

US EPA ARCHIVE DOCUMENT



Data, Planning and Results

You are here: [EPA Home](#) | [Compliance and Enforcement](#) | [Data, Planning and Results](#) | [Results and Reports](#) | [Annual Results](#) | [FY2005](#)

Compliance and Enforcement Annual Results - FY2005

EPA's compliance and enforcement activities in fiscal year 2005 resulted in legal commitments by companies, governments and other regulated entities to reduce, treat or properly manage approximately 1.1 billion pounds of pollution. The air we breathe is cleaner, the water we drink is purer, contaminated land is being cleaned up, acid rain and discharges of raw sewage have been reduced and wetlands are being protected.

As a result of this year's work, violators have committed to spending a record \$10 billion in what is known as injunctive relief - what they are required to spend to correct violations, restore the environment and prevent future harm to human health and the environment.

In addition to these requirements, some settling parties agreed to perform additional supplemental environmental projects as part of an enforcement settlement.

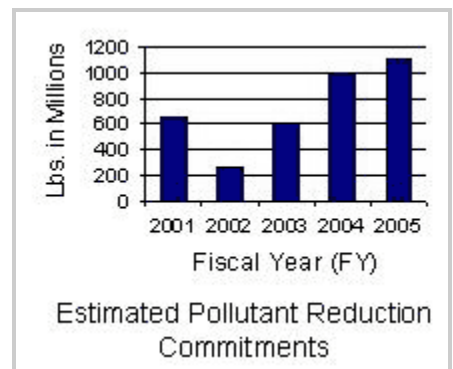
EPA's criminal enforcement program helped to successfully prosecute some of the largest environmental crime cases in history during FY 2005. Judges imposed significant sentences and criminal fines, which provides significant deterrence for others violating the law for profit or convenience. EPA's Superfund enforcement program secured private party commitments of more than \$1.1 billion. Of this amount, potentially responsible parties agreed to conduct more than \$857 million in future response work, and to reimburse EPA for \$248 million in past costs.

Through compliance assistance, monitoring and inspections and by offering incentives to promote self-policing and improvement in environmental management practices, EPA is also preventing pollution and helping the regulated community to understand its environmental responsibilities.

For more information, see our numbers at a glance and results charts and read the details of cases we have resolved in 2005 and the innovative compliance assistance and incentives we have offered.

FY2005 Annual Results Topics

- [FY2005 Home](#)
- [Press Release](#)
- [Results Charts](#)
- [Government Performance and Results Act](#)
- [Numbers at a Glance](#)
- [Enforcement Highlights](#)
 - [Civil](#)
 - [Criminal](#)
- [Compliance Highlights](#)
 - [Assistance](#)
 - [Incentives](#)



FY2005 Annual Results Topics

- [Press Release](#)
- [Results Charts](#) — Charts and graphs highlighting results
- [Numbers at a Glance](#) — Fact sheet on annual results
- [Enforcement Highlights](#) — Brief summaries of major civil and criminal cases and activities
- [Compliance Activities Highlights](#) — Brief summaries of major assistance and incentive activities

Annual Results by Fiscal Year:

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

US EPA ARCHIVE DOCUMENT



EPA FY 2005 Compliance & Enforcement Annual Results



Prepared by the Office of Enforcement and Compliance Assurance

November 15, 2005



FY 2005 Compliance & Enforcement Annual Results

Table of Contents

<u>Subject</u>	<u>Page</u>
Environmental Results	
FY 2005 Highlights	2
Estimated Pollutant Reduction Commitments	3
Health Benefits from Top Air Cases	4
Dollar Values of Concluded EPA Enforcement Actions	5
EPA Cases Reporting Complying Actions	6
Civil Enforcement Program	
Civil Judicial Referrals to Department of Justice (DOJ)	7
Civil Judicial Conclusions	8
Administrative Penalty Complaints	9
Final Administrative Penalty Orders	10
Administrative Compliance Orders	11
Total Facilities Addressed by 2005 Cases	12
Superfund Site Remediation Enforcement	13
Criminal Enforcement Program	
Criminal Investigations and Defendants Charged	14
Sentencing Results	15
Compliance Incentives Program	
Voluntary Disclosure Programs	16
Compliance Assistance Program	
Total Entities Reached with Compliance Assistance	17
Compliance Assistance Centers	18



FY 2005 Compliance & Enforcement Annual Results

FY 2005 Highlights

In FY 2005 actions from the enforcement and compliance program produced significant results including...

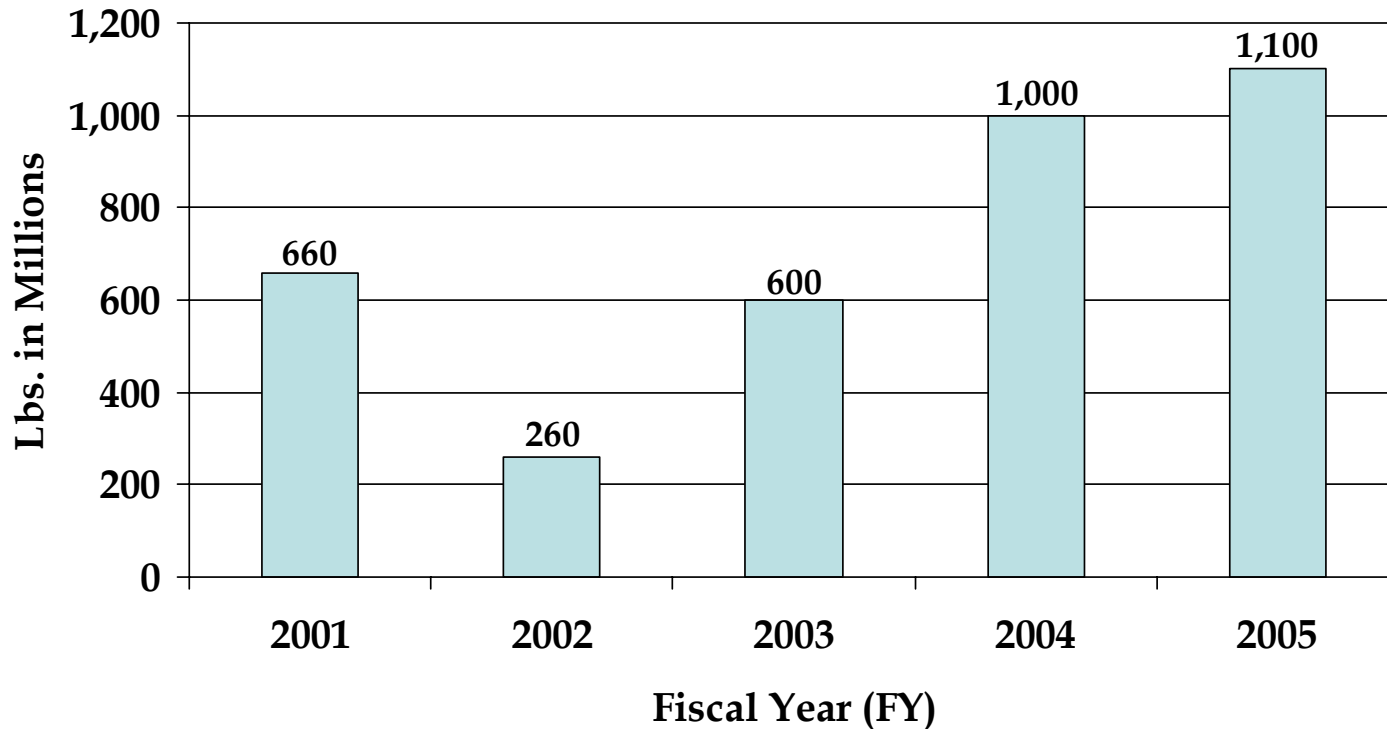
- **Enforcement actions projected to reduce pollution by 1.1 Billion Pounds**
- **Defendants will spend a record \$10 Billion to reduce pollution and achieve compliance**
- **Defendants will pay \$100 Million in Criminal Fines and Restitution and were sentenced to 186 years in jail**

Results like this reflect a strong and active enforcement program, effective targeting, and a focus on results-based performance.



FY 2005 Compliance & Enforcement Annual Results

Estimated Pollutant Reduction Commitments Obtained through Formal Enforcement Case Conclusions FY 2001 - FY 2005



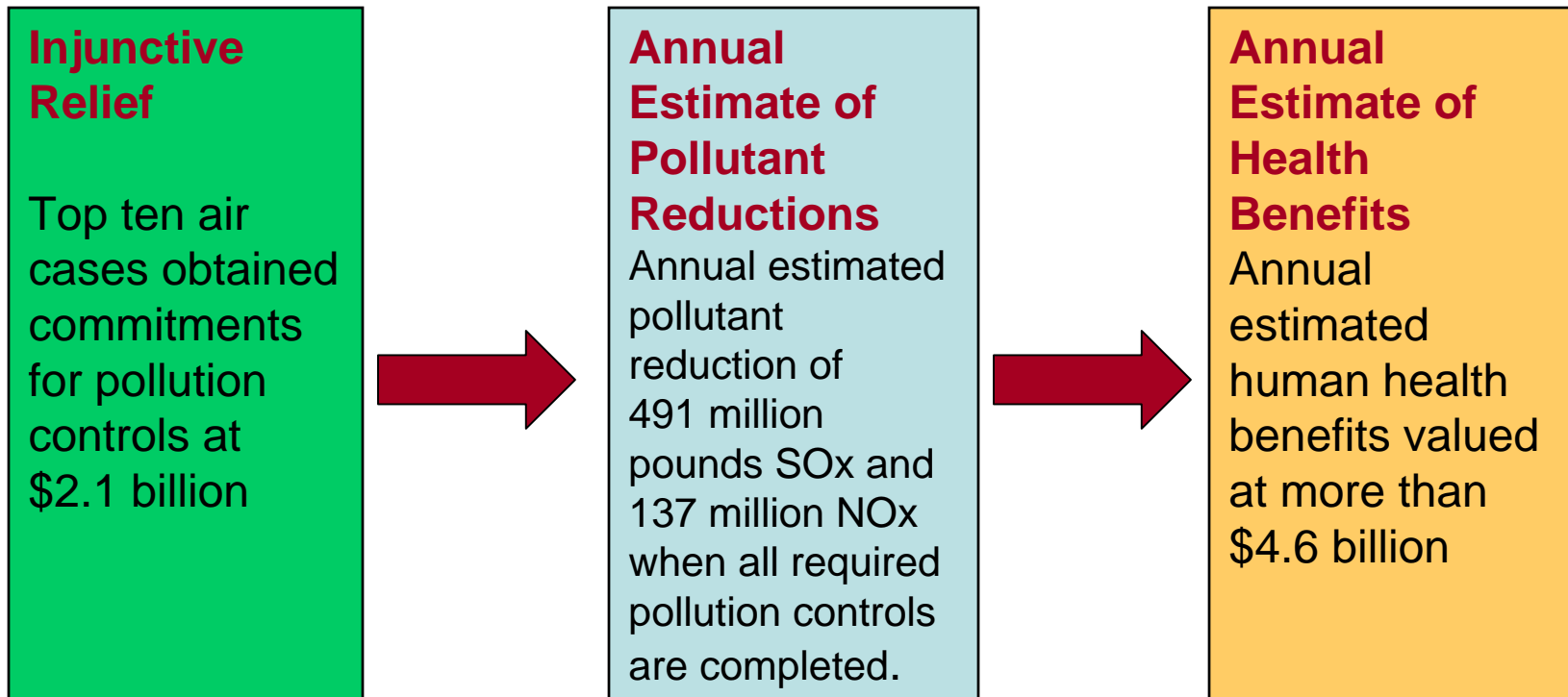
FY 2005 Data Source: Integrated Compliance Information System (ICIS), & Manual Calculations, October 27, 2005

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



FY 2005 Compliance & Enforcement Annual Results

Air Enforcement Cases Yield Human Health Benefits Valued Over \$4.6 Billion Annually

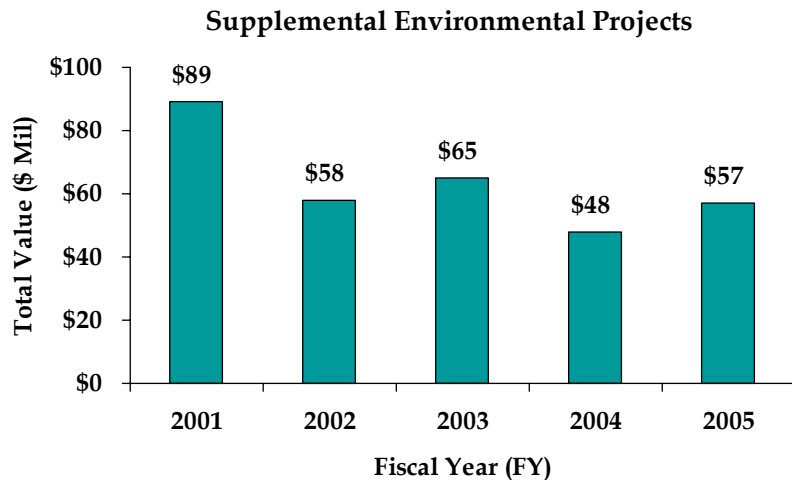
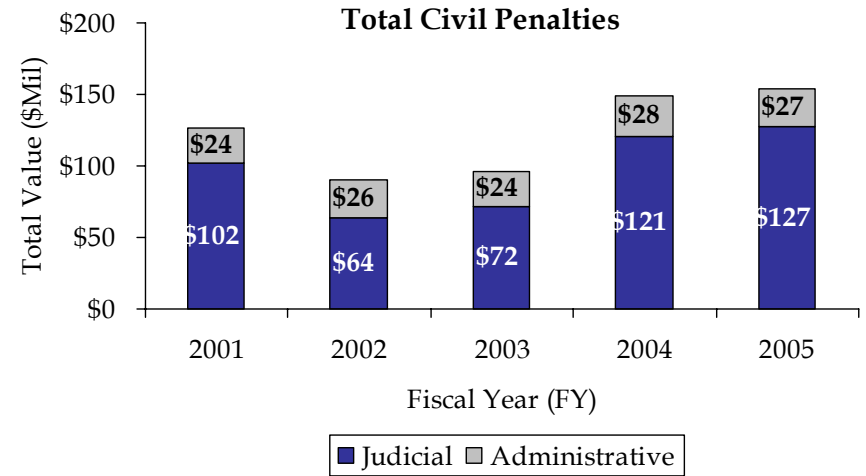
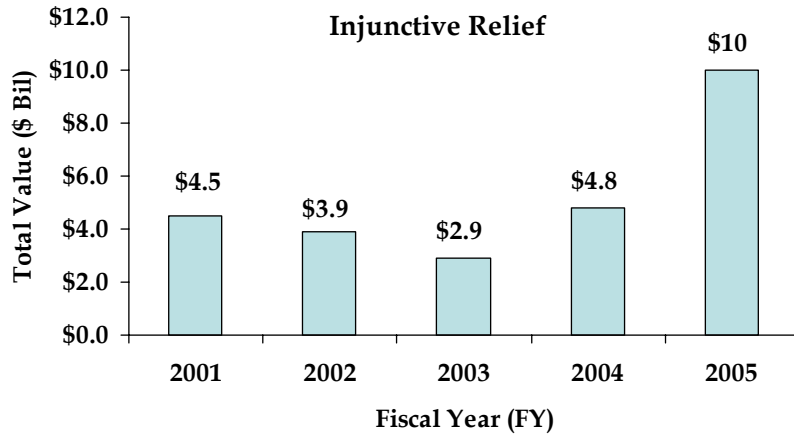


This is the first time EPA is estimating health benefits from its enforcement cases. The benefits are estimated using an EPA peer-reviewed model. The estimate is for ten air cases only and is based only on NO_x and SO_x pollutant reductions. A portion of these benefits is expected to be realized immediately and to increase annually as the companies continue to install the pollution controls required in the judicial settlements. The benefits are expected to reach their maximum annual amount at \$4.6 billion in 2012, after which they will continue to accrue. Thus, the \$4.6 Billion is a very conservative estimate. The health benefits of NO_x and SO_x reductions quantified in this estimate include reductions in premature mortality, chronic and acute bronchitis, myocardial infarctions, hospitalizations, respiratory symptoms, and/or work loss days.



FY 2005 Compliance & Enforcement Annual Results

Dollar Values of Concluded EPA Enforcement Actions FY 2001 - FY 2005

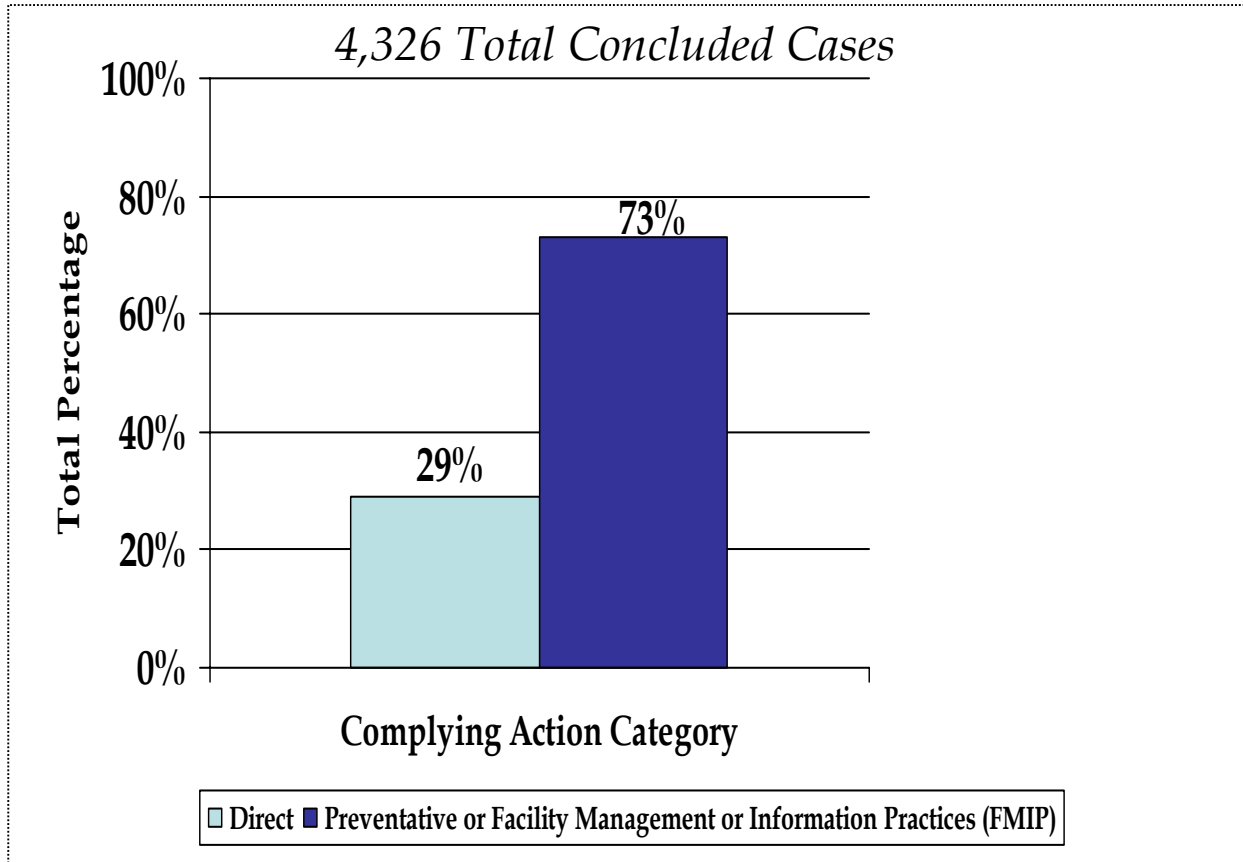


FY 2005 Data Source: Integrated Compliance Information System (ICIS), October 27, 2005



FY 2005 Compliance & Enforcement Annual Results

EPA Cases Reporting Complying Actions FY 2005



- Examples of Complying Actions**
- Direct:
- ✓ Source Reduction
 - ✓ Implement Business Best Practices
 - ✓ Wetlands Mitigation
 - ✓ Spill Removal
- Preventative:
- ✓ Storage Change
 - ✓ Develop Spill Control Plan
 - ✓ Asbestos Abatement
 - ✓ Pesticide Registration
- FMIP:
- ✓ Auditing
 - ✓ Reporting
 - ✓ Testing
 - ✓ Training

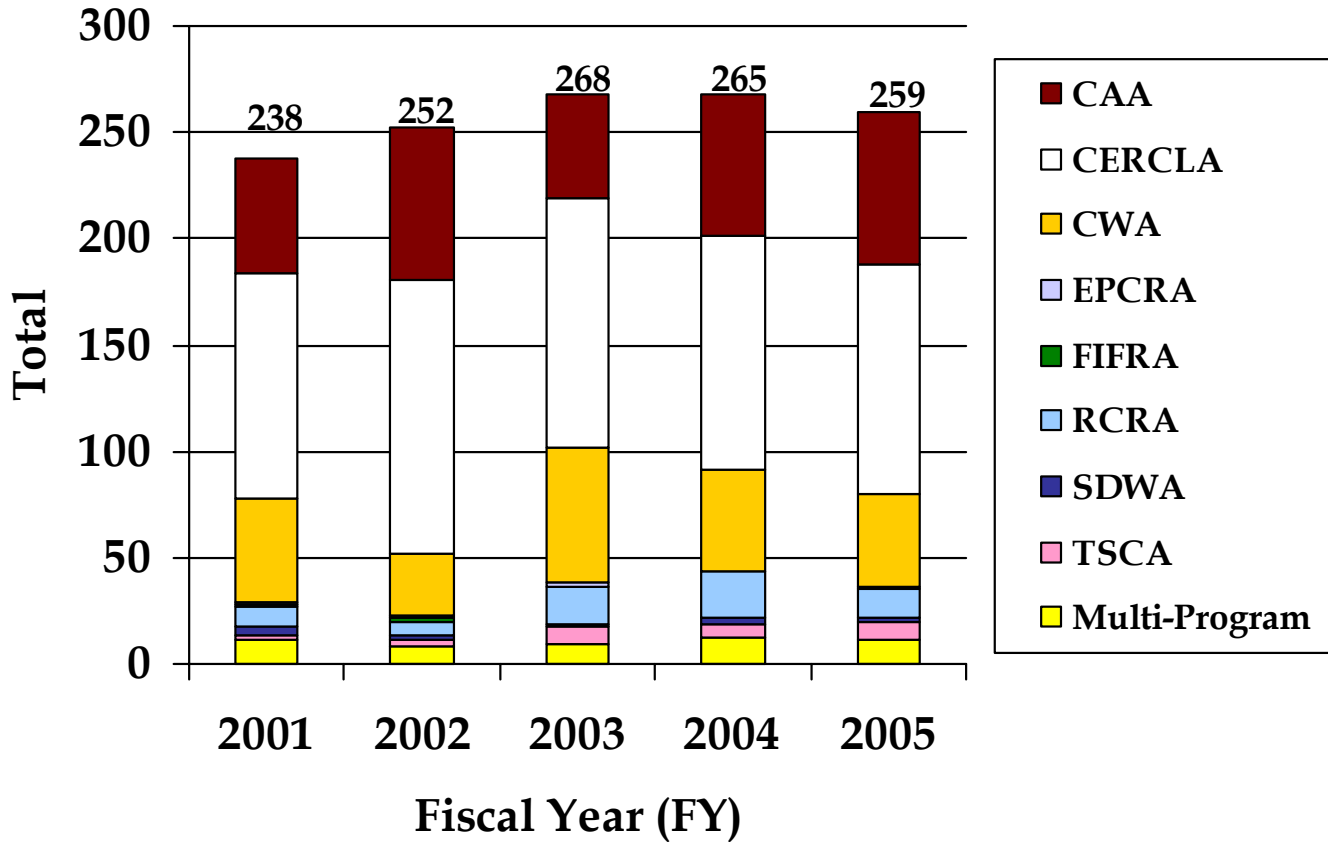
These two categories of complying actions are not exclusive, therefore the total exceeds 100%.

FY 2005 Data Source: Integrated Compliance Information System (ICIS), October 27, 2005



FY 2005 Compliance & Enforcement Annual Results

EPA Civil Judicial Referrals FY 2001 - FY 2005



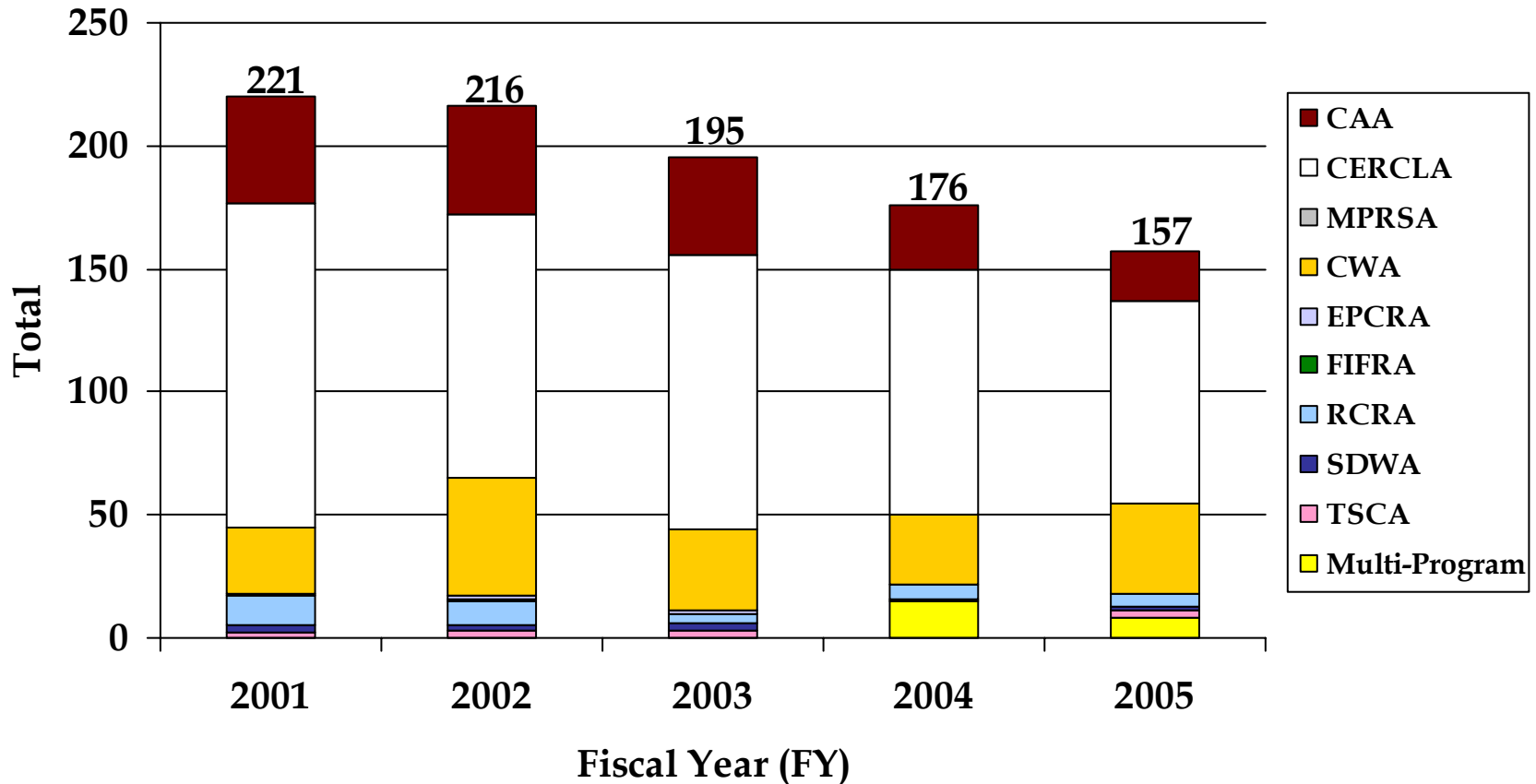
FY 2005 Data Source: Integrated Compliance Information System (ICIS), October 27, 2005

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



FY 2005 Compliance & Enforcement Annual Results

EPA Civil Judicial Conclusions FY 2001 - FY 2005



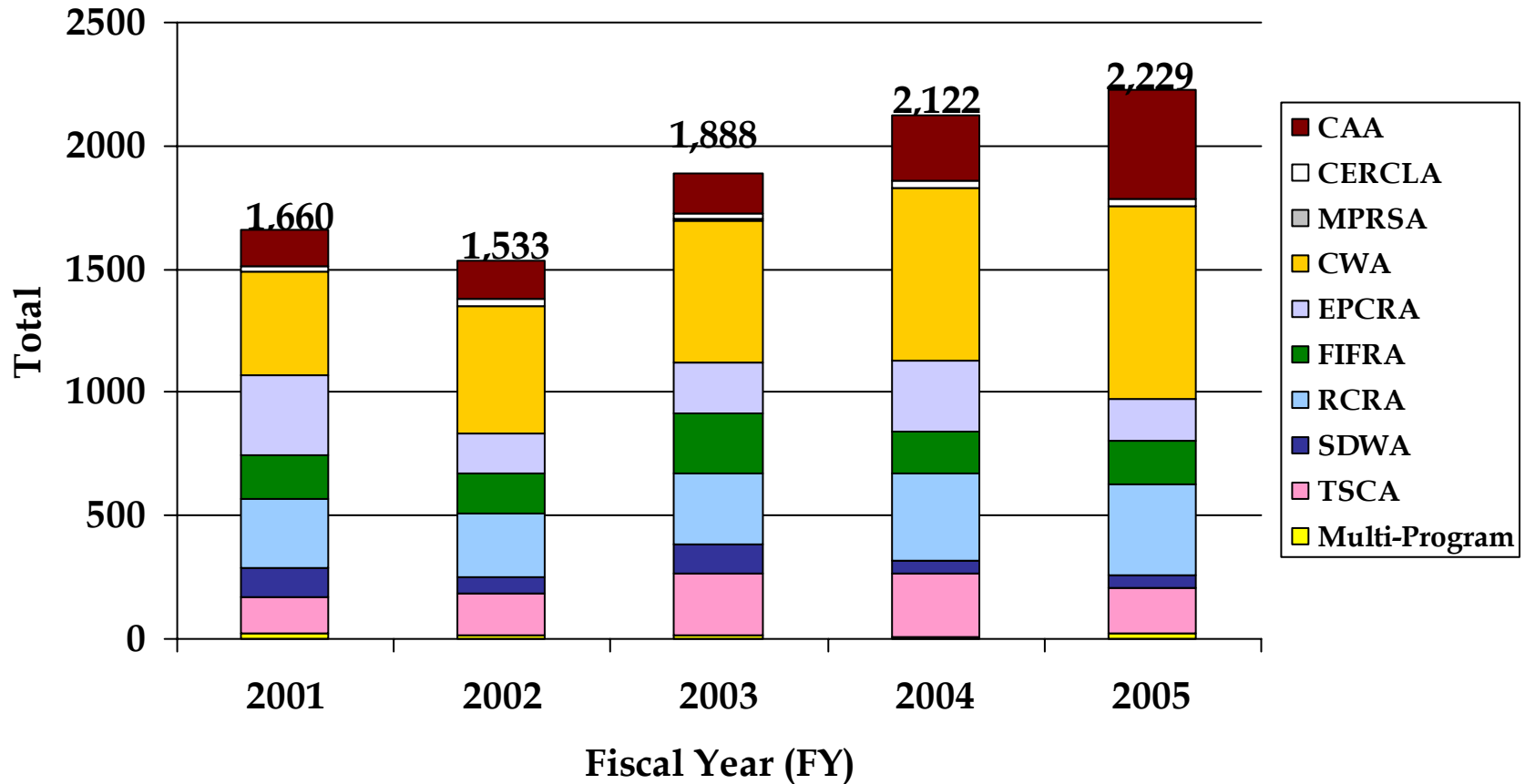
FY 2005 Data Source: Integrated Compliance Information System (ICIS), October 27, 2005

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



FY 2005 Compliance & Enforcement Annual Results

Administrative Penalty Order Complaints FY 2001 - FY 2005



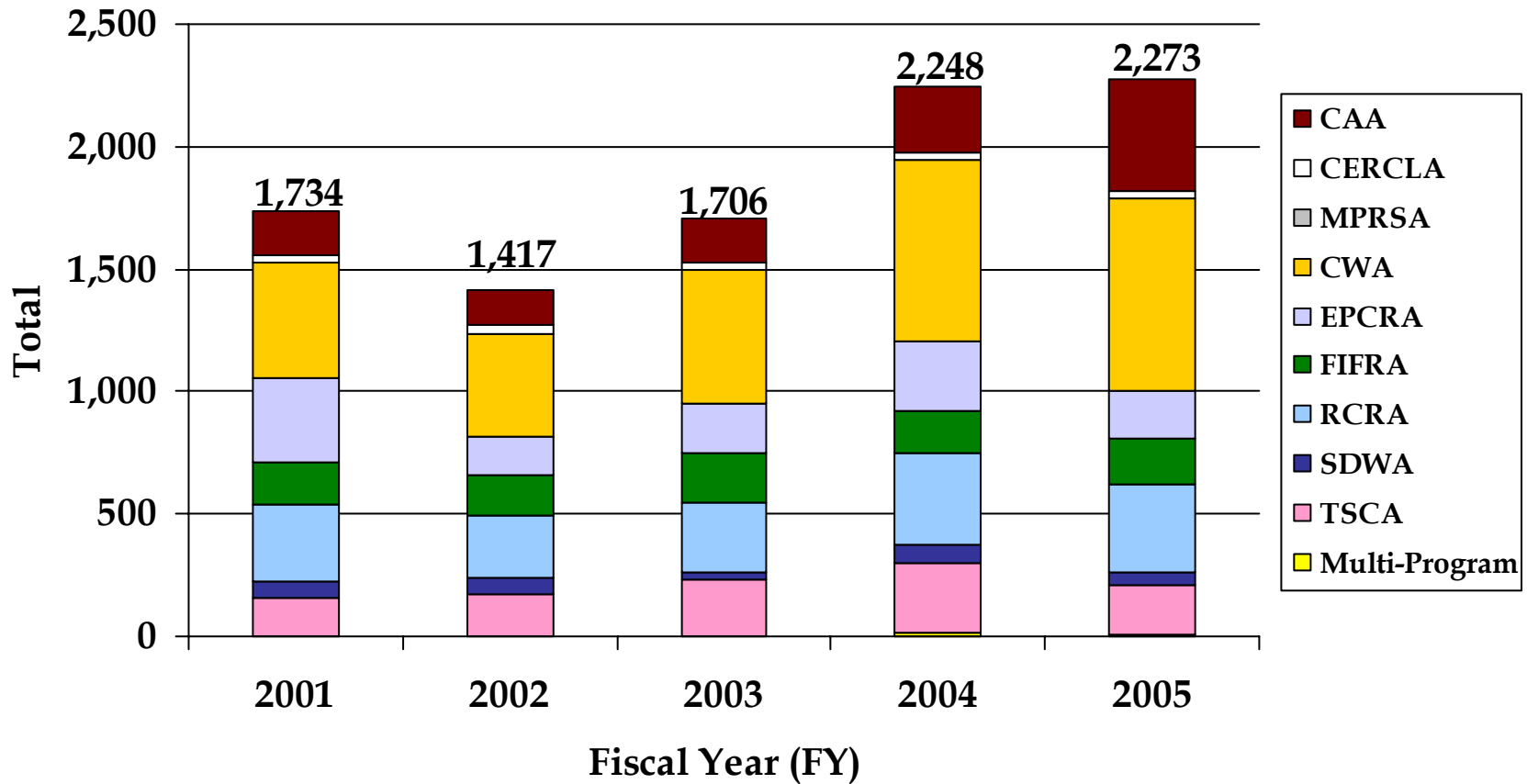
FY 2005 Data Source: Integrated Compliance Information System (ICIS), October 27, 2005

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



FY 2005 Compliance & Enforcement Annual Results

EPA Final Administrative Penalty Orders FY 2001 - FY 2005



FY 2005 Data Source: Integrated Compliance Information System (ICIS), October 27, 2005

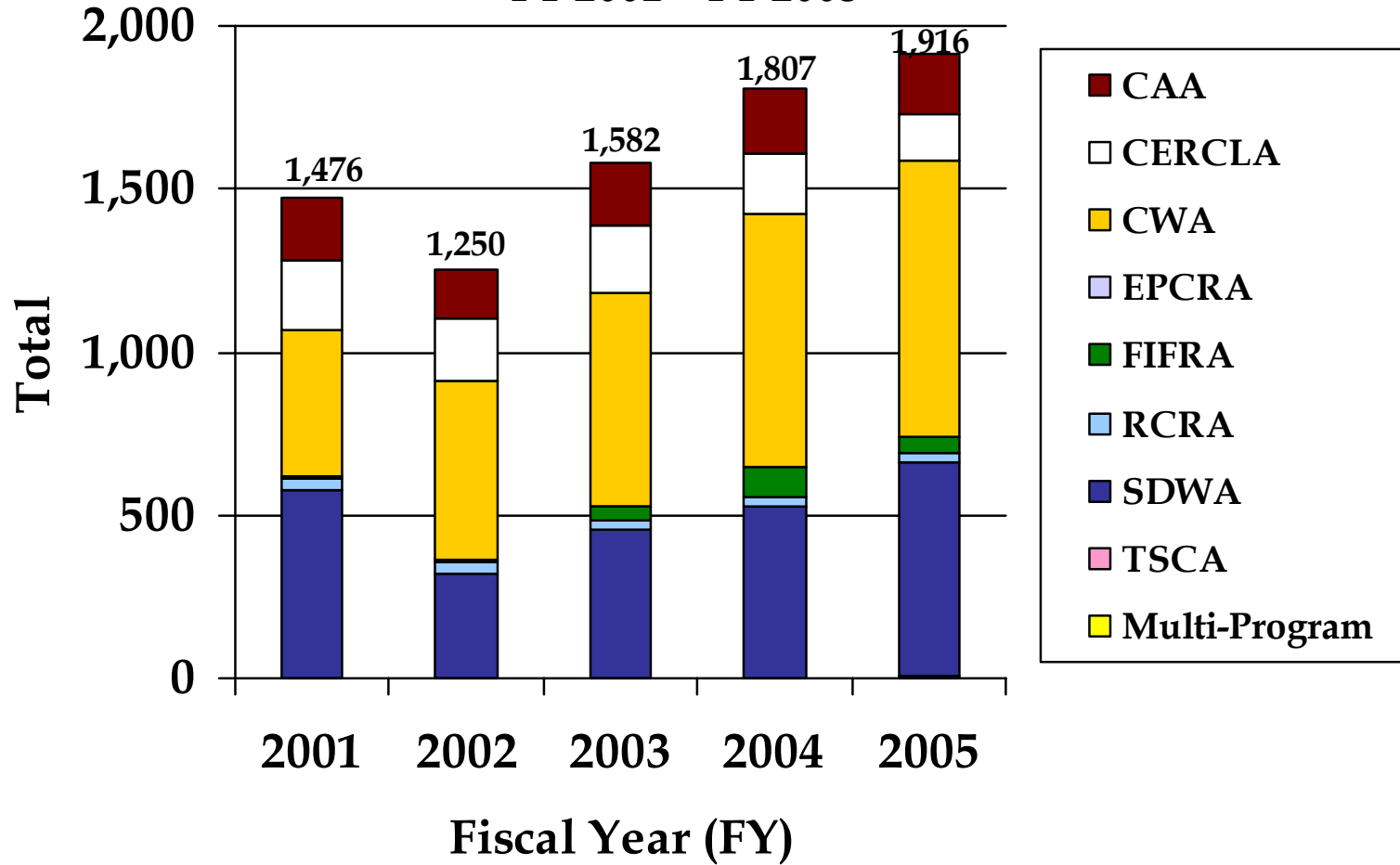
Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



FY 2005 Compliance & Enforcement Annual Results

Administrative Compliance Orders

FY 2001 - FY 2005



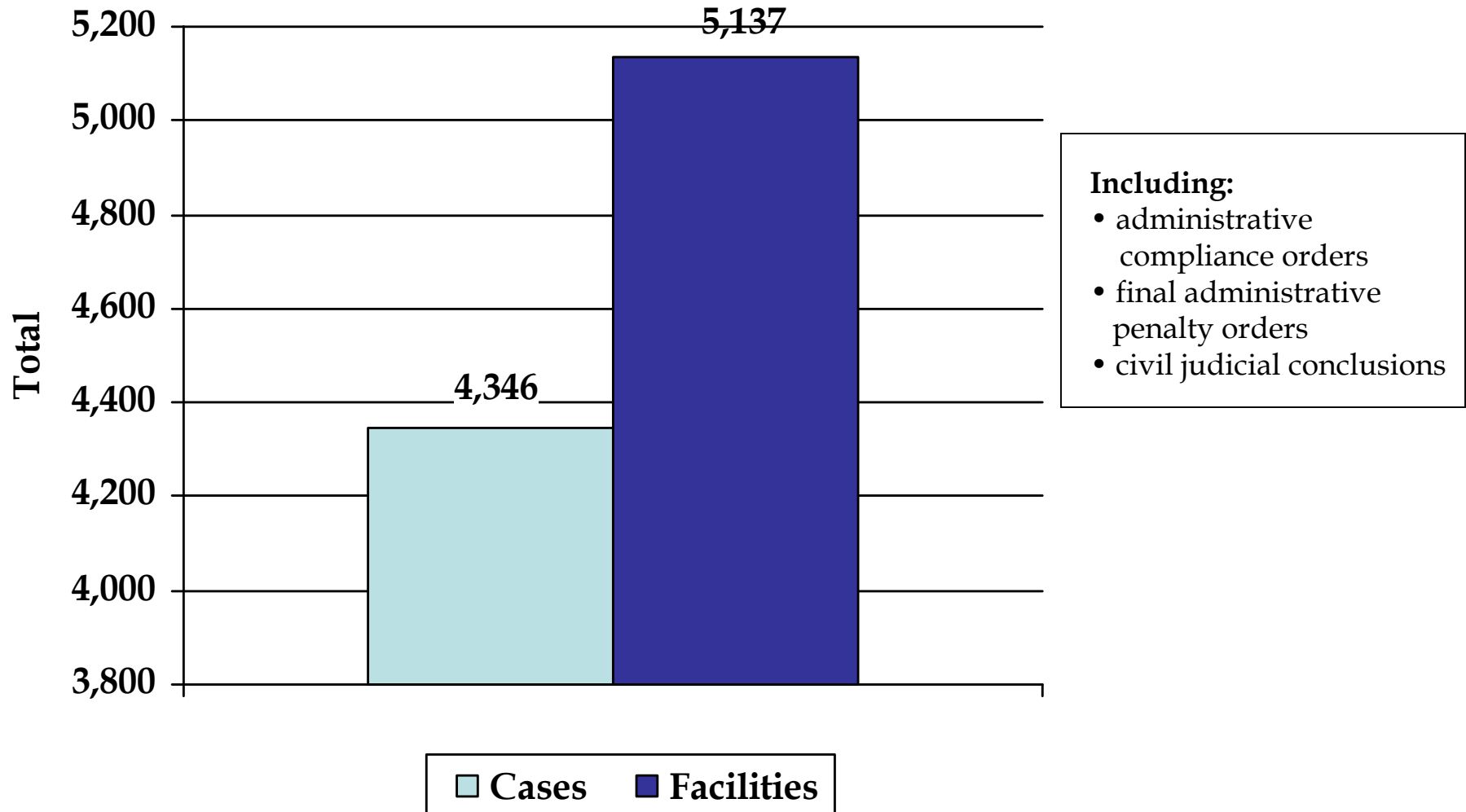
FY 2005 Data Source: Integrated Compliance Information System (ICIS), October 27, 2005

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



FY 2005 Compliance & Enforcement Annual Results

Total Facilities Addressed by FY 2005 Enforcement Cases

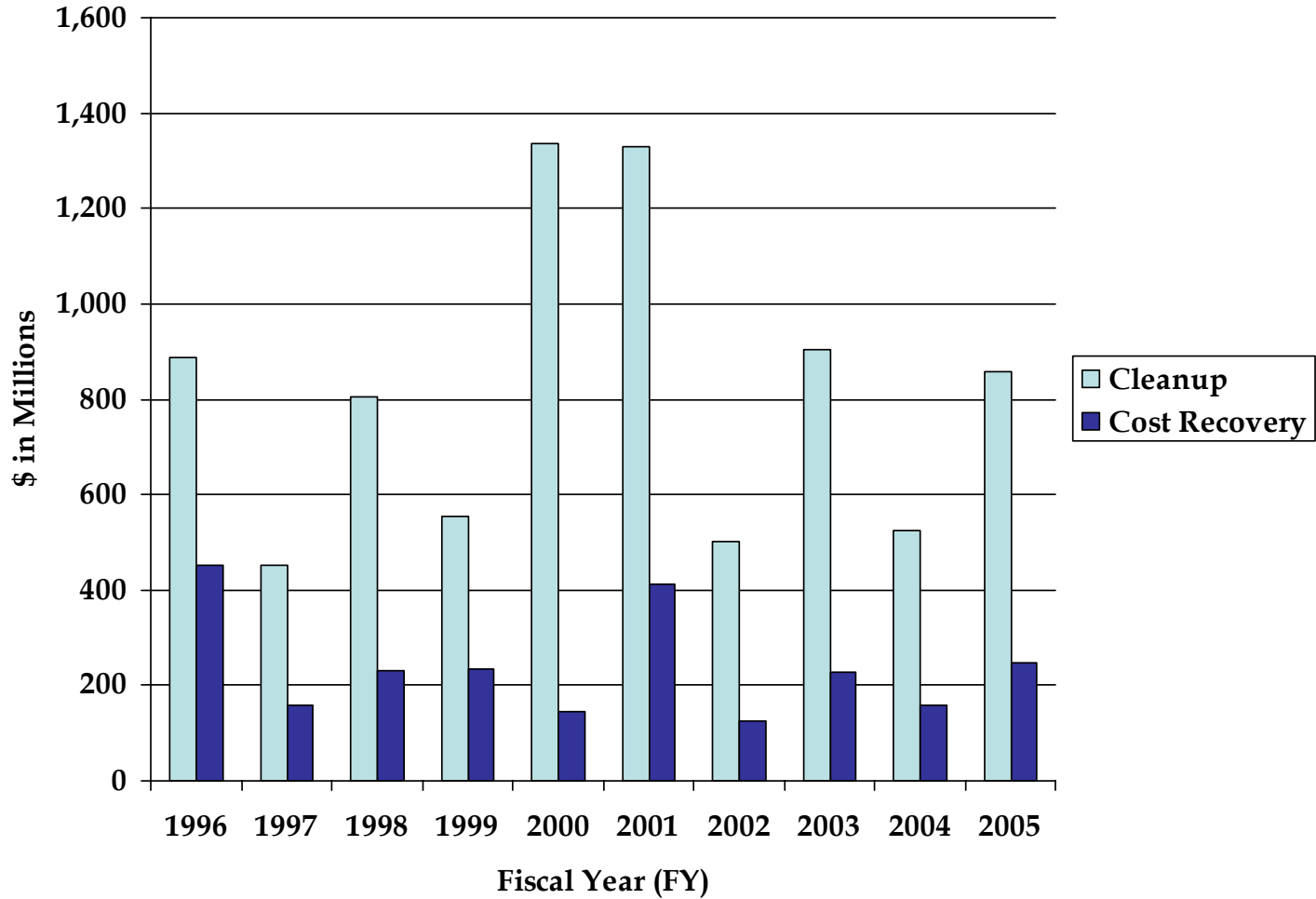


FY 2005 Data Source: Integrated Compliance Information System (ICIS), October 27, 2005



FY 2005 Compliance & Enforcement Annual Results

Superfund Site Remediation Program FY 1996 - FY 2005



FY 2005 Data Source: Comprehensive Environmental Response, Compensation & Liability Information System (CERCLIS), October 27, 2005

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

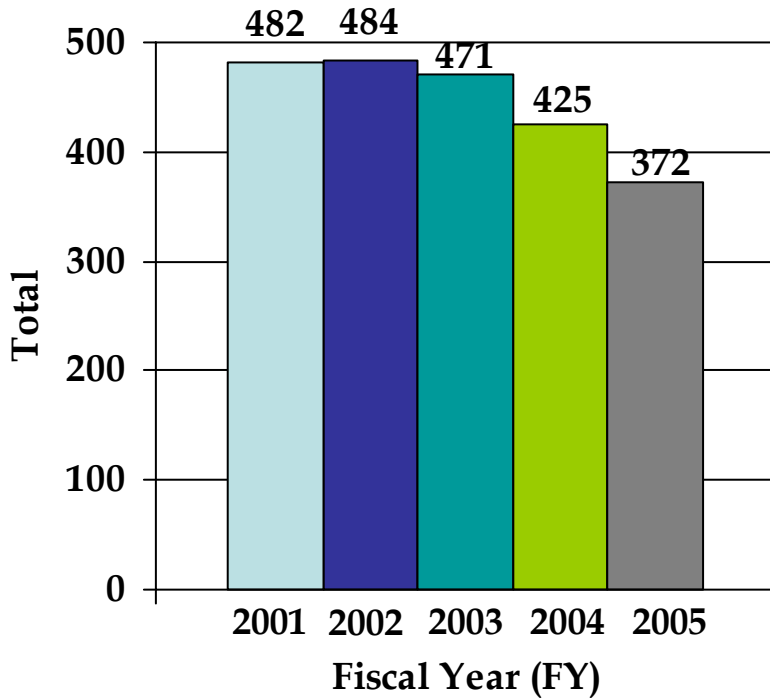
Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



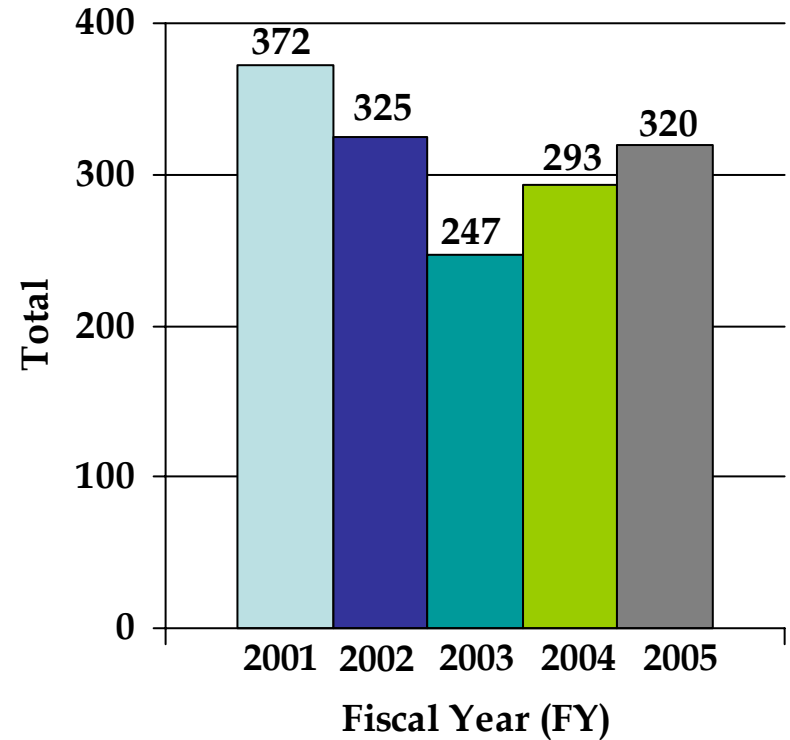
FY 2005 Compliance & Enforcement Annual Results

Criminal Enforcement Program FY 2001 - FY 2005

Environmental Crime Investigations



Defendants Charged



FY 2005 Data Source: Criminal Docket, October 27, 2005

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.

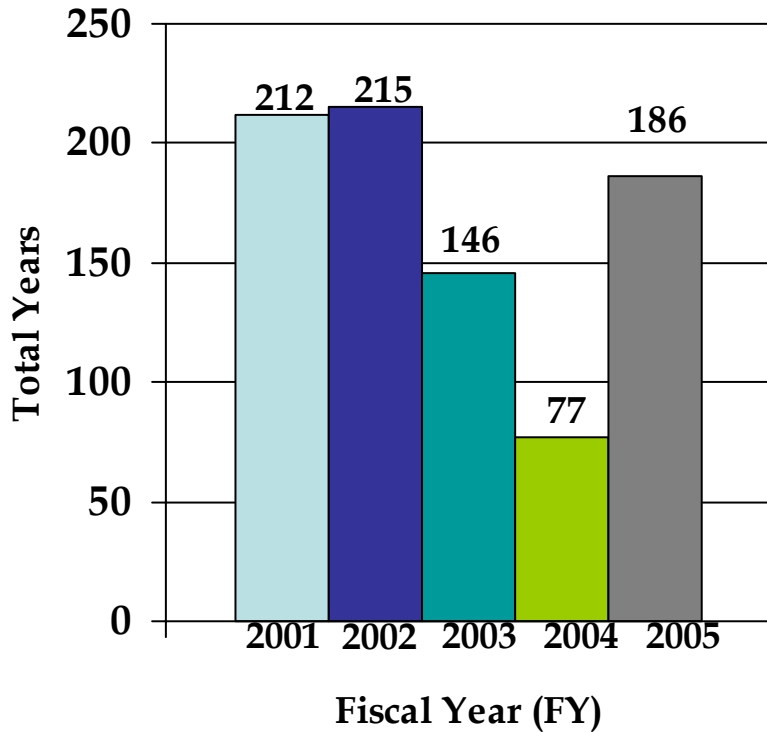


FY 2005 Compliance & Enforcement Annual Results

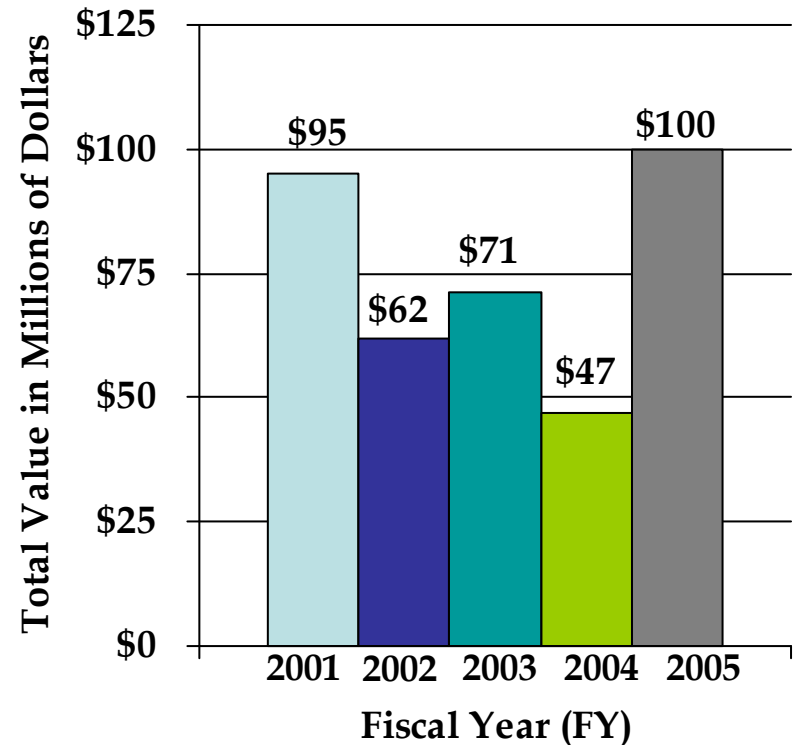
Criminal Enforcement Program

Sentencing Results FY 2001 - FY 2005

Incarceration



Fines and Restitution



FY 2005 Data Source: Criminal Docket, October 27, 2005

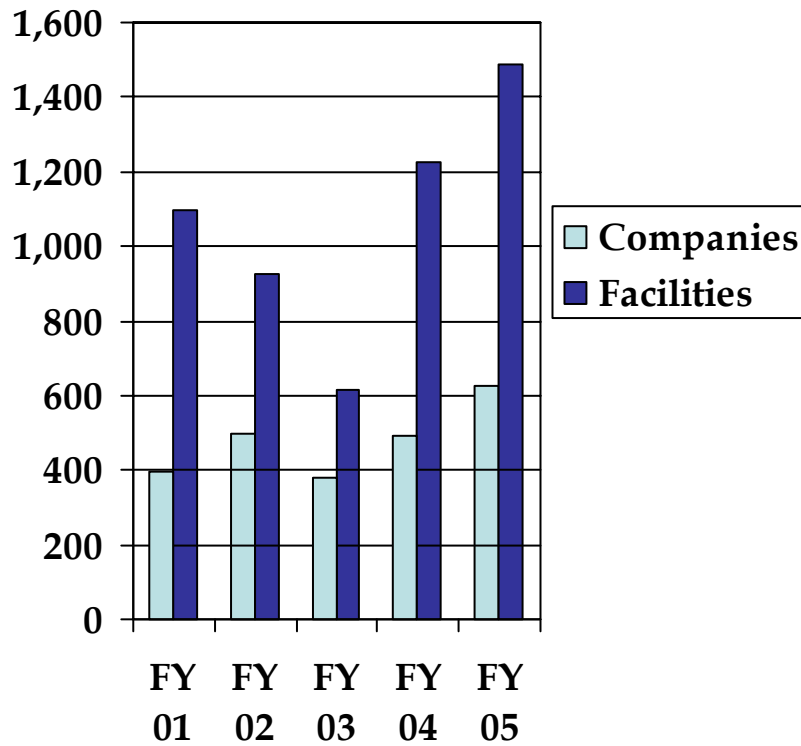
Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



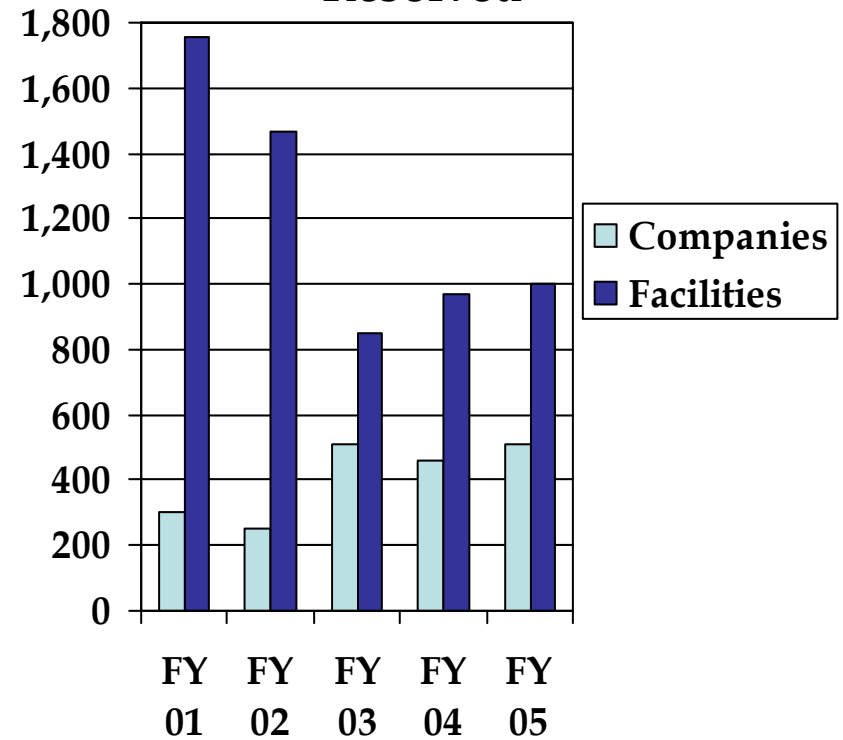
FY 2005 Compliance & Enforcement Annual Results

EPA Voluntary Disclosure Programs FY 2001 - FY 2005

Voluntary Disclosures Initiated



Voluntary Disclosures Resolved



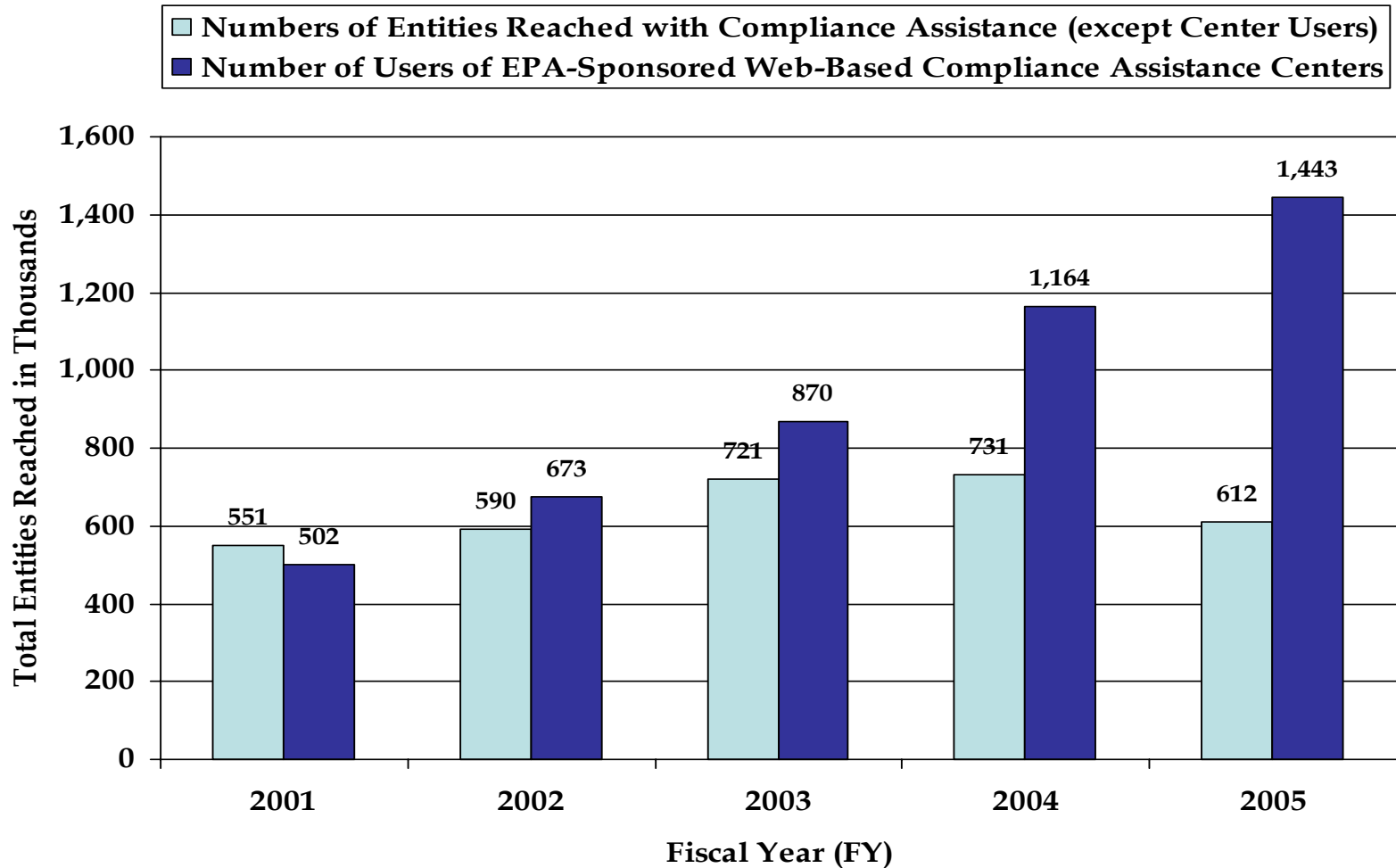
Data Source: Integrated Compliance Information System (ICIS), October 27, 2005

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



FY 2005 Compliance & Enforcement Annual Results

Entities Reached with Compliance Assistance



FY 2005 Data Sources: Integrated Compliance Information System (ICIS), October 27, 2005 and on-line usage report.

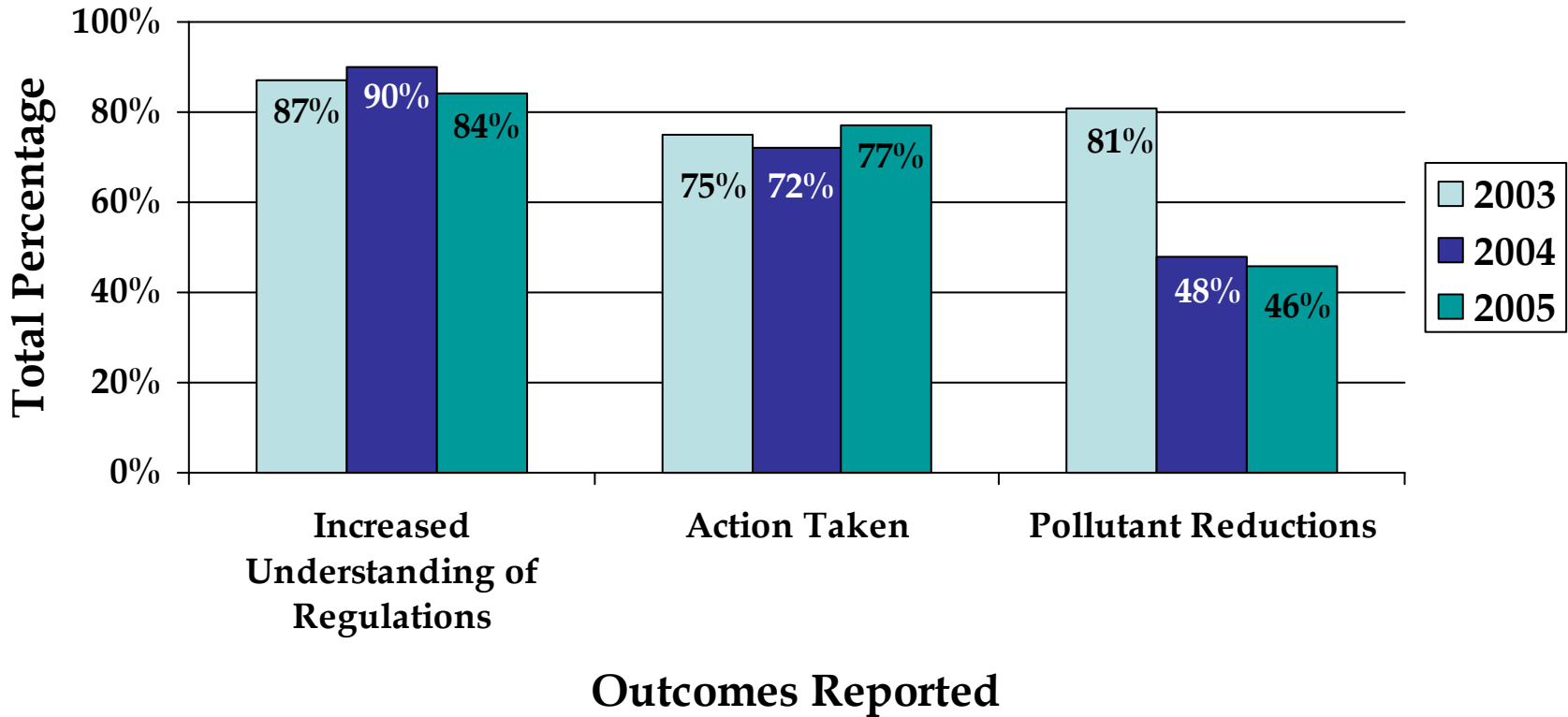
Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.



FY 2005 Compliance & Enforcement Annual Results

FY 2005 Compliance Assistance Centers

EPA Sponsors 14 Web-Based Compliance Assistance Centers



FY 2005 Data Source: On-line surveys completed during FY 2005

Disclaimer: Due to enhanced data quality reviews, minor corrections may have been made to previously reported data. As such, this FY 2005 End-of-Year Report contains updated enforcement and compliance data for prior years.

EPA FY 2005

**Goal Five Government Performance and
Results Act (GPRA)**



Prepared by the Office of Enforcement and Compliance Assurance

November 15, 2005

FY 2005 Compliance & Enforcement Annual Results

Government Performance and Results Act (GPRA) - Goal 5

Measures *Monitoring and Enforcement*

Measure Number	Measure Description	FY 05 Target	FY 05 Actual	Comments
178	Pounds of pollution estimated to be reduced, treated, or eliminated as a result of concluded enforcement actions.	300 Mil lbs.	1.1 Bil lbs.	Target Exceeded
179	% of concluded enforcement cases requiring that pollutants be reduced, treated, or eliminated and protection of populations or ecosystems.	30%	29%	Target not Met
180	% of concluded enforcement cases requiring implementation of improved environmental management practices.	60%	73%	Target Exceeded
181	Number of inspections, civil investigations, and criminal investigations conducted.	18,500	22,000	Target Exceeded
182	% of regulated entities taking complying actions as a result of on-site compliance inspections and evaluations.	10%	19%	Target Exceeded
183	Dollars invested in improved environmental performance or improved environmental management practices as a result of concluded enforcement actions (i.e., injunctive relief and SEPs).	\$4 Bil	\$10 Bil	Target Exceeded

FY 2005 Compliance & Enforcement Annual Results

Government Performance and Results Act (GPRA) - Goal 5 Measures

Compliance Incentives

Measure Number	Measure Description	FY 05 Target	FY 05 Actual	Comments
174	% of audits or other actions that result in the reduction, treatment, or elimination of pollutants and the protection of populations or ecosystems.	5%	6%	Target Exceeded
175	% of audits or other actions that result in improvements in environmental management practices.	10%	90%	Target Exceeded
176	Pounds of pollutants reduced, treated, or eliminated, as a result of audits or other actions.	0.25 Mil lbs.	1.9 Mil lbs.	Target Exceeded
177	Dollars invested in improved environmental performance or improved environmental management practices as a result of audits or other actions.	\$2.0 Mil	\$3.4 Mil	Target Exceeded

FY 2005 Compliance & Enforcement Annual Results

Government Performance and Results Act (GPRA) - Goal 5

Measures

Compliance Assistance

Measure Number	Measure Description	FY 05 Target	FY 05 Actual	Comments
Percent of regulated entities seeking assistance from EPA-sponsored compliance assistance centers and clearinghouse reporting that, as a result of their use of the centers or clearinghouse, they:				
990	Increased their understanding of environmental requirements	75%	84%	Target Exceeded
987	Improved environmental management practices	60%	78%	Target Exceeded
989	Reduced, treated, or eliminated pollution	25%	46%	Target Exceeded
Percent of regulated entities receiving direct compliance assistance from EPA reporting that, as a result of the EPA assistance, they:				
991	Increased their understanding of environmental requirements	65%	91%	Target Exceeded
988	Improved environmental management practices	50%	72%	Target Exceeded
992	Reduced, treated, or eliminated pollution	25%	13%	Target not Met

EPA FY 2005

**Goal Five Government Performance and
Results Act (GPRA)**



Prepared by the Office of Enforcement and Compliance Assurance

November 15, 2005

FY 2005 Compliance & Enforcement Annual Results

Government Performance and Results Act (GPR) - Goal 5

Measures *Monitoring and Enforcement*

Measure Number	Measure Description	FY 05 Target	FY 05 Actual	Comments
178	Pounds of pollution estimated to be reduced, treated, or eliminated as a result of concluded enforcement actions.	300 Mil lbs.	1.1 Bil lbs.	Target Exceeded
179	% of concluded enforcement cases requiring that pollutants be reduced, treated, or eliminated and protection of populations or ecosystems.	30%	29%	Target not Met
180	% of concluded enforcement cases requiring implementation of improved environmental management practices.	60%	73%	Target Exceeded
181	Number of inspections, civil investigations, and criminal investigations conducted.	18,500	22,000	Target Exceeded
182	% of regulated entities taking complying actions as a result of on-site compliance inspections and evaluations.	10%	19%	Target Exceeded
183	Dollars invested in improved environmental performance or improved environmental management practices as a result of concluded enforcement actions (i.e., injunctive relief and SEPs).	\$4 Bil	\$10 Bil	Target Exceeded

FY 2005 Compliance & Enforcement Annual Results

Government Performance and Results Act (GPRA) - Goal 5 Measures

Compliance Incentives

Measure Number	Measure Description	FY 05 Target	FY 05 Actual	Comments
174	% of audits or other actions that result in the reduction, treatment, or elimination of pollutants and the protection of populations or ecosystems.	5%	6%	Target Exceeded
175	% of audits or other actions that result in improvements in environmental management practices.	10%	90%	Target Exceeded
176	Pounds of pollutants reduced, treated, or eliminated, as a result of audits or other actions.	0.25 Mil lbs.	1.9 Mil lbs.	Target Exceeded
177	Dollars invested in improved environmental performance or improved environmental management practices as a result of audits or other actions.	\$2.0 Mil	\$3.4 Mil	Target Exceeded

FY 2005 Compliance & Enforcement Annual Results

Government Performance and Results Act (GPRA) - Goal 5

Measures

Compliance Assistance

Measure Number	Measure Description	FY 05 Target	FY 05 Actual	Comments
Percent of regulated entities seeking assistance from EPA-sponsored compliance assistance centers and clearinghouse reporting that, as a result of their use of the centers or clearinghouse, they:				
990	Increased their understanding of environmental requirements	75%	84%	Target Exceeded
987	Improved environmental management practices	60%	78%	Target Exceeded
989	Reduced, treated, or eliminated pollution	25%	46%	Target Exceeded
Percent of regulated entities receiving direct compliance assistance from EPA reporting that, as a result of the EPA assistance, they:				
991	Increased their understanding of environmental requirements	65%	91%	Target Exceeded
988	Improved environmental management practices	50%	72%	Target Exceeded
992	Reduced, treated, or eliminated pollution	25%	13%	Target not Met



U.S. Environmental Protection Agency
Compliance and Enforcement Annual Results
Numbers at a Glance
Fiscal Year 2005

□ Estimated Environmental Benefits of Enforcement Actions (Including Supplemental Environmental Projects (SEPs))	
▪ Pollutants Reduced (Pounds)	1,100,000,000
▪ Contaminated Soil and Sediment to be Cleaned Up (Cubic Yds)*	28,200,000
▪ Contaminated Water to be Cleaned Up (Cubic Yds)*	1,600,000,000
▪ Stream Miles (Linear Feet)*	91,000
▪ Wetlands Protected (Acres)*	1,900
▪ People Protected by Safe Drinking Water Act (SDWA) Enforcement*	8,200,000
□ Value of Injunctive Relief	\$10,000,000,000
□ Value of Supplemental Environmental Projects (SEPs)	\$57,000,000
□ Cases with SEPs*	207
□ Voluntary Disclosure Program	
▪ Pollutants Reduced as a Result of Audits or Other Actions (Pounds)	1,900,000
▪ Facilities Initiated	1,487
▪ Companies Initiated	627
▪ Notices of Determination (NODs)*	436
▪ Facilities Resolved	1,002
▪ Companies Resolved	512
□ Total Entities Reached by Compliance Assistance	612,000
□ Number of User Visits to Web-Based Compliance Assistance Centers	1,443,000
□ EPA Administrative Compliance Orders (ACOs)	1,916
□ EPA Administrative Penalty Complaints (APCs)	2,229

* All totals shown here are also in the Compliance and Enforcement Annual Results presentation, except for those indicated with an asterisk.

□ EPA Civil Judicial Referrals	259
□ EPA Final Administrative Penalty Order (FAPO) Settlements	2,273
□ EPA Civil Judicial Conclusions	157
□ EPA Administrative Penalties	\$27,000,000
□ EPA Judicial Penalties	\$127,000,000
□ EPA Stipulated Penalties	\$4,000,000
□ Inspections/Evaluations	21,000
□ Civil Investigations	397
□ Number of Regulated Entities Taking Complying Actions during EPA Inspections/Evaluations	947
□ Number of Regulated Entities Receiving Assistance during EPA Inspections/Evaluations	7,085
□ Criminal Program	
▪ Environmental Crime Investigations	372
▪ Defendants Charged	320
▪ Sentences (Years)	186
▪ Fines and Restitution	\$100,000,000
▪ Judicially Mandated Projects*	\$26,000,000
▪ Pollutant Reductions (Pounds)*	10,000,000
□ Superfund Cleanup Enforcement	
▪ 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 (%)*	100%
▪ Private Party Commitments for Future Response Work (Incl cashouts)	\$857,000,000
▪ Private Party Commitments for Past Recovery	\$249,000,000
▪ Cost Recovery Statute of Limitation Cases Addressed with Total Past Cost Greater than or Equal to \$200,000 (%)*	99%

* All totals shown here are also in the Compliance and Enforcement Annual Results presentation, except for those indicated with an asterisk.

Compliance and Enforcement Annual Results

FY2005 Enforcement Highlights



Environmental Protection Agency
Office of Enforcement and Compliance Assurance

November 15, 2005

Civil Case Highlights

AIR

Illinois Power Company and Dynegy Midwest Generation

EPA and the State of Illinois, entered into a major CAA NSR settlement with the Illinois Power Company and its successor, Dynegy Midwest Generation, in May 2005 to resolve violations at the Baldwin Generating Station. The settlement requires Dynegy Midwest Generation to spend approximately \$500 million to install pollution control equipment and other measures that will reduce emissions of sulfur dioxide (SO₂) and nitrogen oxides (NO_x) by approximately 54,000 tons annually from five Dynegy Midwest Generation coal-fired power plants located in Illinois. Dynegy Midwest Generation will also spend \$15 million on five environmental projects, including: \$7.5 million for a mercury-reduction project with a goal of a 90 percent reduction at the Vermilion Generating Station; \$5 million for land donations to the Illinois Department of Natural Resources; \$1.5 million for an advanced truck stop electrification project; and \$1 million for energy conservation at schools and municipal buildings. Dynegy Midwest Generation will also pay a \$9 million civil penalty.

Ohio Edison Company

EPA, joined by the states of New York, New Jersey and Connecticut, reached a settlement with Ohio Edison Company, a subsidiary of FirstEnergy Corporation in July 2005. In 2003, the U.S. District Court for the Southern District of Ohio agreed with the government after a four-week trial that there were violations of the new source review requirements of the Clean Air Act at the W.H. Sammis Station coal-fired power plant in Stratton, Ohio. The consent decree requires Ohio Edison to spend approximately \$1.1 billion by 2010 to install pollution control equipment and other measures that will reduce emissions of harmful sulfur dioxide and nitrogen oxides by over 212,000 tons per year from the Sammis Station plant and other Ohio Edison and FirstEnergy coal-fired power plants. This is the second largest of the power plant settlements to date both in terms of the amount of pollution reduced and the cost of pollution controls. Ohio Edison is also required to pay a \$8.5 million civil penalty and expend \$25 million for environmental projects, including \$14.4 million in renewable energy development projects, \$10 million in environmentally beneficial projects related to air pollution in New York, New Jersey and Connecticut, and \$215,000 to the National Park Service for an air pollution project in Shenandoah National Park.

Stone Container Corporation

In November 2004, EPA settled the latest in a series of enforcement actions to ensure Clean Air Act compliance in the pulp and paper sector. EPA and the State of Virginia resolved allegations that Stone Container Corporation violated CAA provisions by expanding their operations without installing controls or getting the proper permits at the company's West Point, Va., pulp and paper plant. The consent decree will reduce

harmful emissions of sulfur dioxide and nitrogen oxides by over 3,800 tons per year at a cost of \$5.8 million. Stone Container is also required to pay a \$950,000 civil penalty to be shared equally between the United States and Virginia.

Saint-Gobain Containers Inc.

In June 2005, EPA reached an agreement with Saint-Gobain Containers Inc. of Muncie, Ind., to resolve Clean Air Act allegations, including that Saint-Gobain failed to apply the best available control technology to control emissions of NO_x when it modified a furnace in 1998. The consent decree will reduce emissions of sulfur dioxide and nitrogen oxides and particulate matter by more than 425 tons per year by requiring Saint-Gobain to install state-of-the-art pollution control and monitoring equipment at a cost of approximately \$6.6 million. Saint-Gobain is also required to pay a civil penalty of \$929,000 and spend \$1.2 million for an environmental project to operate and maintain the new equipment. In addition, Saint-Gobain agreed to immediately comply with interim air pollution limits, obtain proper air permits, install pollution control equipment on its furnaces, and donate approximately \$1 million worth of emission credits generated by the emission reductions. The emission control devices required in the consent decree for this case represent technology that can be applied in the future to other glass manufacturers.

Citgo Petroleum Corporation

EPA, joined by the States of Illinois, Louisiana, New Jersey and Georgia, entered into a consent decree with Citgo Petroleum Corp. (Citgo) in January 2005 to resolve issues at six refineries that represent nearly 5 percent of the total U.S. refining capacity. Citgo is required to install state-of-the-art pollution control technologies to reduce harmful emissions of nitrogen oxides (NO_x) by 7,000 tons per year and sulfur dioxide by 23,000 tons per year at an approximate cost of \$320 million. Citgo Petroleum will also pay a \$3.6 million civil penalty and spend more than \$5 million on a supplemental environmental project to further reduce NO_x and carbon monoxide emissions at its Corpus Christi refineries.

Chevron U.S.A. Inc.

EPA, joined by the States of Hawaii, Mississippi, and Utah, and the Bay Area Air Quality Management District in California, entered into a consent decree with Chevron U.S.A. in June 2005 that will reduce annual emissions of nitrogen oxides by more than 3,300 tons and sulfur dioxide by 6,300 tons at a cost of approximately \$275 million. The five refineries covered by the consent decree represent more than 5 percent of the total U.S. refining capacity. Chevron U.S.A. is also required to pay a civil penalty of \$3.5 million and spend more than \$4 million on further emission controls and supplemental environmental projects in communities around the company's refineries.

WATER

Los Angeles, Calif., Sewer System

In October 2004, the City of Los Angeles reached an agreement to improve its sewer system to resolve problems that had resulted in more than 4,500 sewage spills since 1994 in what is the largest sewage collection system in the country. At a cost estimated at \$2 billion, Los Angeles will rebuild at least 488 miles of sewer lines and clean 2,800 miles of sewers annually to reduce by about 46 million gallons the raw sewage discharged annually—by a system that serves 3.8 million people. In addition to a \$1.6 million penalty to be shared equally between the United States and the Los Angeles Regional Water Quality Control Board, Los Angeles 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.

Knoxville Utilities Board System, Tennessee.

In February 2005, EPA and the State of Tennessee jointly entered a consent decree with the Knoxville Utilities Board (KUB) to eliminate approximately 3.5 million gallons of sewer overflows annually at an estimated cost of \$530 million. In addition to a \$334,000 civil penalty to be shared equally between the United States and Tennessee for a state environmental project, KUB will perform a \$2 million supplemental environmental project to repair defective sewer pipes that connect to the KUB system for low-income residential property owners .

District of Columbia Water and Sewer Authority, Washington, D.C.

A legal agreement reached with the Washington, D.C., Water and Sewer Authority (WASA) in March 2005, requires the authority to install at a cost of \$1.4 billion long-term controls to reduce sewer overflows that introduce almost 2.3 million pounds of pollutants annually into local rivers. WASA had previously agreed to pay a \$250,000 civil penalty, to undertake \$1.7 million in storm water pollution prevention projects and to fund the Chesapeake Bay Foundation's \$300,000 demonstration project on storm water management.

Louisville and Jefferson County Metropolitan Sewer District, Kentucky

EPA and the Commonwealth of Kentucky's Environmental and Public Protection Cabinet (EPPC) jointly entered into a consent decree with the Louisville and Jefferson County Metropolitan Sewer District (MSD) in August 2005 to eliminate at a cost of over \$500 million billions of gallons of unauthorized discharges of raw sewage and sewer overflows that sent more than 30.5 million pounds of wastewater pollutants annually into the Ohio River and its tributaries. MSD will also pay a civil penalty of \$1 million to Kentucky and, under state supervision, perform \$2.25 million in environmental projects to provide public health screenings for residents of neighborhoods adjacent to industrialized areas, raise environmental awareness and convert and reclaim a landfill

into a public use area.

Baltimore County Sewer System, Maryland

In September 2005, EPA and the State of Maryland jointly entered into a consent decree with Baltimore County to spend \$800 million to prevent unauthorized discharges of sewage and stem chronic sewer overflows containing bacteria, pathogens, and other harmful pollutants from entering regional waterways, including the Chesapeake Bay and several rivers. Baltimore County will also pay a \$750,000 civil penalty divided equally between the United States and Maryland, and perform supplemental environmental projects valued at \$4.5 million, including one to install a trash collection system to remove and dispose of floating debris.

Wal-Mart, Nationwide

EPA, the U.S. Attorney's Office for the District of Delaware, and the States of Utah and Tennessee entered into a consent decree in September 2005 with Wal-Mart to resolve storm water violations at its store construction sites across the country. Wal-Mart is required to comply with storm water permitting requirements and to implement an aggressive compliance program to ensure rigorous oversight of its 150 contractors. Under the terms of the consent decree, Wal-Mart will be required to use qualified personnel to oversee construction, conduct training and frequent inspections, report to EPA and take quick corrective actions. Wal-Mart will also pay a \$3.1 million civil penalty to the United States, Tennessee and Utah, and spend \$250,000 on an environmental project to protect sensitive wetlands or waterways in one of nine affected states.

Yellowstone Mountain Club

EPA entered into a consent decree with Yellowstone Mountain Club in December 2004 to resolve unauthorized discharges of fill material in wetlands and other U.S. waters at a private ski and golf resort in Montana near Yellowstone National Park. Approximately seven acres of wetlands were affected, as well as tributaries to the Gallatin River, which is famous for its beauty and trout fishing. The consent decree requires Yellowstone Mountain Club to pay a \$1.8 million civil penalty – the largest ever in an EPA wetlands enforcement case. Yellowstone Mountain Club must also restore damaged wetlands and create new ones at an approximate cost of \$1 million.

Airlines

EPA entered into legally binding agreements with 11 major domestic airlines and nine smaller airlines to ensure the safety of the drinking water used by their passengers and crew. The actions came after an EPA investigation of 327 U.S. and foreign airplanes at 19 airports in 2004 found coliform contamination in 15 percent of them. Airlines covered by these agreements include: Alaska Airlines, Aloha Airlines, American Airlines, America West, ATA Airlines, Champion Air, Continental Airlines, Continental Micronesia, Hawaiian Airlines, Miami Air International, Midwest Airlines, North

American Airlines, Northwest Airlines, Pace Airlines, Ryan International Airlines, Sun Country Airlines, United Airlines, U.S. Airways, USA 3000 Airlines, and World Airways. EPA will continue to work with smaller, regional and charter airlines to ensure the safety of their drinking water.

Cleanup Enforcement

Sand, Gravel and Stone Superfund Site, Elkton, Md.

In June 2005, EPA reached a settlement with forty “Settling Defendants,” relating to the Sand, Gravel and Stone Superfund Site in Elkton, Cecil County, Md. Under the terms of the consent decree, the Settling Defendants agreed to finance and perform the final remedial action selected by EPA to clean up the site of the former Air Products and Chemicals Inc. at a projected cost of approximately \$23.5 million. As part of the settlement, the Settling Defendants will also receive up to \$185,000 dollars from the Site Disbursement Special Account upon EPA's approval of the remedial design Work Plan and EPA will agree to forgo collection of approximately \$1.3 million in past response costs and future oversight costs. Together with prior cleanup agreements, this settlement represents a recovery of approximately 97 percent of the total costs for cleaning up this site.

Kerr-McGee West Chicago Superfund Sites, Chicago, Ill.

In August 2005, the U.S. District Court for the Northern District of Illinois entered a consent decree with Kerr-McGee Chemical that is expected to result in the cleanup of radioactive wastes and the restoration of natural resources at two Superfund sites in and around West Chicago, Ill. Under this Superfund settlement, Kerr-McGee Chemical will remove the last radioactive contamination remaining from 40 years of disposal from the Rare Earths Facility in Chicago and restore the ecosystem at a cost of approximately \$74 million. Kerr-McGee agreed to excavate approximately 77,000 cubic yards of radioactive contamination in the West Branch DuPage River and Kress Creek and ship the contaminated soils to a facility licensed to handle such wastes. Kerr-McGee agreed to:

- Pay \$6 million for past costs that EPA incurred in working on the sites;
- Reimburse up to \$1.675 million in future EPA oversight costs;
- Pay the State of Illinois and Department of the Interior \$100,000 and \$75,000, respectively for costs relating to overseeing natural resources work; and
- Perform activities or spend money to enhance natural resources in the waterways and the DuPage County Forest Preserve at a cost of up to \$800,000.

Under prior EPA orders, Kerr-McGee spent approximately \$115 million cleaning up radioactive contamination in residential areas, West Chicago's Reed-Keppler Park , and West Chicago 's Sewage Treatment Plant. Top of Page

Newmark Groundwater Contamination Superfund Site, City of San Bernardino, Calif.

In March 2005, a \$78.5 million settlement was reached with the City of San Bernardino, the State of California Department of Toxic Substances Control (DTSC) and the United States Department of the Army to ensure a clean source of drinking water for residents of San Bernardino for 50 years. The settlement will fund the operation and maintenance of groundwater extraction and treatment systems that clean up volatile organic compound contamination in groundwater, and deliver the clean water to the city's potable water supply system. Under the terms of the consent decree, the United States agrees to pay \$69 million to the city, \$6.5 million to EPA and \$3 million to DTSC. The payments to the City will primarily fund the groundwater cleanup. The settlement also resolves a lawsuit by the city and DTSC against the Army claiming that its operations in the area during World War II were the source of the contamination.

Outboard Marine Corporation Site, Waukegan, Ill.

Under a settlement entered in October 2004, General Motors Corp (GM), and North Shore Gas Co. are obligated to finance and perform the remedial action at the Waukegan Coke Plant operable unit of the Outboard Marine Corporation for an estimated cost of \$27 million. The City of Waukegan will perform the portion of the remedy relating to soil cleanup at the site using funds in an escrow account established by the defendants. In an innovative attempt to facilitate redevelopment at the site, the consent decree provides that the city may try to find a developer that will pay for extra soils work at the site, so that it may be redeveloped for residential use. If the city is unable to find a developer within the specified time, the city will place the industrial/commercial reuse cap on the site. The City of Waukegan and Larsen Marine Service Inc. are obligated to provide the access agreements and institutional controls required to implement the selected remedy. Elgin Joliet & Eastern Railway Co. will pay GM and North Shore 10 percent of the cost of the remedial action under a separate agreement.

Industrial Excess Landfill, Uniontown, Ohio

In April 2005, five defendants entered into a settlement agreement to pay over \$18 million in past costs and to implement the remedy EPA selected in an amended record of decision for the Industrial Excess Landfill Site. The remedy is projected to cost about \$7 million, and the settling defendants are paying for EPA oversight costs up to \$700,000 plus interim response costs of approximately \$500,000. The settlement also resolves cost recovery claims brought by the State of Ohio.

Hudson River PCBs Superfund Site, Fort Edward , N.Y.

In October 2005, the Department of Justice and EPA announced a settlement with General Electric Company on the Hudson River PCBs Superfund Site. The consent decree requires GE to construct a sediment processing and transfer facility in Fort Edward, N.Y., and implement the first phase of a dredging remedy for the site that will remove about 10 percent of the total volume of the river sediment contaminated with polychlorinated biphenyls (PCBs). Construction of the sediment processing and transfer facility and the first phase of dredging are expected to cost GE between \$100 million and

\$150 million. After Phase 1 of the remedy is completed, GE must tell EPA whether it will conduct the remainder of the required remedy. If GE decides not to conduct Phase 2, EPA reserves its right to direct GE to perform the Phase 2 dredging under a unilateral order, or to sue GE for performance of or payment for Phase 2, which is expected to last five years and cost approximately \$500 million.

The consent decree also calls for GE to pay EPA about \$78 million for the Agency's past and future costs at the site if GE agrees to conduct Phase 2. If, however, GE does not agree to conduct Phase 2, the amount to be paid to EPA would be \$43 million. These amounts are in addition to the approximately \$37 million in cost reimbursement that GE has already made under earlier settlements with EPA.

Milltown Reservoir and Clark Fork River Superfund Site, Missoula, Mont.

In August 2005, the United States lodged a consent decree to remove sediment and improve water quality at the Milltown Reservoir Sediment Operable Unit, which is located near Missoula, Mont., at the point where the historic Blackfoot and Clark Fork rivers merge.

The responsible parties, Atlantic Richfield Company and NorthWestern Energy Corporation are required to implement the dam and sediment removal and sediment stabilization portions of the plan. The responsible parties will also implement part of the plan to restore natural resources to remove associated dam structures in the floodplain. The consent decree also requires the State of Montana, as lead trustee for natural resource damage, to implement a restoration plan in the area, which will provide for rebuilt stream banks and channel reconstruction that is friendly to habitat, funded in part by cash contributions from NorthWestern Corporation. The estimated value of the settlement is approximately \$102 million, of which \$83.5 million is for site remediation.

The consent decree also provides for bridge stabilization, EPA oversight funding, continuation by NorthWestern Corporation of fish enhancement programs until the dam is removed, and both responsible parties' removal of the nearby Stimson Dam on the Blackfoot River. The Salish and Kootenai Confederated Tribes, Atlantic Richfield, NorthWestern Corporation, the United States Department of Justice, EPA, and the State of Montana signed the consent decree; the Department of the Interior concurred.

Zeneca Facility Meets CASES Human Exposure Environmental Indicator

Under EPA's Corrective Action Smart Enforcement Strategy initiative (CASES), a Zeneca Inc. facility in Dighton, Massachusetts met the initiative's goal of controlling exposure to contamination that is potentially harmful to humans. Under the CASES initiative, EPA used flexible enforcement approaches at Resource Conservation and Recovery Act (RCRA) facilities with the goal of achieving the Environmental Indicator for controlling human exposures to potentially harmful contaminants by September 30, 2005.

EPA and Zeneca Inc. entered into an Administrative Order on Consent under which Zeneca was required to complete site investigations and cleanup of its closed facility in Dighton, Massachusetts, readying some of the developed portions of the 25-acre site on Main Street for future commercial use. The Order also required Zeneca to achieve the Environmental Indicators for controlling human exposures and the migration of contaminated groundwater. Under CASES, Zeneca and five other Region 1 facilities met the Human Exposures controlled Environmental Indicator by Sept. 30, 2005.

Supplemental Environmental Projects

EPA enforcement settlements concluded in FY 2005 include supplemental environmental projects that provide significant benefits to public health and the environment. These are voluntary projects a settling party undertakes in addition to whatever else must be done to bring a facility into compliance. The following settlements in FY2005 include innovative projects:

Chevron Products

In December 2004, Chevron Products agreed to implement a supplemental environmental project that involved procurement and installation of a fuel cell to provide electricity at Moody Gardens in Galveston, Texas, one of the largest publicly-owned tourist attractions in the Houston-Galveston area. The fuel cell will be part of a pollution prevention and reduction system in which Moody Gardens will use an anaerobic digester to reduce solid waste that would otherwise be sent to a landfill. Biogas from the digester will be used to power the fuel cell, and heat from the fuel cell will go back to the digester to make it operate more efficiently. Moody Gardens will use the electricity generated by the fuel cell, reducing its reliance on an existing boiler and reducing air emissions. In addition, Moody Gardens uses treated wastewater from the city to irrigate its rain forest exhibit. Organic matter from the irrigation will also be used in the digester. Moody Gardens will experience some emission offsets from its boilers because it will use some of the fuel cell heat to offset producing steam from the boiler. The fuel cell will be an important part of a multi-media project designed to reduce pollution through alternative energy, reuse and recycling principles.

AK Steel

In January 2005, AK Steel agreed to implement three supplemental environmental projects designed to improve air quality and reduce hazardous wastes. The company will retire over 159 tons of NOx credits. It will also purchase and install equipment to enable at least 17 refrigeration units to use refrigerants with lower ozone depleting potential. Also under the consent decree, AK Steel conducted a refrigerant recycling program in Butler County, Pa., in which appliances containing refrigerants were picked up and brought to the recycling plant, where the appliance refrigerants were removed and disposed of properly.

CamWest Inc.

In August 2005, EPA entered into a consent decree with BP America Production Co., CamWest Inc. and CamWest Limited Partnership resolving alleged violations of the Clean Water Act, Safe Drinking Water Act, and Oil Pollution Act on the Lander and Winkelman Dome Oil Fields in Fremont County, Wyo., within the boundaries of the Wind River Indian Reservation of the Eastern Shoshone and Northern Arapaho tribes. As part of the settlement, Camwest and BP agreed to implement supplemental environmental projects on the Wind River Indian Reservation that will provide significant environmental improvements to the drinking water systems of the Shoshone and Northern Arapaho tribes. The projects involve the purchase and installation of piping and other equipment to upgrade water treatment facilities, providing better quality and quantity of drinking water to tribal members. The Eastern Shoshone and Northern Arapaho tribal governments, respective utility organizations, tribal attorneys, and the Wind River Environmental Quality Commission provided extensive cooperation on the supplemental environmental projects.

CRIMINAL ENFORCEMENT HIGHLIGHTS

Air

AAR Contractor, Inc.

In December 2004, Alexander Salvagno and Raul Salvagno, owner operators of AAR Contractor, Inc., were sentenced to 25 years and 19 years and 7 months of imprisonment, respectively. The sentences are the longest in federal environmental crimes history. The Salvagnos conducted illegal asbestos abatement activities over a 10-year period at more than 1,550 facilities throughout New York state -- including elementary schools, churches, hospitals, military housing, theaters, cafeterias, the New York State Legislature Office Building, public and commercial buildings of nearly every sort and private residences. The defendants directed illegal activities of 500 asbestos workers and laboratory officials. As many as 100 former AAR workers are now substantially likely to develop asbestosis, lung cancers or mesothelioma, a fatal form of cancer. Additionally, the defendants were ordered to pay restitution of over \$23 million and forfeited additional sums of over \$5.7 million under the federal racketeering laws.

Tyler Pipe Company

In March 2005, Tyler Pipe Company, one of the largest manufacturers of iron pipes and castings in the U.S., pled guilty to two felony counts in the first criminal prosecution for violations of the new source review/prevention of significant deterioration provisions of the Clean Air Act. The company paid a \$4.5 million criminal fine and will undertake an estimated \$11 million in upgrades to the facility to reduce future pollution. The prosecution arose from Tyler Pipe's illegal construction and operation of a scrap metal furnace at its facility near Tyler, Texas. The furnaces melt scrap metal to produce molten iron, which generates substantial air pollution, including significant emissions of particulate matter, carbon monoxide and lead. Tyler Pipe razed its old plant furnace and replaced it with a new one. Under the CAA's prevention of significant deterioration provisions, Tyler Pipe was required to apply to the Texas Commission on Environmental Quality for permission to construct and operate the new furnace using the best available control technology. Instead, Tyler Pipe concealed the construction of the new furnace from the state commission and connected it to the existing pollution control device, a water scrubber designed and built in the 1960s.

Phillip H. Cohn

In May 2005, Phillip H. Cohn, of St. Louis, Mo., was sentenced to 60 months imprisonment and five years supervised release. Cohn was also ordered to pay \$347,200 restitution to East St. Louis, Ill., School District 189. Cohn had previously pled guilty to submitting false invoices to the school district purportedly for environmental cleanup work at the Clark Middle School site. On the environmental Clean Air Act charge, Cohn failed to remove substantial quantities of known asbestos - containing materials from the historic Spivey Building in East St. Louis, before sending work crews into the building to

conduct demolition and renovation work. He then caused the endorsements of environmental companies to be forged on checks issued from an escrow account and used the money - approximately \$350,000 - for personal expenses. As part of his plea agreement, Cohn agreed to make full restitution to School District 189.

Water

Bouchard Transportation Company

In November 2004, the Bouchard Transportation Company of Hicksville, N.Y., was sentenced to pay a \$10 million fine for violating the Clean Water Act and the Migratory Bird Treaty Act for spilling approximately 98,000 gallons of industrial fuel oil into Buzzards Bay off Cape Cod, Mass. The fine is in addition to more than \$38 million in direct costs Bouchard spent to clean-up the spill. The company admitted that improper operation of the tugboat, Evening Tide, led to the spill of Number 6 fuel oil, a heavy oil used by ocean liners and tankers as fuel, which killed 450 protected birds, forced the closure of thousands of acres of the bay's shellfish beds for several months for cleanup, and polluted nearly 90 miles of Massachusetts shoreline. The North American Wetlands Conservation Fund will receive \$7 million of the fine, the Oil Spill Liability Trust Fund will receive \$2 million. The remaining \$1 million will be suspended if the company successfully completes probation and establishes an environmental compliance program. The former first mate of the Evening Tide, was sentenced to five months incarceration followed by one year of supervised release after pleading guilty to violating the Clean Water Act and the Migratory Bird Treaty Act.

Evergreen Marine

In April 2005, Evergreen International, S.A., one of many Evergreen-related companies involved in the container ship business, paid \$25 million in fines and environmental projects, the largest-ever amount for a case involving deliberate vessel pollution, after pleading guilty to 24 felony counts and one misdemeanor count in federal courts in Los Angeles, Calif., Newark, N.J. Portland, Ore., Seattle, Wash., and Charleston, S.C. Evergreen ships routinely used bypass equipment to discharge oily waste and sludge oil while circumventing required pollution prevention equipment and concealing the discharges in fictitious logs it knew were inspected regularly by the Coast Guard. The guilty pleas involved the company's concealment of the deliberate, illegal discharge of waste oil, including making false statements, obstructing Coast Guard inspections, failing to maintain an accurate Oil Record Book, and negligently violating the Clean Water Act relating to a discharge into the Columbia River. A \$15 million criminal fine will be divided equally among the five judicial districts involved. In addition, another \$10 million will be directed to environmental community service projects. Four related Evergreen companies also will be bound by a detailed environmental compliance plan to prevent future violations as a condition of probation.

Sabine Transportation

In April 2005, Rick Dean Stickle, chairman and owner of Sabine Transportation Company, was sentenced to 33 months in prison after being convicted of ordering the illegal dumping of 440 tons of oil contaminated grain into the ocean from the SS Juneau, a Sabine tanker, and of obstructing an investigation conducted by the U.S. Coast Guard and Department of Agriculture. He also received a \$60,000 criminal fine. Sabine Transportation, headquartered in Cedar Rapids, Iowa, previously pled guilty to violations of the Act to Prevent Pollution from Ships and paid a \$2 million criminal fine. A diesel oil leak in one of the Juneau's main cargo tanks was discovered while a shipment of grain was being off loaded in Bangladesh in December 1998. The wheat became saturated with the oil and was rejected by Bengali authorities. While the ship was in Singapore, company officials and vessel officers discussed various ways of off-loading the cargo legally, but this option was ultimately rejected by the defendant as too expensive. Instead, Stickle and other company officials intentionally misled Coast Guard officers by failing to disclose the true nature of the contaminated residue and ultimately ordered the contaminated wheat to be discharged into the ocean during the return voyage to the United States . The criminal investigation began after crew members alerted the Coast Guard to the dumping.

HAZARDOUS WASTE

Union Foundry

In September 2005, the Union Foundry Company, of Birmingham, Ala., was sentenced to pay a \$3.5 million criminal fine, perform a \$750,000 environmental community service project and serve five years probation following a guilty plea to charges of violating both the Resource Conservation and Recovery Act and an Occupational Safety and Health Administration regulation. Union Foundry allowed a maintenance employee to work in the area of a conveyor belt while it was operating without a safety guard. The employee was caught in the unguarded pulley of the conveyor belt and was crushed to death. The company also treated hazardous waste generated by the foundry without a permit from EPA or the State of Alabama. The hazardous waste was dust from air emissions of the iron furnace, which contained lead and cadmium.

Michigan Industrial Finishes

In August 2005, Michigan Industrial Finishes Corporation and its president, Norman Solomon, each paid \$1 million in restitution following Solomon's guilty plea to violating the Resource Conservation and Recovery Act by illegally storing more than 2,000 55-gallon drums and other containers of highly flammable paint related solvents. He also received 60 months probation. In his plea, Solomon admitted to storing the drums illegally despite the fact that he had entered into a consent decree with the Michigan Department of Environmental Quality to resolve the storage issues. The ignitable spent solvents being stored illegally included xylene, toluene and methyl ethyl ketone. EPA

estimates that Superfund cleanup costs at the site will be approximately \$4 million.

MULTI-MEDIA

Motiva Enterprises, LLC.

In March 2005, Motiva Enterprises LLC, an oil refining business owned by Shell Oil Company and Saudi Refining Inc., pled guilty to negligently endangering workers at its former refinery in Delaware City, Del., discharging pollutants into the Delaware River, and negligently releasing sulfuric acid into the air. Motiva paid a \$10 million fine and must serve a three-year probation term. On July 17, 2001, workers were sent to the refinery's acid tank farm to repair a catwalk connecting the tanks. Flammable vapors ignited, producing an explosion that knocked a 415,000 gallon capacity tank containing spent sulfuric acid off its foundation, killing one worker and injuring numerous others. Additionally, approximately 99,000 gallons of spent sulfuric acid drained into the Delaware River for days after the explosion killing thousands of fish and crabs. Following the explosion, EPA criminal investigators gathered evidence that indicated an extensive history of problems with the tank, including corrosion and leaks. Shell Oil and Motiva collectively account for about 10 percent of total U.S. refining capacity and a 13 percent share of U.S. gasoline sales.

USL City Environmental Inc.

In December 2004 and September 2005, Gazi George, former vice president of City Environmental Inc., a waste treatment facility in Detroit, Mich., once owned by Texas-based U.S. Liquids Inc., was sentenced to 27 months imprisonment, three years supervised release, and a \$60,000 fine. A co-defendant, Donald Roeser, the former plant manager, previously was sentenced to serve 12 months in prison and pay a \$60,000 fine. Both were prosecuted for Resource Conservation and Recovery Act and Clean Water Act violations, including conspiracy, after discharging untreated and insufficiently treated waste into the Detroit sanitary sewer system and transporting hazardous waste to a landfill not licensed to receive hazardous waste. Instead, liquid hazardous waste was unlawfully discharged directly into a sewer through, among other methods, a covert bypass pipe. Solid hazardous waste was not treated and was sent instead to an unauthorized, non-hazardous waste landfill. The defendants were also charged with false sampling, false reporting and tampering with a monitoring device. U.S. Liquids had paid a \$5.5 million fine in 2002 and must serve five years probation for its part in this case.

Kerrville Painting Company

In November 2004, corporate defendant Kerrville Painting Company Inc., of Kerrville, Texas, Nicholas Muskie, the owner of Kerrville Painting, and Kevin Foster were sentenced for their role in violations of federal hazardous waste disposal and clean water laws. The criminal violations arose from sandblasting and painting work the company did under highway bridge contracts in northeast Arkansas in 1999 and 2000. The defendants

were involved in a scheme involving the illegal discharge of about 160,000 pounds of lead-contaminated materials into the Black River from two different bridge locations. The company was sentenced to five years probation and to pay over \$324,613 in clean-up costs . Muskie received three years in prison and Foster received one year in prison and paid \$5,768 in restitution for clean-up costs. Bridge sandblasting and painting typically generates wastes contaminated with lead that must be disposed of properly to avoid exposure of the public, fish and wildlife to lead and lead compounds. Exposure to sufficient quantities of lead can cause neurological and developmental disorders in humans.

Compliance and Enforcement Annual Results

FY2005 Compliance Activities Highlights



Environmental Protection Agency
Office of Enforcement and Compliance Assurance

November 15, 2005

FY2005 Compliance Activities Highlights

To promote compliance, improve understanding and encourage innovative approaches, EPA relies on compliance assistance and compliance incentive activities.

EPA provides compliance assistance to help those who are regulated comply with environmental regulations. EPA strategically targets where regulated entities are having difficulty understanding regulatory requirements, and works to provide educational materials and opportunities that will:

- increase the regulated entities' understanding of their environmental responsibilities
- improve environmental management practices of the regulated entities and
- result in the reduction, treatment or elimination of pollution from their operations.

EPA uses compliance incentives to promote self-policing, improvement in environmental management practices, and reductions of pollutants to the environment. Compliance incentives are aimed at eliminating, reducing or waiving penalties under certain conditions for business, industry and government facilities that voluntarily discover, promptly disclose and expeditiously correct environmental problems.

FY2005 Compliance Assistance Activities Highlights

EPA provides compliance assistance to improve compliance with environmental regulations. FY2005 Highlights include:

- Environmental Problems at Colleges and Universities Addressed with Assistance and Other Tools
- EMS Training for Federal Facilities
- Asbestos Outreach to Tribal Schools
- Healthcare Initiative

Environmental Problems at Colleges and Universities Addressed with Assistance and Other Tools

Region 3, which includes Pennsylvania, Delaware, Maryland, Virginia, West Virginia and the District of Columbia, began its College and University Initiative in June 1999, after a Region 1 initiative detected widespread problems at colleges and universities in the New England states. This initiative began with some traditional enforcement activities, followed by compliance assistance and compliance incentives. The initiative continued to get environmental results through 2005.

Region 3 conducted multi-media inspections at 14 colleges and universities throughout its area, which resulted in eight administrative actions. The enforcement actions found violations of Resource Conservation and Recovery Act (RCRA), Underground Storage Tank, Air, Water and Oil Pollution Act (OPA). Region 3 discussed the inspections in the press in order to create awareness of this initiative in the college and university sector.

The Region conducted compliance assistance activities with school officials and developed a web site devoted to environmental compliance for colleges and universities. Compliance assistance workshops were held at Johns Hopkins University and the University of Pennsylvania. Presentations on compliance at environmental conferences for colleges and universities and EPA briefings for university officials explained what to expect during an inspection, as well as the types of violations typically found on college campuses. EPA also encouraged the colleges and universities in the Region to take advantage of EPA's Audit Policy.

Temple University in Philadelphia was the first university to enter into an audit agreement for all ten of its campuses. In May 2003, Temple disclosed violations of the Clean Air Act, OPA, RCRA, and Toxic Substance Control Act (polychlorinated biphenyl). By taking advantage of EPA's Audit Policy, Temple avoided \$285,000 in penalties. As a result of the extensive outreach done by EPA and the example set by Temple, the Association of Independent Colleges and Universities of Pennsylvania approached Region 3 in the spring of 2004 to develop an agreement to self-audit and self-disclose environmental violations of their 82 member colleges. Region 3 worked collaboratively with the association and the Pennsylvania Department of Environmental

Protection to develop this agreement. Of the 82 members of the association, 39 colleges and universities have agreed to audit and self-disclose to EPA and the state. The colleges work with an independent professional auditor who also trains personnel from the participating colleges to perform regulatory audits for compliance with the federal and state environmental programs. These trained personnel work as peer reviewers and assess campuses to identify areas where regulatory compliance can be improved. Examples of common violations disclosed include use of ozone depleting substances or CFCs, failure to meet Emergency Planning and Community Right-to-Know Act reporting requirements, and RCRA hazardous waste storage violations.

EMS Training for Federal Facilities

EPA Region 3, in partnership with EPA's Federal Facilities Enforcement Office, launched a training effort to assist the federal sector in implementation of their Environmental Management Systems (EMSs), which federal facilities are required by executive order to have by December 31, 2005.

In the past two years, Region 3 has sponsored 17 EMS training sessions on EMS information and guidance and how to conduct an EMS Internal Audit. More than 250 participants from the Department of Defense and civilian federal agencies have benefited. This approach has saved more than \$250,000 in EMS training costs for the federal sector.

Facility managers have indicated in surveys that the training equipped them to implement their EMSs and identify potential areas for waste reduction. As a result, they were able to implement better environmental compliance programs for their facilities. Eighty four percent of survey respondents reported increased understanding of applicable environmental regulations as a result of the training. Other benefits realized include improved relationships between federal facilities and their local communities, and new partnerships among federal facilities to collaborate on EMS implementation and audits. Region 3 is also promoting a new concept for EMS development that focuses on specific geographical areas, such as the Chesapeake Bay. This allows facilities to include local environmental issues such as, in this example, nutrient reduction, as a significant aspect of their EMS.

Asbestos Outreach to Tribal Schools

EPA Region 8's asbestos program provided outreach to public and private schools on four Indian reservations to increase awareness of asbestos concerns through training of school maintenance and custodial personnel. Under federal requirements, all school maintenance and custodial employees of public and private K-12 schools must have at least two hours of this type of training over 100 school representatives from the four tribes received this training in FY 2005.

The training provided information on: (1) asbestos and its various uses and forms; (2) health effects associated with asbestos exposure; (3) locations of asbestos-containing building material (ACBM) identified throughout each school building; (4) recognition of damage, deterioration, and delaminating of ACBM; (5) the name and phone number of the person designated to carry out general local education agency responsibilities under

the Asbestos-Containing Materials in Schools Rule; and (6) the regulations for managing asbestos. For example, public and private K-12 schools are required to conduct inspections of their school buildings for ACBM and to prepare plans to manage any ACBM they find. The inspections and management plans are required to be done by persons accredited by the EPA or State. Schools must designate a person who is responsible for: (1) ensuring that the school complies with the AHERA; (2) providing annual notification to parents, students, and employees on the school's asbestos management activities; (3) training custodial and maintenance employees; (4) and notifying contractor contractors or short-term workers on the locations of ACBM in school buildings.

Healthcare Initiative

EPA Region 2 continued to see outstanding results from its multi-year compliance initiative at 480 healthcare facilities in New York, New Jersey, Puerto Rico and the Virgin Islands. In addition to improving environmental compliance at these facilities, also it has promoted permanent changes through the use of waste minimization, pollution prevention practices, and environmental management systems.

The Region 2 strategy uses environmental assistance, voluntary compliance audits and enforcement, as appropriate. Healthcare facilities are helped to understand their environmental obligations through workshops, meetings, and conference presentations. Analysis of the violations occurring at health-care facilities showed that 60 percent of all hospital violations were related to hazardous wastes, particularly their identification and management. So Region 2 developed a workshop on identifying and managing healthcare wastes and presented to more than 1,000 hospital staff members. This training has also been provided to other compliance assistance providers. Dozens of compliance assistance tools were also developed at the request of members of the regulated healthcare community, such as common healthcare wastes lists and waste identification flow charts. Over 10,000 copies of these tools have been distributed nationally. More than 1,100 violations have been identified and corrected under this initiative.

Region 2 has signed 37 audit agreements covering all major federal environmental programs, including air, water, pesticides, solid and hazardous wastes, emergency planning, Community Right-to-Know and toxic substances control. The initiative encourages voluntary self-disclosures with or without signing an audit agreement. The Region has received 129 voluntary self-disclosures covering 496 separate facilities. Inspections have occurred at 45 of the 480 facilities, which resulted in 24 enforcement actions—ten of them penalty complaints. This indicates that the violations being discovered, either voluntarily or through EPA inspections, are significant. The voluntary self-disclosures have resulted in significant human health protection. More than 150,000 staff and over 20 million hospital visitors annually are now better protected because of this initiative. These self-disclosures have also yielded significant protection of the environment. More than 349,000 gallons of oil, more than 42,000 pounds of hazardous wastes and more than 150,000 pounds of Chlorofluorocarbon or CFCs are now being managed properly.

In FY 2005, Region 2 surveyed all of its healthcare facilities to improve similar initiatives, and to gather additional information on the results of this effort. Thirty-eight percent of hospitals responded to the survey, representing 282 facilities and 65,279 staff. Fifty-three percent of the respondents had signed audit agreements with EPA. Respondents also reported that their average cost for an audit was \$10,000 and their average cost of compliance was \$16,600. The survey responses indicated that healthcare facilities in Region 2 have implemented the following operation and management changes:

- Changes in handling, processing, monitoring, and O&M: 35 percent
- Changes to paperwork, labeling, and reporting: 32 percent
- Training: 14 percent
- Change in pollution prevention and waste minimization: 12 percent
- Implementation of Environmental Management Systems (EMS): 7 percent¹

FY2005 Compliance Incentives Case Highlights

EPA is committed to a strong enforcement program to achieve environmental protection by deterring violators, bringing violators into compliance, correcting damage to the environment and ensuring that those who fail to comply do not put those who follow the law at an economic disadvantage. EPA uses compliance incentives to promote self-policing, improvement in environmental management practices, and reduction of pollution in the environment. In FY 2005, a record number of entities voluntarily disclosed violations to EPA, which were comparable to the level of the last several years with EPA resolving violations at over 500 entities representing nearly 1,000 facilities. In FY 2005, nearly 90 percent of these resolutions resulted in improvements to the entities' environmental practices. The following is an example of a case.

Vector Pipeline, L.P.

In March 2005, EPA reached an agreement with Vector Pipeline, L.P. resolving alleged Clean Air Act (CAA) violations at the company's Michigan compressor station. After learning that carbon monoxide or (CO) emissions from its Michigan station exceeded its state operating permit, Vector believed its Indiana station might have similar problems. EPA determined that the Indiana station had violated CAA regulations but did not assess a civil penalty since Vector self-disclosed under EPA's Audit Policy. Vector agreed to pay a \$69,300 civil penalty for past violations at the Michigan station. Vector also agreed to reduce CO emissions at both stations by approximately 1.5 million pounds per year at an approximate cost of \$175,000. Exposure to high CO levels can cause death or impair vision, hand movement, learning ability and performance of complex tasks because it reduces the delivery of oxygen through the body's bloodstream.

¹ Twenty-seven facilities have begun implementing an EMS and another eight are considering implementing an EMS; 68 percent of these facilities indicated that their decision to implement an EMS was influenced by our compliance initiative.