

# Report Highlights

## Louisiana Department of Environmental Quality

March 2006

### Louisiana Legislative Auditor



Louisiana Revised Statute 30:2011 establishes the Louisiana Department of Environmental Quality (LDEQ) as the primary agency concerned with environmental protection and regulation. The overall mission of the LDEQ is to provide service to the people of Louisiana through comprehensive environmental protection to promote and protect health, safety, and welfare while considering sound policies regarding employment and economic development.

We conducted this performance audit to follow up on findings and recommendations from a 2002 performance audit.

## Audit Results

### Has LDEQ improved its monitoring functions since the 2002 audit?

- LDEQ's integrated data management system (TEMPO) has helped make regulatory data more centralized and accessible since the 2002 audit. However, TEMPO data are not always complete and accurate.
- LDEQ met its permit commitments to EPA for water in calendar years 2003 and 2004, but not for air.
- LDEQ has improved its renewal of expired permits since the 2002 audit for all media except air and hazardous waste. However, LDEQ has decreased the number of hazardous waste permits in interim status.
- LDEQ's oversight of solid waste permits needs improvement. The percent of facilities with orders to close still operating has increased from 18% in 2002 to 38% as of May 2005. The percent of facilities operating under orders to upgrade that are still not upgraded increased from 54% in 2002 to 85% as of May 2005.
- LDEQ conducted most of its required inspections; however, 8% of air inspections and 4% of solid waste inspections were not conducted in fiscal years 2003-2004.

### Has LDEQ improved its enforcement functions since the 2002 audit?

- Overall, LDEQ has improved its enforcement functions since the 2002 audit. For example, nearly all areas of concern identified on inspections have received an enforcement action or are under enforcement review. However, LDEQ still could improve by establishing more comprehensive time frames for issuing enforcement actions and increasing the percentage of penalties it collects.

### What initiatives has LDEQ undertaken or should undertake to increase its efficiency and effectiveness?

- LDEQ has implemented several initiatives designed to increase efficiency and compliance, including Circuit Rider and Expedited Penalty programs.

Steve J. Theriot,  
CPA

Legislative  
Auditor

**Has LDEQ improved its monitoring functions since the 2002 audit?**

- Since our 2002 performance audit, LDEQ has generally improved its monitoring functions. LDEQ’s monitoring functions consist of the following three activities:
  - Permitting (issuing and renewing permits)
  - Inspections (performing routine inspections and investigating incidents)
  - Self-monitoring (reviewing self-monitoring reports)
- While many areas have improved, air permitting, hazardous waste permitting, and oversight over solid waste temporary permits have not improved since our 2002 audit.

- Similar to what we found in our 2002 audit, LDEQ conducted most of its required inspections. However, 8% of air inspections and 4% of solid waste inspections were not conducted for FY 2003-2004.
- LDEQ has improved in the amount of time it takes to address incidents. In 2002, LDEQ addressed only 66% of incidents within 5 days. In FY 2003 and 2004, LDEQ addressed 92% of incidents within 5 days.
- LDEQ’s tracking and review of self-monitoring reports has improved since the 2002 audit. We found that LDEQ has developed and appears to have implemented policies for the tracking and review of certain monitoring reports for air and water permits.

**Has LDEQ improved its enforcement functions since the 2002 audit?**

Media	Current Findings Permitting	2002 Findings Permitting
<b>Air</b>	Did not meet Title V permit issuance commitments  19% of Initial Title V expired	Did not meet Title V permit issuance commitments  11% of Initial Title V expired
<b>Water</b>	14% of major permits expired  21% of minor permits expired	69% of major permits expired  49% of minor permits expired
<b>Hazardous Waste</b>	72% of permitted units expired  11% of permit units in interim status	54% of permits expired  18% of permit units in interim status
<b>Solid Waste</b>	13% of standard permits expired  38% of facilities with orders to close still operating  85% of facilities are operating under orders to upgrade	73% of standard permits expired  18% of facilities with orders to close still operating  54% of facilities operating under orders to upgrade

- Overall, LDEQ has improved in its enforcement functions since the 2002 audit. For example,
  - ⇒ Nearly all (99%) areas of concern identified on inspections received enforcement actions or are still under enforcement review.
  - ⇒ Nearly all enforcement actions were escalated when they should have been.
- Some enforcement functions still need improvement. For example,
  - ⇒ Enforcement continues to lack a timeliness indicator for all types of facilities and all violations.
  - ⇒ LDEQ is required by its standard operating procedures to prepare a warning letter within 3 days of receiving an inspection referral. However, warning letters are not currently entered into TEMPO and LDEQ does not have a mechanism to efficiently track compliance with this requirement.
  - ⇒ Of the 1,558 warning letters issued in FY 2003 to FY 2005, LDEQ took an average of 38 days to issue a warning letter.

⇒ LDEQ has improved penalty collection, but more improvement is needed. In 2002, LDEQ did not collect nearly \$4.5 million (75%) of the penalties it assessed. In FY 2003 and 2004, LDEQ did not collect 28% of the penalties it assessed.

**What initiatives has LDEQ undertaken or should undertake to increase its efficiency and effectiveness?**

- ☛ We conducted an employee survey to obtain feedback and recommendations from LDEQ employees related to job satisfaction, morale, and other issues. We received a 42.4% response rate and overall, the survey responses were favorable. For example,
  - ⇒ Most respondents either agreed or strongly agreed that their jobs are important to the LDEQ mission and that they have appropriate supervision, clear job duties, and the necessary skills to do their jobs.
  - ⇒ Reorganization of the department, receiving appropriate training, management communication, and being treated fairly and with respect received some of the lowest ratings.
- ☛ In response to questions related to TEMPO and EDMS, employees offered many suggestions for improvement for both systems.

TEMPO Suggestions	EDMS Suggestions
<ul style="list-style-type: none"> <li>• Faster, more streamlined</li> <li>• More user-friendly</li> <li>• Include more data</li> <li>• More training and more procedures related to its use</li> </ul>	<ul style="list-style-type: none"> <li>• Better search ability for retrieval of documents</li> <li>• Clearer and more detailed document descriptions</li> <li>• Clean up misfiled documents</li> <li>• Scan all information in EDMS</li> </ul>

☛ In 2002, we identified numerous problems with LDEQ’s records retrieval system (ALPS). Currently, LDEQ has implemented a new system and uses quality assurance procedures to ensure that information is scanned and indexed accurately.

- ☛ LDEQ has developed the following initiatives to increase efficiency and compliance:
  - ⇒ The Circuit Rider Program has reduced the number of referrals to the state office and increased the timeliness of actions and has enhanced communication between state and regional offices.
  - ⇒ General compliance orders help increase the efficiency of issuing actions because they address violations in classes of facilities that are covered under general water permits.
  - ⇒ The Expedited Penalty Program provides an alternative penalty assessment mechanism that the department may use at its discretion to expedite penalty agreements in cases involving minor or moderate violations ranging from \$100 to \$3,000.

**RECOMMENDATIONS**

- ✓ LDEQ should ensure that TEMPO has the capability to include data for all of the media it regulates and that it includes all necessary updates and enhancements.
- ✓ LDEQ should develop formal procedures for quality assurance activities and ensure that procedures are appropriately and routinely implemented.
- ✓ LDEQ should determine if it is feasible, cost-effective, and beneficial to have a data warehouse of TEMPO data.
- ✓ LDEQ should continue to increase the number of penalties it actually collects.
- ✓ LDEQ should continue to explore ways to increase the efficiency of issuing and renewing permits.
- ✓ LDEQ should develop a method to ensure that temporary permits are closed and/or upgraded within their appropriate time frames.
- ✓ LDEQ should ensure that all air and solid waste facilities are inspected in accordance with its compliance monitoring strategies.

- ✓ LDEQ should continue to work with TEMPO personnel to resolve the database problems that prevent accurate analysis of timeliness for incidents.
- ✓ LDEQ should ensure that it tracks those DMRs that were due and not received to ensure that all required DMRs are submitted from facilities.
- ✓ LDEQ should develop standard time frames that apply to all facilities and all types of violations to evaluate its efficiency in issuing enforcement actions.
- ✓ LDEQ should enter warning letters into TEMPO and include a field to track compliance with the 3-day requirement or change the requirement to the date the letter was issued rather than prepared.
- ✓ LDEQ should review the results and recommendations of the employee survey and assess whether changes can be made to enhance employee morale and LDEQ operations.
- ✓ LDEQ should explore the use of general compliance orders for other media and other types of facilities.
- ✓ LDEQ should consider the feasibility and cost benefit of conducting more training sessions for other media and evaluate the effect this training has on the future compliance of attendees.

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DEPARTMENT OF ENVIRONMENTAL QUALITY  
STATE OF LOUISIANA



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PERFORMANCE AUDIT  
ISSUED MARCH 15, 2006

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March 15, 2006

The Honorable Donald E. Hines,  
President of the Senate  
The Honorable Joe R. Salter,  
Speaker of the House of Representatives

Dear Senator Hines and Representative Salter:

This report gives the results of our follow-up performance audit on the Louisiana Department of Environmental Quality. The audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

The report contains our findings, conclusions, and recommendations. Appendix C contains the response of the Louisiana Department of Environmental Quality. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

Steve J. Theriot, CPA  
Legislative Auditor

SJT/dl

LDEQ06

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**EXECUTIVE SUMMARY**

The Louisiana Department of Environmental Quality (LDEQ) is responsible for protecting the environmental resources of the state through its permitting, surveillance, and enforcement functions. This report evaluates whether LDEQ oversight over air quality, water quality, hazardous waste, and solid waste has improved since the 2002 audit. Our findings are summarized below.

**Performance Audit Findings**

**Has LDEQ improved its monitoring functions since the 2002 audit?**

- LDEQ’s integrated data management system (TEMPO) has helped make regulatory data more centralized and accessible since the 2002 audit. However, TEMPO data are not always complete and accurate.
- LDEQ met its permit commitments to EPA for water in calendar years 2003 and 2004, which is an improvement over the 2002 audit. However, like we found in the 2002 audit, LDEQ did not meet these commitments for air permits for fiscal years 2003, 2004, and 2005.
- LDEQ has improved its renewal of expired permits since the 2002 audit for all media except air and hazardous waste. In 2002, 11% of Title V air permits were expired. In FY 2004, 19% of Title V air permits were expired. For hazardous waste, 54% of permits were expired in FY 2002, compared to 72% in FY 2004.
- LDEQ has decreased the number of hazardous waste permits in interim status from 18% in the 2002 audit to 11% as of May 2005.
- Although LDEQ has reduced the total number of solid waste temporary permits, the department’s oversight of these permits needs improvement. The percent of facilities with orders to close still operating has increased from 18% in 2002 to 38% as of May 2005. The percent of facilities operating under orders to upgrade that are still not upgraded increased from 54% in 2002 to 85% as of May 2005.
- Similar to what we found in 2002, LDEQ conducted most of its required inspections. However, LDEQ did not conduct 8% of air inspections over fiscal years 2003-2004 and 4% of solid waste inspections in FY 2004.
- LDEQ addressed over 90% of incidents within 5 days in FY 2003 and FY 2004. In the 2002 audit, LDEQ addressed only 66% of incidents within 5 days.
- The tracking and review of self-monitoring reports has improved for both air and water.

**Has LDEQ improved its enforcement functions since the 2002 audit?**

- Many areas of concern that were cited on inspections and have been reviewed have received enforcement actions. However, many have not yet been addressed as they have been under review for over a year. Because of different methodologies used to analyze data, it is difficult to make comparisons with the 2002 audit in this area.
- As we found in the 2002 audit, LDEQ continues to lack a timeliness indicator or requirement that applies to all enforcement actions. LDEQ also needs a better mechanism for tracking the issuance of warning letters.
- LDEQ properly escalated all enforcement actions reviewed from FY 2003 to FY 2005, which is an improvement since the 2002 audit.
- LDEQ did not collect 28% of penalties assessed from FY 2003 to FY 2004. These collections are an improvement over the 75% that was not collected in 2002.

**What initiatives has LDEQ undertaken or should it undertake to increase its effectiveness and efficiency?**

- Responses on the employee survey are generally positive. However, respondents cited that improvement is needed in the areas of communication, training, and fair and consistent treatment of employees.
- LDEQ has improved its records management functions by implementing a new system that indexes and retrieves documents. Records management staff have also developed quality assurance procedures that help ensure that information is accurate.
- LDEQ has developed some initiatives that help increase the efficiency of enforcement and help ensure compliance. These initiatives include the Circuit Rider program, general compliance orders, expedited penalties, and training for certain facilities that are noncompliant.

## INTRODUCTION

### Audit Initiation and Objectives

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. Louisiana Revised Statute (R.S.) 24:522 requires, in part, that the legislative auditor establish a schedule of performance audits to ensure that at least one performance audit is completed and published for each executive department within a seven-year period beginning in 1997-98. In accordance with this requirement, the Office of Legislative Auditor developed a plan scheduling a performance audit of the Louisiana Department of Environmental Quality (LDEQ). The Legislative Audit Advisory Council approved this audit in July 2003. Appendix A contains our audit scope and methodology.

This performance audit was conducted as a follow-up to the March 2002 audit of the LDEQ. As such, this audit report focused on whether improvements were made to selected functions reviewed in the March 2002 report within the LDEQ permitting, monitoring, and enforcement programs, and whether LDEQ developed initiatives to increase efficiency and compliance.

The objectives of this audit are:

- **Has LDEQ improved its monitoring functions since our 2002 performance audit?**
- **Has LDEQ improved its enforcement functions since our 2002 performance audit?**
- **What initiatives has LDEQ undertaken or should undertake to increase its effectiveness and efficiency?**

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### Department Overview

R.S. 30:2011 establishes LDEQ as the primary agency concerned with environmental protection and regulation. The overall mission of LDEQ is to provide service to the people of Louisiana through comprehensive environmental protection to promote and protect health, safety, and welfare while considering sound policies regarding employment and economic development.

In FY 2005, the state legislature appropriated \$141,492,230 and 1,021 positions to LDEQ. Exhibit 1 summarizes LDEQ offices, their functions, budget, and staffing for FY 2005.

<b>Exhibit 1</b> <b>Summary of LDEQ Functions, Budget, and Staffing by Office</b> <b>FY 2005</b>			
<b>Office</b>	<b>Functions</b>	<b>Budget</b>	<b>Full-time Equivalents (FTE)</b>
<b>Office of the Secretary</b>	Facilitates achievement of environmental improvements by coordinating program offices	\$6,351,087	64
<b>Office of Environmental Compliance</b>	Performs inspections of permitted facilities and issues enforcement actions, handles field operations, conducts inspections, and responds to spill notifications and citizen complaints	\$20,800,452	295
<b>Office of Environmental Services</b>	Issues permits to facilities and oversees public participation and assistance	\$15,039,950	216
<b>Office of Environmental Assessment</b>	Conducts ambient monitoring and environmental planning and remediates contaminated sites	\$31,409,743	268
<b>Office of Management and Finance</b>	Handles administrative functions, including personnel, budgeting, purchasing, etc.	\$68,620,040	178
<b>Source:</b> Prepared by legislative auditor's staff using information from the executive budget.			

LDEQ regulates various environmental areas, or media, including air, water, hazardous waste, and solid waste. These media are summarized as follows.

**Air**

LDEQ regulates discharges of air contaminants into the atmosphere through various program specific permit requirements and small source exemptions. The LDEQ permit program includes the following:

- Minor Source Permits
- Acid Rain Permits
- Title V Operating Permits (also referred to as Part 70)
- New Source Review (NSR) - includes Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NNSR)

**Major Sources** - Facilities that emit, or have the potential to emit, in the aggregate, 10 tons per year or more of any single hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants; 100 tons per year or more of any criteria pollutant (i.e., PM<sub>10</sub>, SO<sub>2</sub>, NO<sub>x</sub>, CO, VOC (as a surrogate for ozone) and elemental lead; or any source defined as a major stationary source by Table 1 of LAC 33:III.504.

**Minor Sources** - Facilities that emit emissions below levels defined as a major source above.

Title V permits are considered “umbrella” permits, in which the other major source permit programs are incorporated. The U.S. Environmental Protection Agency (EPA) approved Louisiana’s Title V program in 1995.

## **Water**

LDEQ issues permits to individual facilities that discharge wastewater and other pollutants into state waters. These facilities are classified as major or minor. Major facilities discharge over one million gallons per day while minor facilities discharge less than one million gallons per day.

LDEQ also issues general permits that cover categories of facilities, such as oil and gas facilities and sanitary dischargers. In these cases, LDEQ issues one permit and facilities apply for coverage under that general permit.

EPA granted LDEQ primacy of the National Pollutant Discharge Elimination System (NPDES) program in 1996. As result, LDEQ acts on behalf of the EPA to issue permits and oversee activities related to water quality.

## **Hazardous Waste**

LDEQ issues permits to facilities that treat, store, or dispose of hazardous waste. LDEQ also oversees generators of hazardous waste, although these facilities are not required to have permits. LDEQ received final authorization from the EPA under the Resource Conservation and Recovery Act (RCRA) to implement the base Hazardous Waste Management Program in 1985.

## **Solid Waste**

The regulation of solid waste is a state program with no EPA oversight. LDEQ issues standard and temporary permits (orders to upgrade or orders to close) to facilities that are classified as follows:

- Type I: Industrial disposal facilities, including landfills, surface impoundments, and landfarms
- Type I-A: Industrial processing facilities, such as incinerators, compactors, and transfer stations
- Type II: Non-industrial disposal facilities
- Type II-A: Non-industrial processing facilities
- Type III: Construction/demolition debris and woodwaste landfills, separation facilities, and composting facilities

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**Has LDEQ improved its monitoring functions since the 2002 audit?**

Since our 2002 performance audit, LDEQ has generally improved its monitoring functions. LDEQ’s monitoring functions consist of the following three activities:

- Permitting (issuing and renewing permits)
- Inspections (performing routine inspections and investigating incidents)
- Self-monitoring (reviewing self-monitoring reports)

While many areas have improved, air permitting, hazardous waste permitting, and oversight over solid waste temporary permits have not improved since the 2002 audit. Exhibit 2 summarizes current and 2002 findings in these areas.

<b>Exhibit 2</b> <b>Comparison of Current and 2002 Findings</b> <b>Monitoring Activities</b>			
Activity	Media	Current Performance Audit	2002 Performance Audit
Permitting	Air	<ul style="list-style-type: none"> <li>• Did not meet Title V permit issuance commitments</li> <li>• 19% of Initial Title V expired</li> </ul>	<ul style="list-style-type: none"> <li>• Did not meet Title V permit issuance commitments</li> <li>• 11% of Initial Title V expired</li> </ul>
	Water	<ul style="list-style-type: none"> <li>• Met major and minor permit issuance commitments</li> <li>• 14% of major permits expired (31% administratively continued)<sup>1</sup></li> <li>• 21% of minor permits expired (14% administratively continued)</li> </ul>	<ul style="list-style-type: none"> <li>• Did not meet major and minor permit issuance commitments</li> <li>• 69% of major permits expired</li> <li>• 49% of minor permits expired</li> </ul>
	Hazardous Waste	<ul style="list-style-type: none"> <li>• 72% of permitted units expired<sup>2</sup></li> <li>• 11% of permit units operating in interim status</li> </ul>	<ul style="list-style-type: none"> <li>• 54% of permitted units expired</li> <li>• 18% of permitted units operating in interim status</li> </ul>
	Solid Waste	<ul style="list-style-type: none"> <li>• 13% of standard permits expired</li> <li>• 38% of facilities with orders to close still operating</li> <li>• 85% of facilities are operating under orders to upgrade</li> </ul>	<ul style="list-style-type: none"> <li>• 73% of standard permits expired</li> <li>• 18% of facilities with orders to close still operating</li> <li>• 54% of facilities operating under orders to upgrade</li> </ul>



<b>Exhibit 2 (Continued)</b> <b>Comparison of Current and 2002 Findings</b> <b>Monitoring Activities</b>			
<b>Activity</b>	<b>Media</b>	<b>Current Performance Audit</b>	<b>2002 Performance Audit</b>
<b>Inspections</b>	<b>Air</b>	<ul style="list-style-type: none"> <li>8% not conducted</li> </ul>	<ul style="list-style-type: none"> <li>15% not conducted</li> </ul>
	<b>Water</b>	<ul style="list-style-type: none"> <li>0% not conducted for majors</li> </ul>	<ul style="list-style-type: none"> <li>4% not conducted for majors</li> </ul>
	<b>Hazardous Waste</b>	<ul style="list-style-type: none"> <li>0% not conducted</li> </ul>	<ul style="list-style-type: none"> <li>4% not conducted</li> </ul>
	<b>Solid Waste</b>	<ul style="list-style-type: none"> <li>4% not conducted</li> </ul>	<ul style="list-style-type: none"> <li>23% not conducted for municipal landfills</li> <li>4% not conducted for industrial landfills</li> </ul>
<b>Self-Monitoring</b>	<b>Air</b>	<ul style="list-style-type: none"> <li>Less than 1% not received</li> </ul>	<ul style="list-style-type: none"> <li>22% of reports in our sample not received or not in LDEQ's files</li> </ul>
	<b>Water</b>	<ul style="list-style-type: none"> <li>32% not received, however, this number includes an indeterminable number of facilities that were not required to submit reports</li> </ul>	<ul style="list-style-type: none"> <li>26% of reports in our sample were not received or not in LDEQ's files</li> </ul>
	<b>Hazardous Waste</b>	<ul style="list-style-type: none"> <li>Did not analyze due to low percentage in 2002</li> </ul>	<ul style="list-style-type: none"> <li>3% of reports in our sample not received or not in LDEQ's files</li> </ul>
	<b>Solid Waste</b>	<ul style="list-style-type: none"> <li>Did not analyze due to low percentage in 2002</li> </ul>	<ul style="list-style-type: none"> <li>4% of reports in our sample not received or not in LDEQ's files</li> </ul>
<b>Incidents</b>	<b>All media</b>	<ul style="list-style-type: none"> <li>90% of incidents were addressed within 5 days</li> </ul>	<ul style="list-style-type: none"> <li>66% of incidents addressed within 5 days</li> </ul>
<p><b>Source:</b> Prepared by legislative auditor's staff using data from the 2002 audit and the current audit.</p> <p><sup>1</sup> LDEQ allows permits to be administratively continued if renewal applications are received at least 180 days prior to permit expiration.</p> <p><sup>2</sup> Information was pulled from RCRA Info and not TEMPO and we could not determine whether applications had been submitted timely to be considered administratively continued.</p>			

Although LDEQ has implemented some improvements in its management of data since the 2002 audit, more improvement is needed to ensure that regulatory data are complete and accurate.

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## **TEMPO Helps Provide Accessible and Centralized Information, but Data Not Always Complete and Accurate**

In 2002, we had to use a variety of data sources to obtain information on regulated facilities. These sources included EPA databases such as the Permit Compliance System (water), the Compliance Data System (air), and RCRA Info (Hazardous Waste), as well as internal databases used for billing and tracking. We found that these sources often included conflicting and inaccurate information. Currently, LDEQ uses TEMPO (Tools for Environmental and Protection Organizations) for its primary information system but also maintains the required EPA databases. According to LDEQ, it has migrated data from historical systems into TEMPO and has equipped or is currently working on equipping TEMPO to upload to EPA databases.

TEMPO was implemented by the department beginning in November 1999 and contains regulatory data for most media. LDEQ relies on TEMPO as its central repository of data on facilities the department regulates. Therefore, it is vital that TEMPO data be accurate, complete, and reliable. LDEQ has developed some controls to ensure that TEMPO data are accurate. For example, the system has input controls and edit checks that help prevent the entry of incorrect data. The department has also developed policies and procedures for data entry for certain functions. Employees also have a user's manual and periodic training on TEMPO that helps ensure they understand and use TEMPO appropriately. However, we identified some problems with data quality and with other issues related to TEMPO. These issues are summarized below.

**TEMPO does not contain all regulatory data.** According to LDEQ, hazardous waste permit information is not currently input into TEMPO because hazardous waste information contains many text fields which TEMPO does not currently accept. In addition, some enforcement data are not included in TEMPO but kept in internal enforcement tracking systems. For example, warning letters are not entered into TEMPO.

**LDEQ lacks consistent and formal quality assurance (QA) activities.** Currently, LDEQ does not have formal, consistent, and centralized QA procedures to routinely ensure that TEMPO data are accurate and reliable. According to LDEQ, each division has developed its own queries and reports to assess the quality of data. However, no centralized management of these activities or formal procedures ensure that all divisions are consistently conducting appropriate activities.

TEMPO data used in our analysis contained some inaccuracies that could have been detected with better QA procedures (such as edit checks and exception reports). For example, analysis of water permit data showed cases of duplicate permit numbers, cases where permit issue dates were greater than expiration dates, and cases where permits did not have renewal applications coded as received in TEMPO. Other examples include the following:

- Analysis of solid waste permit data showed cases of incorrect temporary permit numbers, cases of duplicate permit numbers, and cases where solid waste permit data were not entered and had to be obtained through LDEQ's Electronic Data Management System (EDMS) where all paper files are electronically stored and managed.

- Analysis of air permit data showed cases of duplicate permit information, including duplicate permit numbers issued for different facilities and permits listed without permit numbers. In addition, 5% of Title V permits were shown in TEMPO to be valid for longer than the statutorily allowed 5 years because of the auto-extend function in TEMPO.

**Data are not readily available to help management evaluate the quality and effectiveness of its surveillance and enforcement programs.** We attempted to obtain one data set for all inspections with areas of concern to determine whether LDEQ issued enforcement actions for all violations referred from surveillance. However, while this type of data is maintained by LDEQ, it is not readily available or accessible in TEMPO. To determine if certain inspections resulted in enforcement actions, we had to obtain multiple data sources and perform manual edits to the data. Also, TEMPO does allow for links to specific violations with enforcement actions; however, the established procedures need to be enforced and/or revised to prevent non-linkage. Because of various linkage problems encountered during the audit when examining what violations were included in specific actions, we had to review the action itself. Because LDEQ cannot easily evaluate data to determine whether inspections resulted in enforcement actions, it is difficult for LDEQ to evaluate the quality of its enforcement and surveillance processes.

With the increasing demand for data both from inside the department and from external customers, LDEQ officials said that having a data warehouse would help them better evaluate the quality of their programs. A data warehouse is a copy of data that is specifically structured for query, analysis, and reporting. A data warehouse would enable users to efficiently and regularly query TEMPO data to effectively manage programs, clean up inaccurate data, and generate performance reports.

**TEMPO has not been updated and user requests for changes have not always been made.** When LDEQ first implemented TEMPO in 1999, the vendor provided support services for the department. However, LDEQ severed ties with the vendor at the end of 2000 and maintained TEMPO using a combination of LDEQ staff and contractors. As a result, LDEQ is still using TEMPO version 2.0, while other states using TEMPO have implemented version 8.1. Since 1999, users have identified over 266 changes or enhancements to the system to make the system more compatible with LDEQ functions. However, only 160 of the enhancements have been addressed. According to LDEQ, enhancements were not completed because of a lack of resources. LDEQ is currently evaluating the cost-benefit of upgrading to the latest release of TEMPO as part of a gap analysis.

**Recommendation 1:** LDEQ should ensure that TEMPO has the capability to include data for all of the media it regulates and that it includes all necessary updates and enhancements.

**Summary of Management's Response:** LDEQ agrees with this recommendation. TEMPO is the department's repository of information for all entities that are regulated by the department. It has aided us greatly in consolidating many disparate databases into one system.

As a matter of procedure, we prioritize all enhancements and work on the higher priority requests first. We will continue this process to ensure TEMPO includes all necessary updates and enhancements.

**Recommendation 2:** LDEQ should develop formal procedures for QA activities and ensure that procedures are appropriately and routinely implemented. This recommendation may involve establishing a centralized QA employee and/or group that oversees these activities.

**Summary of Management's Response:** LDEQ agrees with this recommendation. The TEMPO system does have standards and validation routines that provide for accurate data entry. However, the department realizes that these standards are not sufficient to guarantee consistent use of the system across the department and its processes. As such, LDEQ will develop a formal quality assurance program as it applies to TEMPO.

**Recommendation 3:** LDEQ should determine if it is feasible, cost-effective, and beneficial to have a data warehouse of TEMPO data. These data could be used for QA purposes and for users to query for analysis and reports.

**Summary of Management's Response:** LDEQ agrees with this recommendation. LDEQ fully realizes the need for a data warehouse and the benefits it would provide the department. Although not a true data warehouse, we are currently developing an instance of the database on a separate server that will be used for knowledge queries. This will provide for quicker, better organized presentation of the data and will not slow down our production database. Any future decisions on a true data warehouse will be dependent upon LDEQ's budget position.

## PERMIT ACTIVITIES

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### Permit Issuance Commitments Met for Water, Not for Air

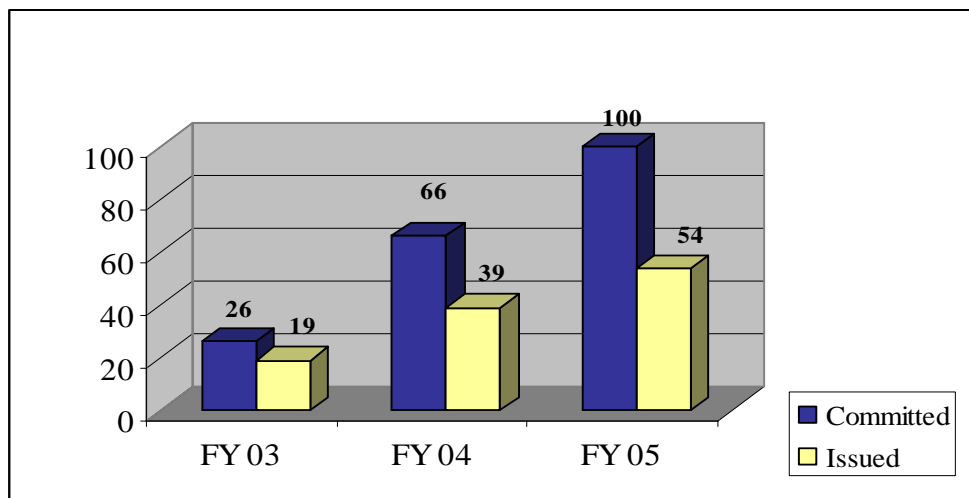
#### Air

LDEQ has not improved in its issuance of initial Title V permits since the 2002 audit. In the 2002 audit, LDEQ had not met its commitment to EPA to issue the remaining 315 initial Title V permits. As of June 2005, LDEQ officials reported that 119 of 315 initial Title V permits remain to be issued. LDEQ has committed to EPA to issue the remaining 119 initial Title V permits by June 30, 2006. This commitment will be a significant undertaking for the department given that LDEQ has issued only 112 initial Title V permits in the last three fiscal years combined. Furthermore, LDEQ has to continue issuing non-initial Title V permits, modifications, and renewals in addition to issuing initial Title V permits.

Initial Title V permits expire five years after issuance. As more permits are issued each year to achieve the EPA issuance commitment, more permits will reach their expiration date, revealing a higher percentage of expired air permits each year. More expired permits will create a heavier workload on the permit division as more permits remain to be issued, renewed, and

modified. LDEQ is determined to meet the EPA issuance commitment as well as continue issuing, renewing, and modifying other air permits and has hired six new air permit writers to help them achieve this goal. To illustrate the Air Permit Division’s progress, in fiscal year 2006, the permitting division has issued 46 initial Title V permits and 19 other first-time Title V permits for a total of 65 Title V permits issued. Exhibit 3 demonstrates a significant upward trend in Initial Title V permit issuance rates and illustrates LDEQ’s advancement toward the EPA issuance commitment from FY 2003 to FY 2005.

**Exhibit 3**  
**Comparison of Initial Title V Permits Issued to**  
**Permits Committed to EPA to Issue**  
**FY 2003 to FY 2005**



**Source:** Prepared by legislative auditor’s staff using information from TEMPO.

LDEQ also has not met the federal requirement of issuing non-initial Title V permits within 540 days. Louisiana law (LAC 33:III.519.C.3) requires that LDEQ take final action on complete air permits within 18 months (540 days). Exhibit 4 shows the total number of non-initial Title V permits issued and the number issued in over 540 days for FY 2003 to FY 2005. We did not perform this analysis in our 2002 audit because of the lack of this type of data during that audit.

<b>Exhibit 4</b> <b>Title V Permits Issued 540 Days or More After Renewal Application Submitted</b> <b>FY 2003 to FY 2005</b>			
<b>Year</b>	<b>Total Non-Initial Air Permits Issued</b>	<b>No. Issued 540 Days or More After Application Submitted</b>	<b>Percent</b>
<b>FY 03</b>	96	14	15%
<b>FY 04</b>	133	49	37%
<b>FY 05</b>	210	118	56%

**Source:** Prepared by legislative auditor’s staff using permit data from TEMPO.

According to LDEQ, Title V permits are complex permits that take time to complete. Other causes for not issuing these permits in accordance with EPA commitments and federal time frames include the following:

- Turnover, resulting in inexperience among staff or not enough staff. LDEQ recently hired 6 new permit writers to increase its total permitting staff dedicated to Title V permit issuance to 28.
- Initial Title V permits were due by 1996 and some of these original applications need updating.
- Some applications are of poor quality and incomplete when submitted.

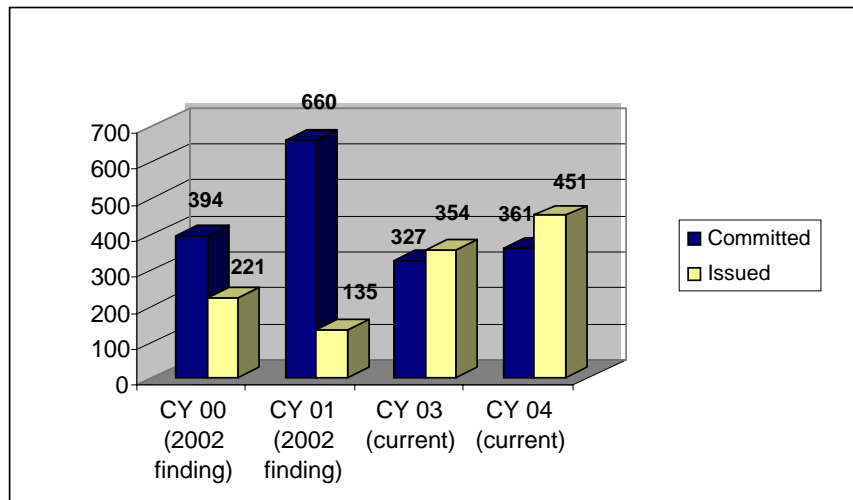
LDEQ began a project in May 2004 called Air Permit Data Upload (APDU) that allows facilities to upload certain permit data into TEMPO. According to LDEQ, APDU reduces the amount of time permit writers have to manually enter permit data by approximately two weeks. LDEQ is also working on developing an electronic permitting system through TEMPO which should also help increase the efficiency of issuing permits.

**Water**

LDEQ has improved in the area of water permit issuance since the 2002 audit. The department has met or exceeded its permit issuance commitments to EPA in CY 2003 and CY 2004, as a result of the implementation of the Water Permits Issuance Strategy. Exhibit 5 compares the total number of major and minor permits issued to the total number of permits LDEQ committed to EPA to issue.

**Exhibit 5**

**Comparison of 2002 Findings to Current Findings  
Major and Minor Permit Issuance**



Source: Prepared by legislative auditor’s office using data from LDEQ.

**Recommendation 4:** LDEQ should continue to explore ways to increase the efficiency of issuing and renewing permits.

**Summary of Management’s Response:** LDEQ agrees with this recommendation. In addition to the projects already completed and implemented (Standards Oil and Gas Permit, Air Permit Data Upload, additional permit writers, Title V (General Permit), a number of new initiatives and projects are underway that will increase permitting efficiency. These new initiatives include Permit by Rule, expanding the use of general permits, and on-line applications. As permit applications continue to increase, the department will continue to seek opportunities to improve processes and better serve the public.

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**Some Facilities Still Operating Under Expired Permits**

Overall, LDEQ has improved in its renewal of expired permits for water and solid waste since the 2002 audit. However, the number of expired Title V air and hazardous waste permits has increased. Exhibit 6 summarizes the 2002 audit findings as compared to FY 2004 findings related to expired permits.

<b>Exhibit 6</b>		
<b>Expired LDEQ Permits by Media</b>		
<b>2002 Findings Compared to Current (FY 2004) Findings</b>		
<b>Permit Media/Type</b>	<b>2002 Findings % of Expired Permits</b>	<b>FY 2004 % of Expired Permits</b>
<b>AIR</b>		
<b>Title V</b>	11% expired	19% expired
<b>WATER</b>		
<b>Major Permits</b>	69% expired	14% expired
<b>Individual Minor Permits</b>	49% expired	21% expired
<b>HAZARDOUS WASTE</b>		
<b>Permitted Units Covered by Standard Permits</b>	54% expired	72% expired
<b>SOLID WASTE</b>		
<b>Standard Permits</b>	73% expired	13% expired
<b>Source:</b> Prepared by legislative auditor's staff using data from the 2002 performance audit and permit data from TEMPO.		

State regulations allow LDEQ to administratively continue a permit if LDEQ receives the renewal application 180 days before the permit expires. This regulation allows facilities to operate under the previous permit until LDEQ can issue a new one, even though these permits are still technically expired. Administratively continued permits also subject the facility to the same inspection frequency as other permits and to the same range of enforcement response as any other effective permit. Exhibit 7 shows the number and percentage of expired permits that were administratively continued in FY 2004 by media and the average length of time administratively continued permits have been pending. We did not perform a similar analysis in the 2002 audit report because such data were not available at that time.



<b>Exhibit 7</b> <b>Percentage of Administratively Continued</b> <b>Permits and Average Time Pending</b> <b>FY 2004</b>		
<b>Permit Media/Type</b>	<b>% of Expired Permits Administratively Continued</b>	<b>Average Number of Days Administratively Continued Permits Have Been Pending</b>
<b>AIR</b>		
<b>Title V</b>	48%	949 days (as of 6/29/05)
<b>WATER</b>		
<b>Major Permits</b>	31%	1,621 days (as of 5/13/05)
<b>Individual Minor Permits</b>	14%	733 days (as of 5/13/05)
<b>HAZARDOUS WASTE</b>		
<b>Permitted Units Covered by Standard Permits</b>	Unable to Determine*	Unable to Determine
<b>SOLID WASTE</b>		
<b>Standard Permits</b>	46%	852 days (as of 5/13/05)
<b>Source:</b> Prepared by legislative auditor's staff using data from TEMPO. * Hazardous waste permit data were obtained from RCRA Info and did not include application receipt dates.		

As noted above, facilities that submit their applications timely (at least 180 days prior to their permit's expiration) will receive an administratively continued permit. However, as the exhibit shows, these administratively continued permits may be continued for lengthy periods of time before LDEQ can actually issue the renewal.

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### **Number of Hazardous Waste Permits in Interim Status Has Decreased**

As of May 2005, 11% of the permitted units at LDEQ regulated hazardous waste facilities were operating under interim status. This percentage is a slight improvement over the 18% that were operating under interim status in our 2002 audit report. Interim status designation allows hazardous waste units to operate with interim requirements until LDEQ can issue a standard permit. Interim status is generally applied for time periods not to exceed 12 months and is not meant to be permanent. However, all of the interim status designations have been in effect for longer than 12 months. Specifically, we reviewed 642 permitted units and found the following:

- Twenty-two units (32%) have been in interim status since 1980 to 1989.
- Forty-five units (65%) have been in interim status since 1990 to 1999.
- Two units (3%) have been in interim status since 2000 to 2004.

**Solid Waste Orders to Close or Upgrade Still Not Tracked Effectively**

Although LDEQ has reduced the number of orders to close or upgrade from 293 in 2002 to 90 as of May 2005, LDEQ oversight over these permits continues to need improvement. The percent of facilities with orders to close still operating increased from 18% in 2002 to 38% as of May 2005 and the percent of facilities operating under orders to upgrade that are still not upgraded increased from 54% in 2002 to 85% as of May 2005.

Orders to close and orders to upgrade are considered temporary permits that are issued for a period not to exceed three years. Exhibit 8 provides a comparison of current findings to 2002 audit findings related to temporary permits.

<b>Exhibit 8</b> <b>Comparison of 2002 Findings to Current Findings</b> <b>Solid Waste Temporary Permits</b>		
<b>Overall Finding</b>	<b>Current Finding</b>	<b>2002 Finding</b>
<b>Expired Standard Permits <sup>1</sup></b>	13%	73%
<b>Orders to Close Still Open</b>	38%	18%
<b>Percent of Orders to Close Open Over 3 Years</b>	79%	94%
<b>Orders to Upgrade Not Upgraded</b>	85%	54%
<b>Percent of Orders to Upgrade Open Over 3 Years</b>	100%	93%
<b>Source:</b> Prepared by legislative auditor's staff using TEMPO data as of 5/17/05.		
<sup>1</sup> LDEQ allows permits to be administratively continued if renewal applications are received at least 180 days prior to permit expiration. Fifty-four percent of expired solid waste permits did <i>not</i> meet this criteria.		

**Recommendation 5:** LDEQ should develop a method to ensure that temporary permits are closed and/or upgraded within their appropriate time frames.

**Summary of Management's Response:** LDEQ agrees with this recommendation. LDEQ is in the process of drafting a solid waste permit issuance strategy to further promote the finalization of the remaining orders to close and upgrade. The solid waste permitting strategy will also promote the issuance of renewal permits in a more efficient, expeditious and organized manner. It is our goal to eliminate solid waste orders to close and orders to upgrade backlog and to have standard solid waste permits that are current and effective.

**INSPECTION ACTIVITIES**

**LDEQ Conducted Most of Its Required Inspections**

Similar to what we found in 2002, LDEQ conducted most of its required inspections in FY 2004 for water and hazardous waste. In the 2002 audit, LDEQ conducted its inspections in accordance with R.S. 30:2012 which required the department to conduct an inspection of all permitted facilities annually. However, because this requirement was unreasonable, we recommended that the legislature consider revising the statute to modify the annual inspection requirement. Act 217 of the 2003 legislative session replaced the annual inspection requirement and directed the department to develop a compliance monitoring strategy for inspection frequency based on facility compliance history, potential environmental impact, funding commitments, and other factors. LDEQ developed a compliance monitoring strategy effective July 2004.

Exhibit 9 summarizes the current inspection frequency and findings from 2002 and from FY 2004 by media.

<b>Exhibit 9</b>			
<b>Inspection Frequency and Findings by Media</b>			
<b>2002 Findings to FY 2004 Findings</b>			
<b>Media</b>	<b>FY 2004 Inspection Frequency</b>	<b>Percent of Inspections Conducted -2002</b>	<b>Percent of Inspections Conducted - FY 2004</b>
<b>WATER</b>			
Majors	Annually	96% of majors	100% of majors
Minors	In accordance with operational plan (25% of facilities)	69% of minors	<i>Could not evaluate*</i>
<b>AIR</b>			
Title V	Every two years	85%	92%
<b>HAZARDOUS WASTE</b>			
Commercial Treatment Storage and Disposal Facilities	Annually	96%	100%
<b>SOLID WASTE</b>			
Commercial Municipal, Industrial, and Construction and Demolition Debris Landfills	Annually	77% of municipal and construction/demolition debris landfills 94% of industrial landfills and other facilities	96%
<b>Source:</b> Prepared by legislative auditor's staff using data from TEMPO and the Compliance Monitoring Strategy.			
*We could not evaluate minors because the master list of LDEQ proposed inspections for minors in FY 2004 was lost because of computer problems at LDEQ.			

**Recommendation 6:** LDEQ should ensure that all air and solid waste facilities are inspected in accordance with its compliance monitoring strategies.

**Summary of Management's Response:** LDEQ agrees with this recommendation. LDEQ strives to meet the goals it establishes annually in the Compliance Monitoring Strategy (CMS). However, compliance inspections occasionally are realigned so that the division can address complaints and environmental incidents that require significant use of resources, such as oil spills, train derailments, and hurricane response. LDEQ will continue to work toward meeting the CMS goals as we carry out other assignments essential to the agency's mission to protect public health and the environment.

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### **LDEQ Addressed Most Incidents Timely**

LDEQ has improved since the 2002 audit when it addressed only 66% of incidents within 5 days. Currently, LDEQ addressed over 90% of the 17,412 incidents (includes complaints, spills, releases, etc.) received in FY 2003 and FY 2004 in 5 days or less. According to the FY 2005 executive budget, one of LDEQ's objectives is to address 90% of incidents within 5 days. In FY 2003 and FY 2004, LDEQ addressed 91.8% and 91.5% of incidents within 5 days, respectively. As a result, LDEQ is addressing incidents in a timely manner in accordance with its objective.

However, we were unable to evaluate timeliness for 3,223 of the 17,412 (18.5%) incidents in FY 2003 and FY 2004 because these incidents were reported as addressed within negative days. According to LDEQ, the negative days result is due to data entry error or procedures required by Single Point of Contact (SPOC), LDEQ's single entry point for all incidents. SPOC requires that the date they receive the incident be entered into TEMPO instead of the date the regions receive the incident. However, in some cases, the regions may receive and address the incident prior to SPOC receiving notification of the incident resulting in a possible negative date appearing in the data.

**Recommendation 7:** LDEQ should continue to work with TEMPO personnel to resolve the database problems that prevent accurate analysis of timeliness for incidents.

**Summary of Management's Response:** LDEQ agrees with this recommendation. LDEQ understands there have been problems with incident data entry. We are committed to improving the quality of this effort. There are QA/QC procedures in place presently that were not applicable in FY03-04. The ongoing effort that management and supervisors attend regularly will ensure that incident data entry is accurate and timely.

## SELF-MONITORING ACTIVITIES

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### Tracking of Self-Monitoring Reports for Air and Water Has Improved

LDEQ's tracking and review of self-monitoring reports has improved since the 2002 audit. We found that LDEQ has developed and appears to have implemented policies for the tracking and review of certain monitoring reports for air and water permits as summarized in the sections below.

#### **Air**

In 2002, we reviewed a sample of 45 permitted air facilities. Twenty-eight of these facilities were required to submit 228 self-monitoring reports in 1999 and 2000. However, we could not locate 50 of these reports (22%) after searching through LDEQ's files and providing lists to LDEQ staff to find the documents. Currently, LDEQ has established procedures to log the receipt date of all Annual and Semiannual Compliance Certifications, which enables LDEQ staff to track the submittal and nonsubmittal of all compliance reports. LDEQ received 687 required Annual Compliance Reports in 2003. Title V facilities are required to submit Annual Compliance Certifications by March 31 of each year detailing activities at the facility from the previous calendar year. Of the 687 Annual Reports submitted, seven facilities (less than 1%) were listed as not having submitted a report for the year. Four of those not reporting were referred to enforcement, while the remaining three facilities have not been followed up on for noncompliance.

#### **Water**

In 2002, we reviewed a sample of 18 water permits for minor facilities. These 18 facilities were required to submit 296 discharge monitoring reports (DMRs) to LDEQ. However, we could not locate 26% of the required DMRs. Since the last audit, LDEQ has established procedures to log the receipt date of all DMRs received from minor facilities into the Permit Compliance System (PCS). This receipt date allows LDEQ staff to track the submittal and nonsubmittal of DMRs. As recorded in the PCS database, LDEQ received 12,777 DMRs and did not receive 6,068 DMRs in FY 2004. According to LDEQ, some of these facilities that did not submit DMRs may not have been required to submit them because these facilities may have received a permit after FY 2004 or may have closed. However, LDEQ's PCS database could not distinguish these.

In addition to tracking DMRs for receipt, LDEQ has established procedures to review minor facility DMRs--a procedure that was not established in the 2002 audit. Currently, LDEQ policy is to review every 20<sup>th</sup> DMR for violations. If violations are discovered, staff conduct a file review where they review five years of DMRs for that facility. If violations are detected, they are addressed with a warning letter and/or referred to Enforcement. Since the 20<sup>th</sup> DMR

review policy was implemented in early 2004, there have been 113 instances of violations on DMRs. Of the 113, 60 (53%) have been referred to Enforcement. The remaining 53 (47%) have either not had a thorough file review yet or did not warrant any further action.

LDEQ is also beginning an eDMR project that will allow for the electronic submittal of water discharge self-monitoring data to TEMPO. The estimated completion date for this project is August 2006.

**Recommendation 8:** LDEQ should ensure that it tracks those DMRs that were due and not received to ensure that all required DMRs are submitted from facilities.

**Summary of Management's Response:** LDEQ agrees with this recommendation. The Water Enforcement section's current DMR database is accurate and does track those DMRs that are required but were not received. We reconcile this database periodically; however, this database is dynamic. As they are issued and terminated, permits are constantly being added and deleted from the database. We depend on both the Permits Division and permittees to maintain an accurate database regarding permit terminations and termination and reissuance under a new permit number of facility closure. As such, the PCS database is continuously updated when Enforcement personnel are informed of permit status changes by the Permits Division and permittees. All DMRs are tracked for receipt dates and every 20<sup>th</sup> DMR received is reviewed for effluent violations. Lastly, LDEQ is moving forward to enable electronic submittal of water discharge self-monitoring data.

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## Has LDEQ improved its enforcement functions since the 2002 audit?

Overall, LDEQ has improved its enforcement functions since the 2002 audit. For example, nearly all areas of concern identified on inspections have received an enforcement action or are under review and nearly all enforcement actions were escalated when they should have been. However, LDEQ still could improve by establishing more comprehensive and/or better time frames for issuing enforcement actions. Furthermore, LDEQ should also continue to improve in its collection of penalties. As of July 2005, LDEQ had only collected 72% of penalties assessed in FY 2003 and FY 2004.

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### Most Areas of Concern Identified on Inspections Received Enforcement Actions or Are Still Under Enforcement Review

In 2002, some violations on inspection(s) and self-monitoring reports did not receive an enforcement action. Specifically, 31% of inspection violations and 38% of monitoring violations for water and 25% of monitoring violations for air did not receive an enforcement action. However, in 2002, we reviewed only a sample of facilities and did not use TEMPO data because the data were not available. Because the current analysis uses the entire population of inspections in TEMPO, it is difficult to compare the findings.

The current analysis identified that nearly all (over 99%) areas of concern identified on inspections<sup>1</sup> that were referred to enforcement and reviewed either received some type of enforcement action or are currently under review. Specifically, the 3,012 inspections conducted in FY 2003 to FY 2005 identified 6,059 areas of concern. Of these, 1,156 inspections had been addressed by an enforcement action. However, 1,856 inspections did not appear to have enforcement actions. Of those,

- (1) 389 (21%) were corrected in the region, needed no further action, or were addressed by an action under a different media;
- (2) 250 (14%) inspections were not linked to a specific enforcement action in TEMPO but did have an action;
- (3) 1,214 (65%) have not yet been addressed because they are still under review; the average number of days these actions have remained open ranges from 462 days to 573 days; and
- (4) 3 (less than 1%) did not have an action but should have received an action.

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<sup>1</sup> We did not review monitoring violations because LDEQ has improved its tracking of monitoring reports as noted previously in this report. In addition, TEMPO does have the capability to link specific enforcement actions to self-monitoring violations, but very few procedures to prevent non-linkage so this task would have been time-consuming and inefficient.



These data indicate that LDEQ has improved its issuance of enforcement actions for areas of concern identified on inspections. However, LDEQ should continue to strive to issue enforcement actions in a timely manner, as 65% of inspections with areas of concern have not yet been addressed.

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**Enforcement Lacks Timeliness Indicator for All Types of Facilities and All Violations**

In 2002, the performance indicator on timeliness of enforcement actions in LDEQ’s executive budget did not include all types of facilities or all types of violations. Exhibit 10 shows the enforcement actions LDEQ includes in this indicator.

<b>Exhibit 10</b> <b>Methodology for Calculating Timeliness for Enforcement Action Performance Indicator</b>	
<b>Media</b>	<b>Enforcement Actions Included</b>
<b>Air</b>	High Priority Violators
<b>Water</b>	Actions issued for Significant Noncompliance violations
<b>Hazardous Waste</b>	Significant Noncompliers (facilities considered to have high priority violations)
<b>Solid Waste</b>	All enforcement actions
<b>Source:</b> Prepared by legislative auditor’s staff using information from LDEQ.	

While LDEQ is required by EPA to measure timeliness using the above criteria, LDEQ does not have any additional criteria or internal policies to evaluate the timeliness of enforcement actions issued to all facilities for all types of violations. Establishing such criteria would enable LDEQ to evaluate its efficiency in issuing enforcement actions. For information sake, we calculated the average length of time LDEQ took to issue actions using three different scenarios as summarized in Exhibit 11. This exhibit includes all violations that resulted from inspections as of June 2005.

<b>Exhibit 11</b> <b>Average Length of Time for Enforcement in Days For All Violations from Inspections As of June, 2005</b>					
Scenario	Time Frame	Air	Water	Hazardous Waste	Solid Waste
1	From Last Date of Inspection to Date Assigned to an Enforcement Writer	90	196	55	57
2	From Date Assigned to an Enforcement Writer to Date Enforcement Action Issued	130	260	106	129
3	From Last Date of Inspection to Date Enforcement Action Issued	207	342	161	185
<b>Source:</b> Prepared by legislative auditor's staff using data from TEMPO.					

**Recommendation 9:** LDEQ should develop standard time frames that apply to all facilities and all types of violations to evaluate its efficiency in issuing enforcement actions.

**Summary of Management's Response:** LDEQ partially agrees with this recommendation. The nature of the regulatory programs for the different media and the severity of different types of violations make it difficult, if not impossible, to set a standard timeframe to cover all violations. The Enforcement Division follows the federal requirements stated in the Performance Partnership Grant with EPA for most of the timeframes and has implemented new programs (Circuit Rider, XP) to address violations not falling under those timeframes.

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### **LDEQ Needs Better Time Frame for Issuing Warning Letters**

LDEQ is required by its standard operating procedures to prepare a warning letter within three days of receiving an assignment of an inspection referral. However, warning letters are not currently entered into TEMPO. Warning letter data are entered into an internal enforcement tracking system, but this system does not have a field to enter the date the warning letter is prepared. Therefore, LDEQ does not have a mechanism to efficiently track compliance with this requirement.

Furthermore, LDEQ should consider changing the requirement from the date prepared to the date issued because it is possible that an employee could prepare a letter but the letter not be approved or issued until much later. We found that of the 1,558 warning letters issued in FY 2003 to FY 2005, it took an average of 38 days to issue a warning letter.

**Recommendation 10:** LDEQ should enter warning letters into TEMPO and include a field to track compliance with the 3-day requirement or change the requirement to the date the letter was issued rather than prepared.

**Summary of Management's Response:** LDEQ agrees with this recommendation. LDEQ plans to update its SOPs to reflect that Warning Letters should be issued within 30 days of assignment. In addition, after enhancements to TEMPO, Enforcement personnel will be able to enter Warning Letters in TEMPO and as a task in the work activity log.

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### **All Enforcement Actions Escalated Properly**

In 2002, some enforcement actions were not escalated when facilities had the same or similar types of violations. Specifically,

- (1) 76% of cases were not escalated for facilities with air violations;
- (2) 57% of cases were not escalated for facilities with water violations;
- (3) 42% of cases were not escalated for facilities with hazardous waste violations;  
and
- (4) 29% of cases were not escalated for facilities with solid waste violations.

Currently, 44 enforcement actions did not appear to be escalated appropriately. LDEQ's methodology for escalating enforcement actions involves a review of the mitigating circumstances surrounding each violation; therefore, we allowed LDEQ the opportunity to research and respond to each individual case. After its review of the above 44 enforcement actions, LDEQ said that all had been escalated appropriately based on its technical understanding of each violation and its established methodology. Exhibit 12 summarizes the results of our analysis and LDEQ's reasons for why actions were escalated appropriately.

Exhibit 12				
Analysis of Escalation of Enforcement				
	Number of Facilities With More Than One Action and Similar Violations	Number Appearing Escalated Appropriately	Number Appearing Not Escalated	Reasons Why LDEQ Considered Actions Escalated
Air	15	4	11	<ul style="list-style-type: none"> <li>Two facilities were escalated properly according to LDEQ.</li> <li>Five facilities either were addressed in a settlement or subsequent penalty.</li> <li>One facility had all violations cleared.</li> <li>Three facilities had a change of ownership so LDEQ allowed time for corrections.</li> </ul>
Water	64	40	24	<ul style="list-style-type: none"> <li>Ten facilities are municipalities and are under compliance schedules to upgrade plant--no escalation considered in these cases.</li> <li>Five facilities are closed, have had orders rescinded, or other.</li> <li>Nine facilities are pending investigation or are involved in settlement agreements.</li> </ul>
Hazardous Waste	18	17	1	<ul style="list-style-type: none"> <li>Escalation was not necessary because violations occurred 2 years apart.</li> </ul>
Solid Waste	46	38	8	<ul style="list-style-type: none"> <li>Seven facilities had actions where the second action was a Notice of Corrected Violation (NOCV) or were escalated by the third action.</li> <li>One facility had a minor violation and attempted to correct it.</li> </ul>

**Source:** Prepared by legislative auditor's staff using TEMPO data and enforcement actions from EDMS.

### LDEQ Has Improved Penalty Collection, but More Improvement Needed

Our 2002 report found that LDEQ assessed 171 penalties totaling approximately \$6 million in fiscal years 1999 to 2001. However, LDEQ did not collect nearly \$4.5 million (75%) of the penalties it assessed. In fiscal years 2003 to 2004, LDEQ assessed 111 penalties totaling approximately \$2.8 million. However, it has not collected approximately \$792,000 (28%) of those penalties. The reasons these penalties have not yet been collected are as follows:

- Fourteen have filed appeals (40.4% of the uncollected amount).
- Two are in bankruptcy (0.9% of the uncollected amount).
- Seven were made executory or payable by enforceable order of the court (57.8% of the uncollected amount).
- One has been allowed to make installment payments (0.9% of the uncollected amount).

Although some of the above penalty amounts will never be collected because the facilities are bankrupt or the department settled on a lesser amount, LDEQ should strive to collect all penalty payments that it assesses or make a formal determination that they are uncollectible. Exhibit 13 outlines the penalty amount by media that LDEQ assessed and collected as of August 2005 for FY 2003 and FY 2004.

<b>Exhibit 13</b>				
<b>Penalties Assessed and Collected by Media</b>				
<b>FY 2003-2004</b>				
<b>Media</b>	<b>Amount Assessed</b>	<b>Amount Collected</b>	<b>Percent Not Collected Current</b>	<b>Percent Not Collected 2002 Audit</b>
<b>Air</b>	\$777,470.30	\$358,705.16	53.8%	66%
<b>Water</b>	\$500,093.61	\$434,367.90	13.1%	58%
<b>Hazardous Waste</b>	\$1,066,669.33	\$1,013,935.24	4.9%	78%
<b>Solid Waste</b>	\$136,067.68	\$500.00	99.6%	98%
<b>Underground Storage Tanks</b>	\$36,081.56	\$2,259.54	93.7%	n/a
<b>Radiation</b>	\$75,056.20	\$30,695.57	59.1%	n/a
<b>Multi-Media</b>	\$246,018.03	\$204,841.86	16.7%	n/a
<b>Total</b>	<b>\$2,837,456.71</b>	<b>\$2,045,305.27</b>	<b>27.9%</b>	<b>75%</b>
<b>Source:</b> Prepared by legislative auditor's staff using penalty information from LDEQ.				
n/a - We did not review penalties for these areas in the 2002 audit.				

**Recommendation 11:** LDEQ should continue to increase the number of penalties it actually collects.

**Summary of Management's Response:** LDEQ agrees with this recommendation. LDEQ will continue to strive to collect all penalties that it assesses. This will include the diligent litigation of any appeals taken by the respondent; obtaining executory judgment on final penalty assessments; recording judgments in the mortgage records to act as judicial liens on immovable property; the use of judgment debtor examinations to locate assets' the seizure and sale of assets when necessary; and participation in any bankruptcy proceedings. The auditor should recognize that, at any point in time, a certain percentage of penalties will be uncollected, due to the delays inherent in these legal processes. In cases where a respondent cannot be located, has insufficient assets to pay the penalty, or the penalty debt has been discharged in bankruptcy, LDEQ will continue to designate the penalty as "uncollectible" for accounting purposes, and document that determination. This determination will not erase the respondent's obligation to pay the penalty (except in the case of a bankruptcy discharge), and LDEQ will retain the right to reinitiate collection efforts upon receipt of new information.

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## **What initiatives has LDEQ undertaken or should undertake to increase its efficiency and effectiveness?**

LDEQ has implemented a variety of initiatives designed to increase the efficiency of issuing enforcement actions, to improve records management functions, and to enhance communication between enforcement and surveillance staff. However, responses on the LDEQ employee survey suggest that additional initiatives may be needed to enhance morale. For example, survey responses indicate that improvement is needed in the areas of training, management communications, and the treatment of employees. Therefore, LDEQ should review the recommendations made by employees in these areas and determine whether these recommendations can be implemented.

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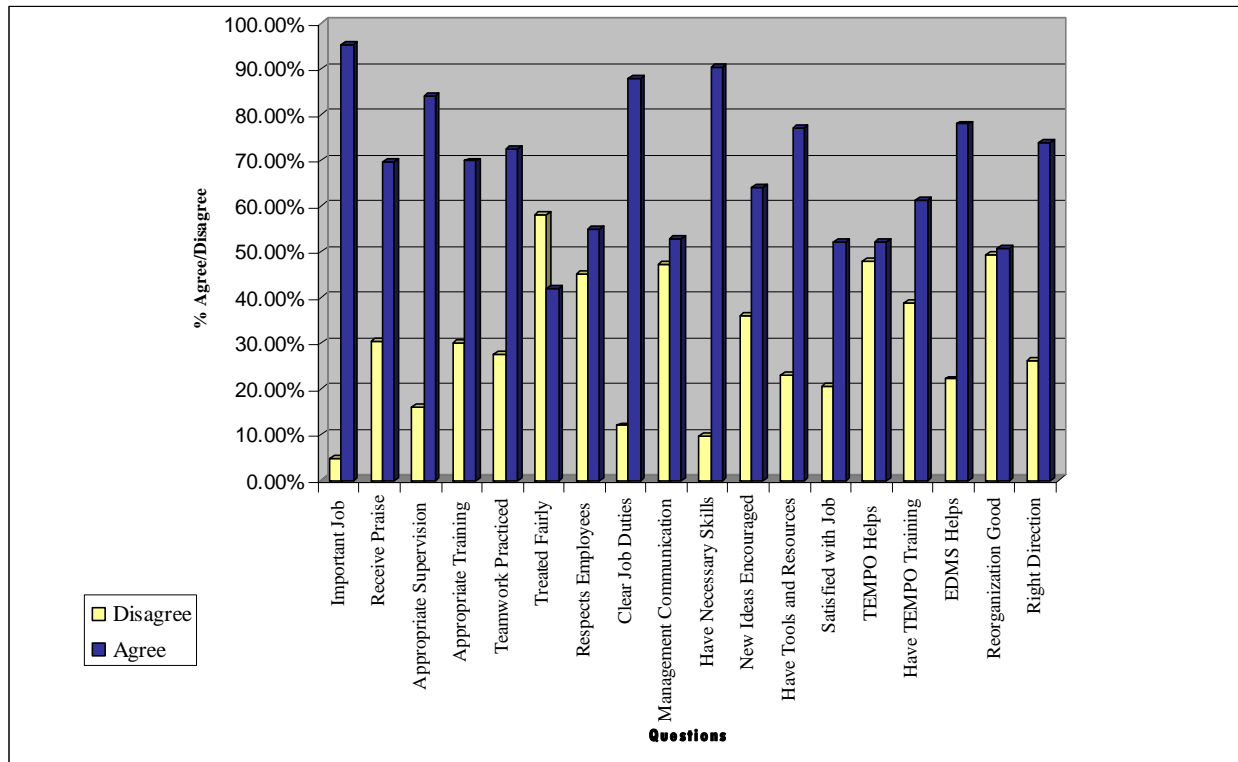
### **Results of Employee Survey Generally Show Positive Ratings; However, Improvement Is Needed in Some Areas**

We conducted an employee survey to obtain feedback and recommendations from LDEQ employees related to job satisfaction, morale, and other issues. We received 433 responses or a 42.4% response rate. Appendix B contains detailed survey responses.

Overall, the survey responses were favorable. For example, most respondents either agreed or strongly agreed that their jobs are important to the LDEQ mission, and that they have appropriate supervision, clear job duties, and the necessary skills to do their jobs. Areas that received relatively low ratings included the reorganization of the department, receiving appropriate training, management communication, and being treated fairly and with respect. Exhibit 14 outlines the survey responses by either strongly agree/agree or strongly disagree/disagree.



**Exhibit 14**  
**Survey Responses by Question**



Source: Prepared by legislative auditor’s office using survey responses from LDEQ employees.

The survey also included open-ended questions that allowed employees to provide comments and recommendations on how to improve LDEQ. The most commonly cited areas were as follows:

**1. Improved Communication**

- Better communication with management and among all LDEQ offices/divisions
- Improved mechanism (such as workgroups, meetings, better Intranet) to share knowledge within LDEQ about who does what and other issues
- Better explanation as to why personnel and policy changes are made

**2. Better Training**

- More training, including job specific training, training for new employees (mentoring/coaching), cross-training, in-house training by experienced employees, and TEMPO training

**3. Revised Internal Procedures**

- Revision of certain procedures to reduce inefficiencies and redundancies in such processes as payroll, mail system, permits, supervisory review, time sheets, quality assurance, and performance evaluations

**4. Computer Issues**

- Improve LDEQ Web site
- Address issues related to TEMPO and EDMS (see below for more information)

In response to the questions related to TEMPO and EDMS, employees offered many suggestions for improvement for both systems as summarized below.

TEMPO SUGGESTIONS	EDMS SUGGESTIONS
<ul style="list-style-type: none"> <li>✓ Make it faster, more streamlined</li> <li>✓ Make it more user-friendly</li> <li>✓ Include more data (i.e., regulations, historical data)</li> <li>✓ Have more training and more procedures related to its use</li> </ul>	<ul style="list-style-type: none"> <li>✓ Need better search ability for retrieval of documents (i.e., use of keywords, ability to search multiple documents)</li> <li>✓ Need clearer and more detailed document descriptions</li> <li>✓ Need to clean up misfiled documents</li> <li>✓ Need to scan all information in EDMS (i.e., Discharge Monitoring Reports)</li> </ul>

**Recommendation 12:** LDEQ should review the results and recommendations of the employee survey and assess whether changes can be made to enhance employee morale and LDEQ operations.

**Summary of Management’s Response:** LDEQ agrees with this recommendation. LDEQ will review the results and recommendations of the employee survey. The department will focus on communication to our rank and file employees as a priority.

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**Records Management Functions Have Improved**

In 2002, we identified numerous problems with LDEQ’s records retrieval system (ALPS). At that time we found that many vital documents could not be located, were misfiled in physical files, or were indexed incorrectly in electronic files. Currently, LDEQ has implemented a new system and uses quality assurance procedures to ensure that information is scanned and indexed accurately.

In 2002, the LDEQ Records Management Division implemented the Electronic Data Management System (EDMS) to index and retrieve electronic documents. LDEQ contracts with Lason Systems to scan paper files that are accessed using EDMS. As part of its contract, Lason

Systems must guarantee an accuracy rate of 98% for all services or a portion of its payment is withheld. Based on the analysis of completed EDMS quality assurance audits, LDEQ has greatly improved its record management function since the previous audit.

In addition to the contract stipulating that payment is based upon EDMS accuracy, LDEQ has set up an internal method for improving records management. Records Management has an Outlook ID function in EDMS that employees can use to make suggestions when they discover potential errors in EDMS. Staff review the suggestions with the appropriate division(s) and make corrections as necessary. From May 2002 to July 2005, LDEQ employees have sent approximately 4,700 e-mails requesting corrections to EDMS.

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## **LDEQ Has Developed Various Initiatives to Increase Efficiency and Compliance**

### **Circuit Rider**

LDEQ established this program in June 2004 in an effort to increase the efficiency of issuing enforcement actions. Enforcement staff, called circuit riders, visit regional offices at regularly scheduled times to discuss pending enforcement actions with Surveillance staff. Enforcement circuit riders are now in three of the regional offices to assist the Surveillance staff with identifying areas of concern and determining which areas of concern to handle at the regional level. According to the department, this program has the following benefits:

- It has reduced the number of referrals to the state office and increased the timeliness of actions. For example, in FY 2004, the total number of referrals from air, solid waste, and water inspections was 1,350. In FY 2005, the total number of referrals was 537.
- It has enhanced communication between the state office and the regional offices.
- Regional staff can cite minor instances of noncompliance, increasing ownership and accountability within the regional offices.

Based on the results of a satisfaction survey, most employees who were familiar with the circuit rider program said that they thought it would improve operations by increasing efficiency and issuing enforcement actions in a timelier manner (46%). Others said it would improve communication between surveillance and enforcement (15%) and enhance customer service (2%). On the negative side, 15% said it would not improve operations or that it had problems while 6% said it would increase the surveillance staff's workload.

### **General Compliance Orders**

LDEQ is currently working on a general compliance order that will address violations in classes of facilities that are covered under general water permits. According to LDEQ, small sanitary dischargers are the hardest facilities to keep in compliance. These facilities also comprise the largest percentage of the backlog for issuing enforcement actions. One reason for

the backlog is that LDEQ must write a separate action for each facility even though these facilities often have the same type of violation. The general compliance order will allow LDEQ to write one action that can be used for all of these small sanitary dischargers. The order will include a checklist of the most common violations and LDEQ enforcement will note which violations are relevant to specific facilities. These compliance orders will help eliminate the time it takes for enforcement staff to issue individual actions to these facilities.

**Recommendation 13:** LDEQ should explore the use of general compliance orders for other media and other types of facilities.

**Summary of Management's Response:** LDEQ agrees with this recommendation. The general compliance orders were developed specifically to address the backlog of referrals (consisting mostly of facilities with sanitary general permits) in Water Enforcement. The Water Enforcement section is also considering revising the expedited penalty regulations and developing a compliance assistance school in an attempt to address the backlog of water referrals. Other media programs such as solid waste and hazardous waste do not have general permits that are issued. Permits are issued to facilities with specific operating requirements based on the facility's operations; therefore, a general order with generic language would not be appropriate for these programs. Enforcement Actions written for these media programs are specific to the violation that occurred and have a specific order to address the violation.

### **Expedited Penalties**

As a result of Governor Foster's Advisory Task Force on Funding and Efficiency of the Louisiana Department of Environmental Quality and Act 1196 of the 2003 Legislative Session, LDEQ established an emergency rule published originally in March 2004 to develop an expedited penalty program. The resulting Expedited Penalty Agreement (XP) pilot program provides an alternative penalty assessment mechanism that the department may use at its discretion to expedite penalty agreements in cases involving minor or moderate violations. The rule allows LDEQ to issue penalties ranging from \$100 to \$3,000.

Expedited penalties help the department issue and collect penalties more efficiently because they do not require a legal review and the respondent waives any right to an adjudicatory hearing or judicial review regarding violations. In addition, by signing the agreement, the respondent agrees that all cited violations have been or will be corrected and that the penalty amount has been or will be paid within 30 days. If the respondent does not pay the penalty, LDEQ can issue a formal penalty. LDEQ has issued 129 expedited penalties totaling \$123,050 since the program began.

### **Requiring Training for Noncompliant Facilities/Operators**

When underground storage tank (UST) operators receive an expedited penalty, they must attend a training course as part of the penalty agreement. However, any UST operator can attend the class. From March 2005 to June 2005, approximately 138 operators attended the class. The class provides an overview of the main UST regulations with specific emphasis on release detection in the hope of avoiding future compliance issues. Release detection is vital for early

detection of releases to minimize detrimental impact on groundwater and soils. According to LDEQ, the response to the training has been positive as it has enhanced communication between the regulated community and the department.

**Recommendation 14:** LDEQ should consider the feasibility and cost benefit of conducting more training sessions for other media and evaluate the effect this training has on the future compliance of attendees.

**Summary of Management's Response:** LDEQ agrees with this recommendation. The Department has researched the feasibility of expanding the owner/operator training programs and is developing additional programs at this time. Assessment of the rate of compliance after the training classes has begun.

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## SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We followed the applicable generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Preliminary work on this audit began in March 2005.

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### Audit Scope

This audit was a follow-up audit to the performance audit that was released March 2002. The 2002 audit reviewed data from 1998-2001. This audit generally reviewed data from fiscal years 2003 to 2005 when such data were available. Our audit objectives were to answer the following questions:

- Has LDEQ improved its monitoring functions since the 2002 audit?
- Has LDEQ improved its enforcement functions since the 2002 audit?
- What initiatives has LDEQ undertaken to improve its efficiency and effectiveness?

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### Methodology

Overall, we attempted to use the same methodologies for this audit as the ones used in the 2002 audit. However, the 2002 audit was based primarily on the review of data obtained from the physical files of a sample of facilities. The current audit relied primarily on electronic data obtained from TEMPO and generally included the whole population of facilities. In the current audit, we also allowed LDEQ to review and comment on our analysis for all of the data we analyzed prior to its inclusion in the report. This review was not done for all sections (e.g., analysis of escalation) in the 2002 report.

In addition, we did not conduct work in areas where preliminary work showed improvement. Specifically, we did not conduct any work in the area of Beneficial Environmental Projects (BEPs) because the current administration is not pursuing these projects as vigorously as the previous administration. We also did not conduct additional work in the area of billing because our office's Financial Audit Division auditors reviewed billing practices and found adequate controls over them.

**To gain an understanding of TEMPO and assess controls over the system, we performed the following procedures:**

- Interviewed various LDEQ staff responsible for TEMPO
- Obtained and reviewed the TEMPO users manual
- Conducted an employee survey with questions about TEMPO use
- Interviewed employees responsible for quality assurance of TEMPO data
- Performed analysis of TEMPO data for each section of the audit that focused on whether the data were accurate (looked for duplicates, gaps in data, unreasonable dates, etc.)

**To obtain information and analyze data related to permitting, we performed the following procedures:**

- Interviewed various permit staff to obtain general permitting requirements
- Reviewed relevant Standard Operating Procedures (SOPs) on permitting
- Obtained entire population of permits as follows:
  - Air permits were obtained as of 6/27/05 from TEMPO data.
  - Water permits were obtained as of 5/13/05 from TEMPO data.
  - Hazardous waste permits were obtained as of 5/17/05 from RCRA Info (EPA database).
  - Solid waste permits were obtained as of 5/13/05 from TEMPO data.
- Reviewed the data for duplicates and other errors and excluded all data with errors
- Determined the number/percentage of permits that were expired and the number/percentage of permits that had been administratively continued and also calculated the average length of time renewals had been pending and/or permits had been administratively continued
  - For air permits, we performed the above analysis on Title V permits only.
  - For hazardous waste permits, we also determined how many permits were in interim status.
  - For solid waste permits, we also determined how many temporary permits (orders to close or upgrade) existed and how long these permits had been in this status.
- For air and water, obtained the number of permits issued in FY 03 and FY 04 and compared this number to the number LDEQ committed to EPA that they would issue for the same time frame

**To obtain information and analyze data on inspections and incidents, we performed the following procedures:**

- Interviewed various surveillance staff to obtain general information on inspections and incidents
- Reviewed relevant SOPs on inspections and incidents
- Obtained inspection data from TEMPO for all media from FY 03 to the first half of FY 05 that were separated by inspections that were in compliance and inspections that had areas of concern
- Reviewed the Compliance Monitoring Strategy to determine when facilities should be inspected
- Using TEMPO data, determined if all facilities were inspected in accordance with LDEQ's strategy
  - For air, we only reviewed inspections for Title V facilities.
  - For water, we only reviewed inspections for major water facilities.
- Sent a list of all facilities to LDEQ that did not appear to be inspected for them to resolve; and in some cases, the inspection or certain fields related to the inspection had not been entered into TEMPO so the inspection did not appear to be done when looking at TEMPO data alone
- Obtained a list of all incidents received in FY 04 from TEMPO and calculated how long it took LDEQ to initiate an investigation

**To obtain information and analyze data on self-monitoring, we performed the following procedures:**

- Interviewed employees with duties related to tracking and review of self-monitoring reports for air and water (minor facilities only)
- Reviewed relevant SOPs on self-monitoring reports
- For water, obtained the total number of discharge monitoring reports (DMRs) submitted and not submitted in FY 04 for minor water facilities; did not obtain any data on DMRs for major water facilities since we noted in the last audit that the process of review for major DMRs was sufficient
- For air, obtained the total number of annual compliance certifications submitted and not submitted for Title V facilities and also interviewed staff to determine what policies and procedures had been developed for review of self-monitoring reports.
- Did not perform any analysis of whether monitoring report violations received appropriate enforcement because it is difficult to link self-monitoring violations in TEMPO to specific enforcement actions



**To obtain information and analyze data on enforcement, we performed the following procedures:**

- Interviewed enforcement staff about enforcement procedures and requirements
- Reviewed relevant SOPs related to enforcement
- Obtained data from TEMPO on all enforcement actions from inspections for FY 03 to FY 05 for each media
- Matched these enforcement actions with inspections that had areas of concern to ensure that all inspections with areas of concern received an action
- Sent LDEQ a list of all locked inspections that did not have an action; received an explanation/resolution for each inspection from LDEQ; in most cases, the facility corrected the area of concern on the inspection, but this comment not included in the data that LDEQ provided to us
- To determine if enforcement actions were escalated, reviewed copies of enforcement actions from EDMS for facilities that had more than one enforcement action from FY 03 to FY 05 to determine if facilities had the same violation in each action
- Sent all actions that did not appear to be escalated to LDEQ for its review and comment
- Calculated the average amount of time in days it took LDEQ to issue enforcement actions (from the last date of the inspection, to the date it was assigned to an enforcement writer, and to the date the action was issued)
- For water, analyzed warning letter data to determine compliance with policies and procedures; did not analyze thses data for other media because of the problems we found

**To obtain information related to LDEQ initiatives designed to increase efficiency and effectiveness, we performed the following procedures:**

- Designed an employee survey to evaluate employee satisfaction and e-mailed the survey to all LDEQ employees; analyzed survey results of 433 respondents
- Interviewed employees and reviewed documentation about LDEQ initiatives such as circuit rider, expedited penalties, and general compliance orders
- Interviewed Records Management Division about EDMS
- Reviewed records management SOPs and quality assurance audits

## LDEQ EMPLOYEE SURVEY QUESTIONS AND RESPONSES

### Demographic Questions

**1. Which office within LDEQ are you assigned?**

Office	Number of Surveys	Percent of Surveys	FY 2005 FTE	Percent of FY 05 FTE
Office of Environmental Assessment	123	29.01%	268	45.9%
Office of Environmental Compliance	143	33.73%	295	48.5%
Office of Environmental Services	84	19.81%	216	38.9%
Office of Management and Finance	45	10.61%	178	25.3%
Office of the Secretary	29	6.84%	64	45.3%
<b>TOTAL</b>	<b>424</b>			

**2. How many years of service do you have with LDEQ?**

Number of Years	Number of Responses	Percent of Responses
0-3 years	113	26.22%
4-6 years	71	16.47%
7-10 years	65	15.08%
11-15 years	94	21.81%
16-25 years	70	16.24%
Over 25 years	18	4.18%
<b>TOTAL</b>	<b>431</b>	

**3. How would you describe your job level?**

Level	Number of Responses	Percent of Responses
Upper Management	11	2.55%
Mid Management	65	15.08%
Technical	254	58.93%
Administrative	23	5.34%
Office Professional	55	12.76%
Other	23	5.34%
<b>TOTAL</b>	<b>431</b>	

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**Survey Questions**

- 1 - Strongly Disagree**  
**2 - Disagree**  
**3 - Agree**  
**4 - Strongly Agree**

**4. My job is important in accomplishing the mission of LDEQ.**

Strongly Disagree	2.6%
Disagree	2.1%
Agree	48.3%
Strongly Agree	47.1%

**5. When I do a good job, I receive praise and recognition.**

Strongly Disagree	7.6%
Disagree	22.7%
Agree	56.5%
Strongly Agree	13.2%

**6. I receive appropriate supervision.**

Strongly Disagree	4.4%
Disagree	11.6%
Agree	58.3%
Strongly Agree	25.7%

**7. I receive appropriate training.**

Strongly Disagree	7.8%
Disagree	22.1%
Agree	56.9%
Strongly Agree	12.9%

**8. Teamwork is encouraged and practiced in this agency.**

Strongly Disagree	6.3%
Disagree	21.4%
Agree	59.2%
Strongly Agree	13.2%

**9. Everybody is treated fairly in this organization.**

Strongly Disagree	20.3%
Disagree	37.8%
Agree	37.3%
Strongly Agree	4.6%

**10. The organization respects and values its employees and their ideas and opinions.**

Strongly Disagree	13.1%
Disagree	32.0%
Agree	50.2%
Strongly Agree	4.7%

**11. The job duties and responsibilities for my current job are clear to me.**

Strongly Disagree	1.2%
Disagree	10.8%
Agree	62.0%
Strongly Agree	25.8%

**12. Management communicates well with the rest of the organization.**

Strongly Disagree	14.3%
Disagree	33.0%
Agree	48.2%
Strongly Agree	4.5%

**13. I have all the skills and competencies necessary to do my job.**

Strongly Disagree	1.0%
Disagree	8.8%
Agree	55.8%
Strongly Agree	34.4%

**14. I am encouraged to contribute new ideas for more effective and efficient operations.**

Strongly Disagree	8.1%
Disagree	28.0%
Agree	52.8%
Strongly Agree	11.3%

**15. I have adequate tools and resources to efficiently and effectively do my job.**

Strongly Disagree	6.1%
Disagree	17.0%
Agree	62.1%
Strongly Agree	14.9%

**16. Overall, I am satisfied with my job.**

Strongly Disagree	4.9%
Disagree	15.8%
Agree	62.3%
Strongly Agree	17.0%

**17. TEMPO has helped make the organization more efficient.**

Strongly Disagree	17.8%
Disagree	30.2%
Agree	43.5%
Strongly Agree	8.6%

**18. I have received adequate training on how to use TEMPO.**

Strongly Disagree	12.4%
Disagree	26.3%
Agree	52.0%
Strongly Agree	9.4%

**19. EDMS has made locating specific documents easier.**

Strongly Disagree	8.3%
Disagree	13.8%
Agree	56.9%
Strongly Agree	20.9%

**20. Reorganization of LDEQ into functional areas has helped make the organization function more efficiently.**

Strongly Disagree	18.0%
Disagree	31.3%
Agree	47.1%
Strongly Agree	3.6%

**21. LDEQ is headed in the right direction.**

Strongly Disagree	4.6%
Disagree	21.5%
Agree	65.4%
Strongly Agree	8.5%

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**Narrative Questions**

**22. What are some things that could be done to make your job easier or you more effective as an employee?**

#	%	Subject	Examples
3	0.75%	Accountability	Individuals need to be held more accountable
4	1.00%	Authority	More authority for decision-making
20	4.99%	Better Equipment	Need better or upgraded computers; more printers
35	8.73%	Better Staffing	Need more employees
7	1.75%	Better Supervision	More effective supervision; more qualified and experienced
56	13.97%	Communication	Better communication with management, among different offices; need system to determine who does what; need meetings/work groups
28	6.98%	Computer Issues	Problems with TEMPO; better Intranet and Internet; more use of electronic information
8	2.00%	Consistency	Need consistent procedures; policies constantly changing; enforce policies equally
5	1.25%	Fairness	Need more equitable work; everyone treated the same
12	2.99%	Funds/funding	Increase in salaries; better resources
23	5.74%	Hygiene	More space/no cubicles; better flex time (10-hour days)
37	9.23%	Internal Procedures	Revise certain procedures to reduce inefficiencies and redundancies (i.e., payroll, mail system, permit process, supervisory review)
10	2.49%	Job Duties/Expectations	Better/clearer job descriptions
6	1.50%	Micromanagement	Less micromanagement and more trust and independence
26	6.48%	No problem/None	
34	8.48%	Other	Too much politics; move regional office out of headquarters; shift to outcome based environmental improvement
9	2.24%	Reorganization to media	Return to media-specific areas
8	2.00%	Support	More assistance and more support from management
70	17.46%	Training	Job specific training; training for new employees; cross training; in-house training by experienced employees; TEMPO training
401	100.00%	<b>TOTAL</b>	

**23. What are some areas that need improvement?**

#	%	Subject	Examples
3	0.68%	Accountability	Employees should be held accountable for performance
6	1.36%	Appreciation	Better recognition and appreciation
18	4.07%	Better Staffing	More personnel or more efficient use of personnel
2	0.45%	Better Equipment	Better vehicles, phones, etc.
90	20.36%	Communication	Better interoffice communication; communication about why personnel changes are made; better updating of employees when policies change
26	5.88%	Computer Issues	TEMPO and EDMS issues; IT staff; improved Web site
12	2.71%	Consistency	Consistent policies and procedures (SOPs); stability
1	0.23%	Coordination	Coordination between upper management and groups
17	3.85%	Enforcement	Lack of enforcement; more timely enforcement
1	0.23%	Everything	
6	1.36%	Fairness	Fair treatment to all employees
11	2.49%	Hygiene	Better flex time; more office privacy
56	12.67%	Internal Procedures	Better QA procedures; time sheet issues; more timely issuance of permits; mail system; redundancy; duplication; need streamlined processes
23	5.20%	Management Issues	Better support and understanding; more receptive to employee ideas; micromanagement
16	3.62%	Morale	Need improved morale
12	2.71%	No problems	
28	6.33%	Other	Clear direction; remove politics; support education of employees (pp. 14-15)
3	0.68%	Outreach	Customer services; public outreach
18	4.07%	Pay	Better pay scale
13	2.94%	Personnel Issues	Improved human resources function; inappropriate promotions; performance evaluation process needs improvement
12	2.71%	Public Image	External perceptions and communications; better customer service with facilities
3	0.68%	Regional authority	Regional control; provide more services at the regional level
13	2.94%	Reorganization back to Media	Return to media specific divisions
49	11.09%	Training	Job specific training; new employee training; technical training
3	0.68%	Trust	Trust employee's ability
284	100.00%	<b>TOTAL</b>	

**24. How could TEMPO be improved to satisfy your job needs?**

#	%	Subject	Examples
13	4.53%	Accurate/Timely	Ensure data are accurate and input timely
14	4.88%	Amend Fields	Clean up IDs; AIs; amend other fields
10	3.48%	Consistency	Require consistent use of TEMPO; input data consistently
5	1.74%	Duplication	Causes duplication of effort; some tasks have to be entered twice; too many redundant fields
18	6.27%	Get Rid/No benefit	
34	11.85%	Good	Works well
25	8.71%	More information	Needs to include more information (i.e., all regulations, historical information, etc.)
8	2.79%	Not fully used	Can't fully use it (i.e., to write permits); use it to draft enforcement actions
29	10.10%	Other	More uniform naming system; screen size; allow electronic submittal of applications that can be loaded into TEMPO; link it to the Internet
22	7.67%	Procedures/Training	Better SOPs and training regarding its use
8	2.79%	Query	Better way to query TEMPO
42	14.63%	Speed up	Make it faster
17	5.92%	Streamlined	Adds additional steps to everything; too much time to enter data; duplicative
3	1.05%	Support	Need support personnel to manage
11	3.83%	Update	Perform updates; finish conversion; rewrite it; system changes not made timely
28	9.76%	User Friendly	Needs to be more user friendly
168	100.00%	<b>TOTAL</b>	



**25. How could EDMS be improved to satisfy your job needs?**

#	%	Subject	Examples
73	23.62%	Works well	
28	9.06%	Better description	Better, more detailed, clearer, and specific descriptions of documents (not one word descriptions)
9	2.91%	Better indexing	Accurate labeling of records or key word indexing
10	3.24%	Better quality assurance	Clean up existing data; remove duplicates; review of old documents and verify information
29	9.39%	Better search ability	Make it easier to retrieve/search documents; easier search options (i.e., use of keywords, ability to search multiple documents)
7	2.27%	Better views	Ability to view larger page layouts or make windows open fully
1	0.32%	Date issues	Put actual date of the document in the date column instead of the received date
1	0.32%	Difficult to know history	Difficult to conduct file reviews using EDMS
3	0.97%	Difficult to locate documents	Difficult to find documents
3	0.97%	Difficulty with large documents	Difficult to view large documents
6	1.94%	Duplicates	Some documents scanned into the system twice
18	5.83%	Needs to be faster	
1	0.32%	Get rid of it	
1	0.32%	Improve input	Make sure all documents get input
3	0.97%	Inaccurate data	Contains too many errors/inaccurate
11	3.56%	Include all information	Scan everything in
11	3.56%	Include DMRS	
4	1.29%	Link EDMS to TEMPO	Have EDMS automatically attach documents into TEMPO
9	2.91%	Lost documents	Some documents have been lost
23	7.44%	Misfiled documents	Some documents are not filed/indexed correctly
1	0.32%	Mismanaged	
4	1.29%	More user friendly	
3	0.97%	Organization	Organize files better
19	6.15%	Other	Ability to edit information; allow for electronic transfer of information; be more timely related to input
4	1.29%	Printing Issues	Ability to print documents faster
10	3.24%	Public access	Improve public access via Internet or in regions
4	1.29%	Times out/system down	System times out or is down frequently
1	0.32%	Too much information included	Too cluttered with information
8	2.59%	Training	Need additional training on it
4	1.29%	Transmittal sheets issues	Need EDMS stamp for paperwork rather than filling multiple transmittal sheets
309	100.00%	<b>TOTAL</b>	

26. Does your office/division have sufficient staff and time to do its job functions? If not, please explain.

Response	Number	Percentage
YES	168	44.21%
NO	178	46.84%
SOMETIMES	34	8.95%
<b>TOTAL</b>	380	100.00%

27. If you are familiar with the circuit rider program, how do you think it will improve LDEQ operations?

#	%	Subject	Examples
4	2.16%	Better customer service	Make agency more accessible to the public; better serve the regulated public
29	15.68%	Faster enforcement action	Speeds up the enforcement process by allowing minor violations to be handled by field staff; will help alleviate the backlog in enforcement, shortens the time between discovery of violation and correction
56	30.27%	Increase efficiency	Allows regional staff to handle problems; don't have to send violations back and forth; will improve operations
27	14.59%	Improve communication	Better communication; improved relationship; chance to meet and discuss actions
1	0.54%	Improve morale	
1	0.54%	Improve public image	
3	1.62%	Reduce consistency	Regional offices will issue actions inconsistently
11	5.95%	More work	Has shifted enforcement duties onto surveillance; less time for inspections (pg. 7 <i>et al</i> )
19	10.27%	Other - negative	Don't think it will help; should listen to field staff more (pp. 7-8 <i>et al</i> )
28	15.14%	Other - positive	Yes, will improve operations (pp. 8-9)
6	3.24%	Suggest regional enforcement	Should have enforcement writer or presence in region (pp. 7-9)
185	100.00%	<b>TOTAL</b>	

28. Please provide a description of any other issue not mentioned in this survey that you believe deserves mentioning (either positive or negative) that would be useful for our performance audit of LDEQ.

#	%	Subject	Examples
1	0.34%	Better equipment	Staff should have cell phones
12	4.12%	Better staffing	Staff is 'top heavy' or insufficient (i.e., clerical and enforcement writers); too many vacancies
31	10.65%	Communication	Better understanding of who does what; need to know direction; suggest weekly staff meetings; more employee involvement/suggestions in decision-making; use of work groups
3	1.03%	Computer issues	Improve DEQ Web site
4	1.37%	Consistency	Employees not treated equally; need consistency in performance evaluation
8	2.75%	Customer service	Need more 'selling' of the department; duties moving to regions; too much stress on customer service; better service to smaller industries and municipalities
6	2.06%	Enforcement (lacking)	Need consistent, frequent and strong consequences if noncompliance is uncorrected; more enforceable regulations; need more significant penalties to repeat/serious violators
5	1.72%	Fairness	Across the board disciplinary tactics; unequal treatment
4	1.37%	Favoritism	Promotions based on favoritism
4	1.37%	Good morale	Things have improved
2	0.69%	Good teamwork	
15	5.15%	Hygiene	Flex time; more health care options; overtime; lack of office space
27	9.28%	Internal procedures	Award program is a waste of time/money; performance review process needs improvement; need to better manage workload; HR staff needs improvement
8	2.75%	Lack of appreciation	Management and/or public does not appreciate work
5	1.72%	Lack of experience	Agency is devoid of long-term experience
5	1.72%	Lack of growth opportunities	Lack of promotions and advancements
7	2.41%	Lack of incentives	No incentives for recruitment and retention; no incentives for good work (pay raises, bonuses)
1	0.34%	Lack of respect	More respect of employees
1	0.34%	Lack of stability	Movement of employees
2	0.69%	Lack of technological assistance	Need more assistance with technology
14	4.81%	Management issues	Need proper supervision; less micromanagement and less focus on negatives; need better management support
2	0.69%	Nepotism	
14	4.81%	Other	Better audit; placed in wrong division; more coordination
10	3.44%	Pay	Need better pay or cost of living increase
13	4.47%	Personnel issues	Need better employees with a work ethic; constant staff changes and detailed employees are bad for morale; too many lazy staff; racial issues
3	1.03%	Politics	Politics influence decisions and promotions
7	2.41%	Poor morale	Low morale

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#	%	Subject	Examples
4	1.37%	Positive	DEQ is back on track; current administration is good
4	1.37%	Public image	Good/bad public image; need to publicize more
3	1.03%	Regional authority	Good to have power and decision making at regions
20	6.87%	Reorganization to media	Agency should return to media based instead of function based
5	1.72%	TEMPO	TEMPO does not work
33	11.34%	Training	Training for new employees; opportunities to further education of employees; training for industry; more/less CPTP
8	2.75%	No additional comments/issues	
291	100.00%	<b>TOTAL</b>	

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**MANAGEMENT'S RESPONSE**

The following pages contain the LDEQ response to our findings, conclusions, and recommendations.





## DEPARTMENT OF ENVIRONMENTAL QUALITY

KATHLEEN BABINEAUX BLANCO

**GOVERNOR**

MIKE D. McDANIEL, Ph.D.

**SECRETARY**

January 27, 2005

David K. Greer, CPA, CFE  
Assistant Legislative Auditor  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Greer:

This letter is the response of the Louisiana Department of Environmental Quality (LDEQ) to the performance audit conducted at the department during 2005. Furthermore, LDEQ's response to each of the recommendations can be found in Attachment 1 of this response.

I would like to take this opportunity to thank you for the professionalism displayed by the auditors during this review process. Their direct knowledge of the department and understanding of its processes has led to a thorough and objective review of LDEQ and its programs targeted for this performance audit.

LDEQ agrees with your assessment that the department has made significant progress since the 2002 audit. The department has worked tirelessly to improve LDEQ's effectiveness and efficiency with continual improvement as our goal. The gains in the areas of information management, water permitting, inspections, incident response, self-monitoring, and enforcement are real and have been validated by this audit.

However, it is fully understood that there are still opportunities for improvement. Although LDEQ did make gains in the areas of air Title V permitting, solid waste permitting, and hazardous waste permitting, more can be accomplished. The department will continue to improve in these areas.

In general LDEQ agrees with the findings and recommendations contained in the report. However, there are some areas that do need additional information and/or clarification.

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## **Objective 1: Has LDEQ Improved Its Monitoring Functions Since the 2002 Audit**

### **TEMPO/Information Systems**

During the 2002 Performance Audit, LDEQ was in the process of consolidating many of our regulatory databases into one system. That effort required a migration of a vast amount of data from disparate systems. It also required a massive effort to clean up and correct deficient information. To date, this effort has been a success and the department has an all-encompassing database of the entities it regulates. This performance audit validates LDEQ's improvement.

TEMPO is a work in progress. The department now has a solid foundation upon which to build a more robust system. LDEQ is constantly updating the system and soliciting suggestions to further improve TEMPO. There is an established System Service Request (SSR) process that allows for the submittals of requests, the prioritization of requests, and the final disposition of requests. Requests are usually addressed based on descending priority. It should be noted that the department is currently evaluating the latest release of TEMPO as part of a gap analysis.

Inherent in the implementation of such a large system is ensuring consistent use. TEMPO does include controls and validation routines that ensure proper data is entered into the system. However, this is not enough to ensure consistent use. And, although there are user manuals and Standard Operating Procedures (SOP), the department agrees that more should be done in the area of Quality Assurance and Control (QA/QC). Based on the audit recommendations, the department will formalize a QA/QC program for TEMPO.

Lastly is the issue of access to data. LDEQ's current efforts in knowledge management involve queries that hit against our production database. With increasing demand for data both from inside the department and from our external customers, a more efficient approach is needed. The audit recommendation of a data warehouse is a sound approach. The department is currently developing a separate instance of the TEMPO database that will be used strictly for queries. Although not a true data warehouse, it is an important first step towards a data warehouse. Any future decisions for a full blown data warehouse will be influenced by LDEQ's budget position.

### **Permit Activities—Water**

As the audit report does not contain findings or recommendations for the water permitting program, the department would like to take this opportunity to stress the improvements it has made in this program. The report specifically indicates that there has been a dramatic reduction in the percentage of expired permits to be processed. The percentage of expired major permits has decreased by 55% and the percentage of expired individual minor permits has decreased by 28%. There have been exceptional strides made relative to LDEQ's ability to meet or exceed major and minor water permit

issuance commitments under the Environmental Protection Agency's (EPA) Performance Partnership Grant (PPG). As a result of the implementation of the Water Permits Issuance Strategy, LDEQ met the permit issuance milestones set for Calendar Year (CY) 2003, exceeded the permit issuance milestones for CY 2004, and exceeded the Fiscal Year (FY) 2005 permit issuance milestones. The management of the water permitting program continues to improve due to the proactive approach that focuses primarily on water permit program management rather than a reactive approach that focuses on water permits backlog reduction.

### **Permit Activities—Air**

On Page 12, the audit report states, 'LDEQ has not improved in its issuance of initial Title V permits since the 2002 audit.' However, this statement is proven incorrect by Exhibit 3 (page 13) which clearly shows Initial Title V permit issuance rates demonstrating a significant upward trend from FY 03 through FY 05. During this time period the annual Initial Title V issuance rate increased by nearly threefold.

The audit report questions the department's ability to complete the required number of permits. Even with resources diverted towards addressing hurricane-related matters, 55 Initial Title V permits have been issued in FY 06. As of January 24, eight Initial Title V permits are on public notice, and the public notice period is complete for an additional nine permits. These accomplishments are a testament to the department's determination to meet our commitments.

LDEQ's performance in the area of air permitting can be measured in numerous ways. Besides the use of progress tracking related to long-term commitments (for example, initial Title V permit issuance examined in this audit) two additional ways are:

- Use of a performance indicator related to a selected category of permits, for which issuances are tracked and reported to the Louisiana Legislature as an indication of overall performance;
- Use of General Performance Information (GPI) indicators that demonstrate the overall numbers of permit actions issued, as an indication of performance related to amount of work produced.

**Performance indicators** As a method of demonstrating performance related to permit issuance, the agency selected performance indicators because of their relationship to RS 30:2022.B and the requirements of this statute. The regulations promulgated to support this statute require the issuance of a final decision on requests for new permits or major modifications to permits within 410 days. The performance objective is to provide high quality technical evaluations and take final action on a pre-determined percentage of the applications received for new facilities and substantial modifications within established timelines.

All the permit applications received by the agency are entered into TEMPO. Each year, the department uses TEMPO to create a list of applications for new facilities and major modifications that were received for the prior year. This list is used to set quarterly goals, as well as a fiscal year goal for the Air Permits Division. Each quarter, final decisions are tracked for these designated applications. The data is cumulative over the fiscal year.

The applications tracked are those for major modifications or new applications, including applications for existing facilities that have not ever had a permit. This does not include applications for variances, exemptions, or renewals. The final decisions include permits issued, permits denied, and those for which applications are withdrawn.

Since FY 01-02, the goal for issuance of these types of permit actions has increased from 75% to 90%. For the past 4 years, the air permits staff has met or exceeded the goal every year. And it should be noted that the number of actions of this type have steadily increased over this time period. Therefore, not only has the Department met the more stringent standard by achieving an elevated goal each time, it has also been able to achieve the higher rate of productivity for an increasing number of actions. Below is a table representing the air permit portion of the legislative performance indicator for permits:

<b>Air Permits Division's Issuance of Final Decisions (+/- 5% Tolerance)</b>				
<b>FY</b>	<b>Target % issued</b>	<b>Actual % issued</b>	<b># Subject to Commitment</b>	<b># Issued Timely to Meet Commitment</b>
01-02	75 %	87.4 %	452	395
02-03	75 %	74.2 %	834	619
03-04	85 %	88.7 %	1,542	1,367
04-05	90 %	90.3 %	1,254	1,132

**General Performance Information (GPI)** In addition to the performance indicator that monitors specific actions, the General Performance Information (GPI) indicator for permits over the past four years has also shown a steady increase. This indicator demonstrates actual number of permit actions issued by the division. For air permits, this number includes the following ten types of actions:

- New
- Major modifications
- Exemptions
- Letters
- Variances
- Renewal applications
- Minor modifications
- Administrative amendments
- Name changes
- Owner changes

<b>General Performance Information Number of Air Permit Actions</b>	
<b>FY</b>	<b>GPI</b>
01-02	779
02-03	1142
03-04	2763
04-05	3522

In addition to its other commitments, in 2005 the Air Permits Division initiated and completed a special project to reduce the number of oil and gas permits in backlog. Employees from the Small Business Assistance group and other air permit writers were trained to write oil and gas permits using TEMPO. With these groups working together between April and November 2005, 779 backlogged oil and gas permit actions were issued or otherwise resolved. In addition, 675 new oil and gas permit actions were also received and issued during this same time period.

While the Title V program is certainly a major part of the air permit program, it is only a part of the overall workload assigned to the Air Permits Division. And, the Initial Title V permit issuance commitment to EPA is only one of the Division's commitments. Minor source permits make up a large portion of work done in the Division. As indicated here, the number of permit actions requested and issued continues to increase.

Overall, it should be noted that not only has the air permits staff continued to meet the performance indicator goals established for certain categories of permit actions, it has continued to do so for a larger number of those actions. In addition, the general performance for all air permit actions has continued to increase during this same period. This demonstrates that one area of increased performance was not obtained at the expense of another area falling behind.

This overall increase in efficiency is the result of improvements to processes, increased training, and innovative uses of available electronic and technological tools. Clearly, this broader overview of the air permits program demonstrates increased productivity on all fronts, which is evidence of the department's achievement of the goal of continuous improvement.

#### Expired Vs Administratively Continued

It is important to understand that permits which are administratively continued remain in effect and enforceable. The very name indicates that these permits are not "technically expired" as noted in the report, but are continued. Facilities with administratively continued permits must comply with the administratively continued permit and are subject to the same inspection frequency as other permits. Additionally, noncompliance with the administratively continued permit subjects the permittee to the same range of enforcement response as any other effective permit. Facilities whose permits are not administratively continued are expired and are operating without a permit.

The state regulations allowing for administrative continuance of permits are modeled after the federal regulations, which contain the same provision. These regulations have been approved by EPA.

#### Comparison Of Expired Permits

The comparison between "% of expired permits" in FY 2002 and "% of expired permits" in FY 2004 does not necessarily provide relevant information. The Department issued its first Title V permit in March 1996; thus, Title V permits only began to expire in 2001. In 2002, one would expect relatively few permits to be expired, simply by virtue of the fact that there would have been a limited number of permits that had been effective for 5 years. In 2004, a larger number of Title V permits were scheduled to expire or become eligible for administrative continuance, simply because more Title V permits had been issued. In the interim, the Air Permits Division was still obligated to process initial Title V permits, as well as minor and major modifications. As such, the larger percentage of "expired" permits in FY 2004 does not necessarily correlate to a reduced rate of permit issuance and should not be reflective of performance. It is also important to note that the majority of these permits are not expired, but are administratively continued.

Moreover, a large portion of the Title V renewal applications were not assigned to permit writers upon receipt pending the department's capability to process such applications using TEMPO and the issuance of a revised Title V general permit. The Department's original general permit became effective in 1996. It was used to process a large number of Title V permits for the oil and gas industry. The Department began to receive applications to renew these Title V permits in 2001. Some of the renewal applications were processed as "regular" Title V permits. However, many were intentionally held until a Title V general permit compatible with TEMPO could be developed and issued. The new General Title V permit was issued in April 2005. From April through December

2005, 87 General Title V permits were renewed. The Department continues to work to improve permit issuance rates. The issuance of a new General Title V permit should address a significant portion of those permits not reissued after the permit application was received.

### Continuous Improvement Efforts

Since the previous audit a number of improvements have been completed:

- To streamline the processing of oil and gas permits, the Standard Oil & Gas Air (SOGA) permit was completed in December 2002. The SOGA permit authorizes construction, operation, and modification of minor source crude oil and natural gas production facilities that meet certain eligibility requirements. As the name implies, SOGA permits are generic in nature; they address most equipment associated with oil and gas production as well as regulations applicable to this industry sector. As such, they can be issued in a more expeditious manner than site-specific permits. However, the main advantage that a SOGA permit affords is that modifications to a regulated facility can be effected without the need for LDEQ to modify the permit if eligibility requirements are maintained. Accordingly, this reduces the number of requests for permit modifications.
- To assist facilities with data submittals, the Air Permit Data Upload (APDU) project was completed in March 2004. APDU is an electronic submittal tool which allows the applicant to submit certain data electronically. The permit writer checks the submittal and uploads the data directly into TEMPO. For large facilities or those with a number of emission points, this significantly decreases the time spent entering data into TEMPO to compile the permit. Use of APDU by applicants with a large amount of emission points can reduce permit processing time by two weeks.
- To assist with meeting Initial Title V permit issuance commitments, LDEQ sought and was granted approval by the Commissioner of Administration and the Legislature to hire six new air permit writers to assist in meeting the Initial Title V permit issuance commitment. In July 2004 these permit writers were hired and their training began.
- In November 2004 the Permits Division was split into the Air Permits Division and the Water and Waste Permits Division. Along with this change, other management changes occurred. This restructuring has allowed each Division to better focus attention and resources to meet the various program needs and commitments for each media.
- The new General Title V Permit was issued in April 2005. LDEQ finalized a new general permit on April 5, 2005. General permits assist in expediting permit

issuance because public notice of the general permit template itself negates the need to public notice the actual permits issued to regulated facilities.

- Regulations to streamline the process of transferring ownership of permits and changing facility names, became final in November 2005. These regulations allow for "one stop shopping" for name and ownership changes. By completing one form, the applicant can request name and ownership changes for all media permits for the subject facility. Name and ownership changes are processed by the Environmental Assistance Division of the Office of Environmental Services, creating more available time for permit writers to work on more complex permitting actions.

In addition, other improvement projects are in the development phase:

- The Department is considering regulatory and statutory authority changes to allow Permits by Rule. For air permits, a statutory change is required in order to develop Permits by Rule for sources other than the certain temporary operations. In conjunction with Legal and the Environmental Assistance Division, the Air and Water & Waste Permits Divisions are working to identify industry sectors for which permit by rule may be an effective control mechanism. In the interim, the Air Permits Division is conducting research to identify existing temporary sources or activities that could be covered by rule without statutory changes.
- The Air Permits Division is in the process of developing regulations establishing a regulatory framework to allow general air permits for minor sources without the requirement to public notice the application – similar to water general permits.
- Department is working on a grant proposal which includes development of on-line permit application submittal for both air and water oil and gas permits. Additionally, OES is currently considering development of regulations to allow construction to proceed for minor oil and gas air stationary sources while the permit application is being processed.
- The Air Permits Division is also considering regulations to promulgate established air permit procedures. These changes will decrease time amount of spent on variances.



### **Permit Activities—Solid Waste**

The LDEQ Solid Waste Permits Program has reduced the number of orders to close and upgrade from 293 in 2002 to 90 as of May, 2005. This is a total reduction of sixty-nine percent (69%) in a timeframe of approximately 2.5 years. The audit report indicates an increase in the percentage of orders to close and orders to upgrade needing finalization, the increased percentage orders to be finalized for 2004 as compared to orders to be finalized in 2002. This is directly related to the fact that: 1) the current universe of facilities under these orders has dramatically decreased and 2) many of remaining permit actions present a greater review challenge and require additional information be provided to LDEQ before these actions can progress to the final decision and issuance phase of the permitting process.

The Solid Waste Permits Program has greatly increased the number of permitting actions processed and finalized. The number of permits issued increased from five (5) in FY 2003 to 22 in FY 2005. Evidence of the increased issuance of permits is reflected in Exhibit 5, which denotes that the number of expired standard permits decreased by 60%.

LDEQ is in the process of drafting a solid waste permit issuance strategy to further promote the finalization of the remaining orders to close and upgrade. The solid waste permitting strategy will also promote the issuance of renewal permits in a more efficient, expeditious and organized manner.

The report states that solid waste orders to close and upgrade are still not tracked effectively. However, the historical solid waste orders to upgrade and orders to close have been migrated into TEMPO. The effectiveness of the tracking is reflected by the fact that the auditors utilized TEMPO to determine that the number of orders had decreased from 293 in 2002 to 90 as of May, 2005. A QA/QC program has been implemented whereby, orders to close and orders to upgrade information in TEMPO is revised as new information associated with the pertinent facilities is received and as LDEQ finalizes the specific permitting actions. LDEQ will continue to evaluate and actuate procedures designed to enhance its permits data management capabilities.

### **Permit Activities—Hazardous Waste**

The hazardous waste permitting program has greatly improved since the 2002 audit. There were six (6) permitting actions finalized in FY 2003 and twenty-one (21) permitting actions finalized in FY 2004. In FY 2005, the hazardous waste permitting program met its overall permit issuance milestones set forth in the EPA Performance Partnership Grant (PPG). These improvements can be attributed to the establishment of the Hazardous Waste Permit Issuance Strategy. The hazardous waste strategy focuses on final permit actions associated with EPA's Government Performance Results Act



(GPRA) baseline facilities. It also addresses the issuance of final permits for facilities currently operating under interim status requirements, permit renewals, and post-closure/corrective action permits. The benefit of the permit issuance strategy is displayed in the Audit report which indicates a seven percent (7%) reduction in the number units at hazardous waste facilities that are operating under interim status.

Although the report reflects an increase in the number of hazardous waste permits that are administratively continued, the strategy contains aggressive projections to reduce the percentage of administratively continued permits from 72% in FY 05, to 48% by FY 06, and to 0% by FY 07.

It is LDEQ's goal to eliminate its hazardous waste Resource Recovery and Conservation Act (RCRA) permitting backlog and to have RCRA permits that are current and effective. The agency has implemented a priority determination system for permit issuance/reissuance based on the facilities contained in the EPA GPRA baseline, the PPG Work plan and work share agreements between LDEQ and EPA Region 6. LDEQ's permit issuance/reissuance priority ranking system will be as follows:

- Permit Renewals for Combustion, Land Disposal or Storage Treatment or Land Disposal Post-Closure Facilities (specific emphasis will be placed on administratively continued permits)
- Final Determinations or Permit Modifications Incorporating Unpermitted Units For Combustion Facilities (primarily interim status bifs)
- Final Determinations or Permit Modifications Incorporating Unpermitted Units at Land Disposal Post-Closure Facilities
- Final Determinations or Permit Modifications Incorporating Unpermitted Units For Land Disposal or Storage Treatment Facilities

### **Inspection/Incident Investigation Activities**

The Compliance Monitoring Strategy (CMS) has provided the department with an effective planning tool that is used to meet its mission and goals. It takes into account a facilities compliance history, potential environmental impact, the department's funding commitments and other factors. FY03-04 was the first use of the CMS by the Surveillance Division. As the department uses the CMS guidelines each year, our planning and implementation improves. The Surveillance Division strives to meet 100% of the goals it sets each year. However, compliance inspections occasionally are realigned so that the division can address complaints and environmental incidents that require significant use of resources, such as oil spills, train derailments, and hurricane

response. LDEQ continues to work toward meeting inspection goals as we perform other activities relevant to the agency's mission.

With regards to incident investigations, LDEQ consistently meets or exceeds its performance objective of initiating investigations within 5 working days of notification. LDEQ agrees that the minor issue of database entries needs to be resolved to lessen the number of negative entries, but we do not agree that negative entries prevent accurate accounting of our ability to address incidents in a timely manner. LDEQ will continue to work with SPOC personnel to resolve the database entries that result in negative records related to timeliness of incidents.

### **Self Monitoring Activities**

As stated in the report, the Enforcement Division has improved its self-monitoring functions since the 2002 audit.

#### Air Enforcement Title V Reports

The auditor's review of self-monitoring reports in the Air Enforcement program in 2002 revealed 50 of 228 of the audited reports (22%) could not be found. The auditor's review in 2005 revealed 7 of 687 reports (<1%) could not be found. The fact that the auditor was able to review three times the number of records in the 2005 audit and still find a non-submittal rate of less than 1% denotes Air Enforcement Section's improvements in tracking self-monitoring reports. Again, this audit validates the department's improvement in this area

#### Water Enforcement Discharge Monitoring Reports (DMRs)

The Water Enforcement section's permit compliance unit (PCU) currently tracks DMR receipt dates for approximately 12,000 facilities. Of these 12,000 facilities, the PCU also tracks, reconciles, and manually enters monthly and quarterly sampling data for 486 major, 92-500, and significant minor facilities. The remaining number of facilities is tracked for DMR receipt date only.

**Delinquent DMRs** The auditor's review of DMRs in the Water Enforcement program in 2002 revealed 26% of the 296 reports could not be found. The auditor's review in 2005 revealed 12,777 DMRs were submitted in FY 2004. Additionally, the 2005 review stated that 6,068 DMRs, that were required to be submitted, were not.

Many facilities in the PCS database are not required to submit DMRs. Information on all water facilities that are inspected, issued permits, or issued enforcement actions is entered in the PCS database. Before any information can be entered into the PCS database, a facility must be assigned a "permit number."

A "permit number" must be assigned regardless of whether or not a permit is actually needed. For example, many oil and gas facilities are inspected or receive enforcement actions for spills and releases. These facilities are assigned a "permit number" with an "LAU" prefix. Many of these types of facilities are not required to obtain a water permit; therefore, they are not required to submit DMRs even though they are tracked in the PCS database.

In summary, the department believes that many of the 6,068 delinquent records reported in the audit were actually facilities that are not required to obtain permits or submit DMRs.

**PCS Database Accuracy** The PCS database is accurate and capable of distinguishing between active and inactive facilities. The database is extremely dynamic. As personnel from the department's Water Permits Division issue and terminate permits, they notify our PCU staff. Once PCU personnel are notified of status changes, facilities are activated or deactivated in the PCS database. The PCU group depends on both the Permits Division and permittees to provide updates regarding changes in a facility's permit status. Facility closures, permit terminations, and the re-issuance of permits under different permit numbers keeps the PCS database in a state of flux.

**Improved Tracking of DMRS** The audit recognizes LDEQ's improvement with tracking violations noted on DMRs. Under a QA/QC program initiated after the 2002 audit, Water Enforcement personnel review every 20<sup>th</sup> DMR submitted for violations and refer all appropriate violations for consideration of escalated action. Also, the fact that the auditor was able to review 43 times the number of records as it did in the 2002 solidifies the Water Enforcement section's improvements in tracking DMRs.

## **Objective 2: Has LDEQ Improved Its Enforcement Functions Since The 2002 Audit**

### **Areas of Concern**

The circuit rider program has significantly improved LDEQ's ability to address areas of concern in a timely manner. There are now Enforcement circuit riders in three of the Regional Offices to assist the Surveillance staff with identifying areas of concern and determining which areas of concern to handle on the Regional level through issuance of Notices of Deficiency (NOD) or Notices of Corrected Deficiency (NOCD) and those to refer to Enforcement. The Enforcement referrals are initially addressed through issuance of warning letters. The SOP for warning letters now requires them to be drafted within three days of assignment; however, Enforcement plans to update this SOP. As the circuit rider program matures and is further integrated with Expedited Penalty Agreements and educational outreach, the areas of concern discovered by

Surveillance should be addressed much more efficiently. Again, this audit validates the improvement LDEQ has made in the area of the issuance of enforcement actions for areas of concern identified on inspections.

### **Timeliness Indicators For Enforcement Actions**

All enforcement actions are tracked from date assigned to date issued for all programs. Some of the programs in Enforcement have established internal timeframes for issuance of all enforcement actions, based on either EPA commitments or legislative commitments. Only those required to be calculated as performance indicators are reported in the Quarterly Performance Indicator Report. The Enforcement Division strives to issue all enforcement actions in a timely fashion, however, there are several factors that affect the timeliness of issuance, such as the volume of referrals, complex cases that require sampling, or multimedia actions that require multiple reviews by staff. In addition, La. R.S. 30:2025 (E)(3)(a) requires the department to consider a multitude of factors deciding whether or not to issue penalties. As such, it is difficult to categorize and establish timeframes to issue enforcement actions for all types of facilities and all types of violations because each referral is unique.

Prior to the audit, the department implemented the circuit rider program where minor violations are addressed in the regions. This has resulted in the department being more efficient in addressing violations, as well as being able to document a facility's return to compliance much quicker than by use of only formal enforcement methods. This also has the added benefit of greatly reducing the number of cases referred to the Enforcement Division and placed in backlog. From July 1 – December 31, 2005, 362 NOD/NOCDs were issued by the Regional offices addressing violations, in addition to the 510 formal actions issued by Enforcement. With continuing implementation of the circuit rider program, very few referrals should be added to the older backlogged cases.

In an effort to address the older backlogged water cases, the Enforcement Division is also currently designing educational outreach classes. The goal is to teach regulatory requirements to the general permittees in order to clear the minor violations in the backlog. We anticipate beginning the classes by the end of the first quarter of calendar year 2006.

### **Warning Letters**

LDEQ plans to update its SOPs to reflect that Warning Letters should be issued within 30 days of assignment. In addition, NOD/NOCD letters issued from the Surveillance staff are already entered into TEMPO. After an enhancement to TEMPO, personnel will enter Warning Letters in TEMPO.

### **Escalation of Enforcement Actions**

This is another area that this audit validates the department's improvement. LDEQ will continue to review referrals on a case by case basis and determine the appropriate enforcement action based on the mitigating circumstances surrounding the violation. The Enforcement Division will continue to document when appropriate the enforcement actions that weren't escalated.

### **Penalty Collection**

The LDEQ Enforcement and Legal Divisions have been working for several years to improve the collection of civil penalties. As the Auditor's draft report recognizes, collection rates improved for during fiscal years 2003-2004 as compared with fiscal years 1999-2001. The latest report finds that approximately 28% of the penalties assessed in fiscal years 2003 and 2004 have not yet been collected. The draft report correctly notes that some penalties have not been collected because the respondent appealed the penalty, is in bankruptcy, or has been allowed by LDEQ to make installment payments. (The draft report also states, erroneously, that some penalties have not been collected because the penalty assessment was made executory. This refers to a step in the legal process of collecting a penalty, not a reason that a penalty is not collected.)

### **Objective 3: What Initiatives Has LDEQ Undertaken Or Should Undertake To Increase Its Efficiency And Effectiveness**

#### **Survey Results**

Although LDEQ recognizes there are some areas which need work, the department is very pleased with the employee survey results. We are especially pleased with the positive responses in the areas of how employees see their job as important, appropriate supervision, clear job duties, and new ideas encouraged.

The survey results are correct in the suggestion for better communication within the Department. LDEQ has good communications at the upper management levels as a direct result of having weekly managers meetings and Executive Staff meetings. Over the past year, program managers have presented their programs to their colleagues to help acquaint managers with all agency programs. The department has a team-oriented management philosophy and commonly puts together problem-solving teams with appropriate resources from across the agency. However, over the past year the department has recognized that our managers are being well informed of directions and actions of our agency, but many of the rank and file employees are not. LDEQ has taken a number of steps to begin to address this problem including:

- Initiating an annual agency wide "State of LDEQ" presentation that was broadcast to the regional offices and placed on the web site.
- Increasing the visits by our Executive Staff and Administrators to the regional offices.
- Upgrading our website to make more information on agency initiatives and actions available to all employees.
- Enhancing LDEQ's quarterly newsletter to highlight agency activities.
- Providing e-mail notifications to all employees to announce organization and major staffing changes.

This coming year, the Executive Staff will be working with managers to come up with more effective means of communicating agency activities to the rank and file employees.

### **Records Management**

As noted in the report, the Records Management staff has worked hard to improve the quality of the systems and services available to employees and customers of LDEQ. By teaming with contract staff, LDEQ has consistently achieved a 98% accuracy rate on imaging and indexing services. Teaming with contractors, employees, and customers allows the department to identify opportunities to improve our electronic document management system (EDMS) and add new services. Records Management conducts annual surveys among EDMS users and hold records management training sessions for members of the public, implementing many of the suggestions received from these forums. For example, the department began scanning Discharge Monitoring Reports in January 2005 and will complete them by February 2006. This is a direct result of a discussion that occurred during a public training session. The desire for more detailed descriptions is something that the EDMS Indexing Improvement Team has been working on since September 2003. Most recently, this team, made up of personnel from each LDEQ division helped to refine Uniform Description Lists and develop a Smart Transmittal Sheet application that allows LDEQ staff to enter indexing data. The data is turned into a barcode that is machine-read during the scanning process. This has improved overall throughput and indexing accuracy.

### **Various Initiatives to Increase Efficiency and Compliance**

After the 2002 audit, and consistent with recommendations from the Governor's Advisory Task Force, LDEQ developed and implemented the Expedited Penalty Agreement (XP) pilot program. This program is designed to address minor to moderate violations with smaller, set penalty amounts and in return, the respondent has to certify that the violations were corrected within 30 days. As of December 31, 2005, the Enforcement Division had offered 354 XP agreements to respondents totaling \$354,574.00. The use of this enforcement tool is expected to increase efficiency in addressing violations.

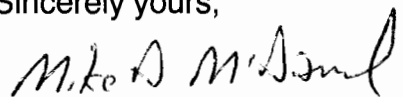
Along with the XP pilot program and as a result of feedback from the regulated community, LDEQ implemented an educational class for the owners and/or operators of underground storage tanks systems found to have certain types of violations. The classes began in March of 2004 and are rotated around to all the regions of the state. The Department has recently begun having previous attendees call to schedule the class again as an annual regulation update.

The Enforcement Division is currently finalizing a class for the holders of general water permits. Most of the permittees are small businesses without the resources to hire environmental consultants. The goal is to begin holding the classes by the end of March 2006, and as a result, be able to document compliance for many of the minor backlogged cases. This in conjunction with the general compliance orders and the XP program is expected to increase efficiency in handling many of the minor water violations.

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In conclusion, I am proud of the improvement of the Louisiana Department of Environmental Quality since the previous audit. Through the efforts of every employee of this department we have made great strides in effectively managing the environment of this State. We are firmly committed to continuous improvement and will constantly strive to meet the needs of the citizens of Louisiana.

Thank you for this opportunity to respond.

Sincerely yours,



Mike D. McDaniel, Ph. D.  
Secretary

## Appendix A: LDEQ's Response to Recommendations

**Recommendation 1:** LDEQ should ensure that TEMPO has the capability to include data for all of the media it regulates and that it includes all necessary updates and enhancements.

**Management's Response:** TEMPO is the department's repository of information for all entities that are regulated by the department. It has aided us greatly in consolidating many disparate databases into one single system. As a matter of procedure, we prioritize all enhancements and work on the higher priority requests first. We will continue this process to ensure TEMPO includes all necessary updates and enhancements

**Recommendation 2:** LDEQ should develop formal procedures for the quality assurance activities and ensure that procedures are appropriately and routinely implemented. This may involve establishing a centralized quality assurance employee and/or group that oversees these activities.

**Management's Response:** The TEMPO system does have standards and validation routines that provide for accurate data entry. However, the department realizes that these standards are not sufficient to guarantee consistent use of the system across the department and its processes. As such, LDEQ will develop a formal quality assurance program as it applies to TEMPO.

**Recommendation 3:** LDEQ should determine if it is feasible, cost effective, and beneficial to have a data warehouse of TEMPO data. This data could be used for quality assurance purposes and for users to query for analysis and reports

**Management's Response:** LDEQ fully realizes the need for a data warehouse and the benefits it would provide the department. Although not a true data warehouse, we are currently developing an instance of the database on a separate server that will be used for knowledge queries. This will provide for quicker, better organized presentation of the data and will not slow down our production database. Any future decisions on a true data warehouse will be dependent upon LDEQ's budget position.

**Recommendation 4:** LDEQ should continue to explore ways to increase the efficiency of issuing and renewing permits.

**Management's Response:** In addition to the projects already completed and implemented (Standard Oil and Gas Permit, Air Permit Data Upload, additional permit



writers, Title V General Permit), a number of new initiatives and projects are underway that will increase permitting efficiency. These new initiatives include Permit by Rule, expanding the use of general permits, and on-line applications. As permit applications continue to increase, the Department will continue to seek opportunities to improve processes and better serve the public.

**Recommendation 5:** LDEQ should develop a method to ensure that temporary permits are closed and/or upgraded within their appropriate timeframes.

**Management's Response:** LDEQ is in the process of drafting a solid waste permit issuance strategy to further promote the finalization of the remaining orders to close and upgrade. The solid waste permitting strategy will also promote the issuance of renewal permits in a more efficient, expeditious and organized manner. It is our goal to eliminate solid waste orders to close and orders to upgrade backlog and to have standard solid waste permits that are current and effective.

**Recommendation 6:** LDEQ should ensure that all air and solid waste facilities are inspected in accordance with their compliance monitoring strategies.

**Management's Response:** LDEQ strives to meet the goals it establishes annually in the Compliance Monitoring Strategy (CMS). However, compliance inspections occasionally are realigned so that the division can address complaints and environmental incidents that require significant use of resources, such as oil spills, train derailments, and hurricane response. LDEQ will continue to work toward meeting the CMS goals as we carry out other assignments essential to the agency's mission to protect public health and the environment.

**Recommendation 7:** LDEQ should continue to work with TEMPO personnel to resolve the problems that prevent accurate analysis of timeliness for incidents.

**Management's Response:** LDEQ understands there have been problems with incident data entry. We are committed to improving the quality of this effort. There are QA/QC procedures in place presently that were not applicable in FY03-04. The ongoing effort that management and supervisors attend to regularly will ensure that incident data entry is accurate and timely.

**Recommendation 8:** LDEQ should ensure that it tracks those DMRs that were due and not received in order to ensure that all required DMRs are submitted from facilities.

**Management's Response:** The Water Enforcement section's current DMR database is accurate and does track those DMRS that are required but were not received. We reconcile this database periodically, however this database is dynamic. As they are issued and terminated, permits are constantly being added and deleted from the database. We depend on both the Permits Division and permittees to maintain an accurate database regarding permit terminations and termination and reissuance under a new permit number or facility closure. As such, the PCS database is continuously updated when Enforcement personnel are informed of permit status changes by the Permits Division and permittees. All DMRs are tracked for receipt dates and every 20<sup>th</sup> DMR received is reviewed for effluent violations. Lastly, LDEQ is moving forward to enable electronic submittal of water discharge self-monitoring data.

**Recommendation 9:** LDEQ should develop standard timeframes that apply to all facilities and all types of violations in order to evaluate their efficiency in issuing enforcement actions.

**Management's Response:** The nature of the regulatory programs for the different media and the severity of different types of violations make it difficult, if not impossible, to set a standard timeframe to cover all violations. The Enforcement Division follows the federal requirements stated in the Performance Partnership Grant with EPA for most of the timeframes and has implemented new programs (circuit rider, XP) to address violations not falling under those timeframes.

**Recommendation 10:** LDEQ should enter warning letters into TEMPO that include a field to track compliance with the 3-day requirement or change the requirement to the date the letter was issued rather than prepared.

**Management's Response:** LDEQ plans to update its SOPs to reflect that Warning Letters should be issued within 30 days of assignment. IN addition, after enhancements to TMEPO, Enforcement personnel will be able to enter Warning Letters in TEMPO and as a task in the work activity log.

**Recommendation 11:** LDEQ should continue to increase the number of penalties it actually collects.

**Management's Response:** LDEQ will continue to strive to collect all penalties that it assesses. This will include the diligent litigation of any appeals taken by the respondent; obtaining executory judgments on final penalty assessments; recording judgments in the mortgage records to act as judicial liens on immovable property; the use of judgment debtor examinations to locate assets; the seizure and sale of assets

when necessary; and participation in any bankruptcy proceedings. The auditor should recognize that, at any point in time, a certain percentage of penalties will be uncollected, due to the delays inherent in these legal processes. In cases where a respondent cannot be located, has insufficient assets to pay the penalty, or the penalty debt has been discharged in bankruptcy, LDEQ will continue to designate the penalty as "uncollectible" for accounting purposes, and document that determination. This determination will not erase the respondent's obligation to pay the penalty (except in the case of a bankruptcy discharge), and LDEQ will retain the right to reinstate collection efforts upon receipt of new information.

**Recommendation 12:** LDEQ should review the results and recommendations of the employee survey and assess whether changes can be made to enhance employee morale and LDEQ operations

**Management's Response:** LDEQ will review the results and recommendations of the employee survey. The department will focus on communication to our rank and file employees as a priority.

**Recommendation 13:** LDEQ should explore the use of general compliance orders for other media and other types of facilities.

**Management's Response:** The general compliance orders were developed specifically to address the backlog of referrals (consisting mostly of facilities with sanitary general permits) in Water Enforcement. The Water Enforcement section is also considering revising the expedited penalty regulations and developing a compliance assistance school in an attempt to address the backlog of water referrals. Other media programs such as solid waste and hazardous waste do not have general permits that are issued. Permits are issued to facilities with specific operating requirements based on the facility's operations; therefore, a general order with generic language would not be appropriate for these programs. Enforcement Actions written for these media programs are specific to the violation that occurred and have a specific order to address the violation.

**Recommendation 14:** LDEQ should consider the feasibility and cost benefit of conducting more training sessions for other media and effect this training has on the future compliance of attendees

**Management Response:** The Department has researched the feasibility of expanding the owner/operator training programs and is developing additional programs at this time. Assessment of the rate of compliance after the training classes has begun.