

US EPA ARCHIVE DOCUMENT

Appendix J  
Environmental Audit Policy

APPENDIX J  
ENVIRONMENTAL AUDIT POLICY

THE MARYLAND DEPARTMENT OF THE ENVIRONMENT (MDE) recognizes the benefit from companies that regularly evaluate their internal work processes for compliance with state environmental requirements. Equally as important as identifying violations is the reporting of such violations to MDE for proper and complete remediation and abatement. The Department encourages self-auditing as an effective environmental management technique. Companies that disclose environmental hazards to the Department, under specified requirements, may receive immunity from administrative penalties, pursuant to the Department's enforcement discretion.

*This is not intended nor should it be interpreted to be a regulation as defined in Section 10-101, State Government Article. It sets forth criteria and guidelines to be used by the Department staff in settlement of enforcement cases, and does not confer any legal rights.*

**Statement of Guidance:**

- A. The Department will not assess a civil penalty for violations of environmental requirements, which are voluntarily disclosed following an environmental audit if:
1. Disclosure is made within 10 days after the information or knowledge concerning the violation is discovered;
  2. Action is promptly initiated to correct or eliminate the violation and all public or environmental harm caused by violation. If the violation cannot be fully corrected within 60 days, a compliance plan must be submitted to the Department within 60 days for review. Compliance with the plan must be maintained as approved by the Department;
  3. The applicant agrees in writing to take steps to prevent recurrence of the violation; and
  4. The regulated entity fully cooperates with the Department regarding investigation of the disclosed condition.
- B. Disclosure is considered voluntary if it is not required to be made in accordance with an established environmental requirement.
- C. **The relief granted in Section A is not applicable if any of the following exist:**
1. The disclosure was not voluntary as described in Section B;

2. The violation was discovered by the Department or a third party prior to disclosure by the regulated entity to the Department or the disclosure was made after commencement of a federal, state or local agency inspection, investigation or request for information;
  3. The violation was committed willfully, wantonly, intentionally, knowingly, or with gross negligence by the regulated entity making the disclosure;
  4. Action is not promptly initiated and diligently pursued to correct or eliminate the violation;
  5. Significant environmental harm or a significant public health effect was caused by the violation or is imminent due to the violation;
  6. The specific or a closely related violation has occurred within the past three years at the same facility or the violation is part of a pattern of recurrent violations. For purposes of this section, violation includes any violations of a federal, state or local environmental law identified in a judicial or administrative order, consent agreement or order, complaint, or notice of violation, conviction or plea agreement; or
  7. The disclosure is made for a fraudulent purpose.
- D. The relief provided under this guidance shall not be applicable when the Department receives formal notification from the delegating federal agency of that agency's intention to propose rescission of the Department's authority over the federal environmental program.