U.S. Environmental Protection Agency
Office of Inspector General

2007-B-00002
July 24, 2007

At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We conducted this review at the request of the Office of Management and Budget. We were asked to assess (1) the accuracy and reliability of the U.S. Environmental Protection Agency's (EPA's) Office of Enforcement and Compliance Assurance (OECA) pollution reduction projections for enforcement actions and settlements, and (2) whether the reported projected pollution reductions were achieved.

Background

OECA's enforcement actions can result in facilities agreeing to install pollution controls or take other measures to reduce pollutant emissions or discharges. In accordance with the Government Performance and Results Act, OECA annually reports on the amount of pollutants expected to be reduced, treated, or eliminated as a result of these actions. OECA only reports 1 year's worth of estimated pollutant reductions, though reductions may occur for years into the future. The reductions are reported in the fiscal year that an enforcement case is concluded, not necessarily the year in which the projected reductions will be fully realized.

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/2007/20070724-2007-B-00002.pdf

Assessment of EPA's Projected Pollutant Reductions Resulting from Enforcement Actions and Settlements

What We Learned

The accuracy and reliability of EPA's projected pollutant reductions for Fiscal Years 2003-2006 were dependent on the specific program in which the enforcement action took place. For example, more reliable data were available to project reductions from oil spill and power plant cases than other Clean Water Act (CWA) and Clean Air Act (CAA) cases, respectively. EPA has improved its internal control process for ensuring more accurate pollutant reduction estimates from concluded enforcement cases. The accuracy of estimated reductions from CWA enforcement actions has likely improved as a result of these internal control changes. However, we noted some inconsistencies in the calculation of projected CAA emission reductions. For example, three of the six power plant cases we reviewed did not include estimates for particulate matter reductions, thereby underreporting reductions. Also, different methodologies were used to estimate post-compliance emissions from power plant cases. Further, three of the six regions we surveyed did not independently review the basis for the projected reductions for some CAA cases as called for by OECA's guidance.

EPA's annual projected reductions were heavily influenced by a few large cases. Less than 1 percent of the CWA cases accounted for 52 percent of the projected pollutant reductions from concluded CWA enforcement actions. Similarly, a few large power plant cases resulted in a marked increase in total estimated CAA-related reductions for Fiscal Years 2004-2005. For example, two power plant cases accounted for over 600 million pounds in reductions, about 78 percent of the Fiscal Year 2004 total.

Facilities were on target to meet the projected reductions for the CAA cases we reviewed. However, it will take years to complete all corrective actions in these cases. Consequently, we could not determine whether they had achieved their total projected reductions. Projected reductions have already been achieved for at least one CWA case, and other CWA cases were making progress toward meeting their projected reductions. EPA's 2006 Annual Report used terms such as "achieved," "reduced," and "actual" to describe emission reductions for that year even though the reductions were often only projected amounts, since it can take years for reductions to occur. OECA agreed to use more precise wording in future reports.

We presented the results of our review to OECA on May 23, 2007. We clarified parts of our presentation based on OECA's feedback. OECA generally agreed with our findings and stated that it would address the issues disclosed. We make no recommendations in this report.