fine. Both defendants were also sentenced for the same offenses by the State of Louisiana and received the same sentences that were imposed in federal court, which will be served concurrently.

Tyco Printed Circuit Group, Connecticut

Tyco Printed Circuit Group (TCPG), a subsidiary of Tyco International, was sentenced on Aug. 17, 2004, to pay a total of \$10 million in fines and projects for 12 counts of violating the Clean Water Act. Of that amount, \$6 million will be paid as a federal criminal fine, \$2.7 million will go to the Connecticut Department of Environmental Protection's natural resources fund, the towns of Stafford and Manchester will receive \$500,000 each to fund improvements to their sewer and water treatment systems, and \$300,000 will pay for recycling de-ionized and other wastewater at TCPG's Stafford and Staffordville facilities. Between 1999 and June 2001, managers at the company's Stafford, Staffordville and Manchester, Conn., facilities were responsible for discharging wastewater with higher-than-permitted levels of pollutants into municipal sewage treatment systems. The illegal practices included diluting potentially non-compliant wastewater samples, discarding of samples with excessive levels of toxic metals and omitting samples that were not in compliance.

Ocean Dumping**Hoegh Fleet Services, Washington**

Hoegh Fleet Services, a Norwegian operator of ocean-going cargo ships, was sentenced

on June 29, 2004, to pay a \$3.5 million fine for seven felony violations of federal laws, including keeping a falsified Oil Record Book, obstructing justice and making false statements to the U.S. Coast Guard. Hoegh was also ordered to develop a comprehensive environmental plan for its 38 ships that visit U.S. waters and must serve four years probation. In September 2003, a whistleblower from the crew of the vessel Hoegh Minerva informed authorities that members of the crew had allegedly used a bypass pipe to route waste oil around the oil-water separator in the ship's pollution control system. Investigators later uncovered evidence indicating that the ship's Oil Record Book contained false entries.

MMS Company, Ltd., Oregon

MMS Co., Ltd., a Japanese company that manages the vessel Spring Drake, pled guilty on April 5, 2004, to four felony charges in connection with the dumping of oily wastewater at sea. The case was simultaneously filed in Portland, San Francisco and Los Angeles, with the plea entered in Portland, where the ship Spring Drake had been boarded. MMS will pay a \$2 million fine and must establish an environmental compliance program. In a separate proceeding, the chief engineer on the Spring Drake pled guilty to falsifying the ship's oil record book. In August 2003, the Spring Drake was docked in Portland to pick up a load of grain when it was inspected by the Coast Guard. The charges against the company stated that the ship dumped oil and oily sludge at sea through a pipe that bypassed the ship's pollution control equipment.

OMI Corporation, Connecticut

OMI Corporation was sentenced on Aug. 6, 2004, to pay a \$4.2 million fine after pleading guilty to preparing false documents to cover up the illegal dumping of thousands of gallons of waste oil and sludge at sea. In its plea, OMI admitted that a bypass hose was used on the OMI-operated ship Guadalupe to circumvent on-board pollution control equipment. The discharges were then concealed through false entries in the ship's Oil Record Book. The Guadalupe routinely traveled between the United States, Europe, the Caribbean and Latin America, transporting crude oil and petroleum products. In September 2001, while the ship docked in Cartaret, N.J, the ship's second engineer informed local police that he was being ordered to dump the oily wastes at sea. He was awarded \$2.1 million of the fine, which is the largest amount ever paid to a whistleblower under the APPS. The ship's captain and chief engineer pled guilty in this case.

Pesticides

Sierra Chemical, Alabama

William C. Murphy was sentenced on April 21, 2004, to serve 41 months in prison and pay a \$45,305 fine for his conviction on 17 counts of violating the Federal Insecticide, Fungicide and Rodenticide Act and 11 counts of trafficking in counterfeit goods. The defendant, operating under the name of Sierra Chemical, sold counterfeit, misbranded, adulterated and/or mislabeled pesticides to municipalities in Alabama and Georgia. The municipalities were using them to control mosquitoes and the spread of the West Nile virus. The sale of counterfeit and adulterated pesticides to municipalities trying to protect their citizens threatens the public and undermines the federal and state regulatory system intended to ensure the safety and efficacy of pesticides sold in the United States.

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FY2004 Compliance Assistance Activities Highlights

The Fiscal Year 2004 Compliance Assistance Activities Highlights report contains the following categories:

- [Greening the Government](#)
- [Environmental Lessons for Schools, Colleges and Universities](#)
- [Taking Care of Health-Care Institutions](#)
- [Explaining National Pollution Discharge Elimination System Storm Water Program](#)

Greening the Government

As part of its Green Procurement Initiative, Region 3 has taken the lead to urge federal agencies to purchase recycled-content products. This year, thirty-four assessments were completed, including two on-site inspections to provide compliance assistance to federal agencies with more 500 employees in the region. The Solid Waste Program has provided follow-up assistance to over 80 percent of the assessed facilities to increase the number of products with recycled content they purchase. This initiative is a program element of the Resource Conservation Challenge.

Environmental Lessons for Schools, Colleges and Universities

A number of EPA regions have used compliance assistance and a mix of other compliance and enforcement tools to improve environmental management practices at schools, colleges and universities.

EPA Region 1 used several compliance tools to foster behavioral changes and environmental improvement at colleges and universities and called it the C/U Integrated Strategy. Through its Audit Policy Initiative, colleges and universities were invited to voluntarily discover and disclose violations and correct and prevent them. Out of 331 college or university facilities, 171 participated. Region 1 developed a catalog of Best Management Practices and a guide to help colleges and universities design and implement cost-effective environmental management systems (EMS) to ensure environmental compliance and minimize environmental impacts. The region is working with the University of Massachusetts, Lowell, EMS Service Program to train and assist colleges and universities in implementing and sustaining such systems.

Harvard's Kennedy School of Government and Industrial Economics Inc. independently evaluated the effectiveness of the strategy and the value of the specific tools offered. Findings included:

- 75 percent of those participating in the audit initiative took short-term corrective actions
- 96 percent of those participating made long-term environmental management changes
- 81 percent intend to conduct future audits

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- Audit disclosures identified clear problem areas, which gave EHS staff more leverage within their universities
- EPA outreach efforts (workshops, Web site, list of violations) were considered highly effective.

EPA Region 2 discovered, mainly through inspections, that many academic institutions were not aware of their responsibilities under environmental laws. A multi-year integrated compliance strategy has achieved outstanding results. Initially, the region sent out letters to all 375 colleges and universities in New York, New Jersey, Puerto Rico and the Virgin Islands to inform them of its intent to inspect them during the Fall of 2000 and urge them to audit themselves and disclose violations under EPA's Audit Policy. To help colleges and universities understand the regulations, conduct audits and develop environmental management systems (EMS), the region developed a Web site and mailed information on available resources. It also partnered with state agencies and university associations on a series of seminars. Region 2 has concluded 15 "campus-wide" audit agreements, including one with the State University of New York. An additional 92 self-disclosures were received from colleges and universities, some of whom were not part of any formal audit agreement. Due to the disclosures, 1,090 violations have been corrected. Under FY04 audit agreements alone, more than 60,000 students are now better protected from environmental hazards; more than 120,000 pounds per year of hazardous waste and 1,535,000 gallons of oil are now being managed properly. The University of Puerto Rico had been improperly using Class V injection wells for underground sewage and disposal of chemicals from laboratories, pesticides, etc. More than 80 wells island-wide are now better managed.

Not all campuses took advantage of the Audit Policy. Region 2 has inspected 51 colleges and universities and taken 16 enforcement actions, totaling \$2.7 million in penalties. Settlement agreements included supplemental environmental projects (SEPs), which involve improvements at the facilities that go beyond what the law requires. Three facilities agreed to implement mini-scale chemistry in all chemistry teaching laboratories. Columbia University developed an environmental management system as well as a chemical tracking system to identify and reduce excess procurement, track storage and ensure proper disposal. Several universities joined together in an environmental compliance promotion project to help K-12 schools meet their environmental requirements through guidance documents and seminars.

Region 3 also conducted an integrated strategy for schools to address environmental and public health issues. The region's 60 on-site reviews and surveys of schools found many schools were unaware of environmental regulations; laboratories were improperly handling and storing chemicals and disposing of wastes; fluorescent ballasts were leaking PCBs; drinking water contained unsafe levels of lead; pesticides were improperly applied; and permitting requirements for boilers were unmet. The region worked with the District of Columbia Department of Health and the Maryland Department of the Environment to address these issues. The region has trained 100 D.C. and Maryland schools on lab management practices, hazardous waste management and indoor air quality issues. Most participants said they learned more about environmental management practices and intended to share the information with colleagues and managers.

Taking Care of Health-Care Institutions

Hospitals are a major environmental and public health concern in its 480 hospitals. Hospitals introduce toxic chemicals into the environment, such as mercury and dioxin, generate a wide variety of hazardous wastes, produce 2 million tons of solid waste and exacerbate air pollution problems. Random inspections at hospitals across the country have found significant violations,

especially in the management and disposal of hazardous waste.

EPA Region 2 embarked on a compliance and enforcement initiative in New York, New Jersey, Puerto Rico and the Virgin Islands to:

- increase the compliance rate among medical facilities;
- encourage the development and implementation of environmental management systems;
- eliminate the mercury-containing waste from the health-care waste stream by 2005; and
- cut the volume of all hospital waste generated in half by 2010.

The Region 2 multi-year strategy has three-prongs. First, environmental assistance is provided to help health-care facilities understand their environmental obligations, identify pollution prevention opportunities and develop environmental management systems. Regional staff participated in numerous health-care meetings and conferences, partnered with the Veterans Administration (VA) to develop a national environmental training program for VA hospitals and developed a variety of compliance assistance checklists and tools. The region also held 11 environmental compliance workshops, which reached more than 735 entities, and five hazardous waste identification and management courses for health-care facilities. Of those attending the hazardous waste identification training, 65 percent reported that improved understanding of hazardous waste management. The region urges hospitals to join the Hospitals for a Healthy Environment Program to educate their professionals about pollution prevention opportunities.

Next, the region encouraged health-care facilities to perform voluntary compliance audits and enter into corporate-wide agreements under EPA's Audit Policy. The Agency received 58 disclosures. Thirty-six hospitals or hospital systems have entered into audit agreements with EPA covering all major federal environmental programs, including air, water, pesticides, solid and hazardous wastes, emergency planning, Community Right-to-Know and toxic substances control. These agreements included the largest hospital in New York City and the third largest teaching hospital in the United States. Voluntary disclosures resulted in the correction of 868 violations that represented a potential \$2,307,620 in penalties had EPA discovered them through inspections. More than 120,000 staff and approximately 1 million patients and more than 15 million outpatients benefit annually from this program.

Finally, the region takes enforcement actions as appropriate. The region has conducted 42 inspections and issued nine complaints totaling \$939,062 in penalties. The majority of these complaints are for improper disposal and management of hazardous waste. Region 2 has prepared more information on its activities related to [healthcare](#).

Building on the Region 2 initiative, Region 1 conducted three workshops to address environmental issues for hospitals.

Veterans Health Administration Medical Centers

In 2004, EPA and the Veterans' Health Administration (VHA) expanded a very successful two-year-old collaboration. The VHA has developed a new infrastructure for managing their environmental program. It launched its Green Environmental Management System (GEMS) at 140 VA Medical Centers, with the goal that each will have a functioning environmental management system by December 2005. GEMS includes a new environmental compliance auditing program in cooperation with the U.S. Army Corps of Engineers. The VHA presents training courses for their staff and management; several have included EPA faculty.

The EPA-VHA collaboration resulted in VHA hiring about 166 full-time employees who will spend half their time on environmental work. Over four years, VHA will spend about \$32 million for environmental program improvements. In addition to funding the new employees, \$4.5 million will be spent on baseline third-party environmental audits, \$4.5 million will be spent every three years for follow-up third-party audits, \$180,000 will be spent annually for audit tracking, and \$40,000 was spent to develop and publish the GEMS Guidebook. EPA completed environmental management reviews at 17 VHA medical centers to assist them in designing and implementing environmental management systems. EPA and VHA shared in funding these reviews.

The EPA and VA collaboration began in 2002 when EPA inspections of VA medical centers revealed repeat violations of environmental regulations, particularly those involving federal hazardous waste management regulations.

Explaining National Pollution Discharge Elimination System Storm Water Program

EPA Region I undertook an initiative to offer compliance assistance with Phase II of the NPDES storm water program to newly regulated entities, primarily small communities, small municipalities and small businesses. The goal was to ensure that the regulated entities filed for environmental permits and adopted appropriate facility management practices to minimize storm water run off. EPA Region I built partnerships with trade and local government associations, identified and advocated Best Management Practices, offered dozens of workshops and presentations, crafted written and web-based tools, wrote articles for newsletters and magazines, and provided individualized assistance. As a result, almost 100 percent of MS4s (municipal storm sewer systems/small communities) applied for permit coverage by the deadline, as did about 90 percent of Publicly Owned Treatment Works (wastewater treatment plants).

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