



Matthew Rodriguez
Secretary for
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Department of Toxic Substances Control

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Edmund G. Brown Jr.
Governor

July 6, 2016

Mr. Gideon Kracov
Chairman
Independent Review Panel
Department of Toxic Substances Control

CALIFORNIA STATE AUDITOR COMMENTS ON COST RECOVERY IMPROVEMENT

Dear Mr. Kracov,

The Independent Review Panel, in its January 28, 2016 quarterly report, requested that the Department of Toxic Substances Control (DTSC) report "on any follow-up examination or comments by the California State Auditor [Auditor] on DTSC's cost recovery procedures and improvement efforts."

In August 2014, the Auditor issued findings and recommendations for DTSC's Cost Recovery program.¹ After the Auditor completes an audit and issues a report, all auditees, including DTSC, are required to provide information concerning the implementation of the audit recommendations at 60-day, six-month, and one-year intervals. The Auditor published DTSC's status reports and its assessment of DTSC's responses on its website.² The Auditor required documentation where appropriate before assessing a recommendation as "Fully Implemented." DTSC provided the required updates and its one-year update was submitted on August 6, 2015.

Of the Auditor's eleven recommendations, nine called for action by DTSC and two recommended action by the state legislature. As of June 30, 2016, the Auditor assessed eight of nine DTSC recommendations as "Fully Implemented." The one remaining recommendation has been assessed as "Partially Implemented" and involves cleaning up data associated with the 1,621 backlog sites reviewed during the audit. DTSC completed data cleanup on June 30, 2016, and will provide information to the Auditor requesting this recommendation be reclassified as "Fully Implemented" in July 2016.

¹ "California Department of Toxic Substances Control: Its Lack of Diligence in Cost Recovery Has Contributed to Millions in Unbilled and Uncollected Costs," California State Auditor Report #2013-122, August 2014, available at <https://www.auditor.ca.gov/reports/summary/2013-122>.

² See "Report 2013-122: All Recommendation Responses" available at <https://www.auditor.ca.gov/reports/responses/2013-122/all>.

Mr. Gideon Kracov
July 6, 2016
Page 2

If you have any questions, please contact Christopher Law at (916) 322-0513, or via email at Christopher.Law@dtsc.ca.gov.

Sincerely,



Terri Hardy
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Department of Toxic Substances Control