Audit Report

OFFICE OF THE INSPECTOR GENERAL

ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAMS

Report Number 92-011

November 8, 1991

Department of Defense

The following acronyms are used in this report.

AEHA ..... U.S. Army Environmental Hygiene Agency
AFB.....Air Force Base
DASD(E)..... Deputy Assistant Secretary of Defense (Environment)
DASD(I).... Deputy Assistant Secretary of Defense (Installations)
DESR.....Defense Environmental Status Report
DLA.....Defense Logistics Agency
EPA..... Environmental Protection Agency
FMFIA.....Federal Managers Financial Integrity Act

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884

November 8, 1991

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (PRODUCTION AND LOGISTICS)
DEPUTY ASSISTANT SECRETARY OF DEFENSE (ENVIRONMENT)
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Audit Report on Environmental Compliance Assessment Programs (Report No. 92-011)

We are providing this final report for your information and use. Comments on a draft of this report were considered in preparing the final report. The report resulted from an audit requested by the Principal Deputy Assistant Secretary of Defense (Production and Logistics).

DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Therefore, the Defense Logistics Agency must provide final comments on the unresolved recommendation by January 8, 1992. DoD Directive 7650.3 also requires that the comments indicate concurrence or nonconcurrence in each recommendation addressed to you. If you concur, describe the corrective action taken or planned, the completion dates for actions already taken, and the estimated dates for completion of planned actions. If you nonconcur, state your specific reasons for the nonconcurrence. If appropriate, you may propose alternative methods for accomplishing desired improvements.

We appreciate the courtesies extended to the audit staff. If you have any questions on this final report, please contact Mr. Wayne K. Million, Program Director, at (703) 614-6281 (DSN 224-6281) or Ms. Judith I. Karas, Project Manager, at (703) 693-0594 (DSN 223-0594). The planned distribution of this report is listed in Appendix J.

Robert J. Lieberman

Robert J. Lieberman
Assistant Inspector General
for Auditing

cc: Secretary of the Army
Secretary of the Navy
Secretary of the Air Force

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884

January 8, 1992

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Audit Report on Environmental Compliance Assessment Programs (Report No. 92-011)

Please block out the "Funding" column on pages 62 through 66 of the subject report, as requested in the enclosed memorandum.

David K. Steensma

David K. Steensma
Director
Contract Management Directorate

Enclosure

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, DC 20310-0110

REPLY TO
ATTENTION OF

27 NOV 1991

MEMORANDUM THRU THE INSPECTOR GENERAL

FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL,
ATTN: DODIG-AUD-CM

SUBJECT: Audit Report on Environmental Compliance Assessment Programs (Report No. 92-011)

Reference is made to the subject report, dated 8 November 1991.

The table included on pages 62 through 66 of the report regarding the Environmental Compliance Assessment System (ECAS) Work Plan, includes proprietary information on the cost of the assessment. Because the audit report will become a public document, this information should not have been included. The Army is still in the process of evaluating and selecting bidders for the ECAS.

Request that your office notify all addressees on distribution of the report to block out the "Funding" column on pages 62 through 66 of the report. The same applies for copies of the report to be released by your office under the Freedom of Information Act or other requests.

The point of contact is Ms. Lydia Sanchez, Assistant for Environmental Compliance, (703) 614-9536.

Lewis D. Walker
Deputy Assistant Secretary of the Army
(Environment, Safety and Occupational Health)
OASA(I,L&E)

cf:
SAFM-FO
SAAG-AFF
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DAEN-ZCZ-A
ENVR-E

ENCLOSURE

Office of the Inspector General, DoD

AUDIT REPORT NO. **November 8, 1991**
(Project No. 0CG-5015)

ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAMS

EXECUTIVE SUMMARY

Introduction. In 1989, the Secretary of Defense asserted that the Department of Defense should be "the federal leader" in agency environmental compliance and protection. The environmental compliance assessment program is a critical component of an agency's ongoing environmental management program. Environmental assessments are systematic and documented reviews of environmental operations and practices, which identify preventive actions that can be taken to avoid costly future cleanup.

Objective. The overall objective of this audit was to determine the effectiveness of the DoD environmental compliance assessment program. The audit evaluated whether:

- o environmental compliance assessment programs were comprehensive and identified the true scope of compliance problems,
- o appropriate actions were taken to correct problems identified during an assessment,
- o OSD and DoD Component-level guidance were adequate, and
- o internal controls were adequate.

Audit Results. The DoD environmental compliance assessment programs were not fully implemented or effective overall. Eight of the sixteen installations reviewed had not completed internal assessments. In addition, the assessments that were completed did not ensure that noncomplying conditions would be identified and corrected. As a result, DoD installations had not identified the scope of their environmental problems and were exposed to costly operational, regulatory, and legal actions. Recent management attention was strengthening the program at the DoD Component level.

Internal Controls. The internal controls applicable to the environmental compliance assessment programs were not sufficient to ensure that the program was adequately implemented. See the finding for details on the material internal control weaknesses and page 3 for details of our review of internal controls.

Potential Benefits of Audit. DoD can identify deteriorating environmental conditions early so less costly preventive actions can be taken. DoD can also avoid the costs of fines, legal actions, and costly corrective actions if installations implemented an aggressive environmental compliance assessment program. However, we could not quantify these cost avoidances. The potential benefits are summarized in Appendix H.

Summary of Recommendations. We recommended that OSD establish the environmental compliance assessment program through regulatory guidance. We also recommended that DoD Components provide appropriate staffing to implement the program and maintain adequate program visibility and oversight.

Management Comments. The Deputy Assistant Secretary of Defense (Environment) (DASD[E]) nonconcurred with Recommendations 1.a. and 1.b. to issue a directive requiring environmental compliance assessment programs to include specific characteristics of the program. Instead the DASD(E) proposed issuing a directive with a policy statement and an instruction with program details. The proposed alternative action is fully acceptable. The DASD(E) concurred with Recommendation 3. to report and track the environmental assessment program as a material control weakness.

The Assistant Secretaries of the Military Departments have taken or planned actions to issue guidance on visibility and staffing of environmental functions. Their comments were responsive to the intent of Recommendations 2.a. and 2.b. The Director, Defense Logistics Agency nonconcurred with Recommendation 2.a. to issue guidance, but concurred with Recommendation 2.b. to evaluate staffing. Accordingly, we request that the Director, Defense Logistics Agency reconsider his position on Recommendation 2.a. and provide additional comments on the final report by January 8, 1992.

Audit Response. A full discussion of management comments and audit responses are summarized in Part II of this report, and the complete text of management comments is in Part IV of the report.

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This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD. Copies of the report can be obtained from the Information Officer, Audit Planning and Technical Support Directorate, (703) 693-0340.

PART I - INTRODUCTION

Background

Environmental compliance assessments, formerly called environmental audits, should be critical components of an agency's ongoing environmental management program. These assessments should be systematic, well documented reviews of environmental operations and practices, and should meet explicitly specified criteria, provide objective evaluations of conditions, and receive top management support for findings and corrective actions. Environmental compliance assessments should also identify preventive actions that can be taken to avoid costly future cleanup. Attributes of environmental compliance assessments are discussed in more detail in Appendix A. The requirement for an environmental compliance assessment program in DoD was established by a memorandum from the Deputy Assistant Secretary of Defense (Installations) (DASD[I]), Office of the Assistant Secretary of Defense (Production and Logistics), in January 1985. No directive or follow-up guidance was subsequently issued.

Environmental compliance assessments are receiving senior management attention because of the need to avoid costly cleanups and notices of violations issued by Federal and state agencies. The DoD budget to clean up past environmental noncompliances and environmental mistakes is over $1 billion annually, and high costs are expected to continue. Notices of violations are regulatory citations for not complying with an environmental standard. A notice of violation can be accompanied by monetary fines and orders to shut down operations until compliance is achieved. DoD had 758 violations from 1988 through 1990.

Another reason interest is growing in environmental compliance assessments is the legal climate. Federal employees can be prosecuted and convicted for inaction on environmental violations. In May 1989, three high-ranking civilian managers at Aberdeen Proving Ground were convicted of illegally storing and disposing of hazardous chemical wastes.

Congress is also taking more interest in environmental compliance of Federal facilities. Congress established new reporting requirements in FY 1991 through enactment of Public Law 101-510, Section 341. The Office of Management and Budget also requires reporting environmental compliance projects in Circular A-106, "Reporting Requirements in Connection with the Prevention, Control, and Abatement of Environmental Pollution at Existing Federal Facilities."

Objectives

The Principal Deputy Assistant Secretary of Defense (Production and Logistics) requested this audit on May 7, 1990, because of OSD interest in ensuring environmental compliance by the DoD components.

The overall objective of this audit was to determine the effectiveness of the DoD environmental compliance assessment program. Specific objectives were to evaluate whether:

- environmental compliance assessment programs were comprehensive,

- environmental compliance assessment programs identified the true scope of the environmental compliance problems,

- appropriate actions were taken to correct problems identified during an environmental compliance assessment,

- OSD and DoD Component-level guidance regarding environmental compliance assessment programs were adequate, and

- internal controls established for environmental compliance assessment programs were adequate.

Scope

Universe and sample. We selected a statistical sample from an audit universe of 375 active U.S. installations. The universe excluded installations identified for closure by the 1988 Base Realignment and Closure Commission and installations identified as Reserve or National Guard installations. A random sample of 18 installations was selected. At the sample sites, a quality rating factor index was used to evaluate environmental compliance assessments, when accomplished. We developed the index in coordination with the Deputy Assistant Secretary of Defense (Environment) (DASD[E]), Office of the Assistant Secretary of Defense (Production and Logistics), and his staff. The audit also included steps and verification procedures at the installations' corresponding major commands; however, these major commands were not part of the sample sites selected.

Limitations. After completing audit work on 9 of the 18 randomly selected sites, we met with the DASD(E) to give a status report. The DASD(E) concluded that the results of the work accomplished adequately characterized the status of the DoD environmental compliance assessment program and agreed that additional installations in our sample did not need to be reviewed. The results from the nine installations reviewed could not be projected. In order to illustrate our findings, however, we also used examples from work accomplished at

seven installations reviewed prior to selection of the statistical sample. In total, we evaluated the environmental compliance assessment program at 16 installations and reviewed the participation of 17 major commands.

Audit time periods, standards, and locations. We reviewed the guidance and the environmental compliance assessment reports issued from January 1985 to February 1991. This program audit was performed from July 1990 through February 1991 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Accordingly, the audit included such tests of internal controls as were considered necessary. We did not rely on any computer based data to perform the audit. The activities visited and organizations contacted are shown at Appendix I.

Use of technical staff. Office of Inspector General technical staff assisted in this review. Specifically, statisticians aided the auditors in defining the universe and selecting the sample of installations to be audited. Operations research analysts assisted the auditors in formulating the rating factors index used to evaluate the quality of environmental compliance assessments completed. The operations research analysts also helped the auditors interpret the results from applying the rating factor index.

Internal Controls

Controls assessed. We evaluated internal controls related to the implementation of environmental compliance assessments programs. Specifically, we reviewed the policy guidance for conducting environmental compliance assessments; and we reviewed the procedures for ensuring that environmental compliance assessments provided quality and comprehensive evaluations, and that the assessment findings resulted in corrective actions. We also evaluated the practices for ensuring that environmental compliance assessments and the resulting findings received adequate resource commitments.

At Headquarters, Defense Logistics Agency (DLA) and its Defense Distribution Region West, we reviewed the internal controls, applicable to the implementation of the Federal Managers' Financial Integrity Act (FMFIA). As one of the internal control areas to be evaluated under FMFIA, DLA identified the environmental protection provided in property disposal. We evaluated DLA's environmental compliance assessment program separately from the FMFIA evaluations because the environmental compliance assessment programs included all functions, not only property disposal. We did no further evaluation of the DLA compliance with FMFIA.

Internal control weaknesses. The audit identified material internal control weaknesses as defined by Public Law 97-255, Office of Management and Budget Circular A-123, and DoD Directive 5010.38. The Assistant Secretary of Defense (Production and Logistics) had not established the environmental compliance assessment program by directive. As a result, controls were not adequate to ensure that environmental compliance assessments were always accomplished. When assessments were accomplished, controls were not adequate to ensure that assessments provided quality, comprehensive evaluations, and resulted in corrective actions. Recommendation 1. to initiate guidance, if implemented, will correct these weaknesses. Recommendation 3. requires tracking the internal control weakness until the guidance is issued. We could not determine the monetary benefits to be realized by implementing Recommendation 1. because the cost of environmental noncompliance is based on numerous situational factors, which cannot be reliably predicted. The benefits expected include a decline in notices of violation from Federal, state, and local environmental agencies and an improved public image. Copies of this report will be provided to senior officials in the Office of the Assistant Secretary of Defense (Production and Logistics) responsible for internal controls.

Prior Audits and Other Reviews

No prior audits were accomplished on the DoD Environmental Compliance Assessment Program.

PART II - FINDING AND RECOMMENDATIONS

IMPLEMENTATION OF THE ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAM

The DoD Components had not fully and effectively implemented an environmental compliance assessment program. Program implementation was slow, incomplete, and did not ensure that significant environmental deficiencies would be identified and corrected because neither DASD(I) nor DASD(E) issued specific policy guidance establishing program parameters and responsibilities. Implementation was further hindered because the DoD Components did not always allocate major command and installation-level resources or provide management visibility and oversight. As a result, DoD had little assurance that the true scope of environmental compliance problems was identified. In addition, individual installations were vulnerable to fines, possible shutdown of operations, costly cleanups of undetected problems, and citizen litigation for environmental damage. Installation personnel were also vulnerable to civil and criminal liability for damage resulting from environmental deficiencies.

DISCUSSION OF DETAILS

Background

An effective environmental compliance assessment program, as defined by the Environmental Protection Agency (EPA) (the Federal agency that codifies and enforces Federal environmental laws and regulations), includes the following elements: independent assessors/evaluators; knowledgeable and adequately trained personnel; a process for collecting and analyzing data; written reporting procedures; and explicit top management support, program objectives, and follow-up procedures. EPA believes that "most mature, effective environmental auditing programs do incorporate each of these general elements in some form, and considers them useful yardsticks . . ." The EPA policy statement is discussed in detail in Appendix A.

Environmental compliance assessment programs consist of periodic environmental evaluations by a team internal to the installation and less frequent evaluations by a team external to the installation. Internal assessments should ensure timely identification and correction of environmental problems, reduce notices of violation, and provide a cornerstone for a comprehensive environmental program.

External assessments, which ensure the quality of internal assessments, may be performed by a contractor, a major command, or an independent agency, such as the Army Environmental Hygiene Agency (AEHA).

Comprehensive environmental compliance assessments examine facilities, activities, materials, and by-products to determine if they comply with environmental laws and regulations. Environmental laws and regulations range from those covering household wastes, generated in family housing and asbestos contained in old administration buildings, to those covering jet propulsion fuel tanks and manufacturing processes. EPA listed the following environmental categories in its 1989 generic checklist for assessing the environment at Federal facilities: air, asbestos, drinking water, water pollution, nonhazardous solid waste, hazardous waste, underground storage tanks, past disposal of hazardous materials, emergency planning and community right-to-know, PCB (polychlorinated biphenyls) management, pesticides, radioactive materials, environmental noise, natural resources, cultural resources, environmental impact documentation, and environmental management systems. The introduction to the 1989 generic checklist indicated that the checklist was a starting point and might require additions and modifications to meet individual needs and operations.

Status of Program Implementation

External assessments. Thirteen of the sixteen installations visited had received external assessments for calendar years 1986 through 1990. These assessments were performed by either the major command or a contractor. At the time of our visit, an external or internal assessment had not been accomplished at the David W. Taylor Research Center, Bethesda, Maryland; the Naval Air Test Center, Patuxent River, Maryland; and the Marine Base at Quantico, Virginia; which generated hazardous waste and required air and water permits.

Internal assessments. Eight of the sixteen installations we visited had never accomplished an internal assessment. Of the remaining 8 installations, only 2 had accomplished an assessment prior to June 1989. In July 1986, Fort Jackson Army Base, Columbia, South Carolina, performed and documented a limited assessment, which did not result in a written report to management. Under the terms of a 1987 consent decree with the state of Virginia, the Norfolk Naval Shipyard, Portsmouth, Virginia, was required to establish a self-auditing program and has performed quarterly assessments since that time.

Fort Stewart Army Base, Savannah, Georgia, accelerated the timing of its internal environmental compliance assessment for completion prior to our visit. The assessment status at the installations visited is shown in Appendix B.

Effectiveness of Program Implementation

We categorized the EPA defined elements of a mature environmental compliance assessment program into five rating factors. Our purpose was to evaluate the quality of the DoD Components assessment programs. The rating factor index was developed in conjunction with the DASD(E) Staff and is detailed in Appendix C. The five factors are shown below.

- Planning - Each assessment team should adequately define the objectives, scope, and resources at the beginning of each assessment.

- Staffing - Team members should be knowledgeable of applicable environmental laws, regulations and operations of the facilities reviewed. The team should also receive assessment training.

- Execution - The team should have a process to collect, analyze, interpret, and document information for performing a comprehensive assessment of the installation's environmental practices.

- Reporting - The installations and major commands should establish procedures for formally presenting and reporting deficiencies and proposing solutions to management.

- Follow-up - The installations should establish procedures to document and report corrective actions taken in response to the assessment report.

We assigned relative weights to each rating factor by its functional importance and its overall impact on ensuring environmental compliance; therefore, we assigned more weight to the follow-up factor.

Of the 18 environmental compliance assessments that could have been performed at 9 of the installations visited, 7 were not performed (2 external and 5 internal). Of the 11 assessments accomplished, 5 were considered adequate according to the criteria of the rating factor index. The detailed results of applying the rating factor index to the randomly selected installations are shown in Appendix D.

External assessments. The planning, staffing, and execution phases of environmental compliance assessments were effectively completed at the seven installations where we applied the rating factor index to the external assessments performed. However, of the seven, Fort Stewart Army Base, Naval Hospital San Diego, California, and Homestead Air Force Base (AFB), Florida, external assessments were considered inadequate, even though performed by qualified outside experts (AEHA, Naval Facilities Engineering

Command, and Argonne National Laboratory), because the installations did not have adequate reporting and follow-up procedures.

Reporting. The external environmental compliance assessment reports described the deficiencies and recommended solutions, but excluded other essential information needed to make informed management decisions for the external assessments completed at Fort Stewart Army Base, Naval Hospital San Diego, and Homestead AFB. The external reports excluded cost and time estimates to complete corrective actions and managements' responses.

Follow-up. A formal follow-up process had not been established at Fort Stewart Army Base, Naval Hospital San Diego, and Homestead AFB to periodically determine the status of corrective action implementation. As a result, the reported findings did not always result in corrective action or project plans and budgets. To illustrate, among the FY 1991 unfunded projects at Homestead AFB were hazardous waste training, a leaking petroleum-based fuel or lubricant tank, the cleanup of a diesel fuel spill, and eight projects recommended in the FY 1986 external assessment, including three projects that had "significant potential for environmental damage." If the installation does not establish a follow-up procedure as required by Air Force Regulation 19-16, "Environmental Compliance Assessment and Management Program," August 24, 1990, the installation may not submit the necessary budget requirements and can be cited by a regulatory agency.

Internal assessments. Three of the four internal environmental compliance assessments completed were not adequate. All phases of the program for internal assessments were accomplished by installation personnel. While we did not find material deficiencies with planning, the elements of staffing, execution, reporting, and follow-up were not adequate.

Staffing. The assessment team members did not always receive training or work exclusively for the duration of the assessment cycle or completion of an environmental category. Assessment training was not given to the eight team members at Fort Stewart Army Base, to five of six team members at Homestead AFB, and to seven of twelve team members at Dover AFB. The assessments were performed in conjunction with the teams' regular duties. For example, the Homestead AFB team members conducted the assessment during their spare time over a 5-month period.

Execution. Formal exit conferences were not always held to apprise the installation commanders of the planned assessments or the results. Also, a systematic approach to performing a comprehensive assessment was not established. Homestead AFB did not include tenant activities that impacted

environmental conditions when executing its internal assessment. Among the tenant activities omitted were the hospital and an aircraft maintenance facility. These activities generated medical and hazardous waste.

Reporting. Internal reports did not always include recommendations, resource requirements, completion times or other specific information to aid the installation commander in taking corrective action. Reports also did not include all significant findings. For example, the environmental compliance assessment team at Homestead AFB and Dover AFB did not include problems identified if corrective action was taken immediately, such as labeling an unmarked drum of hazardous waste. This procedure precluded identifying the extent and specific causes of some deficiencies.

Follow-up. The internal assessments at Fort Stewart Army Base, Homestead AFB, and Dover AFB were recently performed (5 months or less from our visit). The internal assessments performed at Fort Stewart Army Base and Homestead AFB did not result in documented action plans, and neither installation had established formal follow-up procedures. Dover AFB prepared an inadequate action plan as part of the draft report of the installation internal assessment. The action plan did not include interim corrective actions or verifiable steps for projects that required long-term, multiple-step solutions. Dover AFB also did not have procedures to periodically verify that corrective actions were on schedule or accomplished.

Program Guidance

DoD-level guidance. Implementation of an all-inclusive and effective environmental compliance assessment program was hampered because timely regulatory guidance was not promulgated. In response to Executive Order 12088, "Federal Compliance with Pollution Control Standards," and anticipating EPA's 1986 "Environmental Auditing Policy Statement," DoD issued an interim policy memorandum, "Environmental Audits of Department of Defense Facilities," January 17, 1985. The interim memorandum established policies that DoD Components:

- would conduct periodic environmental audits at all activities governed by one or more environmental laws,

- would be responsible for the environmental auditor selection and independence,

- would include tenant organizations at each installation in environmental audits and coordinate the results with the tenants' headquarters, and

- could exempt facilities from environmental audits if the Secretaries of the Military Departments approved an exemption based on mission effectiveness.

The interim policy also established responsibilities that the DoD Components would review, evaluate, and assess current procedural practices for consistency, and would program, budget, and account for the funds necessary to implement and maintain environmental audits.

The 1985 DoD interim policy did not address the elements of an effective assessment program. Furthermore, the Office of the Assistant Secretary of Defense (Production and Logistics), DASD (E), did not provide regulatory direction after the interim policy memorandum was issued.

The DoD Components created their individual programs without specific guidance from OSD on the frequency intended by the term "periodic," without distinguishing environmental programs from related functions such as health and safety, without assignment of responsibility to a specific office, and without an established framework to conduct the assessments.

DoD Component-level guidance. It was not until mid-1990 that the DoD Components provided finalized regulations on environmental compliance assessment requirements. The DoD Component-level guidance issued is shown in Appendix E. The DLA and Army interim guidance endorsed the DASD (E) interim policy without further details on program implementation. However, the Air Force and Navy guidance, issued over 3 years after the interim policy, provided more specific program requirements. The Air Force guidance included a detailed assessment manual and a training program, and addressed frequency, responsibility, and reporting; the Navy guidance also addressed frequency and assigned limited responsibility. Even when the finalized regulations were issued, some of the roles were not well-defined or procedures clearly outlined. For example, the Army regulation did not explicitly assign any responsibility to the major commands for the environmental compliance assessment program. Details of the guidance for each DoD Component are shown in the Schedule in Appendix F.

The DoD Components shared information about overall environmental compliance assessment program structure and built specific environmental area checklists from a common base. Each DoD Component developed directive guidance that differed in frequency requirements and responsibility assignments to accommodate organizational differences.

Program Visibility and Oversight

DASD (E) did not have visibility over the environmental compliance assessment programs. Although DASD (E) maintained a database, the Defense Environmental Status Report (DESR), which included an "Environmental Auditing Summary," the data collected had little meaning without specific criteria against which to measure it. For example, the DESR included a summary of the number of audits performed during the current and previous fiscal years by DoD Components, but without frequency or total number of assessments that should be accomplished in a period, an evaluator has no standard by which to judge the data.

For the 15 major commands reviewed, only the Air Training Command provided adequate oversight of its field activities environmental compliance assessment programs. One benefit expected from oversight is improvement in regulatory compliance and the overall environmental program resulting from an assessment program that successfully identifies patterns of noncompliance and effectively addresses them. Even though the installations forwarded the assessment results to higher command levels, the results were not used for any particular purpose. For example, Army Forces Command, Naval Sea Systems Command (Shipyards), Air Force Systems Command, Air Force Military Airlift Command, and the Marine Corps, did not enter the findings into a database in order to analyze the results for on-site or Command-wide trends or use the results to plan future projects or assessments. A summary of the major commands' oversight record at the time of our audit is shown in Appendix G.

Staffing

In addition to the recentness of regulations and the lack of management visibility and oversight, a lack of resources was a factor in accomplishing environmental assessments. An adequate number of qualified personnel was not always assigned to environmental compliance programs at either installation or command level to determine what corrective action was needed and to estimate time and money requirements. Examples are shown below.

- Fort Ritchie was authorized six environmental positions in July 1990; however, only one environmental engineer had been permanently assigned (through a reduction in force) to the Environmental Management Division in February 1991.

- The Naval Hospital San Diego assigned an electronics technician as the environmental coordinator. The environmental coordinator also had collateral duties as the Energy Manager and Hazardous Waste Manager.

- The David W. Taylor Research Center employed 1 environmental coordinator, with no support staff, who was responsible for overseeing 10 separate geographic sites. These sites included Carderock and Annapolis, Maryland as well as Bremerton, Washington and Behm Canal, Alaska.

- The environmental staff at the Army Forces Command had four vacancies. Two vacancies existed for over a year because management hoped to move personnel into the positions in the event of a reduction in force. One of the vacancies was in the hazardous waste management area, which requires knowledge of extensive laws and complex substances.

- The Air Force Military Airlift Command had been authorized 17 positions but was staffed at 12. Of the 12 positions, 3 were interns who generally served for only 1 year.

To achieve a successful compliance assessment program will be difficult without adequate personnel to meet the day-to-day operational, regulatory, and corrective action requirements. Although the environmental staffs were dedicated, the responsibilities often exceeded a reasonable span of control. A pattern of vacancies was evident throughout the audit.

Conclusion

Because DoD Components implemented environmental compliance assessment programs slowly and incompletely and did not have well-defined program objectives from OSD, they did not identify the true scope of their compliance problems. We recognize that implementation of policy takes time. Unfortunately, DoD policy considered highly beneficial has not achieved its desired goals in the past because specific criteria were not established by a DoD directive or DoD instruction.

Compliance problems must be identified in order to program solutions into construction or operation and maintenance budgets. Effective problem identification through environmental compliance assessments can help facility managers reduce the notices of violation from regulatory agencies and reach the DoD goal of total compliance.

Without continuous and consistent implementation of environmental corrective actions and environmental oversight, the environmental compliance posture is vulnerable to serious deterioration. This deterioration could lead to:

- costly cleanups from inadequate enforcement of procedures or poorly maintained facilities, which would be added to the over 17,000 DoD sites already requiring restoration at a cost of $1 billion annually,

- a shutdown of installation operations by local or state regulatory agencies until compliance is achieved,

- fines levied against the installation as an entity or its managers as responsible parties until compliance is achieved, and

- civil and criminal lawsuits against installation managers for knowingly operating out of compliance, like the case at Aberdeen Proving Ground.

RECOMMENDATIONS, MANAGEMENT COMMENTS, AND AUDIT RESPONSE

1. We recommend that the Assistant Secretary of Defense (Production and Logistics):

a. Initiate a DoD directive to establish the environmental compliance assessment program to implement policy as outlined by the Environmental Protection Agency and shown in Appendix A. Specifically, the directive should also provide for:

i. Assessment frequency, which requires that installation internal assessments be conducted annually. The external assessments should be conducted once every 3 years. External assessment frequency could be more or less often depending on the installation's quality control, management support, and past performance.

ii. Assessment visibility and oversight policy to require that the DoD Components' environmental offices maintain records of assessments accomplished and provide oversight on quality and performance of assessments.

iii. Assessment policies pertaining to:

(a) Planning. Outline the steps for composing an internal assessment team, establishing the scope of coverage, and discovering special interest items.

(b) Staffing. Establish qualification and training standards appropriate for the assessment team members. An adequate and technically competent staff should be required to accomplish not only the assessment but also the initiation and execution of corrective actions. The staff should also be sufficiently independent to give an objective assessment.

(c) Execution. Describe a process for actually conducting and documenting the assessments from the contacts with senior management to physical inspections, document reviews, and interviews. This process should be a framework upon which to build the details of individual assessments.

(d) Reporting. Establish the minimum report requirements, and mandatory addressees. Additionally, the report requirements should include provisions for proposed solutions, time and cost estimates; and consolidating and analyzing reported results to identify trends that may require attention at higher levels. The installation commander should be a required addressee.

(e) Follow-up. Require oversight actions that periodically collect data on program status (reported findings) and verify corrective actions.

b. Develop an appropriate reporting mechanism to provide DoD-wide program visibility and management oversight.

Deputy Assistant Secretary of Defense (Environment) comments. The DASD(E) nonconcurred with Recommendation 1.a. and 1.b., but stated that an "umbrella" directive will be issued within the next 1 to 2 months that would require the Services to institute an environmental audit program to assess and foster improved compliance with environmental laws. The DASD(E) further stated that a DoD environmental instruction would be issued early in 1992 that would be significantly more detailed than the directive, and would be the more appropriate vehicle for describing specifics of an environmental audit program.

Audit response. The actions taken and proposed are responsive and meet the intent of Recommendations 1.a. and 1.b.

2. We recommend that the Assistant Secretaries of the Army (Installations, Logistics, and Environment), the Navy (Installations and Environment), the Air Force (Manpower, Reserve Affairs, Installations and Environment); the Deputy Chief of Staff of the Marine Corps (Installations and Logistics); and the Director, Defense Logistics Agency:

a. Issue guidance requiring major commands to provide visibility and oversight of the environmental compliance assessment programs. These responsibilities should include:

- periodic status checks on internal assessments,

- random verification of corrective actions proposed in the installations action plans, and

- analysis of finding data for trends within the command.

b. Review staffing levels and assign appropriate staff to the environmental compliance assessment programs and provide oversight to the programs.

Army comments. The Deputy Assistant Secretary of the Army (Environment, Safety and Occupational Health) concurred with Recommendations 2.a. and 2.b. Included with Army's comments were four enclosures that gave detailed plans and schedules for the Environmental Compliance Assessment System.

Audit response. The actions taken and proposed are responsive to Recommendations 2.a and 2.b.

Navy comments. The Principal Deputy Assistant Secretary of the Navy (Installations and Environment) concurred with Recommendations 2.a. and 2.b. The Navy response included actions taken and planned by the Marine Corps and identified a 1988 memorandum issued by the Marine Corps to establish environmental compliance evaluations. The Navy also requested that the audit report be modified to reflect OPNAVINST 5090.1, a Navy policy for environmental inspections issued in 1983.

Audit response. We have modified our report to reflect the memorandum issued by the Marine Corps in 1988. The 1983 version of OPNAVINST 5090.1 was considered inadequate. The actions taken and planned are responsive to the intent of Recommendations 2.a. and 2.b.

Air Force comments. The Deputy Assistant Secretary of the Air Force (Environment, Safety and Occupational Health) concurred with Recommendations 2.a. and 2.b. The Air Force pointed out that many of the specific actions were already a part of the Air Force Environmental Compliance Assessment Program, but the audit gave them an opportunity to emphasize again the importance of the program.

Audit response. The actions taken are responsive to Recommendations 2.a. and 2.b.

Defense Logistics Agency comments. The Deputy Comptroller, Defense Logistics Agency nonconcurred with Recommendation 2.a. and stated that DLA had issued a policy memorandum in 1985 which was adequate program guidance. The response further states that internal assessments should be discretionary and that DLA environmental coordinators already conduct many inspections of various types. The Deputy Comptroller concurred with Recommendation 2.b.

Audit response. We disagree that the 1985 policy memorandum requires sufficient visibility and oversight. The 1985 DLA guidance restates the policy given in the 1985 OSD memorandum, whose inadequacies are discussed in this report. As indicated above, the DASD(E) has agreed to issue a DoD Directive and DoD Instruction to supercede the 1985 OSD memorandum. It is possible that the various types of inspections conducted by DLA environmental coordinators meet

the intent of an environmental compliance assessment program. We did not evaluate the extent to which the inspections meet environmental compliance assessment criteria. Based on the pending expanded guidance from OSD, we request that DLA reconsider its position on the recommendation when responding to the final report.

3. We recommend that the Assistant Secretary of Defense (Production and Logistics) report the lack of a directive establishing the environmental compliance assessment program as a material internal control weakness in the annual statement of assurance, and track the status of corrective actions using the procedures established in DoD Directive 5010.38, "Internal Management Control Program," April 14, 1989.

Deputy Assistant Secretary of Defense (Environment) comments. The Deputy Assistant Secretary concurred with Recommendation 3. and will include the environmental compliance assessment program as a material weakness in the annual statement of assurance prepared by the Assistant Secretary (Production and Logistics).

Audit response. The action taken is responsive to Recommendation 3. No additional comments are required.

PART III - ADDITIONAL INFORMATION

APPENDIX A - Qualities of an Environmental Compliance Assessment Program

APPENDIX B - Assessments Completed as of Audit Visit

APPENDIX C - Rating Factor Index for Environmental Compliance Assessments

APPENDIX D - Quality of Assessments

APPENDIX E - DoD Component-Level Guidance

APPENDIX F - Factors Addressed by DoD Component-Level Guidance

APPENDIX G - Summary Schedule of Major Command Reviews

APPENDIX H - Summary of Potential Monetary and Other Benefits Resulting From Audit

APPENDIX I - Activities Visited or Contacted

APPENDIX J - Report Distribution

APPENDIX A - QUALITIES OF AN ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAM

In 1978, Executive Order 12088, "Federal Compliance with Pollution Control Standards" was issued requiring Federal agencies to comply with all Federal, state, and local environmental requirements. In July 1986, EPA issued "Environmental Auditing Policy Statement" to foster compliance by all regulated entities, including Federal agencies. This policy statement encouraged all regulated entities to adopt an environmental audit program and established the following qualities of an effective program:

- Explicit top management support for environmental auditing and commitment to follow-up on audit findings.

Management support may be demonstrated by a written policy citing upper management support for the auditing program, for compliance with all pertinent requirements including permits, Federal, state and local statutes and regulations. The written policy would commit to follow-up on audit findings to correct identified problems and prevent their occurrence.

- An environmental auditing function independent of audited activities.

The status or organizational placement of environmental auditors should be sufficient to ensure objective and unobstructed inquiry, observation, and testing.

- Adequate team staffing and training.

Environmental auditors should possess or have ready access to the knowledge, skills, and disciplines needed to accomplish audit objectives. Auditors should maintain their technical and analytical competence through continuing education and training.

- Explicit audit program objectives, scope, resources, and frequency.

At a minimum, audit objectives should include assessing compliance with applicable environmental laws and evaluating the adequacy of internal compliance policies, procedures, and personnel training programs to ensure continued compliance.

Audits should be based on a process, which provides auditors: all policies, permits, Federal, state, and local regulations pertinent to the facility; and checklists or protocols addressing specific characteristics that should be evaluated by auditors.

Explicit written audit procedures should be used for planning audits, establishing audit scope, examining and evaluating audit findings, communicating audit results, and following-up.

- A process which collects, analyzes, interprets, and documents information sufficient to achieve audit objectives.

Information should be collected before and during an on-site visit regarding environmental compliance, environmental management effectiveness, and other matters related to audit objectives and scope. This information should be sufficient, reliable, relevant, and useful to provide a sound basis for audit findings and recommendations.

- A process that includes specific procedures to promptly prepare unbiased, clear, and pertinent written reports on audit findings, corrective actions, and schedules for implementation.

Procedures should be in place to ensure that such information is communicated to managers, including facility and higher command management, who can evaluate the information and ensure correction of identified problems. Procedures should also be in place for determining what internal findings are reportable to state or Federal agencies.

- A process that includes adequate procedures to ensure the quality, accuracy, and thoroughness of environmental audits.

Quality assurance may be accomplished through supervision, independent internal reviews, external reviews, or a combination of these approaches.

APPENDIX B - ASSESSMENTS COMPLETED AS OF AUDIT VISIT

This table shows that DoD Components had not fully implemented environmental compliance assessment programs and that program implementation was slow. The table also shows that the DoD Components were moving forward with external environmental compliance assessments, but the internal environmental compliance assessment program was not keeping pace.

DoD COMPONENT/INSTALLATION	INTERNAL	EXTERNAL
ARMY		
Fort Jackson	July 1986 1/	Feb. 1989
Anniston Army Depot	Not Performed	Feb. 1988
Fort Ritchie	Not Performed	June 1990
Fort Stewart	Oct. 1990	Aug. 1988
NAVY		
Naval Weapons Station	Feb. 1990 2/	Apr. 1990
Norfolk Naval Shipyard	Dec. 1989 3/	Dec. 1989
D.W. Taylor	Not Performed	Not Performed
Naval Hospital San Diego	Not Performed	Apr. 1990
Naval Air Test Center	Not Performed	Not Performed
AIR FORCE		
Wright-Patterson AFB	Aug. 1989 2/	Sep. 1988
Laughlin AFB	Not Performed	Feb. 1989
Edwards AFB	July 1989; Aug. 1990	Mar. 1988
Dover AFB	July 1990 2/	May 1989
Homestead AFB	June 1990 2/	Jan. 1986; Aug. 1989 2/

See footnotes at end of table.

APPENDIX B - ASSESSMENTS COMPLETED AS OF AUDIT VISIT
(Cont'd)

DoD COMPONENT/INSTALLATION	INTERNAL	EXTERNAL
MARINE CORPS		
Quantico Marine Corps	Not Performed	Not Performed
DLA		
Tracy Depot	Not Performed	Apr. 1985; June 1989

Footnotes

1/ = Did not issue report
2/ = Preliminary draft report
3/ = Performed quarterly since December 1987

APPENDIX C - RATING FACTOR INDEX FOR ENVIRONMENTAL COMPLIANCE ASSESSMENTS

This index was developed for evaluating the various factors of environmental compliance assessments:

5 = Always (100 percent) 4 = Often (75 - 100 percent)

3 = Usually (50 - 75 percent) 2 = Sometimes (25 - 50 percent)

1 = Rarely (1 - 25 percent) 0 = Never

Blank = Not applicable

Assessment Planning

5 4 3 2 1 0 1. The assessment team held planning conferences prior to the actual assessment period to discuss its approach.

5 4 3 2 1 0 2. The team was aware of prior Federal and state environmental inspections.

5 4 3 2 1 0 3. The team was aware of prior internal audit and inspections findings concerning environmental issues.

5 4 3 2 1 0 4. Prior findings and violations were identified as areas of special emphasis in the assessment plan.

5 4 3 2 1 0 5. The assessment plan included EPA or Service guidance.

5 4 3 2 1 0 6. The team documented changes in scope or limitations imposed on the review.

Assessment Staffing

5 4 3 2 1 0 7. The assessment staff received training specific to environmental compliance assessments.

5 4 3 2 1 0 8. The assessment staff each had specialized experience or education that qualified them as environmental compliance reviewers.

5 4 3 2 1 0 9. The assessment staff worked exclusively on the review for the duration of the review cycle.

5 4 3 2 1 0 10. The assessment team was knowledgeable of state and Federal environmental regulations and laws.

APPENDIX C - RATING FACTOR INDEX FOR ENVIRONMENTAL COMPLIANCE ASSESSMENTS (Cont'd)

Assessment Execution

5 4 3 2 1 0 11. The assessment team was knowledgeable of design and operation parameters of the facilities reviewed.

5 4 3 2 1 0 12. Formal entrance conference was held with senior management (Base Commander, Deputy Base Commander, Base Civil/Facilities Engineer).

5 4 3 2 1 0 13. A formal exit conference was held with senior management.

5 4 3 2 1 0 14. The assessment team prepared checklists or other documentation of its review.

5 4 3 2 1 0 15. The assessment included issues of substance.

5 4 3 2 1 0 16. The assessment included discussions with employees and managers responsible for the environmental media.

5 4 3 2 1 0 17. The assessment included a tour of the installation and observations of sites that were probable environmental compliance areas of interest, such as an underground storage tank, dikes built around above-ground storage tanks.

5 4 3 2 1 0 18. The assessment covered tenant units.

5 4 3 2 1 0 19. The assessment measured operations against applicable Federal and state standards (that is pollution levels for water, air, noise, etc.).

Assessment Reporting

5 4 3 2 1 0 20. The results of the assessment were presented in a written report.

5 4 3 2 1 0 21. The report was addressed to the senior installation official.

5 4 3 2 1 0 22. All significant findings were presented in the written report.

APPENDIX C - RATING FACTOR INDEX FOR ENVIRONMENTAL COMPLIANCE ASSESSMENTS (Cont'd)

Assessment Reporting (Cont'd)

5 4 3 2 1 0 23. The report included feasible long-term and short-term solutions to correct the problems identified.

5 4 3 2 1 0 24. The proposed solutions included cost estimates for completion.

5 4 3 2 1 0 25. The proposed solutions included time estimates for completion.

5 4 3 2 1 0 26. The reports included management responses.

5 4 3 2 1 0 27. The report had a mechanism to identify repeat findings/violations.

5 4 3 2 1 0 28. The report included recommendations for pollution prevention.

Assessment Follow-up

5 4 3 2 1 0 29. The assessment corrective actions were periodically verified and the status reported to management.

5 4 3 2 1 0 30. The assessment findings resulted in training, adequate budgeting, or procedural change.

5 4 3 2 1 0 31. The assessment results were forwarded to Major Command or Service HQ.

APPENDIX D - QUALITY OF ASSESSMENTS

We categorized the EPA defined elements of an effective environmental compliance assessment program into five rating factors */ to objectively evaluate the quality of the DoD Components' environmental assessment programs. The chart shows that the quality of DoD's environmental compliance assessment programs was not sufficient to ensure that significant environmental deficiencies would be identified and corrected.

A total score of 100 was possible. We considered a score of 80 or more to be adequate. Only 5 of 18 assessments were rated adequate. A rating of 0 indicated an assessment was not accomplished.

	INTERNAL	EXTERNAL
ARMY		
Fort Ritchie	0	87
Fort Stewart	49	70
NAVY		
Naval Hospital San Diego	0	67
Naval Air Test Center	0	0
D.W. Taylor	0	0
AIR FORCE		
Dover AFB	65	87
Edwards AFB	80	89
Homestead AFB	34	62
DLA		
Tracy Depot	0	83

Footnote:

*/ Rating Factors and relative weights:

Planning	5 percent
Staffing	10 percent
Execution	25 percent
Reporting	25 percent
Follow-up	35 percent

APPENDIX E - DoD COMPONENT-LEVEL GUIDANCE

The chart shows that the DoD Components issued interim guidance to implement the DASD(E) January 17, 1985, policy memorandum. However, it was not until 1990 that these Components issued formal regulatory guidance detailing the environmental compliance assessment program.

COMPONENT	INTERIM GUIDANCE	DATE ISSUED	FORMAL GUIDANCE	DATE ISSUED
ARMY	Policy Letter	May 14, 1985		
	Update to Letter	Jan. 20, 1988	Army Regulation 200-1	Apr. 23, 1990
	Policy Memorandum	July 7, 1990		
NAVY	Office of the Chief of Naval Operations Notice 5090.1	June 20, 1989	Office of the Chief of Naval Operations Instruction 5090.1A	Oct. 2, 1990
AIR FORCE	Policy Letter	June 14, 1988	Air Force Regulation 19-16	Aug. 24, 1990
MARINE CORPS	Commandant of the Marine Corps Letter	Dec. 29, 1988	*/	
DLA	Policy Memorandum	Feb. 15, 1985	*/	

Footnote:

*/ Did not issue formal regulatory guidance

APPENDIX F - FACTORS ADDRESSED BY DoD COMPONENT-LEVEL GUIDANCE

We reviewed the following regulations/policy memorandums to identify environmental compliance assessment program factors.

COMPONENT	GUIDANCE	DATE ISSUED
ARMY	Policy letter	May 14, 1985
	Update to letter	Jan. 20, 1988
	Army Regulation 200-1	Apr. 23, 1990
	Policy memorandum	July 6, 1990
NAVY	Office of the Chief of Naval Operations Notice 5090.1	June 20, 1989
	Office of the Chief of Naval Operations Instruction 5090.1A	Oct. 2, 1990
AIR FORCE	Policy letter	June 14, 1988
	Air Force Regulation 19-16	Aug. 24, 1990
MARINE CORPS	Commandant of the Marine Corps letter 6280 LFL/U-139	Dec. 29, 1988
DLA	Policy memeorandum	Feb. 15, 1985

ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAM FACTOR	ARMY	NAVY	MARINES	AIR FORCE	DLA
Management Support/Responsibility					
Component level	Y	Y	Y	Y	Y
Major command/claimant	Y	Y	Y	Y	Y
Installation	Y	Y	1/	Y	Y
Environmental office	Y	1/	1/	Y	1/
Directorates	Y	1/	1/	Y	1/
Tenants	Y	Y	1/	2/	Y

See footnotes at end of table.

APPENDIX F - FACTORS ADDRESSED BY DoD COMPONENT-LEVEL GUIDANCE (Cont'd)

ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAM FACTOR	ARMY	NAVY	MARINES	AIR FORCE	DLA
Assessment Procedures					
Assessment Frequency	Y	Y	Y	Y	1/
Assessable Activities	Y	Y	Y	Y	Y
Team Selection	Y	1/	1/	Y	Y
Team Training	1/	Y	1/	Y	1/
Review Steps (i.e. physical inspection, record review)	1/	Y	1/	Y	1/
Required Documentation	Y	1/	1/	Y	1/
Management Interfaces	Y	Y	1/	Y	1/
Regulator Notification	Y	Y	1/	Y	1/
Reporting Procedures					
Distribution	1/	Y	Y	Y	Y
Timing	1/	1/	1/	Y	1/
Format	Y	Y	1/	Y	1/
Finding Content	1/	Y	1/	Y	1/
Recommendation Content	Y	Y	1/	Y	1/
Response Procedures					
Timing	1/	1/	1/	Y	1/
Required Documentation	1/	1/	Y	Y	1/
Accountable Parties	1/	1/	1/	Y	1/

See footnotes at end of table.

APPENDIX F - FACTORS ADDRESSED BY DoD COMPONENT-LEVEL GUIDANCE (Cont'd)

ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAM FACTOR	ARMY	NAVY	MARINES	AIR FORCE	DLA
Follow-up Procedures					
Installation					
Status Tracking	1/	1/	1/	Y	1/
Verification (Completed Action)	1/	1/	1/	1/	1/
Trend Identification	1/	1/	1/	1/	1/
Repeat Condition Identification	1/	Y	1/	Y	1/

Footnotes:

Y = Yes

1/ = We were unable to identify factors in the DoD Components guidance.

2/ = For external assessment only.

APPENDIX G - SUMMARY SCHEDULE OF MAJOR COMMAND REVIEWS

The following chart shows that major commands provided uneven support and oversight of the environmental compliance assessment programs; furthermore, the results were not used effectively to plan for correction of identified deficiencies.

	DATA COLLECTION AND ANALYSIS			ACTIONS PLANS	
	Scheduled External Assessments	Record of Internal Assessments	Trend Analysis on Findings	Required	Validated
ARMY					
Materiel Command	Y	N 1/	Y	Y	N
Forces Command	Y	N	N	Y	Y
Information Systems Command	Y	N 1/	N	Y	N
Training and Doctrine Command	Y	N	N	Y	N
NAVY					
Naval Sea Systems Command (Ordnance)	Y	N	N	Y	Y
Naval Sea Systems Command (Shipyard)	Y	N	N	N	N
Naval Air Systems Command	Y	N 1/	N	N	N
Bureau of Medicine and Surgery	Y	Y	N	Y 2/	N
Space and Naval Warfare Systems Command	Y	N	N	N	N
Marine Corps	Y	N	N	Y	N
Naval Operation	3/				
Naval Facilities Engineering Command	3/				
AIR FORCE					
Air Force Systems Command	Y	Y	N	Y	N
Air Training Command	Y	Y	Y	Y	Y
Tactical Air Command	Y	N	Y 2/	Y 4/	N
Military Airlift Command	Y	Y	N	Y	N
AGENCIES					
Defense Logistics Agency	Y	N 1/	N	Y	N
Total Y's	15	4	3	12	3

Footnotes:

Y = Yes

N = No

1/ No assessments were performed; therefore, there were no records.

2/ Started in FY 1990.

3/ These commands had support responsibilities for the Navy program.

4/ For external assessments only.

APPENDIX H - SUMMARY OF POTENTIAL MONETARY AND OTHER BENEFITS RESULTING FROM AUDIT

Recommendation Reference	Description of Benefit	Type of Benefit
1.a	Program Results. Issuing a policy on the parameters of a minimally acceptable environmental compliance assessment program will ensure full compliance, limit the installations' possibility for fines, prevent a possible shutdown of operations, prevent citizen legal actions, and prevent installations' personnel from being held personally liable for damage resulting from environmental deficiencies.	Nonmonetary
1.b	Internal Control. Establishing a reporting mechanism will ensure program implementation and corrective action.	Nonmonetary
2.a	Internal Control. Providing major command oversight will ensure effective program implementation and corrective actions.	Nonmonetary
2.b	Program Results. Providing adequate qualified personnel resources will ensure an effective compliance program.	Nonmonetary

APPENDIX H - SUMMARY OF POTENTIAL MONETARY AND OTHER BENEFITS RESULTING FROM AUDIT (Cont'd)

Recommendation Reference	Description of Benefit	Type of Benefit
3.	Internal Control. Reporting and tracking the development of an environmental compliance assessment program directive will ensure implementation of an effective program with measurable standards.	Nonmonetary

Note: Monetary benefits related to the above audit recommendations were not determinable because the audit review covered only the effectiveness of DoD's environmental compliance assessment program.

APPENDIX I - ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Principal Deputy Assistant Secretary of Defense (Production and Logistics), Washington, DC
Comptroller of the Department of Defense, Washington, DC
Deputy Assistant Secretary of Defense (Environment), Washington, DC
Department of Defense General Counsel, Washington, DC

Department of the Army

Assistant Secretary of the Army (Installations, Logistics & Environment), Washington, DC
Chief of Engineers (Environmental Office), Washington, DC
Headquarters, Army Materiel Command, Alexandria, VA
Headquarters, Forces Command, Fort Gillem, Forest Park, GA
Headquarters, Information Systems Command, Fort Huachuca, Sierra Vista, AZ
Headquarters, Training and Doctrine Command, Fort Monroe, Hampton, VA
United States Army Environmental Hygiene Agency, Aberdeen Proving Ground, MD
United States Army Toxic and Hazardous Materials Agency, Aberdeen Proving Ground, MD
Anniston Army Depot, Anniston, AL
Fort Jackson, Columbia, SC
Fort Ritchie, Cascade, MD
Fort Stewart, Savannah, GA
Hunter Army Airfield, Savannah, GA

Department of the Navy

Headquarters, Bureau of Medicine and Surgery, Washington, DC
Headquarters, Chief of Naval Operations, Shore Facilities Branch (OP 45), Washington, DC
Headquarters, Naval Air Systems Command, Washington, DC
Headquarters, Naval Facilities Engineering Command, Alexandria, VA
Headquarters, Naval Sea Systems Command, Washington, DC
Headquarters, Space and Naval Warfare Systems Command, Washington, DC
Headquarters, Naval Facilities Engineering Command, South Western Division, San Diego, CA
Headquarters, Naval Facilities Engineering Command, Atlantic Division, Norfolk, VA
David W. Taylor Research Center, Bethesda, MD
Naval Air Test Center, Patuxent River, MD
Naval Hospital, San Diego, CA
Naval Weapons Station, Yorktown, VA
Norfolk Naval Shipyard, Portsmouth, VA

Department of the Air Force

Deputy Assistant Secretary of the Air Force (Environment Safety and Occupational Health), Washington, DC
Deputy Chief of Staff of the Air Force (Logistics & Engineering Quality Division), Bolling Air Force Base, Washington, DC
Headquarters, Air Force Systems Command, Andrews Air Force Base, Washington, DC
Headquarters, Air Training Command, Randolph Air Force Base, Universal City , TX
Headquarters, Military Airlift Command, Scott Air Force Base, Bellville, IL
Headquarters, Tactical Air Command, Langley Air Force Base, Hampton, VA
Headquarters, Air Force Logistics Command, Wright-Patterson AFB, Dayton, OH
Dover Air Force Base, Dover, DE
Edwards Air Force Base, Rosamond, CA
Homestead Air Force Base, Homestead, FL
Laughlin Air Force Base, Del Rio, TX
Norton Air Force Base, CA
Wright-Patterson Air Force Base, OH

Marine Corps

Deputy Chief of Staff of the Marine Corps (Installations & Logistics), Arlington, VA
Marine Corps Combat Development Command, Quantico, VA

Defense Agencies

Defense Logistics Agency, Alexandria, VA
Defense Distribution Region West, Tracy, CA

Defense Mapping Agency

Office of the Chief of Staff, Safety Office, Fairfax, VA

Non-DoD Federal Organizations

Environmental Protection Agency, Office of Federal Facilities Enforcement, Washington, DC
Ohio Environmental Protection Agency, Southwest District Office, Dayton, OH

APPENDIX J - REPORT DISTRIBUTION

Office of the Secretary of Defense

Assistant Secretary of Defense (Production and Logistics)
Comptroller of the Department of Defense
Deputy Assistant Secretary of Defense (Environment)

Department of the Army

Secretary of the Army
Assistant Secretary of the Army (Financial Management)
Assistant Secretary of the Army (Installations, Logistics, and Environment)
Chief of Engineers (Environmental Office)
Commander, U.S. Army Materiel Command
Commander, U.S. Forces Command
Commander, U.S. Information Systems Command
Commander, U.S. Training and Doctrine Command
Commander, U.S. Army Environmental Hygiene Agency
Commander, U.S. Army Toxic and Hazardous Material Agency
Auditor General, U.S. Army Audit Agency

Department of the Navy

Secretary of the Navy
Assistant Secretary of the Navy (Financial Management)
Assistant Secretary of the Navy (Installations and Environment)
Chief of Naval Operations
Deputy Chief of Naval Operations (Logistics)
Director, Environmental Protection Safety & Occupational Health
Chief, Bureau of Medicine and Surgery
Commander, Naval Air Systems Command
Commander, Naval Facilities Engineering Command
Commander, Naval Sea Systems Command
Commander, Space and Naval Warfare Systems Command
Auditor General, Naval Audit Service

Department of the Air Force

Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management and Comptroller)
Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations and Environment)
Deputy Assistant Secretary of the Air Force (Environment Safety and Occupational Health)
Deputy Chief of Staff (Logistics & Engineering)
Office of the Civil Engineer, Environmental Quality Directorate
Commander, Air Force Systems Command
Commander, Air Training Command
Commander, Military Airlift Command

APPENDIX J - REPORT DISTRIBUTION (Cont'd)

Department of the Air Force (Cont'd)

Commander, Tactical Air Command
Commander, Air Force Logistics Command
Air Force Audit Agency

Marine Corps

Commandant of the Marine Corps
Deputy Chief of Staff of the Marine Corps (Installations & Logistics)

Defense Agencies

Director, Defense Logistics Agency
Director, Defense Mapping Agency

Non-DoD

Office of Management and Budget
Environmental Protection Agency
U.S. General Accounting Office, NSIAD Technical Information Center
Congressional Committees:
- Senate Subcommittee on Defense, Committee on Appropriations
- Senate Committee on Armed Services
- Senate Committee on Governmental Affairs
- Senate Ranking Minority Member, Committee on Armed Services
- House Committee on Appropriations
- House Subcommittee on Defense, Committee on Appropriations
- House Ranking Minority Member, Committee on Appropriations
- House Committee on Armed Services
- House Committee on Government Operations
- House Subcommittee on Legislation and National Security, Committee on Government Operations
- Chairman, House Committee on Government Operations

PART IV - MANAGEMENT COMMENTS

Office of the Assistant Secretary of Defense

Department of the Army

Department of the Navy

Department of the Air Force

Defense Logistics Agency

MANAGEMENT COMMENTS: OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON DC 20301-8000

AUG 30 1991

MEMORANDUM FOR ACTING DIRECTOR, CONTRACT MANAGEMENT DIRECTORATE

SUBJECT: Draft Audit Report on Environmental Compliance Assessment Programs (Project No. OCG-5015)

This is in response to your June 27, 1991, memorandum in which you requested our review and comments on the subject report. Our comments are as follows:

Recommendation No. 1: The Assistant Secretary of Defense (Production and Logistics) should:

a. Initiate a DoD directive to establish the environmental compliance assessment program to implement policy as outlined by the Environmental Protection Agency and shown in Appendix A. Specifically, the directive should also provide for:

(i) Assessment frequency, which required that installation internal assessments be conducted annually. The external assessments should be conducted once every 3 years. External assessment frequency could be more or less often depending on the installation's quality control, management support, and past performance.

(ii) Assessment visibility and oversight policy to require that the DoD Component's environmental offices maintain records of assessments accomplished and provide oversight on quality and performance of assessments.

(iii) Assessment policies pertaining to:

(a) Planning that outlines the steps for composing an internal assessment team, establishing the scope of coverage, and discovering special interest items.

(b) Staffing that recommends a range of qualification and training standards appropriate for the assessment team members. An adequate and technically competent staff should be required to accomplish not only the assessment but also the initiation and execution of corrective actions. The staff should also be sufficiently independent to give an objective assessment.

(c) Execution that describes the process for actually conducting and documenting the assessments from the contacts with senior management to physical inspections, document reviews, and interviews. This process should be a framework upon which to build the details of individual assessments.

(d) Reporting that establishes the minimum report requirements and mandatory addresses. Additionally, the report requirements should include provisions for proposed solutions, time and cost estimates, and consolidating and analyzing reported results to identify trends that may require attention at higher levels. The installation commander should be a required addressee.

(e) Follow-up that required oversight actions that periodically collect data on program status (report findings) and verify corrective actions.

b. Develop an appropriate reporting mechanism to provide DoD-wide program visibility and management oversight.

Response: We nonconcur. We will be issuing a proposed "umbrella" DoD Environmental Directive for DoD coordination within the next one or two months. This directive would require the Services to institute an environmental audit program to assess and foster improved compliance with environmental laws. However, the level of detail about the nature of the audit program recommended by the IG is not consistent with the level of detail in the "umbrella" directive. The DASD(E) is in the process of developing a proposed DoD Environmental Instruction that would be significantly more detailed and is a more appropriate vehicle for describing specifics of an environmental audit program. The Directive is targeted for promulgation in late October. The Instruction is targeted for promulgation early next year.

Recommendation No. 2: We recommend that the Assistant Secretaries of the Army (Installations, Logistics, and Environment); the Air Force (Manpower, Reserve Affairs, Installations and Environment); the Deputy Chief of Staff of the Marine Corps (Installations and Logistics); and the Director, Defense Logistics Agency:

a. Issue guidance requiring major commands to provide visibility and oversight of the environmental compliance assessment programs. These responsibilities should include:

o periodic status checks on internal assessments,

o random verification of corrective actions proposed in the installations action plans, and

o analysis of finding data for trends within the command.

b. Review staffing levels and assign appropriate staff to the environmental compliance assessment programs and provide oversight to the programs.

Response: We have requested that the military components and the Defense Logistics Agency prepare individual responses to this recommendation. A copy of our request is attached. We will forward their responses when we receive them.

Recommendation No. 3: We recommend that the Assistant Secretary of Defense (Production and Logistics) report the lack of a directive establishing the environmental compliance assessment program as a material internal control weakness in the annual statement of assurance and track the status of corrective actions using the procedures established in DoD Directive 5010.38, "Internal Management Control Program," April 14, 1989.

Response: We concur. This material weakness will be included in the annual statement of assurance prepared by the Assistant Secretary (Production and Logistics), and corrective actions tracked in accordance with DoD Directive 5010.38.

Thomas E. Baca
Deputy Assistant Secretary of Defense
(Environment)

Attachment

File

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-8000

PRODUCTION AND LOGISTICS

JL 9 1991

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY
(ENVIRONMENT, SAFETY AND OCCUPATIONAL HEALTH),
OASA(I,L&E)
DEPUTY DIRECTOR FOR ENVIRONMENT, OASN(I&E)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(ENVIRONMENT, SAFETY AND OCCUPATIONAL HEALTH),
SAF/MIQ
DIRECTOR, DEFENSE LOGISTICS AGENCY (DLA-W)
ASSISTANT CHIEF OF ENGINEERS (DAEN-ZCZ-A)

SUBJECT: Draft Audit Report on Environmental Compliance Assessment Programs (Project No. OCG-5015)

The purpose of this memorandum is to solicit your comments regarding the subject report.

I request your comments by COB August 14, so I can coalesce all your comments and provide them to the IG in a timely manner. If you have any questions on this matter, please contact Mr. Anthony Kelly at (703) 695-8360.

Thank you for your support on this matter.

Thomas E. Baca
Deputy Assistant Secretary of Defense
(Environment)

Attachment

MANAGEMENT COMMENTS: DEPARTMENT OF THE ARMY

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, DC 20310-0110

13 SEP 1991

REPLY TO ATTENTION OF

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF DEFENSE (ENVIRONMENT), ATTN: MR. KELLY

SUBJECT: Draft Report on the Audit of Environmental Compliance Assessment Programs, Project OCG-5015

Reference is made to your memorandum dated 11 July 1991, requesting review and comments on the subject DoD Inspector General draft report.

We reviewed the subject report and concur with most of the findings and recommendations. As was anticipated at the onset of the audit, most findings have previously been identified. The Army's Environmental Compliance Assessment System (ECAS) has already addressed many of the findings through its existing environmental audits program. We will begin full implementation of ECAS in FY 92, and have programmed $21.6 million per year for execution of the external audits portion of the program. External ECAS audits (managed at MACOM/HQDA level) will be conducted on a four year cycle covering all Army Reserve, National Guard and active installations. Internal ECAS audits are the responsibility of the installation and will be conducted at the two year mid-cycle point.

As a Total Army program, ECAS is designed to help commanders identify environmental concerns and comply with all applicable requirements in 17 major environmental areas. It will assist in identifying resource requirements, provide an internal measurement of compliance progress and serve as a management tool for Army leaders to integrate environmental concerns into operating programs and budgets. ECAS emphasizes the development of corrective action/implementation plans.

Additional comments and details on specific actions being taken on the findings and recommendations are provided at the attachment.

Lewis D. Walker
Deputy Assistant Secretary of the Army
(Environment, Safety and Occupational Health)
OASA(I,L&E)

Attachment

cf:
SAIG-ZA
DAEN-ZCZ-A
ENVR-E
CETHA-EC

OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF THE ARMY
(ENVIRONMENT, SAFETY AND OCCUPATIONAL HEALTH)
OASA(I,L&E)

SUBJECT: DoDIG Draft Report on the Audit of Environmental Compliance Assessment Programs, Project OCG-5015 - Specific Comments on Findings and Recommendations Requiring Action by the Army

1. General Comment: The findings and recommendations of the draft report do not take into account past, ongoing, and planned activities to fully implement the Army's Environmental Compliance Assessment System (ECAS). A synopsis of the program is provided at enclosure 1. This program, which will become operational in FY 92, has considerable visibility and support within Army leadership, as evidenced by the level of funding beginning in FY 92. On separate occasions, DoDIG representatives had been visited by Army representatives where ECAS was discussed in detail. Additionally, numerous briefing packages have been provided to keep the DoDIG audit team abreast of program developments. It is, therefore, unclear why the subject report does not contain any of the ECAS information provided by the U.S. Army Toxic and Hazardous Materials Agency (USATHAMA) and the Army Environmental Office (AEO). Generally, the draft report summarizes what was already well known at the onset of the audit. The Army's ECAS program was developed to correct these program deficiencies.

2. Recommendation # 1a: Concur. In developing a DoD directive it should be realized that the Army's ECAS program has been developed, and is currently being implemented, in accordance with Environmental Protection Agency (EPA) "Environmental Audit Program Design Guidelines," dated August 1989. Further, the Army has developed multi-media environmental protocols in conformance with EPA's "Generic Protocol for Environmental Audits at Federal Facilities." Draft versions of the CONUS ECAS and OCONUS protocols for the Active Army, National Guard, and Reserves have been developed by the US Army's Construction Engineering Research Laboratory (USACERL), and are currently undergoing continued refinement. Noteworthy, is that the Army and Air Force programs share a common baseline in that both utilize the services of USACERL in developing program related documentation and training.

3. Recommendation # 1a(1): Nonconcur. The draft report fails to address the impact (e.g., in personnel and other related costs) associated with the recommended frequencies of external and internal assessments. Current Army policy (e.g., AR 200-1) requires multimedia environmental assessments. Specifically, each installation will undergo an external assessment (at a

minimum) of once every 4 years and an internal assessment (using inhouse personnel) at the midpoint of the external assessment cycle. Assessments will be conducted using a standard Army protocol. ECAS provides consistency Army-wide by requiring standard documentation in both conducting the 5-step ECAS process and in preparing reports and corrective action plans. The current cost for ECAS is approximately $21.6 Million annually. Funding is not currently available to conduct assessments of all facilities on the recommended and more frequent basis of every 3 years. However, within available funding, the Army is attempting to conduct external assessments of major facilities on a 3 year cycle, when possible. Minor facilities, such as the majority of Reserve and National Guard sites, will continue to be assessed on the 4 year cycle. A draft copy of the Army's ECAS FY 92 Workplan is provided at enclosure 2. It is important to note that the major commands (MACOMs) prioritize their installations for assessments.

o External Assessments by the majority of MACOMs (inclusive of the National Guard) will be accomplished through contractual services administered by respective supporting Corps of Engineers District Offices. Army Material Command and Health Services Command will continue to perform external assessments with in-house resources using the ECAS protocol and assessment report format.

o Internal Assessments will continue to be conducted by either in-house teams or by contract. Increasing the frequency of internal assessments is not realistic, given current resourcing in all environmental media at the installation level. It is anticipated that once a "baseline" is established and corrective action plans developed from external audits, it may be easier for installations to conduct internal assessments. Discussions are ongoing as to what internal audits should evolve toward. It may be more realistic to simplify internal assessments by utilizing inhouse teams to monitor progress on corrective actions recommended by the external audit as well as any new environmental operation or mission.

4. Recommendations #1a (ii) and (iii): Concur. However, the draft report fails to address estimated staffing levels required to execute environmental assessments DoD-wide using in-house, contracted personnel, or some combination of the two.

5. Recommendation # 1b: Concur. A major portion of the Army's ECAS standardized automated reporting format includes a correction action plan (CAP). This CAP addresses extensive information regarding recommended fixes, costs, and year of completion. Any DoD developed reporting mechanism should be coordinated with ongoing efforts by the Army to standardize ECAS reporting (e.g., reports and corrective action plans).

6. Recommendation # 2a: Concur. "Significant progress" has been made during the last year to consolidate and fully implement the Army's ECAS program. While considerable command emphasis has been given the program at various levels within the Army, it is appropriate, and timely, that existing Army policy be formally reissued to reflect the current direction of the program and better define the responsibilities of the various Army components.

o It is important to note that ECAS has received considerable visibility throughout the Army via briefings at various MACOM engineer conferences, the annual Worldwide Directorate of Engineering (DEH) conference, and in recent Army periodicals, etc.. The Chief of Staff is also releasing an "Executive Summary" on ECAS to his commanders worldwide.

o Integral to the successful implementation of the ECAS program is "standardization" and "follow-up". The 5-step ECAS process is discussed within enclosure 1. ECAS is designed to complement other Army management information systems. Individual installation reports will feed the Army's Compliance Tracking System (ACTS) to facilitate trend analysis and status of corrective actions. Assessment findings will also be appropriately incorporated into the Program Planning Budget and Execution System (PPBES), the 1383 Report (e.g., A-106 Report), and other applicable Army Management Information Systems (MIS).

7. Recommendation # 2b: Concur. While there has been turnover in the startup of the program, staffing to oversee and manage the program will be increasing. In addition to Corps staff support at Headquarters and regional environmental districts, USATHAMA is currently developing a support agreement with the U.S Army Environmental Hygiene Agency (AEHA); a copy is provided at enclosure 3. The hiring and retaining of qualified environmental professionals is of ongoing concern to the Army and is addressed at the Senior Executive Environmental Council (SEEC), attended by senior Army leadership. The regional contracting option was selected for ECAS support because of an immediate need for qualified environmental professionals trained in the various media, while also taking into consideration the projected "drawdown" in DoD staff over the next several years. Training Army personnel has a high priority as evidenced by the ongoing ECAS training being provided nationwide (enclosure 4).

8. Recommendation # 3: Concur. Any resulting tracking system used to follow-up on individual installation corrective actions should not be incorporated into installation "Internal Management Control Programs". ECAS was developed to assist the installation commander, to serve as a tool to measure environmental compliance and integrate environmental management into operating programs

Final Report
Page No.

and budgets. The term "audit" was intentionally substituted with the term "assessment" to reinforce this concept of "help" versus "inspection" at the installation level.

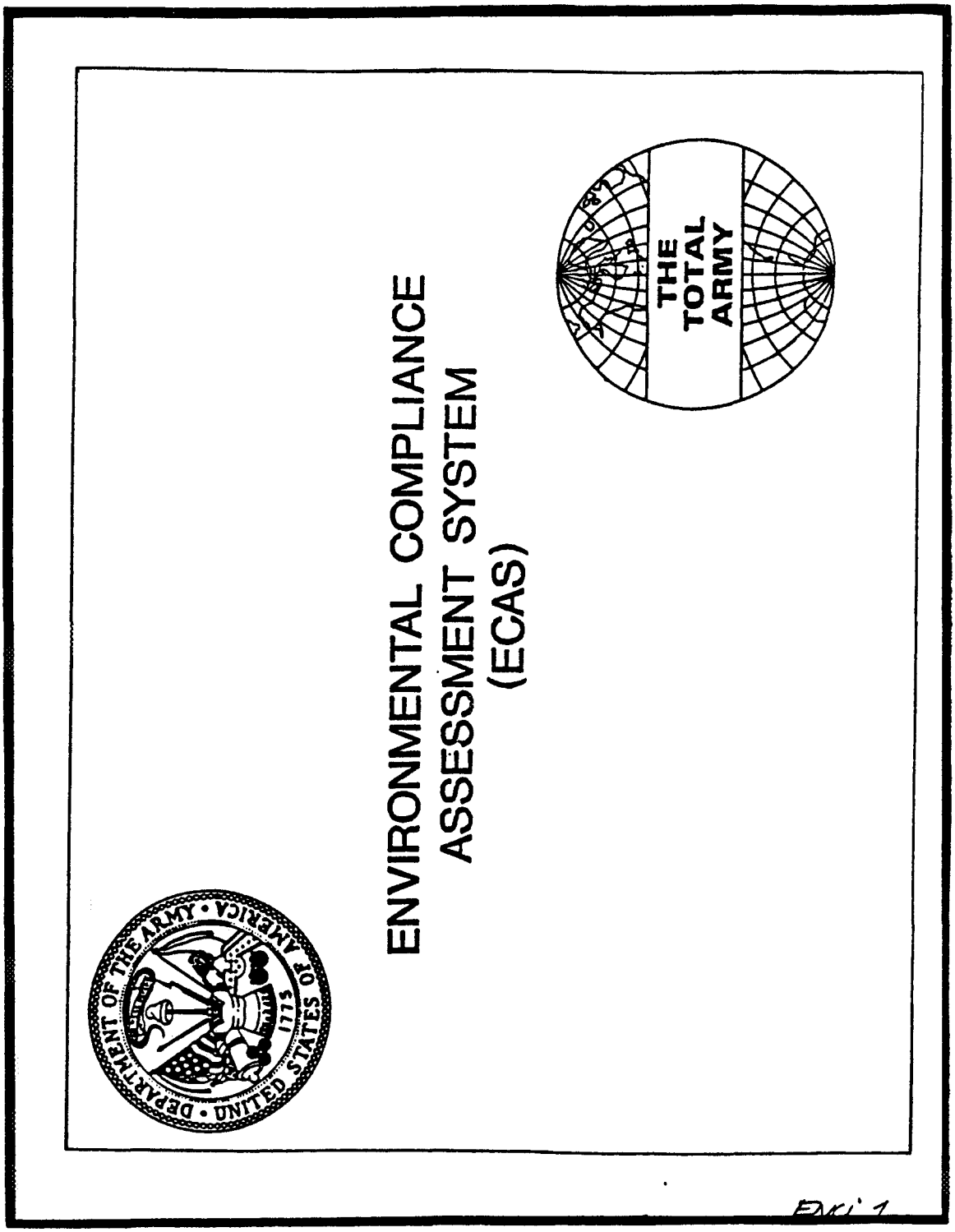
9. Page 35, Appendix B - Assessments Completed As of Audit Visit: Two corrections are required. Anniston Army Depot has had two external audits--one in Feb 88, and another complete multi-media external audit (with draft and final reports) in Jan 86. Further, a self-audit was completed on 1 Oct 90 by personnel of Anniston Army Depot and a report was submitted to the Depot Systems Command and to HQ US Army Materiel Command (AMC). 21

10. Absent in the draft report is the impact proposed legislation may have on the various existing DoD Services environmental assessment programs. Considerable resources have been expended in building these assessment programs (e.g., ECAS). Several examples of pending legislation include:

o Federal Facilities Compliance Act of 1991 (S.596 and HR 2194) - One of the more significant provisions of this bill is the requirement for EPA to conduct annual multi-media inspections, with federal agency reimbursement for the cost of such inspections. This is contradictory to the concept of "voluntary" auditing for both the private sector and federal government as outlined in EPA's original "Environmental Auditing Policy". Further, this Act negates the need for environmental self-assessments at federal facilities; and would be considerably cost prohibitive (perhaps $100 to $200 Million per year) compared to the Army's ECAS program ($21.6 Million per year). It is unlikely that EPA has the necessary inhouse resources to execute the intent of the Act. It would be hoped that any resulting regulations would allow "successful" auditing/assessment programs (e.g., the Army's ECAS) to remain in place with some provisions for submitting audit report and/or report summaries to EPA, on an as required basis.

o Federal Water Pollution Control Act (S. 1081) - This bill requires compulsory audits by "certified auditors" and reporting of audit results for any person with a permit pursuant to section 402 of FWPCA and required to file an annual toxic chemical release form under Section 313 of the Superfund Amendments and Reauthorization Act of 1986. While it only addresses compliance with water discharge permits (e.g., single media), if passed, it will set a precedance for full multi-media compliance audits.

o Hazardous Pollution Prevention Planning Act of 1991 (S. 761) - This bill would require certain classes of facilities using toxic chemicals, or classes of chemicals, in its industrial processes (e.g., a priority user segment) to conduct a "hazardous pollution audit" within 24 months after being designated a priority user segment. Audits will be done by a firm, person, or organization certified to conduct audits pursuant to the Act.


THE TOTAL ARMY
ENVIRONMENTAL COMPLIANCE ASSESSMENT SYSTEM (ECAS)
DEPARTMENT OF THE ARMY • UNITED STATES OF AMERICA • 1775
Exh 1

ECAS GOAL

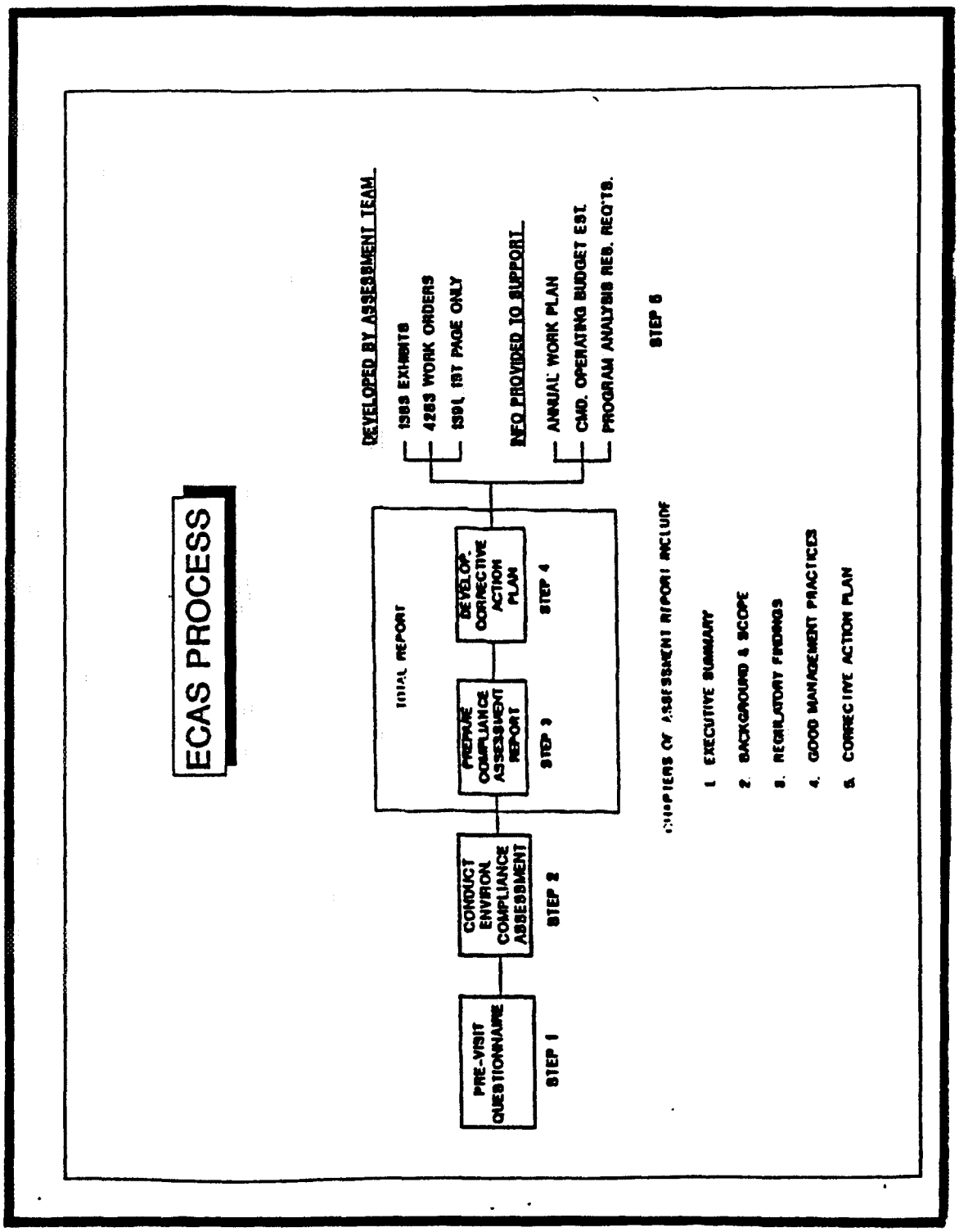
To ascertain the Army's compliance status through recurring systematic assessments and provide commanders corrective action alternatives to consider in correcting discrepancies.

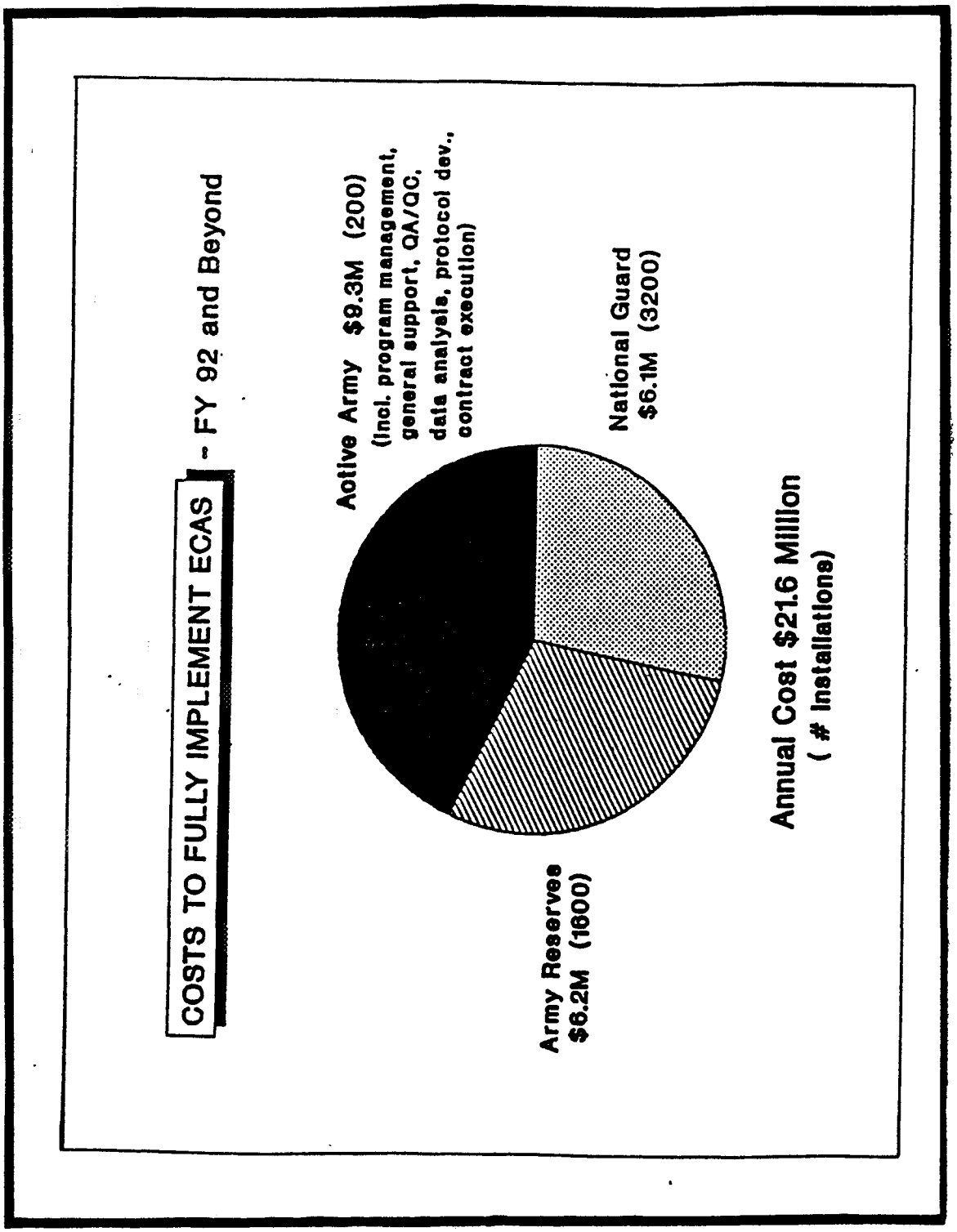
- Reduce Environmental Pollution
- Identify Total Resource Requirements to Fix Broken Areas.
- Achieve, Maintain and Monitor Compliance with applicable Federal, State, Local Regs.
- Minimize Risks and NOV's.

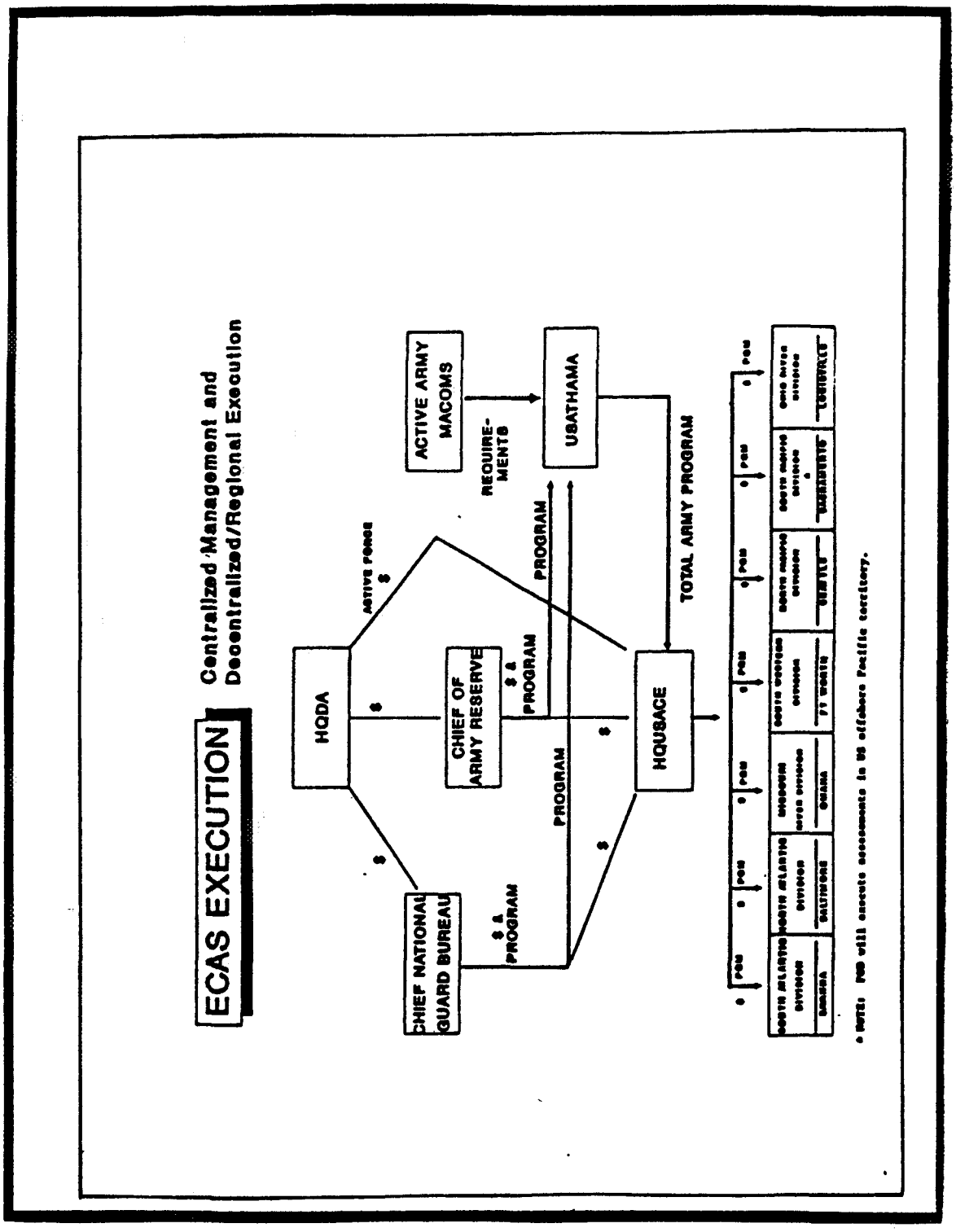
REQUIREMENTS - AR 200-1

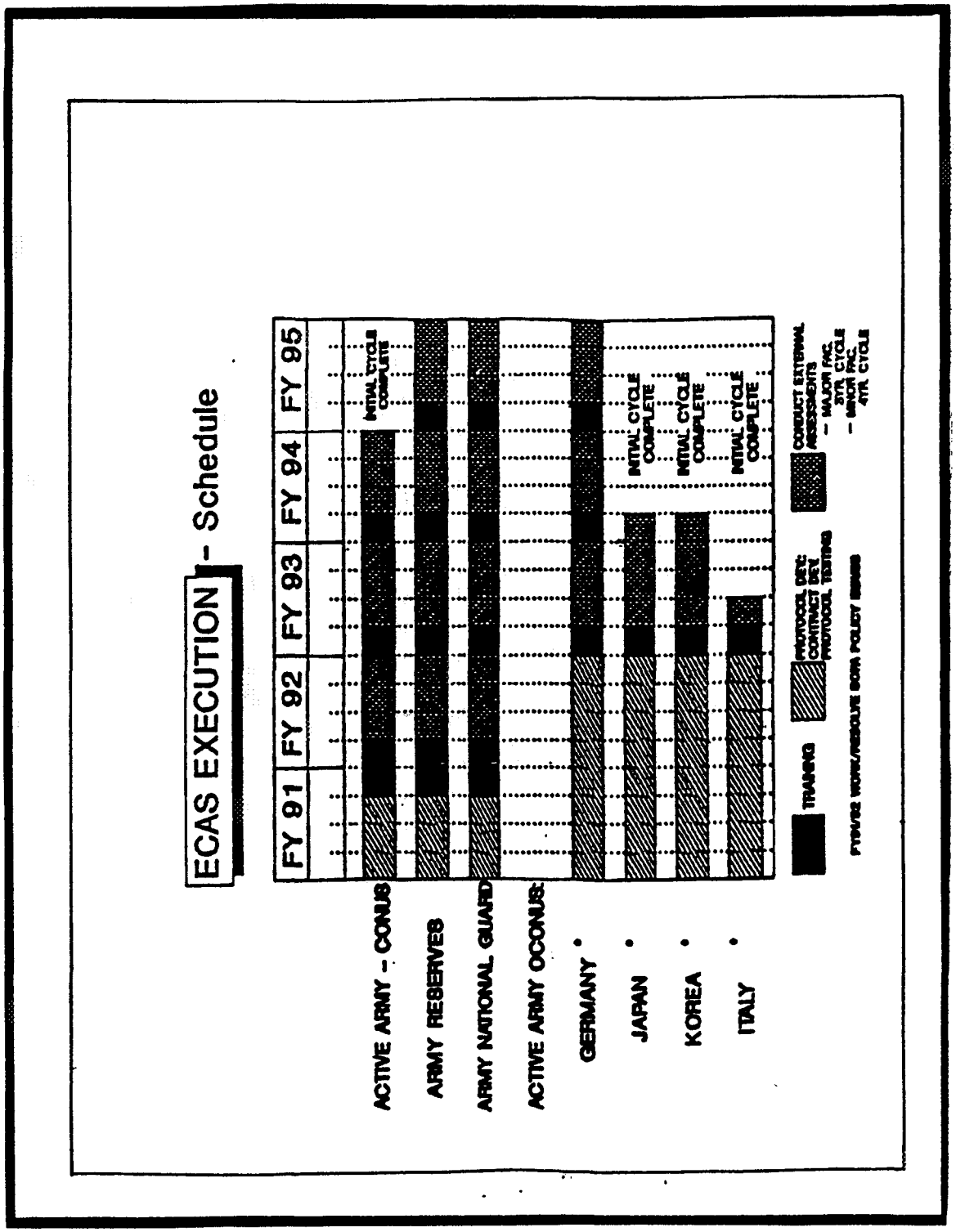
- **External Audit - A Minimum of Once Every 4 Yrs.**
- **Internal Audit - At Midpoint of Audit Cycle.**
- **Conduct IAW Standard Army Protocol.**
- **Develop a Corrective Management Plan.**

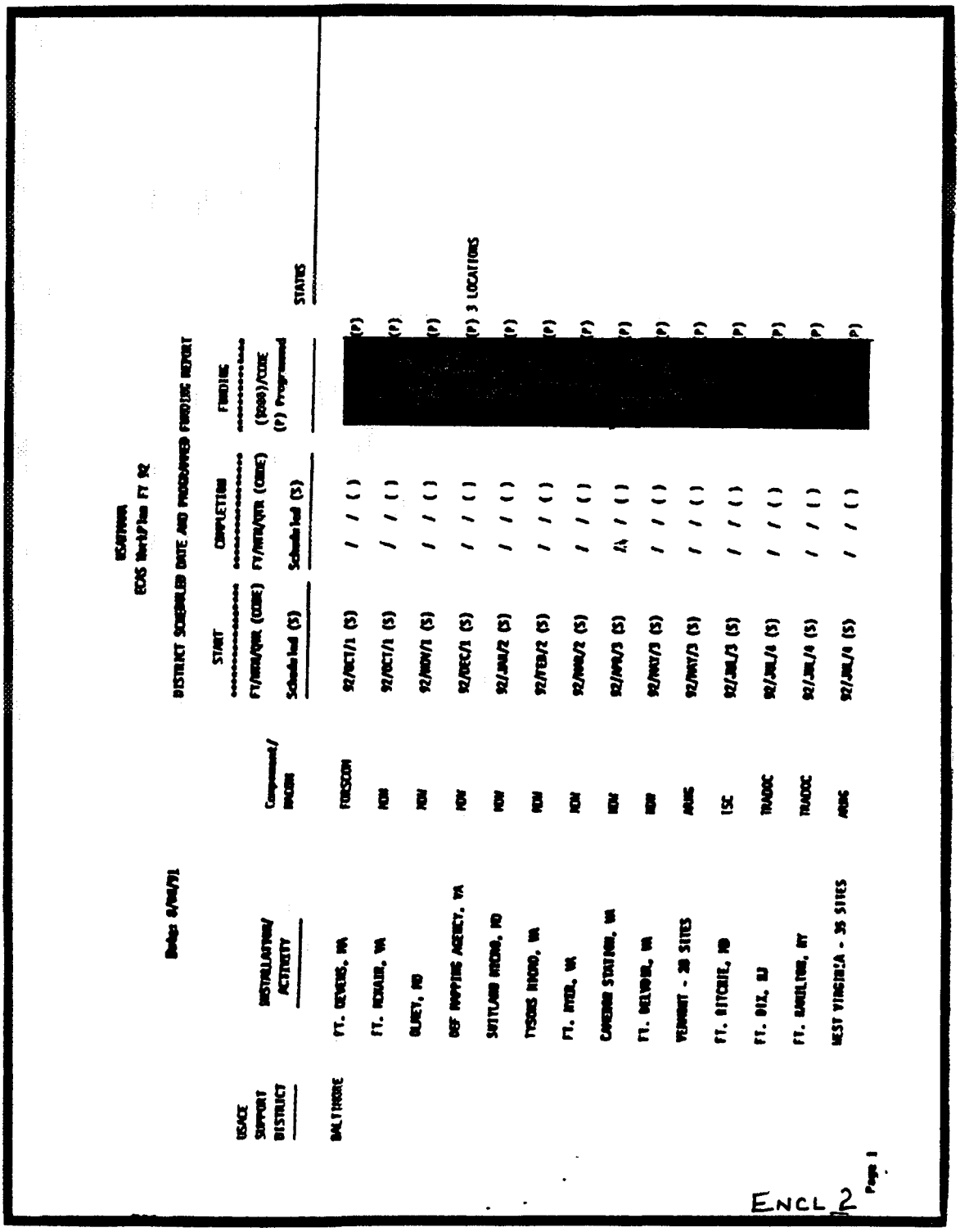
ECAS - Program Management - Responsibilities
HQDA
SAILE (ESOH)
- Congress/OSD Issues
- Policy
OCE (AEQ)
- Guidance
- Resourcing
- Program Oversight
MACOMs
USACE
CETHA
- Program Management
- General Support
- QA/QC
- Data Analysis
CEMP/Divisions/Districts
- Execution
CERL/EHSC
- General Support
INSTALLATIONS
- Manage Internal Assessments
- Program Corrective Actions
- Pro-active Management
HSC(USAEHA) - General Support
OTHER MACOMs
- Scheduling-External Assessments
- Oversight-Internal Assessments
- Future Programming


ECAS PROCESS
PRE-VISIT QUESTIONNAIRE
STEP 1
CONDUCT ENVIRON COMPLIANCE ASSESSMENT
STEP 2
PREPARE COMPLIANCE ASSESSMENT REPORT
STEP 3
DEVELOP CORRECTIVE ACTION PLAN
STEP 4
INITIAL REPORT
DEVELOPED BY ASSESSMENT TEAM
1385 EXHIBITS
4283 WORK ORDERS
1391, 1ST PAGE ONLY
INFO PROVIDED TO SUPPORT
ANNUAL WORK PLAN
CMD. OPERATING BUDGET EST.
PROGRAM ANALYSIS REQ. REQ'TS.
STEP 5
1. EXECUTIVE SUMMARY
2. BACKGROUND & SCOPE
3. REGULATORY FINDINGS
4. GOOD MANAGEMENT PRACTICES
5. CORRECTIVE ACTION PLAN


COSTS TO FULLY IMPLEMENT ECAS - FY 92 and Beyond
Active Army $9.3M (200)
(Incl. program management, general support, QA/QC, data analysis, protocol dev., contract execution)
National Guard
$6.1M (3200)
Army Reserves
$6.2M (1600)
Annual Cost $21.6 Million
(# Installations)


ECAS EXECUTION
Centralized Management and
Decentralized/Regional Execution
HODA
CHIEF OF ARMY RESERVE
CHIEF NATIONAL GUARD BUREAU
HQUSACE
USATHAMA
ACTIVE ARMY MACOMS
REQUIRE-MENTS
PROGRAM
TOTAL ARMY PROGRAM


ECAS EXECUTION - Schedule
FY 91
FY 92
FY 93
FY 94
FY 95
ACTIVE ARMY -- CONUS
ARMY RESERVES
ARMY NATIONAL GUARD
ACTIVE ARMY OCONUS:
GERMANY
JAPAN
KOREA
ITALY
INITIAL CYCLE COMPLETE
TRAINING
PROTOCOL DEV; CONTRACT DEV; PROTOCOL TESTING
CONDUCT EXTERNAL ASSESSMENTS
- MAJOR FAC. 3YR. CYCLE
- MINOR FAC. 4YR. CYCLE
FY91/92 WORK/RESOLVE SOMA POLICY ISSUES



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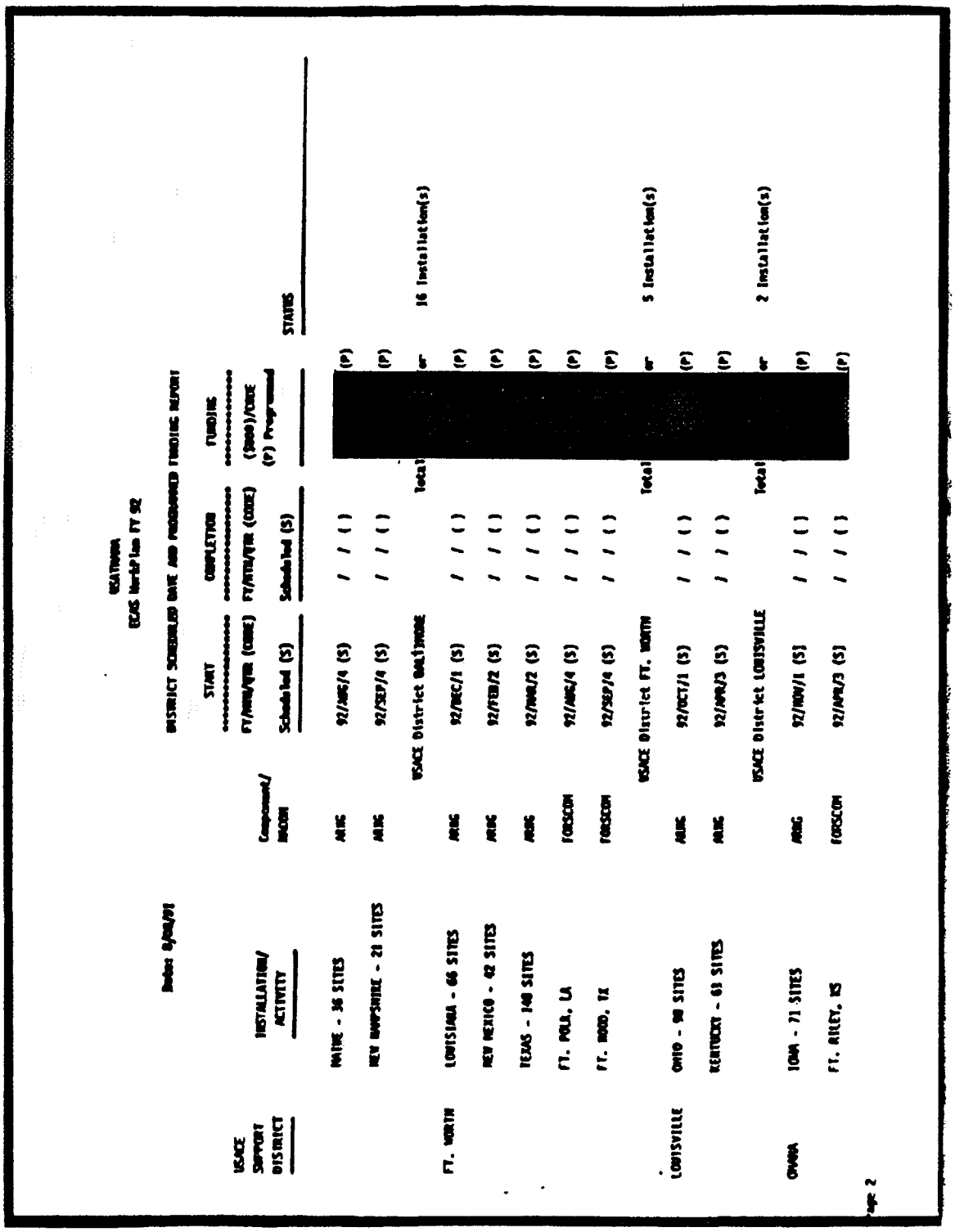

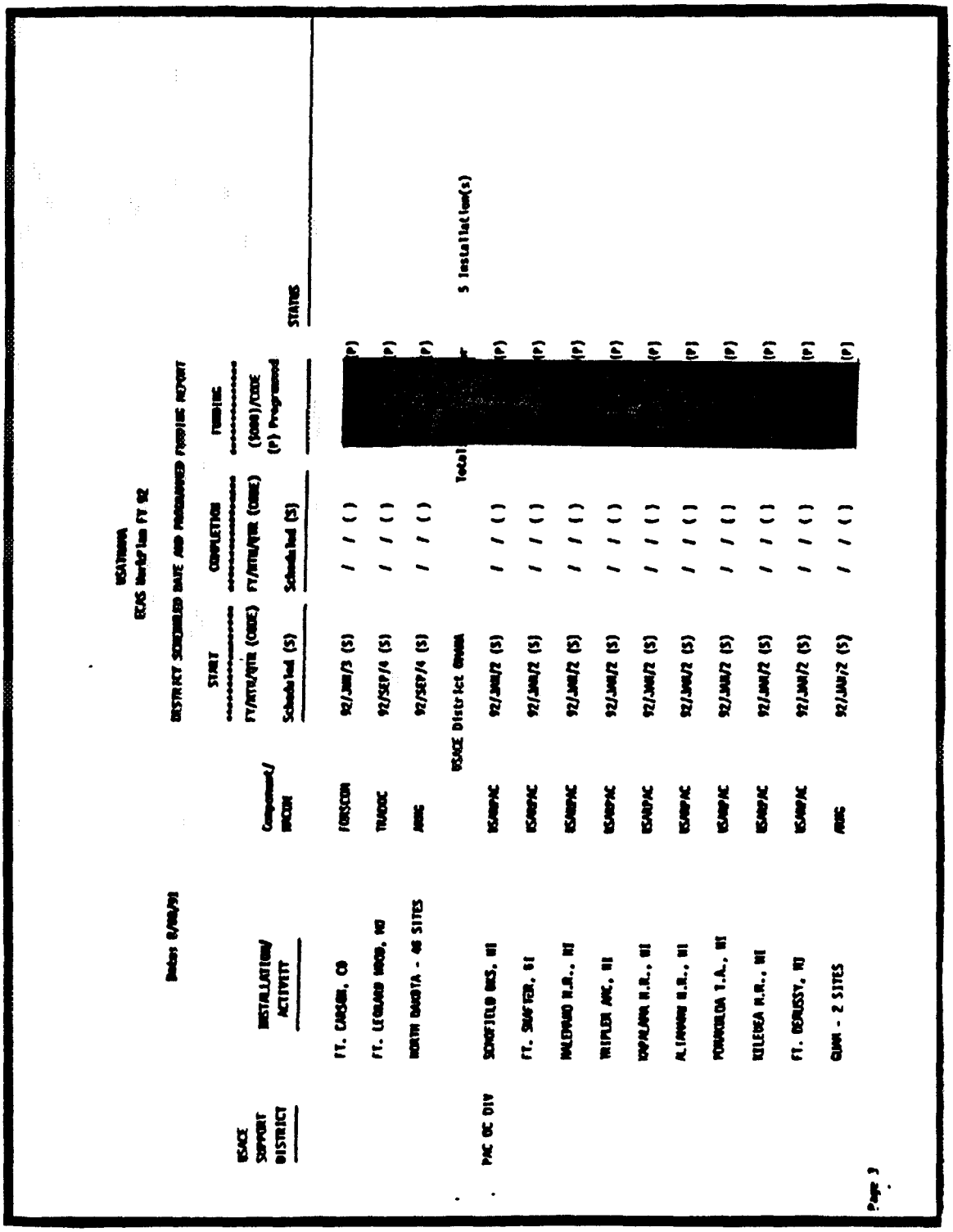

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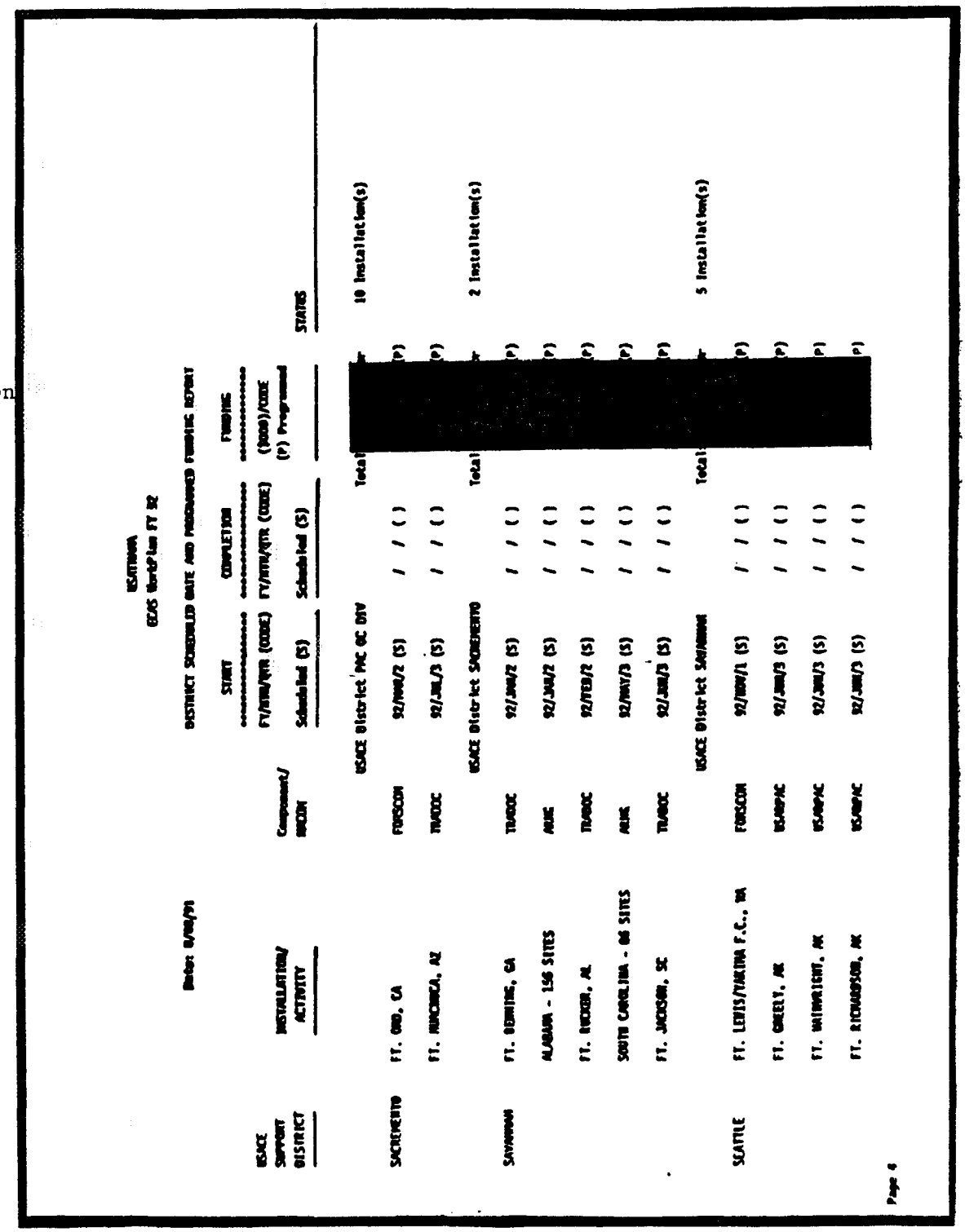

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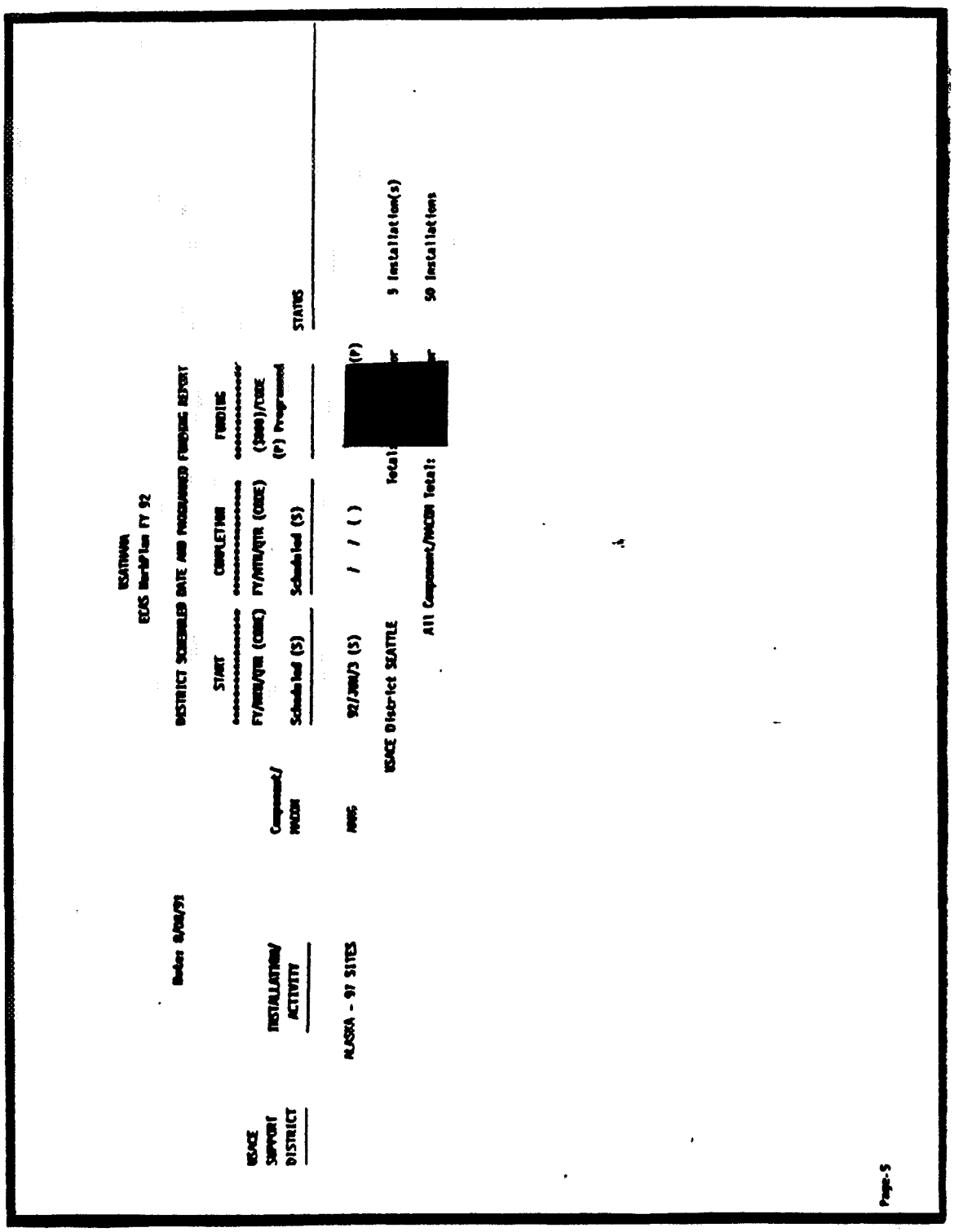

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SUPPORT AGREEMENT
BETWEEN THE
US ARMY ENVIRONMENTAL HYGIENE AGENCY
AND THE
US ARMY TOXIC AND HAZARDOUS MATERIALS AGENCY

1. PURPOSE - This Support Agreement (SA) made by and between the US Army Environmental Hygiene Agency (USAEHA) and the US Army Toxic and Hazardous Materials Agency (USATHAMA) is to establish goals, responsibilities, and conditions under which USAEHA will provide limited support to USATHAMA in it's program implementation of the DA Environmental Compliance Assessment System (ECAS). The ECAS is a DA centralized comprehensive environmental auditing program for achieving and maintaining compliance with environmental standards and regulations, for establishment of DA resource support requirements to achieve environmental compliance, and for use as an internal mechanism to measure DA environmental compliance progress.

2. AUTHORITY - Memorandum, CETHA-EC-S, USATHAMA, 6 Feb 1991, Subject: Environmental Compliance Assessment System (ECAS) Support from USAEHA and response Memorandum, HSHB-ME-AQ, USAEHA, 16 April 1991, Subject: Environmental Compliance Assessment System (ECAS) Support.

3. GOALS - The goals of this SA are to establish mechanisms by which USAEHA can provide and be reimbursed for specified technical consultative and qualitative review services provided to USATHAMA, the ECAS Program Manager, over the initial four (4) year implementation period of the DA ECAS Program.

4. RESPONSIBILITIES and CONDITIONS -

a. USAEHA - Provide the following technical and qualitative assurance services during the agreement period as defined in the following:

(1.) Review draft, final, and periodically updated CERL's ECAS Protocols for consistency with current environmental laws, regulations, and related technical areas and provide written comments through appropriate channels to the USATHAMA ECAS Program Manager.

(2.) Provide a minimum of one (1) technical engineer/scientist with environmental audit experience to accompany USACE District ECAS representatives/COR's and/or installation/Reserve/Guard ECAS representatives on a maximum of five (5%) percent of USATHAMA's ECAS on-site audits (excluding US Army Material Command and US

ENCL 3

Army Health Service Command Audits) during the SA period. The USAEHA representative's function is to review ECAS environmental audit contractor and government ECAS escort (i.e. USACE, installation, Reserve, Guard, etc.) personnel on-site engineering, assurance, and technical procedures for compliance with USATHAMA's ECAS program requirements. The USAEHA representative will forward a Memorandum of Findings through appropriate channels to the USATHAMA ECAS Program Manager promptly upon return from each on-site survey. Any pertinent ECAS standardized program review forms furnished by USATHAMA to USAEHA will be completed and attached to each Memorandum of Findings. Any on-site actions or procedures requiring immediate change in contractor actions, procedures, etc. will be promptly conveyed by USAEHA personnel to (1.) the appropriate ECAS supporting USACE District contracting officer or representative and (2.) the USATHAMA ECAS Program Manager or appropriate representative in order to enable timely corrections. USAEHA personnel are NOT authorized to serve as the contracting officer's technical representative or to direct ECAS contractor personnel to change procedures, survey times, or perform any other actions that may be construed as a change in their contract requirements. Any identified problem(s) and supporting action(s) will be documented by the on-site USAEHA personnel and included in the aforementioned Memorandum of Findings to USATHAMA.

(3.) Review ECAS environmental audit contractor draft and final reports for compliance with ECAS Protocol and other USATHAMA technical program requirements and for compliance with current environmental health laws, regulations, and related engineering and technical areas. Provide written comments to the USATHAMA ECAS Program Manager through appropriate channels for each report within a maximum of 30 calendar days following receipt of seven (7) copies of each draft or final ECAS report. These reviews will typically include but not be limited to the contractors' draft and final reports for the above paragraph 4 a (2.) environmental on-site audits. Under the terms of this agreement, the maximum number of combined draft and final ECAS contractor reports requiring review by USAEHA personnel under this paragraph can not exceed a total of 60 per fiscal year.

(4.) Provide ECAS related technical engineering consultative services to USACE, USATHAMA, MACOM, installation, and other DA governmental personnel as appropriate. USAEHA personnel will not provide direct technical consultative services to ECAS contractors. Instead, contractors with technical or policy questions should be referred to the supporting contracting officer/representative or the USATHAMA ECAS Program Manager/Representative as appropriate. Contractor technical questions can be answered by USAEHA personnel only if a conference call or meeting is arranged where

the supporting contracting officer is present during all provided USAEHA consultative services.

(5.) Assist USATHAMA personnel in program implementation by providing a minimum of one (1) technical engineer or scientist with environmental health regulation and audit experience to perform limited ECAS related program training to USACE, MACOM, NGB, Reserve, and other personnel. Direct training through assistance in formal training classes will not exceed a maximum of four (4) classes per fiscal year and a maximum of twelve (12) classes for the term of the SA. Indirect training through participation in the development of ECAS program instructional video tapes will not exceed a maximum of two (2) master tapes for the term of the agreement.

(6.) Designate appropriate focal points for coordinating USAEHA support under this SA. Maintain appropriate labor, travel, and other related cost records to substantiate reimbursement costs for SA services provided. Provide periodic summary of costs during the year and a full recapitulation of costs at the end of the fiscal year to appropriate USATHAMA personnel as required.

b. USATHAMA -

(1.) Ensure that USAEHA's comments on CERL's ECAS Protocols are properly evaluated by the ECAS Program Manager or appropriate representative and that pertinent comments are incorporated into the appropriate draft, final, or updated ECAS Protocol versions.

(2.) Contact the USAEHA SA focal point at least 2 months prior to the start of each fiscal year and provide him the proposed ECAS environmental audit workplan for the upcoming fiscal year. The USATHAMA ECAS Program Manager or appropriate representative will coordinate with the USAEHA SA program focal point to mutually determine which installation environmental audits require on-site USAEHA support for that fiscal year. Appropriate standardized ECAS program review forms requiring USAEHA completion for these on-site visits will be furnished to appropriate USAEHA personnel prior to the start of the visits. Review of comments provided by USAEHA personnel in their memorandum of findings and ECAS document reviews will be made by the ECAS Program Manager and/or other appropriate representatives. Pertinent findings will be implemented as appropriate to improve the ECAS on-site audits, documents/reports, and other key program areas.

(3.) Provide timely and current update information, coordination, pertinent program documents, feedback, and other support as necessary to enable proper ECAS training, quality program reviews, and other required support by USAEHA.

(4.) Designate appropriate program and financial focal points for coordinating and implementing USATHAMA portions of this agreement. Provide funding on a reimbursable basis for all USAEHA services performed under this SA. Review and coordinate USAEHA summaries and compilations of cost to enable timely payments for labor, travel, and other SA related costs. Maintain permanent financial and other pertinent ECAS program files related to USAEHA ECAS support as appropriate.

5. INITIAL SA POINTS OF CONTACT -

a. USAEHA - Mr. James Wood, P.E.
ECAS Support Coordinator
APED - USAEHA
(301) 671- 2510/3954

Mr. Thomas Bender
C, Resource Mngmnt Div
RMD - USAEHA
(301) 671- 2590/2411

b. USATHAMA- Mr. Curt Williams
ECAS Program Manager
ECD - USATHAMA
(301) 671-1230

Mr. Robert Muhly
Technical Support Div
TSD - USATHAMA
(301) 671-4811

Mr. H. Robert Feinberg
C, Resource Mngmnt Div
RMD - USATHAMA
(301) 671-4228

6. REVIEW, MODIFICATION, AND CANCELLATION -

This SA should be reviewed annually by each party at least one hundred (100) calendar days prior to its anniversary to determine currency and if modifications or cancellation are required. Requests for modification or cancellation should be forwarded in writing by the requesting party to the other at least ninety (90) calendar days prior to the requested date of modification or cancellation. An advisory coordination (i.e. meeting or phone call) will be held by the requesting party with the other party prior to forwarding any written requests. In the event of mobilization of resources from either party for support of National Emergencies, the ninety (90) notification requirement is reduced to ten (10) calendar days.

7. EFFECTIVE DATE and TERM OF AGREEMENT -

The effective date of this agreement will be the date of the last approving authority signature on the attached DD form 1144. The term of this agreement will be for four (4) years from the effective date, or as determined earlier through the above cancellation procedures.

FY 92 ESTIMATE OF USAEHA ECAS SUPPORT COSTS

TYPE OF SERVICE	LABOR COSTS	TRAVEL COSTS	MISC.COST	TOTAL
DOCUMENT REVIEWS (60) (Incl. On-Site Repts & Protocol Reviews) (Est. 3,000 m-hrs)	$ 72,480	N/A	$ 3,624	$ 76,104
ON-SITE AUDIT SUPPORT (Incl. Written Findgs) (Est. 1,460 m-hrs)	$ 35,274	$ 34,670	$ 3,527	$ 73,471
CONSULTATIVE SERVICES (12hrs/wk/1248 call/yr) (Est. 624 m-hrs)	$ 15,076	N/A	$ 754	$ 15,830
TRAINING SUPPORT (Incl. Video Tape) (Est. 960 m-hrs)	$ 23,194	$ 3,660	$ 1,343	$ 28,197
FY 92 Estimate of 6,044 man-hours (2.9 man-years)				$193,602
35% Overhead Estimate				67,761
TOTAL FY 92 COST ESTIMATE FOR USAEHA ECAS SUPPORT				$261,363

TENATIVE USAEHA ON-SITE AND REPORT REVIEWS FOR FY 92

1. ON-SITE CONTRACTOR AUDIT REVIEWS -

INSTALLATION	MACOM	USACE DISTRICT	SCHED. MONTH/QUARTER
Ft. Carson	FORSCOM	Omaha	Jun/3rd. Qtr.
Ft. Hood	FORSCOM	Ft. Worth	Sep/4th. Qtr.
Ft. Belvoir	MDW	Baltimore	May/3rd. Qtr.
Def Map Agncy	MDW	Baltimore	Dec/1st. Qtr.
Alaska	NGB	Seattle	Jun/3rd. Qtr.
Guam	NGB	Pac Ocean Div	Jan/2nd. Qtr.
Kentucky	NGB	Louisville	Apr/3rd. Qtr.
New Mexico	NGB	Ft. Worth	Sep/4th. Qtr.
Ft. Huachuca	TRADOC	Sacremento	Jul/3rd. Qtr.
Ft. Jackson	TRADOC	Savannah	Feb/2nd. Qtr.
Ft. Leonard Wd	TRADOC	Omaha	Sep/4th. Qtr.
Ft. Rucker	TRADOC	Savannah	Feb/2nd. Qtr.
Ft. Greely	USARPAC	Seattle	Jun/3rd. Qtr.
Ft. Richardson	USARPAC	Seattle	Jun/3rd. Qtr.
Ft. Wainwright	USARPAC	Seattle	Jun/3rd. Qtr.
Tripler AMC	USARPAC	Pac Ocean Div	Jan/2nd. Qtr.
2-3 Sites TBD	USAR	TBD	TBD

TBD = To Be Determined when USAR provides required information.

2. REPORT REVIEWS -

In addition to reviews of the draft and final reports for the above 18-19 installations, the following 9 installations draft and final ECAS Contractor reports are proposed for review by USAEHA personnel:

1. Vermont/ARNG/Baltimore District,
2. Ft. Polk/FORSCOM/Ft. Worth District,
3. Iowa/ARNG/Omaha District,
4. Schofield Bks/USARPAC/Pac Ocean Division
5. Ft. Ord/FORSCOM/Sacremento District
6. South Carolina/ARNG/Savannah District
7. Ohio/ARNG/Louisville District
8. Minesota/ARNG/Omaha District (Test Case)
9. Illinois/ARNG/Louisville District (Test Case)

DEPARTMENT OF THE ARMY
US ARMY TOXIC AND HAZARDOUS MATERIALS AGENCY
ABERDEEN PROVING GROUND MARYLAND 21010 5401

REPLY TO ATTENTION OF

CETHA-EC-S (200-1a) 22 MAY 1991

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Environmental Compliance Assessment System (ECAS) Training, FY91

1. During the months of July and August 1991, ECAS training sessions will be provided. Specific dates, locations, and reservation information is provided at encl 1. Other information will be provided at a later date in 4QFY91 of upcoming sessions to be conducted 1&2QFY92 to canvas additional personnel.

2. The target audience is the total Army associated with implementation of ECAS, active participants during the assessment process, and those involved with development and coordination of the primary ECAS process deliverables (corrective action plan/problem solutions). There is no registration fee for these courses. However, travel expenses are the responsibility of the individual.

3. The primary intent of training is to ensure that all ECAS participants from all levels of involvement fully understand the "process," responsibilities, and the significance of total cooperation and interaction by all.

4. Provided at encl 2 is a general description, to be used as a guide only, displaying suggested attendees by major activity. Major Army commands (MACOMs)/ U.S. Army Corps of Engineer points of contact are encouraged to use prudent judgment in selection of personnel to attend initial sessions. Those installations which MACOMs have scheduled to undergo ECAS FY92 (based upon your schedules provided to this Agency) should receive training first. Other facilities not scheduled until FY93/94/95 could receive training in later FY92 sessions. Once a "training sweep" has been made across CONUS, annual recurring training will be scheduled. During 3&4QFY92, training sessions will also be extended to OCONUS once applicable ECAS protocol manuals are finalized.

5. Responsibility for the control of the number of participants and details of reservations at the locations provided thus far is left to the MACOMs. Once finalized by activity/MACOM as displayed in encl 2, please provide a summary roll-up of attendees by number to Commander, U.S. Army Toxic and Hazardous Materials Agency, ATTN: CETHA-EC-S (Mr. Curt Williams), Aberdeen Proving Ground, MD 21010-5401, 30 days prior to the training session start date.

ENCL 4

CETHA-ZC-S 22 MAY 1991
SUBJECT: Army Environmental Compliance Assessment System (ECAS) Training, FY91

6. This Agency's point of contact is Mr. Curt Williams, DSN 584-4714/2427 or (301) 671-4714/2427.

FOR THE COMMANDER:

2 Encls
as

DAVID C. GUZEWICH
Chief
Environmental Compliance Division

DISTRIBUTION:
HQDA(DAAR-CM/MAJ ADAMS/MAJ WING), 1815 N. FORT MEYER DR., ARLINGTON, VA 22209-1805

COMMANDER
FORCES COMMAND, ATTN: FCEN-CED-E (LTC STRICKLAND/MR. SNARE), FORT MCPHERSON, GA 30330-6000
U.S. ARMY CORPS OF ENGINEERS, ATTN: CEMP-R (LTC TOCH), 20 MASSACHUSETTS AVE., NW., WASHINGTON, DC 20314-1000
U.S. ARMY CRIMINAL INVESTIGATION COMMAND, ATTN: CIIO-EN, 5611 COLUMBIA PIKE, FALLS CHURCH, VA 22041-5015
U.S. ARMY HEALTH SERVICES COMMAND, ATTN: HSCL-P (COL BISHOP), FORT SAM HOUSTON, TX 78234-6000
U.S. ARMY INFORMATION SYSTEMS COMMAND, ATTN: ASEN-FE (MR. GULACE), FORT HUACHUCA, AZ 85613-5000
U.S. ARMY INTELLIGENCE AND SECURITY COMMAND, ATTN: IALOG-IF, ARLINGTON HALL STATION, ARLINGTON, VA 22212
U.S. ARMY MATERIEL COMMAND, ATTN: AMCEN-A (MR. DUANE BENTON), 5001 EISENHOWER AVENUE, ALEXANDRIA, VA 22333-0001
U.S. ARMY MATERIEL COMMAND, INSTALLATIONS AND SERVICES ACTIVITIES, ATTN: AMXEN-U (MR. TIM WAHLIG), ROCK ISLAND, IL 61299-7190
U.S. ARMY MILITARY DISTRICT OF WASHINGTON, ATTN: ANEN (MS. EDNA BARBER), FORT LESLEY J. MCNAIR, WASHINGTON, DC 20319
U.S. ARMY MILITARY TRAFFIC MANAGEMENT COMMAND, ATTN: MTLO-F (MR. RICH MANDRA), 5611 COLUMBIA PIKE, FALLS CHURCH, VA 22041-5050
U.S. ARMY SPECIAL OPERATIONS COMMAND, ATTN: AEON, FORT BRAGG, NC 28307-5212
U.S. ARMY STRATEGIC DEFENSE COMMAND, ATTN: CSSD-ZC, P.O. BOX 15280, ARLINGTON, VA 22215-0280
U.S. ARMY TRAINING AND DOCTRINE COMMAND, ATTN: ATBO-GE (MR. DAVE SHIFFLETT), FORT MONROE, VA 23651-6000
U.S. ARMY ENGINEER DIVISION, MISSOURI RIVER, ATTN: CEMRD-EP-C (MS. ZEBROWSKI), P.O. BOX 103 DOWNTOWN STATION, OMAHA, NE 68101-0103
U.S. ARMY ENVIRONMENTAL HYGIENE AGENCY, ATTN: HSHB-ME-AA (MR. JIM WOODS), ABERDEEN PROVING GROUND, MD 21010-5422
(CONT)

2

CETHA-EC-S 22 MAY 1991
SUBJECT: Army Environmental Compliance Assessment System (ECAS) Training, FY91

DISTRIBUTION: (CONT)
CHIEF, NATIONAL GUARD BUREAU, ATIN: NGB-ARE (LTC MCQUIRE/MAJ ANDERSON), BLDG 420, ARLINGTON HALL STATION, 111 S. GEORGE MASON DRIVE, ARLINGTON, VA 22204

COMMANDANT, U.S. ARMY LOGISTICS MANAGEMENT COLLEGE, ATIN: AMXMC-MR-DE (MR. BILL HAMILTON), FORT LEE, VA 23801-6049

DIRECTOR, U.S. ARMY ENGINEERING AND HOUSING SUPPORT CENTER, ATIN: CEHSC-F (MR. RICHARD KARNEY), FORT BELVOIR, VA 22060-5516

SUPERINTENDENT, U.S. MILITARY ACADEMY, ATIN: MAEN-AE, WEST POINT, NY 10996-1592

CF (W/ENCLS):
HQDA(SAILE-ESOH/MR. WALKER/MS. LYDIA SANCHEZ), WASH DC 20310-0110
HQDA(DAJA-EL/MAJ GRECZMIEL), 901 N. STUART STREET, SUITE 400, ARLINGTON, VA 22203-1837
HQDA(ENVR-EP/MR. STEVE BEARNE), WASH DC 20310-2600

3

TARGET AUDIENCE/SESSION QUOTAS

Sessions/Quotas

Installation Participants	Baltimore, MD 9-12 Jul 91	Atlanta, GA 29 Jul - 2 Aug 91	Kansas City, MO 5-9 Aug 91	Dallas, TX 19-23 Aug 91
1. Active Army	10	10	10	10
2. U.S. Army Reserve	10	10	10	10
3. Army National Guard	10	10	10	10
4. USACE (Div/Dist)	10	10	10	10
5. MACOM Reps	5	5	5	5

NOTES: These are suggested participants only - use discretion on selections.

1. Active Army - participants (at a minimum) include installation environmental coordinators, DEHs/Deputies.

2. U.S. Army Reserve - participants include select facility managers, ARCOM/MUSARC representatives (DEH Liaison Officers), AMSA and ECS managers, and others.

3. Army National Guard - participants include state environmental representatives, major facility managers/supervisors at MATES, UTES, CSMSs, others.

4. USACE Reps - participants include (at a minimum) applicable district program managers CORs directly related to ECAS contract execution.

5. MACOM Reps - MACOM points of contact directly related to ECAS program management and active participation at respective installations (i.e., MACOM representatives will be actively involved with development/coordination of the corrective action plans for each installation/facility processed by ECAS).

6. Additional sessions will be made available 1&2QFY92 at other locations TBA.

ECAS TRAINING SESSION LOCATIONS

1. Radisson Plaza Lord Baltimore
   20 West Baltimore Street
   Baltimore, MD 21201

   (301) 539-8400
   FAX (301) 625-1060

   8-12 Jul 91 .

2. Regency Suites Hotel
   975 West Peachtree Street at 10th Street
   Atlanta, GA 30309

   (404) 876-5033

   29 Jul - 2 Aug 91

3. The Ritz-Carlton Kansas City
   401 Ward Parkway
   Kansas City, MO 64112

   (816) 756-1500
   FAX (816) 531-1483

   5-9 Aug 91

4. The Westin Hotel
   13340 Dallas Parkway
   Dallas, TX 75240

   (214) 934-9494
   FAX (214) 851-2869

   19-23 Aug 91

DEPARTMENT OF THE NAVY

OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
WASHINGTON DC 20350-5000

5 SEP 1991

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE ASSISTANT INSPECTOR GENERAL FOR AUDITING

Subj: DRAFT AUDIT REPORT ON ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAMS (PROJECT NO. 0CG-5015)

Encl: (1) DON response to subject report

This is in response to your memo of June 27, 1991, requesting review and comment on the subject report. We generally agree with the draft report, and have policy in place that implements many of its recommendations. Our comments are at enclosure (1). We concur with the internal control weaknesses highlighted in Part I of the report, but do not agree with the level of detail you recommend. In addition, there is no need for the Office of the Secretary of Defense to use regulatory guidance to establish the environmental compliance assessment program. A DOD directive would satisfy the objectives. Regulatory guidance generally refers to guidance developed by regulatory agencies outside DOD, such as the EPA, and state and local agencies.

I would also note that the report does not credit the Navy for having a program established before it was mandated by the Deputy Assistant Secretary of Defense (Environment). The report states that the audit reviewed guidance and environmental compliance assessment reports issued from January 1985 to February 1991. By reviewing only that guidance issued after January 1985, the report does not include the environmental review program that was operating prior to that date. The Navy has conducted single and multi-media inspection of its facilities since the mid-1970s. The Navy policy for environmental inspections was included in the May 1983 OPNAVINST 5090.1, and updated in 1989. While the audits were not comprehensive by recent Environmental Protection Agency (EPA) definitions, the audits were ahead of their time and the results were submitted to the major claimants and Commanding Officers. The dates used as your reporting period create an appearance that it took the Navy four years to institute an environmental assessment program when, in fact, a program had been in place for at least a decade. The report should describe the program as it existed at the time of the DASD(E) memorandum.

I appreciate the opportunity to comment on this report, and welcome the interest of the Inspector General in the environmental program.

Ben Rose
Principal Deputy Assistant Secretary
(Installations and Environment)

Copy to:
NAVINSGEN
NAVCOMPT (NCB-53)
DASD(E)

Final Report Page No.

Department of the Navy Response

to

DODIG Draft Report of June 27, 1991

on

Environmental Compliance Assessment Programs

PART II - FINDING AND RECOMMENDATIONS

13 Recommendation 1, p. 25. That DOD initiate a directive for environmental compliance assessments.

DON RESPONSE: Do not concur with the level of detail recommended. Elements suggested are already incorporated in Service review programs tailored to the needs of each Component. Additional detailed direction at this point would be counterproductive to the momentum already generated in Service programs.

14 Recommendation 2A, p. 27. That the Assistant Secretaries of the Services and the Heads of the Components issue guidance requiring major commands to provide visibility and oversight of the environmental compliance assessment programs.

DON RESPONSE:

Concur with the recommendation; however, please note that these requirements are contained in OPNAVINST 5090.1A and Marine Corps Order P5090.2 (which will be signed by October 1991). Major claimants are responsible for implementing the Environmental Compliance Evaluation (ECE) program within the Navy. In OPNAVINST 5090.1A, the major claimants are also responsible for ensuring that annual self evaluations are conducted, and for changing the major claimant Inspector General (IG) instructions to review activity self-ECEs. The major claimants and their IG conduct the periodic status checks. Similarly, Marine Corps Order P5090.2 requires that annual self evaluations be conducted at Marine Corps installations.

Random verification of corrective actions proposed in the installation action plans is an ongoing process under existing OPNAV policy. Major claimants are responsible for ensuring prompt corrective action and resolution of all discrepancies found in the ECEs. In OPNAV policy, the Navy IG conducts environmental inspections which encompass the random verification recommendation. We feel that with the major claimant being

responsible for oversight of all implementation, that the random verification is better suited for the IG. Analysis of findings data for trends within commands is required in OPNAVINST 5090.1A. The Naval Facilities Engineering Command (NAVFACENGCOM) is tasked to do data analysis and analyze trends for the entire Navy program. As part of the NAVFACENGCOM analysis, command trends are examined.

CMC provides oversight/visibility of these programs for the Marine Corps from the HQMC level. This is accomplished at the Headquarters level with the installation of the COMPTRAK system, and the use of the Marine Corps IG Office to perform follow-up inspections to the ECEs.

Recommendation 2B:

Review staffing levels and assign appropriate staff to the environmental compliance assessment programs and provide oversight to the programs.

DON RESPONSE:

OPNAVINST 5090.1A requires that the major claimant IG conduct an overview of environmental and natural resources staffing, organization and funding to determine their adequacy. This IG requirement fulfills the recommendation. A Marine Corps-wide contracted staffing study will be completed during FY 1992.

GENERAL COMMENTS

Page 9. Please note that compliance assessments cannot totally eliminate the possibility of environmental violations due to accidents or other events not under the direct control of installation personnel. Also, regulations are often interpreted differently by EPA regions, states and localities, which increases the chances that an assessment may not prevent all notices of violation. 5

Page 11. The report indicates that the Marine Corps Combat Development Command (MCCDC) had not performed an internal or external assessment at the time of the field visit. The audit was performed from July 1990 through February 1991. On 10 December 1990 an Environmental Compliance Evaluation of MCCDC was completed by a commercial firm. An internal audit was completed at MCCDC 5 September 1990. 6

Page 12. The report uses both the number of activities visited during the "audit" phase of the study (nine activities), and the total number of activities visited during the "survey" and "audit" phases (16 activities). For consistency, the report 7

Final Report Page No.	
	should use one set of facilities or the other. For example, the Norfolk Naval Shipyard was visited during the "survey" phase of the study. The quality of the shipyard assessments was not rated in Appendix D, but the shipyard assessment was included in Appendix B as being completed. The same is true for the Naval Weapons Station, Yorktown, VA. Page 12 discusses the 16 installations that were visited, while page 14 refers to the nine installations that the audit team visited. We feel a more representative sampling of Navy activities is used when all 16 installations are included.
10	Page 19. Last paragraph. This paragraph implies that all DOD components created their programs after the issuance of the DASD(E) memorandum. As described in the covering memo, guidance consistent with the DASD(E) memorandum had already existed for years.
11	Page 21. The report indicates that the Marine Corps did not enter the findings of compliance assessments into a database for analysis of onsite or command-wide trends. This issue is being addressed as part of the COMPTRAK system currently being fielded by the Marine Corps. The system will tie deficiencies found through self-audit and external inspections to funding requirements and allow for the analysis suggested by the draft audit report. Initial testing of the system is underway at MCB Camp Lejeune with Marine Corps-wide implementation expected by mid-FY 1992.
11	Page 22. Next to last paragraph. As written, it appears that the environmental coordinator's primary job is as an electronic technician. The position described is the Assistant to the Facilities Manager. This individual has collateral duties as the Energy Manager and the Hazardous Waste Manager, in addition to his primary position as Environmental Coordinator. At no time since he assumed the role of Environmental Coordinator has he worked as an electronics technician.
21	Page 35. Since the audit covers the time period of January 1985 to March 1991, missing information in Appendix B should be included. The external audit for the Naval Air Training Center, Patuxent River was conducted in December 1990, and the external audit for the David Taylor Research Center was conducted in August 1990. These dates fall within your study "window" and should be included.
25	Page 39. Rating factor #28. This element should not be included as a rating factor for environmental compliance assessments. The EPA only recently issued their pollution prevention policy in February 1991.
29 Revised	Page 43. The report indicates that the Marine Corps had not issued internal guidance to implement the DASD(E) January 17,

Final Report Page No.

1985 policy memorandum on requirements for an environmental compliance assessment program. By CMC letter 6280 LFL/U-139 of 29 December 1988, the Marine Corps Environmental compliance Evaluation (ECE) Program was established. To date, six installations have received ECEs. Additionally, CMC letter 6280 LFL/U-73 of 9 November 1990 established a one-time Marine Corps-wide ECE to be conducted by a contractor. Finally, the ECE implementing guidance will be published in the forthcoming update (October 1991) to MCO P5090.2.

Page 45. Paragraph at top of page. We disagree with the statement that data was not used to prevent future noncompliance. Recommend substituting "plan for correction of identified deficiencies" in place of "prevent future noncompliance" in the last sentence.

35 Revised

4

MANAGEMENT COMMENTS: DEPARTMENT OF THE AIR FORCE

DEPARTMENT OF THE AIR FORCE
WASHINGTON DC 20330-1000

OFFICE OF THE ASSISTANT SECRETARY

AUG 2 0 1991

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

SUBJECT: Draft Audit Report on Environmental Compliance Assessment Programs (Project No. 0CG-5015) - INFORMATION MEMORANDUM

This is in reply to your memorandum for the Assistant Secretary of the Air Force (Financial Management and Comptroller) requesting comments on the findings and recommendations made in subject report. As a result of our review, we are providing the comments at attachment 1.

We appreciate the effort made by your auditors to help us identify weaknesses in our program and the opportunity to review the draft audit report. Your audit specifically identified shortfalls in command support and follow-up at Homestead AFB. This is indicative of what we found during our program review held in Dallas, Texas during October 1990. As a result of the program review, we have emphasized to our commanders, during commanders conferences and our leadership courses, the need for accurate assessments, comprehensive action plans, and active support and tracking of the projects and programs required to correct findings. The audit findings in your draft report will further help us solicit active management support.

Additionally, we established an Air Force Inspector General (IG) inspection Special Interest Item (SII) to review implementation and follow-up of our environmental compliance assessment and management program (ECAMP). The SII provides the necessary internal control and oversight to ensure we can continue to identify program implementation and follow-up shortfalls.

GARY D. VEST
Deputy Assistant Secretary of the Air Force
(Environment, Safety and Occupational Health)

1 Atch
Air Force Comments

DRAFT AUDIT REPORT ON ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAMS (PROJECT # OCG-5015)
AIR FORCE COMMENTS

Final Report Page No.

- *RECOMMENDATIONS FOR CORRECTIVE ACTION: Service Secretaries should issue guidance requiring major commands to provide visibility and oversight of the environmental compliance assessment programs and review staffing levels.* Existing Air Force policy, contained in Air Force Regulation (AFR) 19-16, provides this guidance. It requires MAJCOM Environmental Protection Committees (EPC) to review results of internal and external assessments and monitor installation progress on corrective actions. Additionally, HQ Air Force monitors broad trends in the program, tracking findings by command and environmental protocol. Lastly, the Air Force Inspector General (IG), through an IG Special Interest Item (SII) checks MAJCOM and installation efforts at conducting assessments and corrective actions.

- *Internal Control Weaknesses (pg 7).* As stated above, existing AF policy specifies frequency of assessments and prescribes several levels of oversight to ensure they are accomplished. 4

- *Implementation of the Environmental Compliance Assessment Program (pg 9).* The Air Force is committed to providing the resources and management attention necessary to support its environmental compliance assessment program and achieve environmental compliance. For example, Air Force FY90 environmental compliance expenditures totaled $162 million and, to enhance management support of environmental programs, the Air Force developed and implemented an Environmental Leadership Course for educating installation and command leadership on the importance of environmental compliance and the tools available to help them achieve compliance. 5

- *Reporting (pg 15).* Air Force policy requires final reports to include an action plan, developed from an evaluation of the corrective action options, which contains those corrective actions which the installation management supports. Therefore, an ECAMP action plan will not have specifically identified "management responses" which you would normally find in an IG type report. 8

- *Staffing (pg 16).* On-the-job (OJT) training is acceptable if the team is built with each OJT trainee guided by a formally trained person (as occurred at Dover). Ideally, internal assessment team members should be dedicated to the team for the duration of the assessment, however the realities of today's manpower and budgetary situation require internal assessments to be conducted in conjunction with regular duties. 8

- *Execution (pg 16).* The Air Force's ECAMP course, offered at Wright-Patterson AFB, teaches a systematic approach for performing comprehensive assessments. Homestead's failure to use a systematic approach was the result of a lack of training and management support. 8

- *Conclusion (pg 24).* The Air Force began program development almost immediately following DoD's initial guidance. Although Air Force policy should have been issued sooner, complete program development (detailed checklists--not available privately or from the EPA--and training programs had to be developed, tested, and fielded) was complex and took several years to evolve. Forcing the process would have resulted in poor programs with little support. 12

MANAGEMENT COMMENTS: DEFENSE LOGISTICS AGENCY

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100

IN REPLY REFER TO DLA-CI

26 AUG 1991

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING,
DEPARTMENT OF DEFENSE

SUBJECT: Draft Report on the Audit of Environmental Compliance Assessment Programs, Project No. 0CG-5015

This is in response to your 27 Jun 91 memorandum requesting our comments pertaining to the draft report on the audit of Environmental Compliance Assessment Programs, Project No. 0CG-5015. The attached positions have been approved by Ms. Helen T. McCoy, Deputy Comptroller, Defense Logistics Agency.

3 Encl

for Sheila P Ranes
JACQUELINE G. BRYANT
Chief, Internal Review Div.
Office of Comptroller

cc:
DASD(E)

TYPE OF REPORT: AUDIT DATE OF POSITION: 23 Aug 91

PURPOSE OF INPUT: INITIAL POSITION

AUDIT TITLE AND NO.: Environmental Compliance Assessment Programs, Project No. OCG-5015

FINDING: The DoD Components had not fully and effectively implemented an environmental compliance assessment program. Program implementation was slow, incomplete, and did not ensure that significant environmental deficiencies would be identified and corrected because neither Deputy Assistant Secretary of Defense (Installations) nor Deputy Assistant Secretary of Defense (Environment) issued specific policy guidance establishing program parameters and responsibilities. Implementation was further hindered because the DoD Components did not allocate resources and did not provide management visibility and oversight. As a result, DoD had little assurance that the true scope of environmental compliance problems was identified. In addition, individual installations were vulnerable to fines, possible shutdown of operations, costly cleanups of undetected problems, and citizen litigation for environmental damage. Installation personnel were also vulnerable to personal civil and criminal liability for damage resulting from environmental deficiencies.

DLA COMMENTS: Nonconcur. DLA instituted an effective environmental audit program at its fuel depots in 1980, well before the Environmental Protection Agency's policy statement of 1986. The audits are conducted every three years by the U.S. Army Environmental Hygiene Agency (USAEHA), our consultant. We began regular USAEHA audits at our other installations in 1985. Since then, every DLA-managed installation has received a comprehensive, multi-media audit every three to four years. We have allocated staff, funding and visibility for the program. One of the key responsibilities of our Headquarters environmental staff is to oversee the audit program as required in the DLA-WE mission and function statement. DLA Headquarters has established an automated audit tracker system to monitor followup actions taken with regard to the audit findings. In addition to external audits conducted by USAEHA, internal audits are carried out by DLA personnel. For example, the Defense Reutilization and Marketing Service (DRMS) audits every one of the approximately 106 Defense Reutilization and Marketing Offices in CONUS at least once a year. Updates on followup actions are monitored continuously by the DRMS Regions and DRMS Headquarters on a monthly basis.

DISPOSITION:
( ) Action is ongoing; Final Estimated Completion Date:
(x) Action is considered complete.

MONETARY BENEFITS: N/A
DLA COMMENTS:
ESTIMATED REALIZATION DATE:
AMOUNT REALIZED:
DATE BENEFITS REALIZED:

INTERNAL MANAGEMENT CONTROL WEAKNESS:
(x) Nonconcur. (Rationale must be documented and maintained with your copy of the response.)
( ) Concur; however, weakness is not considered material. (Rationale must be documented and maintained with your copy of the response.)
( ) Concur; weakness is material and will be reported in the DLA Annual Statement of Assurance.

ACTION OFFICER: William F. Randall, DLA-WE, x46124
PSE REVIEW/APPROVAL: John R. Desiderio, COL, USAF, Deputy Staff Director, Installation Services and Environmental Protection, 21 Aug 91

DLA APPROVAL: Helen T. McCoy, Deputy Comptroller

TYPE OF REPORT: AUDIT DATE OF POSITION: 23 Aug 91

PURPOSE OF INPUT: INITIAL POSITION

AUDIT TITLE AND NO.: Environmental Compliance Assessment Programs, Project No. 0CG-5015

RECOMMENDATION 2.a.: We recommend that the Assistant Secretary of the Army (Installations, Logistics, and Environment), the Navy (Installations and Environment), the Air Force (Manpower, Reserve Affairs, Installations and Environment), the Deputy Chief of Staff of the Marine Corps (Installations and Logistics), and the Director, Defense Logistics Agency, issue guidance requiring major commands to provide visibility and oversight of the environmental compliance assessment programs. These responsibilities should include:

- periodic status checks on internal assessments,
- random verification of corrective actions proposed in the installations action plans, and
- analysis of finding data for trends within the command.

DLA COMMENTS: Nonconcur. DLA guidance issued in 1985 requires sufficient visibility and oversight of the audit program throughout DLA. In addition, the DLA Environmental Protection Manual requires DLA-W to administer an environmental audit program to monitor field activity compliance. Internal assessments should be made at the discretion of the installation commander, not a formal requirement. The environmental programs at our installations are very complex; hence, a checklist type of internal audit system would usually be inappropriate. Our installation environmental coordinators conduct many inspections of various types on a continual basis. We use audit/inspection findings and recommendations to assist our program management. Our followup updates and tracking system ensure that corrective actions are implemented at the installations. All actions planned are used to prepare our annual compliance budget.

DISPOSITION:
( ) Action is ongoing; Final Estimated Completion Date:
(x) Action is considered complete.

MONETARY BENEFITS: N/A
DLA COMMENTS:
ESTIMATED REALIZATION DATE:
AMOUNT REALIZED:
DATE BENEFITS REALIZED:

INTERNAL MANAGEMENT CONTROL WEAKNESS:
(x) Nonconcur. (Rationale must be documented and maintained with your copy of the response.)
( ) Concur; however, weakness is not considered material. (Rationale must be documented and maintained with your copy of the response.)
( ) Concur; weakness is material and will be reported in the DLA Annual Statement of Assurance.

ACTION OFFICER: William F. Randall, DLA-WE, x46124
PSE REVIEW/APPROVAL: John R. Desiderio, COL, USAF, Deputy Staff Director, Installation Services and Environmental Protection, 21 Aug 91

DLA APPROVAL: Helen T. McCoy, Deputy Comptroller

TYPE OF REPORT: AUDIT DATE OF POSITION: 23 Aug 91

PURPOSE OF INPUT: INITIAL POSITION

AUDIT TITLE AND NO.: Environmental Compliance Assessment Programs, Project No. 0CG-5018

RECOMMENDATION B.b.: We recommend that the Assistant Secretary of the Army (Installations, Logistics, and Environment), the Assistant Secretary of the Navy (Installations and Environment), the Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations and Environment), the Deputy Chief of Staff of the Marine Corps (Installations and Logistics), and the Director, Defense Logistics Agency, review staffing levels and assign appropriate staff to environmental compliance assessment programs and provide oversight of the programs.

DLA COMMENTS: Concur. We agree that a staffing review is useful because DLA mission is expanding as a result of the Defense Management Review decision to consolidate depots.

DISPOSITION:
(x) Action is ongoing; Final Estimated Completion Date: 30 Sep 92
( ) Action is considered complete.

MONETARY BENEFITS: N/A
DLA COMMENTS:
ESTIMATED REALIZATION DATE:
AMOUNT REALIZED:
DATE BENEFITS REALIZED:

INTERNAL MANAGEMENT CONTROL WEAKNESS:
( ) Nonconcur. (Rationale must be documented and maintained with your copy of the response.)
(x) Concur; however, weakness is not considered material. (Rationale must be documented and maintained with your copy of the response.)
( ) Concur; weakness is material and will be reported in the DLA Annual Statement of Assurance.

ACTION OFFICER: William F. Randall, DLA-WE, x46134
PSE REVIEW/APPROVAL: John R. Desiderio, COL, USAF, Deputy Staff Director, Installation Services and Environmental Protection, 21 Aug 91

DLA APPROVAL: Helen T. McCoy, Deputy Comptroller

LIST OF AUDIT TEAM MEMBERS

David K. Steensma, Director, Contract Management Directorate
Paul J. Granetto, Deputy Director
Michael G. Huston, Program Director
Wayne K. Million, Program Director
Judith I. Karas, Project Manager
Saundra G. Elion, Team Leader
Roy Tokeshi, Team Leader
Andrew R. MacAttram, Auditor
Riccardo R. Buglisi, Auditor
Charles R. Johnson, Auditor
Francis M. Ponti, Operations Research Analyst
H. David Barton, Operations Research Analyst
Doris Reese, Administrative Support