

## **Compliance and Enforcement Progress in FY 2001 Detailed Summary**

**Pollutants Reduction:** In 2001, EPA's enforcement actions required violators to reduce an estimated 660 million pounds and treat or safely manage an estimated 1.84 billion pounds of pollutants. Major estimated pollution reductions through enforcement included: **Soil**—720 million pounds of dredge and fill material associated with the illegal wetlands ditching and excavation, and 541 million pounds of soil contaminated with toxins. **Air**—370 million pounds of sulfur dioxide (SO<sub>2</sub>), which contributes to respiratory illness, particularly in children and the elderly, and aggravates existing heart and lung diseases, and 316 million pounds of nitrogen oxide (NO<sub>x</sub>) which is one of the main ingredients involved in the formation of ground-level ozone and can trigger serious respiratory problems. **Water**—149 million pounds of ground water contaminated with volatile organic compounds (VOCs), many of which are known or suspected carcinogens.

Contributing to the significant required air pollutant reductions were civil enforcement settlements involving Motiva/Equilon/Shell, which is estimated to result in an annual reduction of 51,000 tons SO<sub>2</sub> and 19,500 tons of NO<sub>x</sub> through the use of upgraded technologies, and a similar agreement with BP Amoco, which is estimated to cut NO<sub>x</sub> and SO<sub>2</sub> by more than 40,000 tons a year. These reductions are consistent with the Agency's goal of reducing emissions of six principal air pollutants (carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter, and sulfur dioxide). In the past 30 years, the total emissions of the six principal air pollutants decreased 31 percent.

**Civil Enforcement:** EPA's civil enforcement program's goal is to maintain a consistent federal enforcement presence, as a deterrent to non-compliance and in support of state enforcement activities. In FY 2001, EPA saw a civil enforcement program that resulted in many successes including injunctive relief valued at \$4.3 billion that will undo past harm and prevent future damage to the environment. Violators also paid \$125 million in civil penalties with an additional \$25.5 million going to states in shared penalties. Assessing civil penalties establishes a level playing field for regulated entities by eliminating economic advantage gained through noncompliance. EPA settled 222 civil judicial cases and issued 3,228 administrative orders and field citations involving violations of a single statute or multiple statutes. In a major multi-statute enforcement case, Morton International Inc. agreed on Oct. 26, 2001, to resolve charges that it violated clean air, clean water and hazardous waste laws at its Moss Point, Miss., facility under a civil settlement and criminal plea agreement with the United States and Mississippi Department of Environmental Quality. Morton paid a \$20 million penalty and will spend up to \$16 million on projects to enhance the environment. EPA also took 51 enforcement actions against federal facilities, an increase of five from last year, for violations of numerous federal environmental statutes.

EPA's efforts in the petroleum refinery sector continue to produce large gains in reducing air pollution. In FY2001, EPA reached "global" settlements with four major refiners (Koch Petroleum, BP Amoco, Marathon Ashland Petroleum and Motiva/Equilon/Shell) addressing CAA violations of NSR/PSD, Leak Detection and Repair, Benzene Waste-NESHAP (National Emission Standards for Hazardous Air Pollutants) and flaring/NSPS (New Source Performance Standards) requirements. These settlements involved 27 refineries and 28.8 percent of domestic refining capacity. The addition of air pollution controls combined with operational changes will result an estimated annual reduction of 87,000 tons of SO<sub>x</sub>, 49,500 tons of NO<sub>x</sub>, 8,220 tons of volatile organic VOCs and 2,100 tons of particulate matter (PM). The Agency is negotiating global settlements with five refineries representing more than 25 percent of refining capacity.

***Criminal Enforcement:*** During FY 2001, EPA maintained a strong criminal enforcement program to bring to justice those who violated the law knowingly or willingly. Over the year, among other enforcement accomplishments, the criminal program initiated 482 cases and 372 defendants charged. The guilty paid nearly \$95 million in fines and restitution, and were sentenced to 256 years in prison— an increase of more than 100 years from 2000. In addition to committing resources and manpower to the Agency's criminal enforcement efforts, EPA's criminal staff also worked closely with other federal law enforcement agencies as part of the federal government's response to the Sept. 11 terrorist attacks. Since the attacks, criminal investigations and forensics staff have been providing crisis management support to other federal agencies to combat domestic terrorism.

In 2001, the Agency successfully prosecuted the first criminal case involving a violation of the Lead Hazard Reduction Act. On July 11, 2001, David D. Nuyen of Silver Spring, M.D., who owned and managed approximately 15 low-income rental properties in the District of Columbia and Maryland, pled guilty to making false statements in violation of the Lead Hazard Reduction Act and the Toxic Substances Control Act (TSCA). When sentenced, he faces up to two years in prison and up to a \$1.5 million fine.

***Compliance Assistance:*** To help the regulated community understand and fully comply with environmental requirements, EPA provided compliance assistance more than 550,000 businesses and provided financial and other support to 10 Internet-based Compliance Assistance Centers created to help small and medium-sized businesses, local governments, and federal facilities. In FY 2001, the public and regulated entities visited the Centers more than 485,000 times, an increase of 19 percent from FY 2000. These visits included more than 150,000 requests compliance documents. Other compliance assistance tools such as hotlines, workshops and guidance materials effectively reached more than one-half million regulated entities. Also, in 2001, EPA launched the National Assistance Clearinghouse. The Clearinghouse is a web-based searchable reference tool that provides a quick access to compliance assistance materials and a means for the user to interact with EPA, states and other compliance assistance providers. The Clearinghouse contains almost 4,500 links, including resources from all 50 states. In its first year of operation, 62,000 visitors viewed more than 183,000 web pages.

***Compliance Incentives:*** In FY 2001, EPA's Audit and Small Business Policies continued to provide a significant incentive for many companies to improve their environmental management practices. Under the Audit Policy, regulated facilities detect, disclose, and correct environmental violations in exchange for a waiver or significant reduction in penalties from EPA. In 2001, EPA completed Audit Policy agreements with 364 companies to conduct self-audits and correct violations at 1,754 facilities. In 2001, EPA also successfully worked with solicited industry sectors, such as steel mini-mills, petroleum refineries, telecommunications, and property management, to use the Audit Policy through tailored initiatives to improve environmental management at their facilities.

***Supplemental Environmental Projects:*** A supplemental environmental project (SEP) involves actions an violator agrees to undertake to protect the environment and human health beyond required injunctive relief in exchange for a penalty reduction. In FY 2001, SEPs valued \$89.1 million, up 60 percent from last year's value of \$55.8 million. Significant SEPs in 2001 included environmental projects funded by Air Liquide America Corporation and by S.C. Johnson. In June 2001, Air Liquide agreed to dedicate an undeveloped parcel of land having ecological value as open or "green" space in the industrialized area of Calcasieu Parish. This land will not be used for industrial purposes in the future and is aimed at benefitting the primarily lower income, predominately minority community. In 2001, S.C. Johnson and Company agreed to provide funding to the Asthma and Allergy Foundation of America to purchase and staff a Mobile Asthma Clinic ("Breathmobile®") for specialized and preventative health care to Baltimore's high-risk,

inner-city and underprivileged children. The settlement funds the Breathmobile® for one year of diagnosis and treatment at a cost of nearly \$700,000.