



# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

To enforce its regulations and achieve maximum compliance, a regulatory agency must know its entire regulated universe. We sought to determine how well the U.S. Environmental Protection Agency (EPA) Office of Enforcement and Compliance Assurance (OECA) knows the composition and size of its regulated universe, as well as how OECA determines and reports compliance levels across the regulated universe.

## Background

OECA compiled its regulated universe table to provide consistent numbers when presenting compliance information to Congress, the public, and other stakeholders. The information also aids EPA in making management decisions about compliance and enforcement resource allocations. In the universe table issued in September 2001, OECA reported an inventory of approximately 41.1 million regulated entities.

**For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.**

**To view the full report, click on the following link:**

[www.epa.gov/oig/reports/2005/20050919-2005-P-00024.pdf](http://www.epa.gov/oig/reports/2005/20050919-2005-P-00024.pdf)

## ***Limited Knowledge of the Universe of Regulated Entities Impedes EPA's Ability to Demonstrate Changes in Regulatory Compliance***

### **What We Found**

OECA has limited knowledge of the diverse regulated universe for which it maintains responsibility. OECA has not updated its universe table since generating it in 2001, even though some universe figures for reviewed program areas have changed substantially. EPA has used the 2001 table as a source for describing the size of its regulated universe in public documents. Various data quality issues impact OECA's ability to adequately identify the size of its regulated universe and associated compliance information. OECA concentrates most of its regulatory activities on large entities and knows little about the identities or cumulative impact of small entities. OECA cannot effectively use universe figures to assist with its regulatory activities. OECA does not develop programmatic compliance information, adequately report on the size of the universe for which it maintains responsibility, or rely on universe figures to assist with planning.

OECA's limited universe knowledge prevents it from determining overall compliance levels in five of the six regulatory program areas we reviewed. This hinders OECA's ability to generate valid programmatic compliance information and effectively determine program success. In addition, OECA lacks adequate transparency in publicly reporting some currently available compliance information.

### **What We Recommend**

We recommend that OECA biannually update publicly released universe figures, and produce complete, reasonably accurate, and current universe data. Further, OECA should better describe its enforcement and compliance role, develop an objective to obtain better reporting from States, and request EPA program offices to analyze and report on the cumulative impact of violations from small entities. Also, we recommend that OECA develop and publish information that demonstrates changes in compliance levels, and better share existing compliance data and analyses that will provide external stakeholders with an improved understanding of programmatic compliance levels. EPA agreed with some of our recommendations, but not those related to biannually updating universe figures, developing an objective to obtain better reporting from States, or for developing programmatic compliance information.