

A *udit*



R *eport*

SUMMARY REPORT ON DOD
HAZARDOUS WASTE DISPOSAL COSTS

Report No. D-2001-025

December 22, 2000

Office of the Inspector General
Department of Defense

Additional Copies

To obtain additional copies of this audit report, visit the Inspector General, DoD, Home Page at www.dodig.osd.mil or contact the Secondary Reports Distribution Unit of the Audit Followup and Technical Support Directorate at (703) 604-8937 (DSN 664-8937) or fax (703) 604-8932.

Suggestions for Future Audits

To suggest ideas for or to request future audits, contact the Audit Followup and Technical Support Directorate at (703) 604-8940 (DSN 664-8940) or fax (703) 604-8932. Ideas and requests can also be mailed to:

OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-4704

Defense Hotline

To report fraud, waste, or abuse, contact the Defense Hotline by calling (800) 424-9098; by sending an electronic message to Hotline@dodig.osd.mil; or by writing to the Defense Hotline, The Pentagon, Washington, D.C. 20301-1900. The identity of each writer and caller is fully protected.

Acronyms

| | |
|-----|--------------------------|
| CY | Calendar Year |
| DLA | Defense Logistics Agency |
| MoM | Measure of Merit |



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

December 22, 2000

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE
(ENVIRONMENTAL SECURITY)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, DEFENSE LOGISTICS AGENCY
NAVAL INSPECTOR GENERAL
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Summary Report on DoD Hazardous Waste Disposal Costs
(Report No. D-2001-025)

We are providing this report for review and comment. This report summarizes the results of the Inspector General, DoD, and the Service audit agency audits on hazardous waste disposal costs for the Department of Defense. The Office of the Deputy Under Secretary of Defense (Environmental Security) requested the audit to review costs, volumes, and the budget formulation and review process related to DoD hazardous waste disposal. The Deputy Under Secretary of Defense (Environmental Security) did not respond to the draft report; however, we considered management comments from the Army, Air Force, and Defense Logistics Agency when preparing the final report.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Air Force comments were nonresponsive. We request additional comments on Recommendation 3. The Deputy Under Secretary of Defense (Environmental Security) did not comment on Recommendation 1. Therefore, we request that those components provide comments by February 22, 2001.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Joseph P. Doyle at (703) 604-9349 (DSN 664-9349) (jdoyle@dodig.osd.mil) or Ms. Deborah L. Culp at (703) 604-9335 (DSN 664-9335) (dculp@dodig.osd.mil). See Appendix C for the report distribution. The audit team members are listed inside the back cover.

A handwritten signature in black ink that reads "Robert J. Lieberman".

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. D-2001-025

December 22, 2000

(Project No. D1999CK-0061.001)

Summary Report on DoD Hazardous Waste Disposal Costs

Executive Summary

Introduction. This audit was jointly conducted by the Inspector General, DoD, and the Army, Navy and Air Force audit agencies. The audit was performed in response to a request from the Office of the Deputy Under Secretary of Defense (Environmental Security) to review costs, volumes, and the budget formulation and review process related to DoD hazardous waste disposal. The Inspector General, DoD, issued a previous report with a recommendation to the Defense Logistics Agency. The Army Audit Agency issued a report with recommendations to the Department of the Army. The Naval Audit Service and the Air Force Audit Agency issued reports without recommendations to their respective Services. This report summarizes and discusses hazardous waste disposal cost budgeting, execution, and measure of merit reporting at the Army, Navy, and Air Force, as well as the Defense Logistics Agency.

For the measure of merit on hazardous waste disposal, DoD reported a calendar year 1992 baseline figure of about 409 million pounds of hazardous waste and in calendar year 1998 reported about 208 million pounds. As of November 1998, when the audit was initiated, the DoD budget for hazardous waste disposal had increased from \$211 million (actual cost) for FY 1997 to \$224 million (budgeted amount) for FY 1999.

Objectives. The overall audit objective was to determine why DoD hazardous waste disposal budgets had increased while the reported unit cost to dispose of hazardous waste and the reported amount of hazardous waste had decreased. In addition, we evaluated the budget formulation and review process related to DoD hazardous waste disposal.

Results. The reported unit cost to dispose of hazardous waste could not be validated. In addition, we were unable to determine causal factors in program trends because the Army, Air Force, and Defense Logistics Agency cost and volume estimates were poorly supported.

As a result, the DoD "Environmental Compliance, Recurring Costs" portion of the budget did not accurately reflect anticipated costs to dispose of hazardous waste in the Army, Air Force, and Defense Logistics Agency. In addition, Army, Air Force, and Defense Logistics Agency measure of merit data did not accurately reflect the actual progress toward meeting the established goals of reducing hazardous waste by calendar year 1999, and that raises questions as to the accuracy of the hazardous waste reduction metric within DoD. The principal cause of these problems was inadequate guidance. For details

of the audit results, see the Finding section of the report. See Appendix A for details on management controls.

Summary of Recommendations. We recommend that the Deputy Under Secretary of Defense (Environmental Security) issue uniform policy to the Services and Defense Logistics Agency to use in preparing “Environmental Compliance, Recurring Costs” budget estimates; revise the DoD measure of merit definition for hazardous waste disposal; and issue uniform policy to the Services and the Defense Logistics Agency to use in preparing future measure of merit submissions for hazardous waste disposal. We recommend that the Army, Air Force, and Defense Logistics Agency develop policies for hazardous waste disposal record keeping and retain the records to document that measure of merit goals were achieved.

Management Comments. The Army concurred, stating they have developed draft policies for hazardous waste disposal record keeping and on requirements for record retention. The Air Force concurred and recommended that the Office of the Under Secretary of Defense (Environmental Security) measure of merit committee prepare guidance on record retention of baseline data. The Defense Logistics Agency concurred and stated they will issue policy. A discussion of management comments is in the Finding section of the report, and the complete text is in the Management Comments section.

Audit Response. The Deputy Under Secretary of Defense for Environmental Security did not comment on a draft of this report. The Air Force suggestion that there be DoD-wide policy on retaining hazardous waste disposal baseline data is constructive, but we believe that the Air Force should take interim measures. We request that the Deputy Under Secretary provide comments on the final report and that the Air Force provide additional comments identifying actions to develop policy for hazardous waste disposal record keeping by February 22, 2001.

Table of Contents

| | |
|--|----|
| Executive Summary | i |
| Introduction | |
| Background | 1 |
| Objectives | 2 |
| Finding | |
| DoD Hazardous Waste Budgeting and Measure of Merit Reporting | 3 |
| Appendixes | |
| A. Audit Process | |
| Scope and Methodology | 8 |
| Management Controls | 9 |
| B. Prior Coverage | 10 |
| C. Report Distribution | 11 |
| Management Comments | |
| Department of the Army | 13 |
| Department of the Air Force | 15 |
| Defense Logistics Agency | 16 |

Background

This audit was jointly conducted by the Inspector General, DoD, and the Army, Navy, and Air Force audit agencies. The audit was performed in response to a request from the Deputy Under Secretary of Defense (Environmental Security), hereafter referred to as DoD Environmental Security, to review the costs, volumes, and the budget formulation and review process related to DoD hazardous waste disposal. The Inspector General, DoD, issued a report with a recommendation to the Defense Logistics Agency (DLA). The Army Audit Agency issued a report with recommendations to the Department of the Army. The Naval Audit Service and the Air Force Audit Agency issued reports without recommendations to their respective Services. This report summarizes and discusses hazardous waste disposal cost budgeting and execution, and measure of merit reporting at the Army, Navy, Air Force, and DLA.

Hazardous Waste Measure of Merit. Hazardous waste is material that no longer serves a useful purpose and demonstrates characteristics of ignitability, corrosivity, reactivity, toxicity, or is listed as hazardous by the Environmental Protection Agency. The Resource Conservation and Recovery Act of 1976 regulates Federal, State, and local government facilities that generate, transport, treat, store, or dispose of hazardous waste.

The Department of Defense has implemented policies to reduce the volume of hazardous waste. Executive Order 12856, as implemented by DoD Instruction 4715.4, "Pollution Prevention," June 18, 1996, established a pollution prevention measure of merit (MoM) for hazardous waste disposal. DoD Components were to reduce the disposal of hazardous waste by 50 percent from the 1992 baseline by the end of calendar year (CY) 1999. The DoD Environmental Security office provided the following definition of hazardous waste to be included in the MoM submission.

Include all manifested hazardous waste, as currently defined by EPA under the Solid Waste Disposal Act, but not limited to, wastes associated with spills, tank cleaning, bilge water, BRAC activities, deployments, and off site disposal, treatment, recycling, and incineration activities. Exceptions: do not include hazardous wastes associated with, CERCLA [Comprehensive Environmental Response, Compensation, and Liability Act] or RCRA [Resource Conservation and Recovery Act] cleanup activities.

The DoD reported a CY 1992 baseline figure of about 409 million pounds of hazardous waste and in CY 1998 reported about 208 million pounds. The Services and DLA summarize their MoM data and submit it to the DoD Environmental Security office. The MoM data is further summarized and incorporated into the Defense Environmental Quality Program Annual Report to Congress.

Budgeting for Hazardous Waste Disposal. The DoD Environmental Security office was concerned about the DoD hazardous waste disposal budget and hazardous waste reporting requirements. Specifically, the DoD Environmental

Security office wanted to ensure that budgets for DoD Components reflected realistic amounts, noting the significant reductions in the volume of hazardous waste (as reported in the MoM) and the reported unit cost of hazardous waste disposal.

The Services and DLA reflect anticipated hazardous waste recurring costs in the “Environmental Compliance, Recurring Costs” budget submission. The Services and DLA Comptrollers submit budget estimates to the DoD Comptroller for inclusion in the President’s budget request. The budgetary data is also submitted to the DoD Environmental Security office for review. As of November 1998, the DoD budget for hazardous waste disposal had increased from \$211 million (actual cost) for FY 1997 to \$224 million (budgeted amount) for FY 1999.

Objectives

The overall audit objective was to determine why DoD hazardous waste disposal budgets had increased while the reported unit cost to dispose of hazardous waste and the reported amount of hazardous waste had decreased. In addition, we evaluated the budget formulation and review process related to DoD hazardous waste disposal. See Appendix A for a discussion of the audit scope and methodology and Appendix B for a summary of prior coverage.

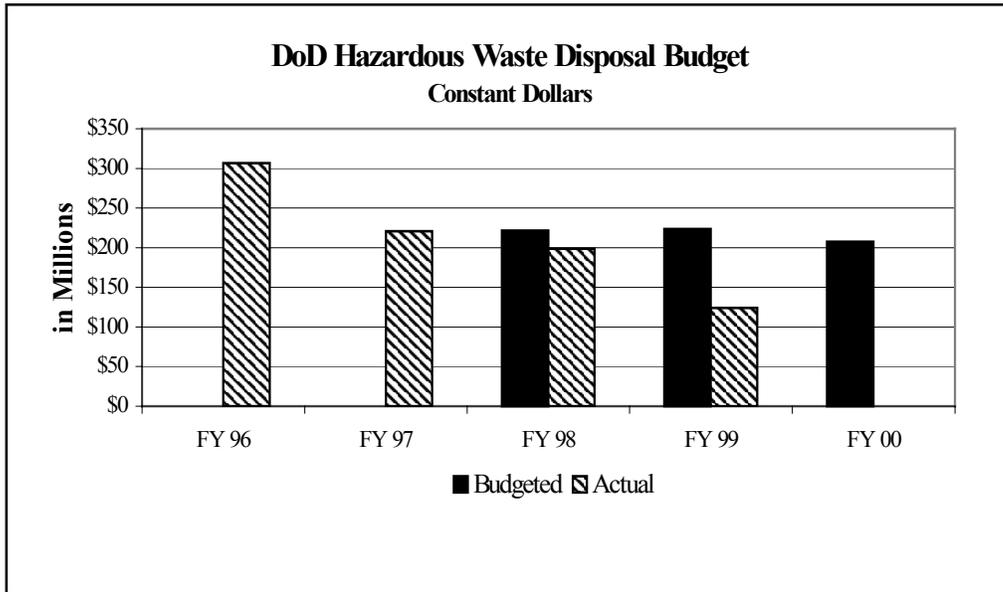
DoD Hazardous Waste Budgeting and Measure of Merit Reporting

The Army, Air Force, and DLA hazardous waste disposal budget estimates and MoM data reported to the DoD Environmental Security office were poorly supported. The Army, Air Force, and DLA did not use reliable execution data to estimate hazardous waste disposal costs and report hazardous waste disposal volumes. In addition, the DoD Environmental Security office did not provide adequate guidance on compiling budget requirements or for reportable volumes of hazardous waste disposal. As a result, the DoD “Environmental Compliance, Recurring Costs” portion of the budget did not accurately reflect anticipated costs to dispose of hazardous waste in the Army, Air Force, and DLA. In addition, Army, Air Force, and DLA MoM data did not accurately reflect the progress toward meeting established goals of reducing hazardous waste by CY 1999, which raises questions as to the accuracy of the hazardous waste reduction metric within DoD.

DoD Hazardous Waste Disposal Budget

The DoD hazardous waste disposal budget for FY 1998, \$221.3 million, was marginally higher than the FY 1997 actual cost, \$220.6 million.* The budget increased to \$223.7 million for FY 1999 and decreased to \$207.5 million for FY 2000. At the end of the audit we obtained the actual costs reported to the DoD Environmental Security office for hazardous waste disposal. The reported DoD actual costs for hazardous waste disposal decreased from \$306.8 million in FY 1996 to \$124.1 million in FY 1999. However, we could not verify the program value because there was no support for historical costs. The following figure summarizes the hazardous waste disposal budget and actual costs for the DoD.

* The FY 1997 actual cost is different than the FY 1997 actual cost in the background section of the report. The cost used in the background section was obtained from the DoD Environmental Security office at the beginning of the audit. The cost used here was obtained at the end of the audit and is different because of adjustments.



The values in the figure were derived from three different sources. Actual costs were obtained from the Defense Environmental Quality Program FY 1999 Annual Report to Congress. The FY 1998 and FY 1999 budgeted costs were obtained from the DoD Environmental Security office. The FY 2000 budgeted cost was obtained from the Defense Environmental Quality Program FY 1998 Annual Report to Congress.

Hazardous Waste Budgetary Data

The Army, Air Force, and DLA hazardous waste disposal budget estimates were unsupported because of the unreliability or lack of historical cost data available for budget formulation. In addition, the DoD Environmental Security office did not provide sufficient guidance to ensure that the hazardous waste disposal budget submission reflected the program execution experience of those components. The Naval Audit Service found, in contrast, that the Navy budget estimates were supported by historical costs.

Hazardous Waste Budgetary Preparation. The Army's budgeted amounts were questionable because installations and components of two major commands did not budget for compliance funding for hazardous waste disposal. In addition, the Army did not adequately capture actual costs for hazardous waste disposal in their accounting systems. The Air Force hazardous waste disposal budget could not be validated because of lack of documentation. The DLA components were unable to provide historical cost data to support their hazardous waste budget estimates. In addition, the DLA 1997 budget included \$78 million in hazardous waste disposal costs that were already budgeted by the Services. According to the Naval Audit Service, however, the Navy prepared budgets based on reliable historical cost data that provided sufficient funding to process hazardous waste produced.

Program Guidance for Hazardous Waste Budget Preparation. The Army, Air Force, and DLA submitted hazardous waste disposal budget estimates that were unsupported and were not challenged by the DoD Environmental Security office. The DoD Environmental Security office did not provide adequate guidance to assist the Services and DLA in preparing “Environmental Compliance, Recurring Costs” budget estimates. In addition, the DoD Environmental Security office did not include a definition for hazardous waste disposal in the Program Objective Memorandum Preparation Instruction, “Environmental Compliance” budget format. The inadequate guidance resulted in hazardous waste disposal budget submissions from Army, Air Force, and DLA organizations that did not reflect realistic estimates of the costs to dispose of hazardous waste within their organizations. The DoD Environmental Security office needs to issue uniform policy for preparing “Environmental Compliance, Recurring Costs” budget estimates.

Measure of Merit Reporting Data

The Army, Air Force, and DLA hazardous waste MoM data was not supportable because the underlying data on hazardous waste disposal volumes was not reliable. In addition, the DoD Environmental Security office did not perform sufficient guidance of the MoM reporting process. The Navy MoM submissions were derived from standardized activity reports and were deemed valid by the Naval Audit Service.

MoM Reporting. The Army, Air Force, and DLA reported MoM data for hazardous waste disposal that were not supportable. Frequent changes in the Army reporting definition affected the hazardous waste volumes reported by the Army. In addition, the Army required installations and organizations to report MoM data using three different tracking systems, which did not have clear and consistent reporting definitions. Also, the Army lacked documentation to support the reported disposal volumes for any year. The Air Force MoM submissions for hazardous waste disposal could not be verified because of a lack of baseline year documentation and other inconsistencies. The Air Force MoM reporting criteria for CY 1997 varied at the four organizations visited. For example, one installation reported only Resource Conservation and Recovery Act waste, while another installation included non-Resource Conservation and Recovery Act waste in the MoM data. DLA could not provide adequate supporting documentation for the MoM data for each of the reporting periods. In addition, the DLA organizations used CY 1994 as the baseline year instead of CY 1992. MoM submissions by the Navy were accurate and reliable according to the Naval Audit Service. The Navy installations annually report hazardous waste disposal volumes and costs to the Naval Facilities Engineering Service Center, Port Hueneme, California. The Naval Facilities Engineering Service Center gathered data for hazardous waste disposal, screened data, organized data, prepared reports using the data, and archived data.

DoD Environmental Security Office Guidance for MoM Preparation. The DoD Environmental Security office needed to improve the guidance for preparing MoM submissions. During the audit, the DoD Environmental Security office was working on revising the compliance measures of performance and finalizing the

new metrics. They planned to include a new MoM goal for hazardous waste reduction. The DoD Environmental Security office needs to clarify the hazardous waste disposal MoM definition, and issue uniform policy to the Services and DLA to use in preparing future MoM submissions for hazardous waste disposal. The Army, Air Force, and DLA need to improve their hazardous waste disposal record keeping and retain the records so that historical data can be verified for the new hazardous waste MoM.

Summary

The Army, Air Force, and DLA hazardous waste disposal budget estimates and MoM data for hazardous waste disposal volumes reported to the DoD Environmental Security office were not supportable. As a result, the DoD “Environmental Compliance, Recurring Costs” portion of the budget did not accurately reflect anticipated costs to dispose of hazardous waste in the Army, Air Force, and DLA. In addition, Army, Air Force, and DLA MoM data did not accurately reflect the progress toward meeting the established 50 percent reduction of hazardous waste by CY 1999, which raises questions as to the accuracy of the hazardous waste reduction metric within DoD.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Deputy Under Secretary of Defense (Environmental Security):

a. Issue uniform policy to the Services and the Defense Logistics Agency to use in preparing “Environmental Compliance, Recurring Costs” budget estimates. Include a hazardous waste disposal definition in the policy that is consistent with the measure of merit definition for hazardous waste disposal.

b. Revise the DoD measure of merit definition for hazardous waste disposal to be more specific as to the types of hazardous waste to include. Coordinate this effort with the Services, Defense Logistics Agency, and the Office of the Secretary of Defense Comptroller.

c. Issue uniform policy to the Services and the Defense Logistics Agency to ensure comparability and consistency in preparing future measure of merit submissions for hazardous waste disposal.

Management Comments. The Deputy Under Secretary of Defense (Environmental Security) did not comment on the recommendation. We request that the Deputy Under Secretary provide comments to the final report.

2. We recommend that the Army Assistant Chief of Staff for Installation Management develop policy for hazardous waste disposal record keeping and retain the records so that historical data can be verified.

Management Comments. The Army concurred and stated that they have developed draft policy for hazardous waste disposal record keeping by requiring that a single source data collection system be used for hazardous waste reporting. The Army said they have also developed draft policy that elaborates on requirements for record retention. The Army plans to complete and implement final policy changes by March 2001.

3. We recommend that the Air Force Deputy Chief of Staff Installations and Logistics develop policy for hazardous waste disposal record keeping and retain the records so that historical data can be verified.

Management Comments. The Air Force concurred and stated that there is a policy void specific to hazardous waste disposal record retention. The Air Force recommended that the Office of the Under Secretary of Defense (Environmental Security) Measure of Merit Committee prepare guidance on record retention of baseline data.

Audit Response. Although the Air Force concurred, the Air Force comments are nonresponsive. Whether or not the Office of the Under Secretary Defense (Environmental Security) issues guidance on hazardous waste disposal record retention of baseline data, the Air Force should develop policy for hazardous waste disposal record keeping to ensure that historical data can be verified. We request that the Air Force reconsider its position on developing policy for hazardous waste disposal record keeping and provide additional comments when responding to the final report.

4. We recommend that the Director, Defense Logistics Agency develop policy for hazardous waste disposal record keeping and retain the records so that historical data can be verified.

Management Comments. The Defense Logistics Agency concurred and stated they expect to issue policy by December 30, 2000.

Appendix A. Audit Process

Scope and Methodology

Work Performed. We discussed the audit objectives and audit plan with the DoD Environmental Security office. We reviewed policies, procedures, and documentation related to budget preparation, submission, and program execution as well as volume data for hazardous waste disposal at the DoD organizations. We judgmentally selected the 20 Service and DLA organizations based on information regarding hazardous waste disposal costs and disposal volumes from the Defense Reutilization and Marketing Service Rapid Access to Information in DLA. Our review included documentation from CYs and FYs 1992 through 1998.

The audit was jointly conducted by the Inspector General, DoD, and the Army, Navy, and Air Force audit agencies. We relied on the work of the Service audit agencies at 15 of the 20 locations selected.

Hazardous Waste Cost and Volume. Inspector General, DoD, Report No. 00-020, "Hazardous Waste Disposal Costs for the Defense Logistics Agency," October 26, 1999, stated that the Inspector General, DoD, would include information from the Defense Reutilization and Marketing Service study showing hazardous waste cost and volume trends for the Services and DLA in the overall DoD report. However, we are not including the study in this report because we could not rely on the validity of the reported unit cost to dispose of hazardous waste. In addition, the study included only the hazardous waste that was disposed through Defense Reutilization and Marketing Service, not an overall hazardous waste disposal unit cost.

DoD-Wide Corporate Level Government Performance and Results Act Coverage. In response to the Government Performance and Results Act, the Secretary of Defense annually establishes DoD-wide corporate level goals, subordinate performance goals, and performance measures. This report pertains to achievement of the following goal and subordinate performance goal:

FY 2000 DoD Corporate Level Goal 2: Prepare now for an uncertain future by pursuing a focused modernization effort that maintains U.S. qualitative superiority in key warfighting capabilities. Transform the force by exploiting the Revolution in Military Affairs, and reengineer the Department to achieve a 21st century infrastructure. **(00-DoD-2)**
FY 2000 Subordinate Performance Goal 2.3: Streamline the DoD infrastructure by redesigning the Department's support structure and pursuing business practice reforms. **(00-DoD-2.3)**

DoD Functional Area Reform Goals. Most major DoD functional areas have established performance improvement reform objectives and goals. This report pertains to achievement of the following functional area objective and goal:

Environmental Functional Area. Objective: Implement pollution prevention programs throughout the DoD. **Goal:** By the end of Calendar Year 1999, reduce disposal of hazardous waste 50 percent from the 1992 baseline (amount of hazardous waste disposal will be measured and reported in pounds). (ENV-3.2)

General Accounting Office High-Risk Area. The General Accounting Office has identified several high-risk areas in the DoD. This report provides coverage of the Infrastructure high-risk area.

Use of Computer-Processed Data. To achieve the audit objectives, we extensively relied on computer-processed data contained in the Rapid Access to Information Database in DLA. Our review of the system and the results of tests showed discrepancies that casts doubt on the validity of the data. However, when the data are reviewed in context with other available evidence, we believe that the opinions, conclusions, and recommendations in the report are valid.

Audit Type, Dates, and Standards. We performed this economy and efficiency audit from November 1998 through August 2000 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD, and a non-Governmental organization, The Center for Naval Analyses. Further details are available on request.

Management Controls

We identified material management control weaknesses in our audit. Management controls, including DoD level guidance, were not adequate to ensure that Army, Air Force, and DLA MoM data accurately reflected the progress towards meeting the established goals of reducing hazardous waste by CY 1999 and that the hazardous waste disposal budget estimates were supportable. Recommendation 1, if implemented, will improve future MoM and budget submissions to accurately reflect hazardous waste disposal volumes and costs. Recommendations 2, 3, and 4, if implemented, will ensure that historical data can be verified for the new hazardous waste MoM. A copy of the report will be provided to the senior officials responsible for management controls in the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Army, the Air Force, and Defense Logistics Agency.

Appendix B. Prior Coverage

Inspector General, DoD

Inspector General, DoD, Report No. 00-020, "Hazardous Waste Disposal Costs for the Defense Logistics Agency," October 26, 1999

Inspector General, DoD, Report No. 97-118, "Evaluation of Environmental Measures of Merit," April 7, 1997

Army

Army Audit Agency, Audit Report AA 00-110, "Hazardous Waste Disposal Volumes and Costs," December 27, 1999

Navy

Naval Audit Service, Report 044-99, "Hazardous Waste Disposal Costs," July 8, 1999

Air Force

Air Force Audit Agency, Project 99052021, "Hazardous Waste Disposal Budget Formulation," June 25, 1999

Air Force Audit Agency, Project 98052005, "Hazardous Waste Cost and Quantity Reduction," November 25, 1998

Other

The Center for Naval Analyses (CNA), Report No. CRM 98-101, "Recent Trends in Navy Hazardous Waste Disposal," September 1998

Appendix C. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Technology, and Logistics
Deputy Under Secretary of Defense (Environmental Security)
Under Secretary of Defense (Comptroller/Chief Financial Officer)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Director, Program Analysis and Evaluation

Department of the Army

Assistant Secretary of the Army (Financial Management and Comptroller)
Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Manpower and Reserve Affairs)
Naval Inspector General
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Other Defense Organization

Director, Defense Logistics Agency

Non-Defense Federal Organizations

Office of Management and Budget

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Reform
House Subcommittee on Government Management, Information, and Technology,
Committee on Government Reform
House Subcommittee on National Security, Veterans Affairs, and International Relations,
Committee on Government Reform

Department of Army Comments



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
INSTALLATIONS AND ENVIRONMENT
110 ARMY PENTAGON
WASHINGTON DC 20310-0110

NOV 3 2000

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE
(AUDITING)

SUBJECT: Army Response to Draft Proposed Audit Report on DOD Hazardous Waste
Disposal Costs (Project No. D1999CK-0061.001)

Reference your memorandum dated September 7, 2000, subject as above,
which requests Army review and comment on the draft report not later than
November 6.

The appropriate HQDA staff office has reviewed the draft report and provided
comments for your consideration for inclusion in the final report. Comments to the draft
audit report recommendation addressed to the Army are provided at the enclosure.

The Army concurs with the recommendation that we develop a policy of
hazardous waste disposal record keeping and retention of records so that historical
data can be verified.

My point of contact is Mr. Phil Huber, 703 614-9555.

Handwritten signature of Raymond J. Fatz in black ink.

Raymond J. Fatz
Deputy Assistant Secretary of the Army
(Environment, Safety and Occupational Health)
OASA(I&E)

Enclosure

Printed on Recycled Paper

October 27, 2000

Official Command Reply to DoD IG Draft Audit Summary Report on Hazardous Waste Disposal Costs (Project No. D1999CK-0061.001)

This paper provides the Army response to the draft audit Summary Report of Recommendation(s) and the estimated completion date(s), where applicable.

Recommendation: The Army Assistant Chief of Staff for Installation Management (ACSIM) develop policy for hazardous waste disposal record keeping and retain the records so that historical data can be verified.

Command Comments: The Army Office of the ACSIM (OACSIM) concurs. The OACSIM has developed draft policy for hazardous waste (HW) disposal record keeping by requiring that a single source data collection system, the Environmental Quality Report (EQR), be used for hazardous waste reporting. The quality control (QC) process in the web-based EQR requires that Army installations make corrections and/or verifications identified as necessary by their Major Command (MACOM) or this headquarters. The Army has also developed draft policy that elaborates on requirements for record retention as specified in AR200-1 (para. 5-3, b.). The Army plans an estimated March 2001 timeline for completion and implementation of final policy changes required as a result of audit report recommendations.

Department of Air Force Comments



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

23 OCT 2000

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

FROM: HQ USAF/IL
1030 Air Force Pentagon
Washington DC 20330-1030

SUBJECT: Summary Report on DoD Hazardous Waste Disposal Costs, 7 Sep 00, DoD(IG)
Project No. D1999CK-0061.001, Formerly Project No. 9CK-5021.01

This is in reply to your memorandum requesting the Assistant Secretary of the Air Force (Financial Management and Comptroller) provide Air Force comments on the subject report.

Recommendation 3: We recommend that the Air Force Deputy Chief of Staff, Installations and Logistics develop policy for hazardous waste disposal record keeping and retain the records so historical data can be verified.

AF/IL Comments: Concur. Although Air Force policy currently exists to ensure compliance with all federal and state hazardous waste requirements, we agree there is a policy void specific to record retention of baseline data relative to the DoD hazardous waste measure of merit (MoM). As a result, we recommended that the Office of the Deputy Under Secretary of Defense (Environmental Security) MoM committee prepare specific guidance on record retention of baseline data and incorporate it into the new DoD MoM criteria, expected implementation in CY 2001.

If you or the members of your staff have any questions, please call our POC, Mr. Jeff Domm, HQ USAF/ILEVQ, DSN 327-0196, e-mail: jeff.domm.@pentagon.af.mil.


RONALD L. ORR
Asst DCS/Installations & Logistics

cc:
SAF/FMPF
HQ AFCEE/EQ

Defense Logistics Agency Comments



IN REPLY
REFER TO

DSS-E

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

NOV 16 2000

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING,
DEPARTMENT OF DEFENSE

SUBJECT: Summary Report on DoD Hazardous Waste Disposal Costs, Project
No. D1999CK-0061.001, September 7, 2000

This is in response to your request for comments on the subject draft report. The report recommends that the Defense Logistics Agency develop policies for hazardous waste disposal record keeping and retain the records so that historical data can be verified. DLA concurs with this recommendation.

We expect to issue DLA policy by December 30, 2000.

MARSHALL H. BAILEY, Ph.D.
Director
DLA Support Services

Audit Team Members

The Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report.

Paul J. Granetto
Joseph P. Doyle
Deborah L. Culp
Brenda J. Pappas