

# CalRecycle 2013 Enforcement Report



California Department of Resources Recycling and Recovery

**S T A T E   O F   C A L I F O R N I A**

**Edmund G. Brown Jr.**  
Governor

**Matt Rodriguez**  
Secretary, California Environmental Protection Agency

**DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

**Caroll Mortensen**  
Director

Department of Resources Recycling and Recovery (CalRecycle)  
Public Affairs Office  
1001 I Street (MS 22-B)  
P.O. Box 4025  
Sacramento, CA 95812-4025  
[www.calrecycle.ca.gov/Publications/](http://www.calrecycle.ca.gov/Publications/)  
1-800-RECYCLE (California only) or (916) 341-6300

**DRRR-2014-1499**



To conserve resources and reduce waste, CalRecycle reports are produced in electronic format only. If printing copies of this document, please consider use of recycled paper containing 100 percent postconsumer fiber and, where possible, please print on both sides of the paper.

Copyright © 2014 by the California Department of Resources Recycling and Recovery (CalRecycle). All rights reserved. This publication, or parts thereof, may not be reproduced in any form without permission.

This report was prepared by staff of the Department of Resources Recycling and Recovery (CalRecycle) to provide information or technical assistance. The statements and conclusions of this report are those of CalRecycle staff and not necessarily those of the department or the State of California. The state makes no warranty, expressed or implied, and assumes no liability for the information contained in the succeeding text. Any mention of commercial products or processes shall not be construed as an endorsement of such products or processes.

The California Department of Resources Recycling and Recovery (CalRecycle) does not discriminate on the basis of disability in access to its programs. CalRecycle publications are available in accessible formats upon request by calling the Public Affairs Office at (916) 341-6300. Persons with hearing impairments can reach CalRecycle through the California Relay Service at 1-800-735-2929.

# Executive Summary

---

The Department of Resources Recycling and Recovery, known as CalRecycle, has a variety of enforcement responsibilities and programs established under different laws. Due to the wide range of laws CalRecycle enforces, each program has a unique set of enforcement activities and measures of performance. CalRecycle's enforcement program activities include:

- Oversight of permitted solid waste handling and disposal facilities.
- Evaluation of Local Enforcement Agency (LEA) performance to ensure permitted solid waste facilities meet standards.
- Review and approval of product stewardship/extended producer responsibility plans and annual reports for carpet, paint, and mattress product stewardship programs.
- Enforcement of standards at tire facilities, and of tire hauler and tire flow manifest requirements.
- Enforcement when cities and counties have not implemented diversion programs to achieve their per capita disposal rate.
- Enforcement when businesses do not meet minimum recycled content requirements in products.
- Enforcement when businesses do not meet product stewardship/extended producer responsibility requirements for certain product manufacturers including carpet, paint, and mattresses.
- Enforcement of reporting, recordkeeping, and operational compliance of certified beverage container collectors, recyclers, manufacturers, retailers, processors, and dealers.
- Enforcement of reporting, recordkeeping, and claim documentation for approved electronic waste (e-waste) collectors and recyclers.

CalRecycle helps protect public health and the environment by effectively and efficiently managing California's solid waste disposal and recycling efforts. The following are a few highlights from CalRecycle's 2013 programs:

- **WASTE TIRES:** A new, informal administrative procedure with in-house hearing officers replaced the more formal procedure formerly conducted through the Office of Administrative Hearings. This new process leads to quicker enforcement action and speedier resolution of cases.

- **SOLID WASTE:** Local Enforcement Agency (LEA) performance has significantly improved over the past three evaluation cycles. Nearly 90 percent of the 60 LEAs evaluated were fulfilling all or most of their duties, which is the highest level ever for the program.
- **LOCAL GOVERNMENT DIVERSION:** Nine compliance evaluation reviews are in progress. Only one local government was placed on compliance in 2013.
- **MINIMUM CONTENT:** Registration and product precertification began for product manufacturers according to the Rigid Plastic Packaging Container (RPPC) revised regulations that became effective January 1, 2013.
- **BEVERAGE CONTAINER RECYCLING:** Significantly more investigations related to fraudulent claims for reimbursement of out-of-state beverage containers were initiated and closed in 2013 over the previous year. The largest administrative case settled was an order for the owners of Paper Rush and Recycle Today to pay more than \$2 million in penalties and restitution to CalRecycle. The largest criminal case in 2013 was an accusation against Save-Us Recycling. The owner was arrested for fraudulent claims for truckloads of out-of-state beverage containers. He was ordered to pay \$516,000 in restitution and was sentenced to three years' probation and 60 days of work alternative.
- **ELECTRONIC WASTE RECYCLING:** Recyclers continue to submit properly documented claims. CalRecycle adjusted only 1.4 percent of requests for payments due to noncompliant or significantly inconsistent documentation. The compliance rate was 98.6 percent.
- **PRODUCT STEWARDSHIP/EXTENDED PRODUCER RESPONSIBILITY PROGRAMS FOR CARPET, PAINT, AND MATTRESSES:** CalRecycle hired staff for development of procedures, policies, and field inspection tools for these new product stewardship programs.

### ***Purpose and Scope of Report***

This report, which covers CalRecycle's enforcement activities for the 2013 calendar year,\* was created in part to carry out the mandate of Government Code section 12812.2. It summarizes CalRecycle's wide-ranging enforcement activities for 2013,

---

\* Accomplishments related to solid waste for previous years are provided at <http://www.calepa.ca.gov/Enforcement/Publications/EnforceRpt.htm>.

describes enforcement program elements, and highlights future directions for program improvements.

## ***Enforcement Program Overview***

Each year, California is challenged to divert or safely dispose of more than 90 million tons of solid waste, more than 40 million waste tires, more than 193 million pounds of e-waste, and more than 20 billion aluminum, glass, plastic, and bi-metal beverage containers. CalRecycle manages programs created through two landmark laws: the Integrated Waste Management Act and the Beverage Container Recycling and Litter Reduction Act. As the state's leading authority on recycling, waste reduction, and product reuse, CalRecycle is charged with overseeing numerous programs—from regulating beverage container recyclers, solid waste landfills, and tire businesses to monitoring the recycled content of newsprint and plastic containers. Protecting public health and safety, the environment, and fund integrity, as well as ensuring a level playing field for related solid waste disposal and recycling businesses, are CalRecycle's enforcement priorities.

CalRecycle's enforcement programs ensure regulated communities comply with state laws, regulations, and standards. Potential violations of regulations are wide-ranging, and almost all can result in administrative action or civil penalties; some are subject to criminal penalties. Compliance is monitored through integrated auditing, investigations, evaluations, and enforcement efforts.

When enforcing state laws, there are several approaches to achieving and maintaining compliance from the regulated community. CalRecycle focuses its resources on compliance assistance before taking formal enforcement action and imposing penalties. State laws require that CalRecycle enforcement programs have technical assistance, outreach, and training programs. Success depends on effective coordination between government and the regulated community.

Partnerships at various levels of state and local government enhance CalRecycle's enforcement activities. To effectively ensure statewide enforcement for solid waste and waste tire programs, CalRecycle certifies and/or works with LEAs whenever possible and provides ongoing assistance to the regulated community. Partnerships with stewardship organizations enable the private sector to design and manage statewide extended producer responsibility programs for their respective industries. For some enforcement and criminal prosecution activities in the beverage container and e-waste programs, CalRecycle partners with local governments and has interagency agreements with the California Department of Food and Agriculture, California Highway Patrol, Department of Justice, Department of Toxic Substances Control, and the state Attorney General's Office.

## Varying Levels of Enforcement Authority

CalRecycle has a variety of enforcement responsibilities and programs established under different laws. One of the key differences among the laws is the various levels of enforcement authority, which determine the types of enforcement activities.

CalRecycle has direct authority for enforcing requirements for:

- Tire haulers and handlers and tire processing and disposal facilities.
- Minimum recycled content programs for rigid plastic packaging containers (RPPCs), plastic trash bags, and newsprint.
- Local government (cities, counties, and CalRecycle-approved regional agencies) waste diversion programs for reaching per capita disposal targets.
- Certified beverage container recycling centers, processors, collection and drop-off programs, community service programs, and registered curbside programs.
- Product stewardship/extended producer responsibility programs for various products, including carpet, paint, and mattresses.

CalRecycle has oversight authority over:

- Solid waste handling, processing, and disposal facilities. CalRecycle has the ability to take direct enforcement authority if LEAs do not choose to do so, or if they are not adequately performing enforcement duties at solid waste handling, processing, and disposal facilities.

## Scope of Program and Goals

Each program has a unique set of enforcement activities and measures of performance due to the wide range of laws CalRecycle enforces. CalRecycle's enforcement program ensures that:

- Solid waste and waste tire processing and disposal facilities are regularly inspected and, if appropriate, facility operators are required to take corrective action; if they fail to carry out the corrective action, they may be penalized.
- Waste tire haulers are registered and, if appropriate, may be penalized or their registration may be revoked, suspended, or denied.
- Local governments not making a good-faith effort to implement their diversion programs are evaluated and placed on compliance orders. If they fail to meet the terms of the compliance order, they may be penalized.
- Beverage container recycling centers are operating within the law and regulations; claims for program payment reimbursement are accurate, complete, and fully substantiated; material redeemed at recyclers is eligible for

reimbursement; and recyclable material imported from out of state or previously redeemed is not illegally redeemed for reimbursement.

- Minimum content program participants, including those in the rigid plastic packaging container program, are either certified as in compliance with regulatory requirements or penalized.
- All LEAs are properly certified, designated, and evaluated, and if warranted, placed on work plans; if they fail to meet the work plans they may be decertified.
- Covered electronic waste that is recovered for recycling is eligible for reimbursement, compliantly processed, and properly disposed.
- Product stewardship program plans are reviewed for compliance with statute in order to maintain a level playing field among manufacturers. In addition, product manufacturers are listed, and if appropriate, may be penalized for non-compliance.

## Program Descriptions and Enforcement Activity Data

---

### *Waste Tire Enforcement*

#### **Program Highlights**

- A new, informal administrative process with in-house hearing officers was implemented, replacing more formal hearings formerly conducted through the Office of Administrative Hearings. This new process became effective in January 2013 as a result of legislation (AB 1647, Gordon, Chapter 534, Statutes of 2012) and leads to quicker enforcement action and speedier resolution of cases. The first in-house hearing was conducted in December.
- The penalty ceiling threshold for the hauler streamlined penalty program was increased from \$5,000 to \$10,000, which will enable staff to resolve more cases. The streamlined hauler enforcement process generally saves \$5,000 or more per case.

- CalRecycle’s streamlined enforcement, registration, and compliance structure has documented improved compliance by 1,467 registered waste tire haulers in California.

## **Program Description**

Waste tires are regulated to protect the environment and public health and safety, and to provide a level playing field for California businesses engaged in the collection, authorized disposal, or diversion of waste tires. CalRecycle was given direct authority in 1990 to enforce laws and regulations related to the storage, handling, and disposal of waste tires. The Waste Tire Manifest System tracks the flow of tires within California and helps to ensure that tires are accounted for and delivered to authorized disposal or processing facilities by registered haulers. Staff began development of an upgrade to the WTMS to facilitate electronic batch submittal of inspection reports and will work with local Tire Enforcement Agency (TEA) staff to continue the transition to electronic reporting. The WTMS is used to document compliance with waste tire laws by generators, haulers, and end-use facilities, and, as such, serves as an integral component of CalRecycle’s enforcement program.

Enforcement efforts focus on two related fronts: waste tire haulers and handlers, and waste tire storage and processing facilities. For haulers and handlers, the streamlined penalty program enables CalRecycle to pursue vigorous enforcement of the registration and manifest requirements based upon a zero-tolerance compliance strategy adopted in early 2007. For storage and processing facilities, aggressive and progressive enforcement assures compliance with permit conditions and state minimum standards. Effectively tracking waste tires moving through the system deters illegal dumping and stockpiling. If illegal dumping or stockpiles are identified, close collaboration with CalRecycle cleanup programs accelerates cleanup activities.

## **Tire-Related Businesses: Haulers, Generators, and Permitted Facilities**

Waste or scrap tires are generated by tire-related businesses; transported by registered haulers to waste tire facilities for storage or discard; and then sent to disposal facilities, processors, and recycling businesses. These businesses produce tire-derived products for roads, athletic turf, playground mats, mulch, and fuel for power generation, to name a few uses of scrap tires. Cement kilns receive whole tires directly from haulers.

In 2013, the regulated community expanded in all categories and included approximately 30,820 California waste tire-related businesses, including:

- 29,353 waste tire-related businesses, including tire or car dealers, fleet operators, repair shops, dismantlers, cement kilns, agriculture, and other businesses, that are excluded or exempt from permits due to the number of tires stored on-site.

- 1,467 registered waste tire haulers.
- 44 permitted waste tire facilities (35 minor facilities and nine major facilities).

### **Tire Hauler and Manifest System: Streamlined Enforcement Process**

Any person transporting 10 or more used or waste tires must register with CalRecycle as a waste tire hauler. Registered haulers display an identification decal in the lower right corner of the windshield. Registrations expire at the end of each calendar year, and renewal packages are sent out in early October. CalRecycle is developing an online portal to streamline the annual registration renewal process and enable waste haulers to manage their registered vehicle and other operational information.

Transactions between the waste tire generator, hauler, and storage facility are documented on a manifest form. Haulers have the option of submitting manifest information electronically or by mail. Inspections of registered haulers occur at least once every two fiscal years but may be more frequent. In addition to field inspections, CalRecycle conducts office-based monitoring and evaluation of haulers.

Civil penalties for violations of waste tire hauling and manifesting requirements are \$25,000 per violation per day, and the maximum administrative penalties are up to \$5,000 per violation per day (PRC Section 42962). For some violations, such as those that are noncontroversial or involve potential administrative complaint penalties of less than \$10,000, an abridged administrative hearing process or “streamlined penalty program” has been used since 2008. Essentially, a lower penalty is offered to the violator in lieu of prosecution through the more lengthy administrative complaint process.

Under the streamlined penalty program, a penalty letter details the violation and provides two options for the violator: Pay a reduced penalty amount based on pre-approved criteria and do not contest the findings, or contest the findings at a hearing in which CalRecycle will ask the administrative law judge to assess significantly higher penalties. If the violator accepts the reduced penalty offer, CalRecycle issues a stipulated decision and order. When the violator signs and returns the notice with payment, the decision is final.

Since the program started in 2008, more than 95 percent of the streamlined penalty offers have been accepted. The remaining cases, for more severe violations, were prosecuted under the administrative hearing process. Staff has been able to prosecute a significantly higher number of cases using the streamlined penalty process than would have been possible utilizing the administrative hearing process alone. The streamlined penalty process has saved more than \$2 million in legal costs based on an average of \$5,000 per administrative complaint (i.e., travel, court fees, attorney fees, etc.). Civil and criminal actions are reserved for egregious violations and repeat offenders.

## **Permitted Tire Facilities: Progressive Enforcement**

Waste tires should be delivered by registered haulers to authorized waste tire facilities. Persons intending to store 500 or more waste tires need a permit to operate. There are two categories of facilities based on the number of tires stored on-site: minor waste tire facilities, which accumulate or store 500 to 4,999 waste tires; and major facilities, which store 5,000 or more waste tires. Compliance is monitored through regular inspections. Permit renewal time frames are strictly monitored and enforced. As permits are renewed, improvements are made in the clarity and extent of permit conditions, making it easier for the regulated community to remain in compliance.

Regular inspections provide early identification of problems related to the proper storage of waste tires. Operating without a waste tire facility permit is a misdemeanor punishable with a fine up to \$10,000 per day and/or up to one-year imprisonment in county jail. If a tire business is out of compliance, the inspector issues a notice of violation and specifies a compliance date. In most cases, the business corrects the problem. However, if the violation is not resolved after a re-inspection, or a good-faith effort is not observed, the inspector initiates formal enforcement action, which may include cleanup and abatement orders, administrative complaints, and/or civil or criminal actions.

Administrative complaints are prepared by the CalRecycle legal staff to ensure uniformity of enforcement. Criminal actions for egregious violations and repeat offenders are referred to the local district attorney or state Attorney General's Office. Unlike the hauler and manifest program, a cleanup and abatement order must be issued before the streamlined penalty process can be used for waste tire facility violations. The informal rulemaking process began in early 2011 and continued through 2012 to replicate the successful waste tire hauler streamlined penalty process for waste tire facilities and to clarify enforcement penalty criteria. Using the streamlined penalty approach is expected to reduce the number of repeat violations and administrative complaints for facilities.

## **In-House Administrative Hearings**

In 2013, CalRecycle implemented a new, informal administrative hearing process to adjudicate administrative complaints for waste tire storage and hauling violations. This informal process became effective in January 2013 as a result of legislation (AB 1647, Gordon, Chapter 534, Statutes of 2012). Using in-house hearing officers rather than scheduling formal hearings at the Office of Administrative Hearings expedites enforcement actions and resolutions.

## Local Tire Enforcement Agencies (TEAs) Enhance Statewide Enforcement

Prior to 2002, most tire enforcement was conducted by five CalRecycle field staff members and focused on cases identified through complaints and referrals from other agencies. To more effectively provide statewide enforcement coverage, CalRecycle now provides funding for 46 local tire enforcement agencies wherever possible, with CalRecycle staff addressing “gap” areas. Approximately 76 percent of active waste tire sites are covered by CalRecycle-designated local enforcement entities. CalRecycle provides ongoing assistance and funding to TEAs and oversees enforcement statewide to ensure applicable state laws are enforced consistently.

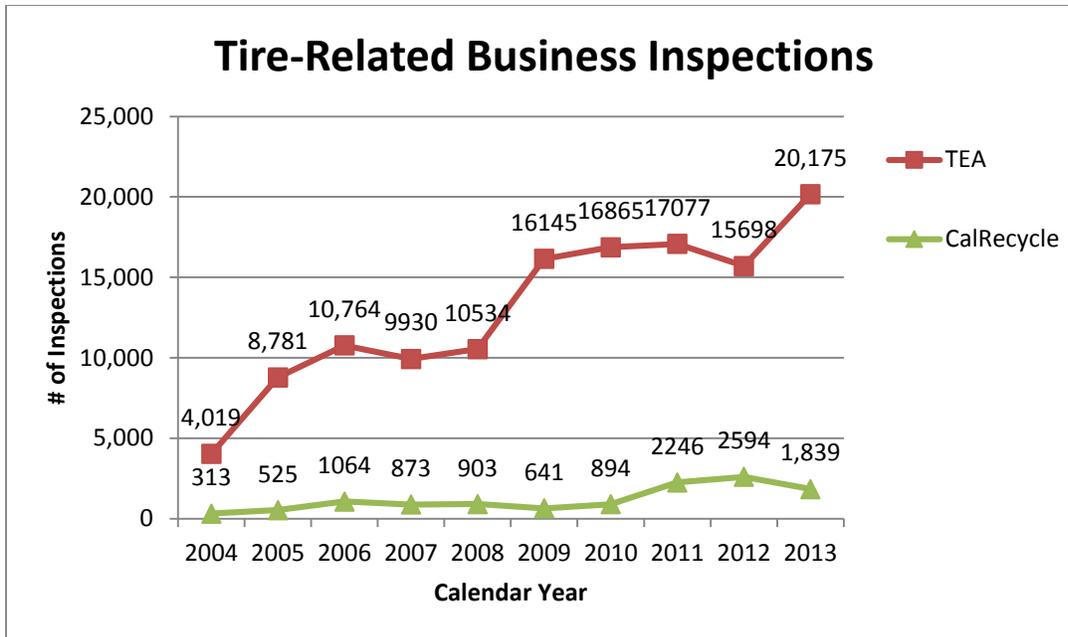
Grant funding supports the activities of 46 cities/counties for waste tire enforcement. Eligible county and city jurisdictions use grant funds to support their tire enforcement activities. These TEA grantees perform initial and follow-up inspections for all waste tire businesses in their jurisdiction and issue violation notices. They also identify waste tire sites, investigate illegal tire disposal activities, review waste tire hauler documents, and determine whether businesses are complying with all applicable laws, storage standards, and manifest requirements. As a direct result of the waste tire enforcement grants, local agencies have a much more vital and expanded role in enforcement.

### Enforcement Activity Data

#### Inspections

Waste tire facility, hauler, and generator inspections are conducted by either TEA or CalRecycle staff at regular intervals to ensure compliance with state standards. Permit conditions are also reviewed for waste tire facilities.

In 2013, 22,014 inspections were conducted statewide (**Figure 1**). TEAs conducted 20,175 inspections in 2013 which was 20 percent more than in 2012 and the most in any year to date. As the number of TEA grantees increased and inspectors gained experience, more tire businesses were inspected with greater frequency. CalRecycle staff conducted 1,839 inspections, approximately 29 percent less than in 2012. In 2013, CalRecycle staff participated in several lengthy, complex enforcement cases, which consumed a higher percentage of staff time than in 2012 and resulted in a decrease in the number of facility inspections they were able to perform. CalRecycle staff follow up on all enforcement activities, on a priority basis, for waste tire violations documented by TEA grantees that are not satisfactorily corrected using the initial Notice of Violation process.



**Figure 1.**

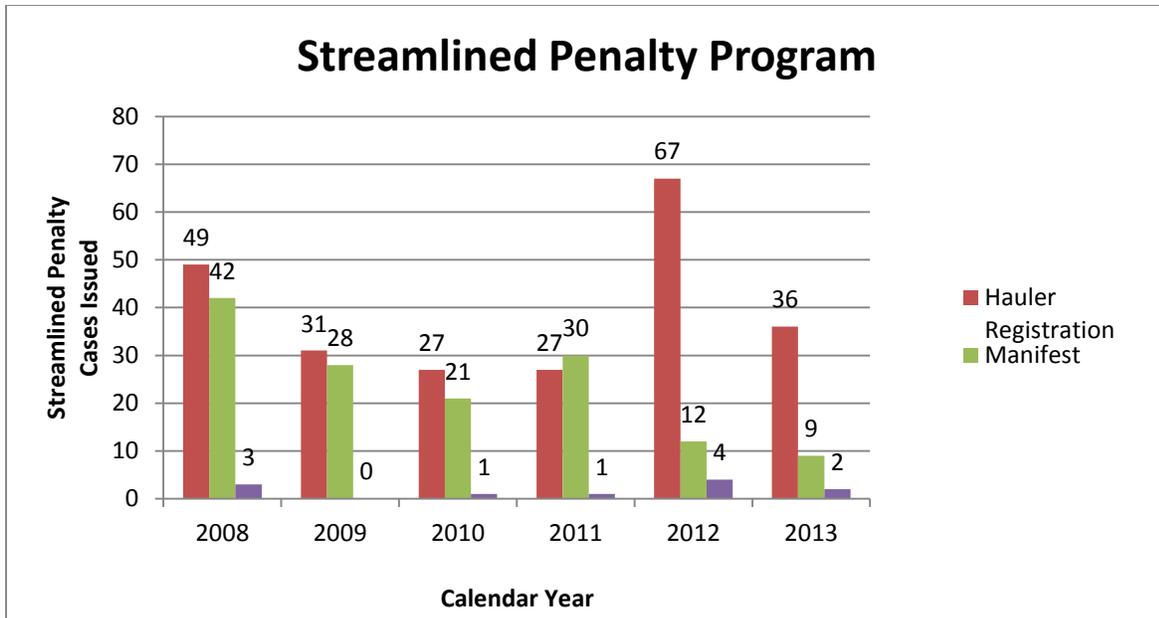
**Enforcement Action: Waste Tire Hauler Registration and Manifest**

Enforcement actions for waste tire haulers include both streamlined penalties and administrative hearings.

In the summer of 2011, CalRecycle became aware of issues related to baled waste tires, and hauler violations associated with baled waste tires increased significantly during 2012. In 2013, violations decreased significantly, in part as a result of changes in export market demand for waste tires and increased industry awareness of prior enforcement efforts related to haulers transporting tires to unauthorized locations. Forthcoming changes in waste tire regulations, such as manifest requirements for hauling waste tires to port facilities for export and clarified definitions regarding waste tire collection locations, will also address these issues.

**Streamlined Penalty and Administrative Complaint Cases**

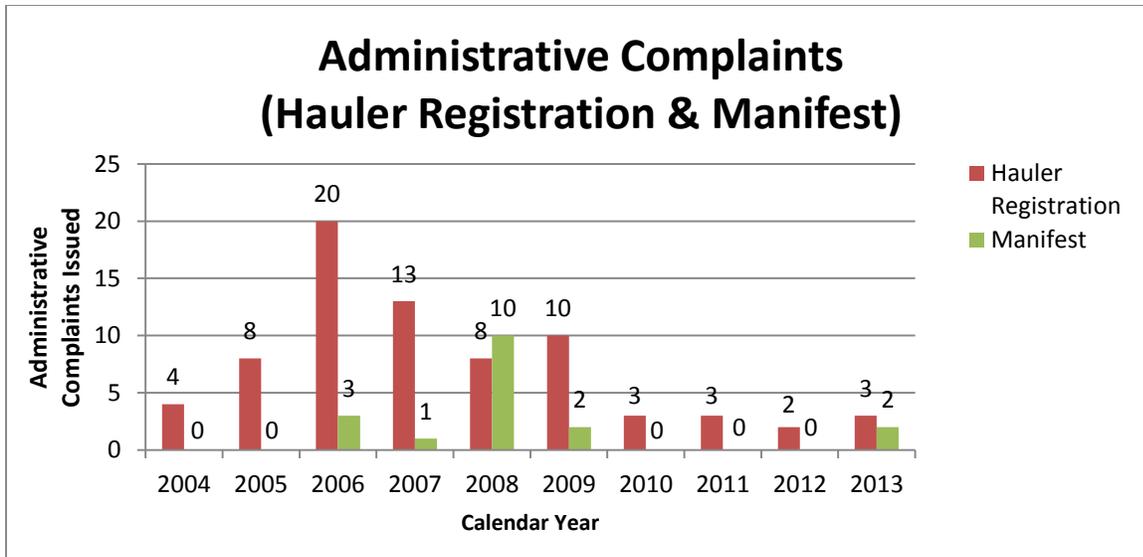
Some violations (noncontroversial, involving potential administrative complaint penalties less than \$10,000) can be resolved through an abridged administrative hearing process or “streamlined penalty program.” Essentially, a lower penalty is offered to the violator in lieu of prosecution through the more lengthy and costly administrative complaint process. The following charts compare enforcement cases resolved using both processes.



**Figure 2.**

The streamlined penalty process was used for 36 hauler registration penalty cases, nine manifest cases, and two combinations (hauler registration and manifest) in 2013. This represents a nearly 50 percent decrease in hauler penalties in 2013 (**Figure 2**).

In 2013, the number of administrative complaints remained relatively stable for hauler registration and manifests with only three hauler registration complaints (**Figure 3**). Similar to last year, two sites were issued administrative complaints in 2013 due to the tire baling and export issues discussed earlier. The sites illegally accepted tires before they were permitted as tire facilities.



**Figure 3.**

#### Enforcement Action: Permitted Waste Tire Facilities

If a permitted waste tire facility is out of compliance, the inspector issues a notice of violation (NOV) and specifies a compliance date. In most cases, the business corrects the problem. However, if the violation is not resolved, the inspector initiates formal enforcement action. Unlike the hauler and manifest program, a cleanup and abatement order must be issued before the streamlined penalty process for waste tire facility violations can be used. Regulatory changes to replicate the successful streamlined penalty process for waste tire facilities is underway. Use of streamlined penalties is expected to reduce the number of repeat violations and administrative complaints once the regulations have been revised and are in effect.

**Figure 4** summarizes notices of violation and significant enforcement actions taken by CalRecycle against permitted waste tire facilities. In 2013, nine NOVs were issued, while four were issued in 2012. Two enforcement actions (cleanup and abatement orders) were taken in 2013.



Figure 4.

## Solid Waste Facilities Enforcement

### Program Highlights

- Local Enforcement Agency (LEA) performance has continued to improve over the past three evaluation cycles. Nearly 90 percent of the LEAs were fulfilling all of their duties, which is the highest level for the program.
- The number of violations issued to facilities in 2013 continued its' downward trend for the second year in a row, particularly at transfer stations.

### Program Description

Solid waste enforcement programs protect public health and safety and the environment and ensure a level playing field for solid waste disposal-related businesses. In contrast to waste tire enforcement, CalRecycle has oversight authority for solid waste handling, processing, and disposal facilities/operations. Direct authority resides with LEAs to ensure that facilities/operations are operated correctly. CalRecycle has the ability to

take direct enforcement if LEAs do not choose to, or are not adequately performing enforcement duties.

In addition to CalRecycle, the State Water Resources Control Board, the Air Resources Board, and Department of Toxic Substances Control each have regulatory authority over specific aspects of solid waste disposal and handling. CalRecycle regulations do not duplicate or conflict with other agency requirements regarding hazardous waste or the protection of water and air quality. However, CalRecycle has authority over odor compliance at compost facilities. The permitting and enforcement requirements take the shared responsibility into account. The environmental agencies are required to notify each other when they observe violations or when they issue enforcement orders under their own authority that may also constitute violations of requirements under other agencies' authorities.

CalRecycle's regulation of solid waste facilities includes:

- Reviewing permitting and closure/post-closure documents.
- Inspecting facilities to ensure state standards and permits are effectively implemented.
- Enforcing state standards and permit conditions in addition to, or in lieu of, the LEA.
- Taking appropriate enforcement action if the LEA fails to do so.
- Certifying and evaluating LEAs.

### **State and Local Governments Work Together**

Enforcement at active and closed solid waste facilities is conducted in partnership between local and state government. LEAs have primary responsibility for ensuring that facilities within their jurisdiction operate according to state minimum standards and permit conditions. They are designated by their local governing bodies and certified by CalRecycle to implement solid waste handling and disposal regulations. LEAs make sure facilities are properly permitted and inspected to remain in compliance with state minimum standards or permit conditions. If facilities are not in compliance, LEAs take progressive enforcement action to remedy violations according to state statute, standards, and regulations as described in their approved Enforcement Program Plan (EPP), which CalRecycle approves. The EPP describes the progressive process the LEA must follow when taking enforcement action.

There are 60 LEAs statewide; their activities are funded through a mix of local funding and annual state grants. CalRecycle-certified LEAs cover all but seven jurisdictions: the cities of Berkeley, Stockton, and Paso Robles; and the counties of San Benito, San Luis Obispo, Santa Cruz, and Stanislaus. CalRecycle acts as the LEA in those seven areas.

Although each LEA is responsible for its jurisdiction, CalRecycle works with LEAs to ensure that state laws are consistently and equitably enforced. To ensure state programs are implemented effectively, CalRecycle:

- Provides training, technical assistance, support, and guidance to LEAs.
- Conducts pre-permit inspections for all facilities.
- Reviews monthly LEA inspection reports.
- Conducts 18-month inspections for all active landfills.
- Publishes a list (inventory) of facilities with chronic violations.
- Acts as the enforcement agency if no local agency is designated.
- Certifies and evaluates the LEAs and their enforcement plans.

CalRecycle has the following authority if the LEA fails to inspect facilities or appropriately enforce state standards and permit conditions:

- Place the LEA on a work plan or probation.
- Take direct enforcement action.
- Decertify a portion of or the whole LEA program.
- Take other measures as necessary.

### **Compliance Targeting Strategy**

CalRecycle achieves statewide compliance by working with the LEAs and providing guidance and direct assistance. The intent is to deter and prevent problems through all available means before taking formal enforcement action. The [Compliance Targeting Strategy](#) (December 2007) builds upon principles developed collaboratively by the LEAs and CalRecycle, and it provides direction for CalRecycle staff on how to monitor compliance and address cases such as:

- Failure by the LEA to conduct required inspections or to adequately assess state minimum standards.
- Chronic violations for which the LEA has not issued a Notice and Order or Compliance Schedule.
- Multiple enforcement orders with little or no progress.

### **Elements of the Solid Waste Inspection and Enforcement Program**

#### Inspections

Routine, unannounced inspections ensure that active and closed facilities and operations comply with applicable state minimum standards and permit conditions. The inspector reviews the site and records for compliance with all standards for the particular facility type, and issues an inspection report based on the finding. If the facility is not in compliance, the inspector documents this on the inspection report with

sufficient details regarding the findings and the violation. Inspectors submit inspection reports electronically to a statewide database. Frequent inspections allow early detection of noncompliance.

CalRecycle also conducts periodic inspections of landfills every 18 months and all facility types prior to a permit action. These oversight inspections allow CalRecycle to ensure consistent enforcement of statutes and regulations. When resources allow, CalRecycle conducts additional, discretionary inspections of active facilities and operations.

### Compliance Activities

Compliance activities begin with documentation that facility operators are fully aware of the operational and permit requirements for their facility. If a violation is noted, it is reported to the operator. Technical assistance is provided, and reasonable time is given to correct the violation.

### Enforcement Action

If violations are not corrected, formal enforcement action is taken. All formal enforcement actions begin with the issuance of an enforcement order. The order describes the issues that must be addressed and compliance steps required, as well as the penalty or consequences if compliance is not achieved. After notifying the operator of a violation, the LEA has the authority to issue a Corrective Action Order and/or a Cease and Desist Order. If an operator fails to comply with the order, the LEA may seek the remedies stated in the order. Remedies available to the LEA include pursuing administrative civil penalties not to exceed \$5,000 for each day of violation; petitioning the Superior Court to enjoin the violation or impose civil penalties not to exceed \$10,000 for each day of violation; or suspending or revoking the permit and pursuing criminal penalties.

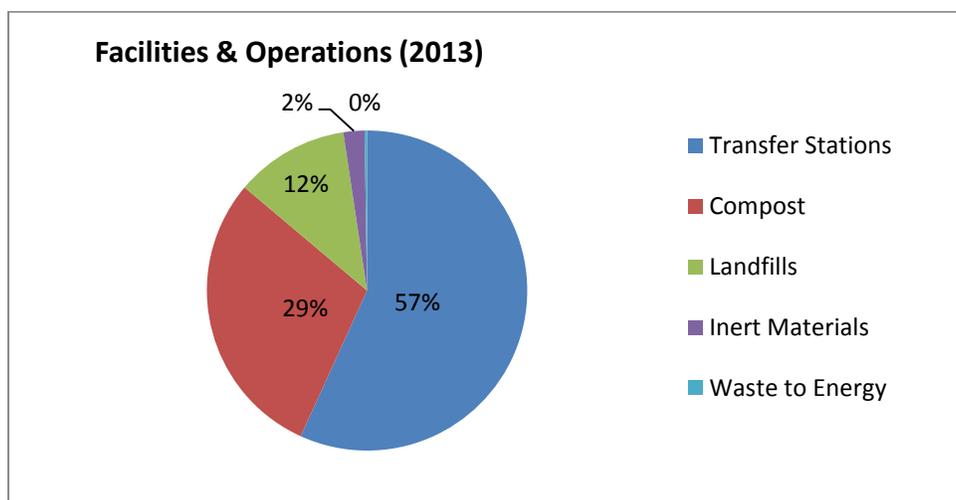
CalRecycle publishes two lists on the CalRecycle website generated from the Solid Waste Information System database. The “Inventory” lists facilities that repeatedly violate state minimum standards. After two consecutive violations of the same standard are noted on an inspection report, CalRecycle issues a Notice of Intent advising the landfill operator of CalRecycle’s intent to list the facility on the inventory if the violations are not corrected within 90 days. If the violation is not corrected and documented in an inspection report, CalRecycle lists the facility on the Inventory and informs the operator. The LEA is required to develop a compliance schedule, which is typically in the form of an enforcement order. In addition to the inventory list, CalRecycle publishes all current enforcement orders on the website.

Facilities on the inventory require additional oversight and receive enhanced compliance assistance from the LEAs. CalRecycle works closely with the LEA to develop a strategy to bring facilities into full compliance.

## Solid Waste Disposal Facilities and Operations

In 2013, California's solid waste disposal infrastructure included 556 permitted active solid waste facilities and 664 active authorized operations. Operations are distinguished from facilities in that they do not require a permit; however, they do require a notification that is sent to the LEA. Operations are inspected less frequently as they generally pose less environmental risk than does a facility. The types and number of 1,220 active facilities and operations are as follows (**Figure 5**):

- Active permitted facilities (556)
  - 313 waste transfer and processing facilities
  - 100 composting facilities
  - 140 disposal facilities (or landfills)
  - 3 waste-to-energy (transformation) facilities
- Authorized operations (664)
  - 380 waste transfer and processing facilities
  - 258 composting facilities
  - 26 disposal (inert materials) facilities.



**Figure 5.**

## Enforcement Activity Data

### Inspections

Facilities and operations are inspected regularly to allow early detection of noncompliance with regulations, state minimum standards, and permit conditions (facilities only).

**Figure 6** summarizes inspections performed by the enforcement agency—either the local enforcement agencies or CalRecycle (for seven cities and counties with no designated LEA). During 2013, 13,413 inspections were conducted, which is the most in the last decade. The overwhelming majority of these regular inspections are conducted by the LEAs, as they perform inspections in 95 percent of the counties. During 2013 LEAs conducted 12,864 inspections and CalRecycle conducted 549.



**Figure 6.**

### Violations Cited

Over the past several years, the total number of violations cited has continued to decline. In 2013, there were 796 violations cited at active, permitted facilities, which was 10percent less than in 2012.

**Disposal Facilities (Landfills):** The top two violations in 2013, *Gas Monitoring and Control* and *Operator Compliance with Permit Terms and Conditions*, were the same as in 2011 and 2012 (**Figure 7**). Of the 380 violations cited in 2013, approximately 30 percent were for *Gas Monitoring and Control*, although both the number of gas violations and the percentage of total violations continues to decrease each year. Violations for *Operator Compliance with Permit Terms and Conditions* increased by 50 percent in 2013 compared with 2012. *Report of Disposal Site Information* remained in the top five with a similar number of violations as last year. New to the top five for 2013 were *Litter Control* as the third most frequently cited violation, and *Closure Plan*, which tied for fourth.

Top 5 Landfill Violations	Violation Category
111	Gas Monitoring and Control
85	Operator Compliance with Permit Terms and Conditions
27	Litter Control
20	Report of Disposal Site Information
20	Closure Plan

**Figure 7.**

**Compost Facilities:** Of the 193 violations at compost facilities, *Operator Compliance with Permit Terms and Conditions* returned to the top of the list in 2013 as the most frequently cited violation for compost facilities (**Figure 8**). It topped the list in 2011 and was a close second in 2012. *Vectors, Odor, Litter, Etc.* continues to be an issue at compost facilities, although there were a third fewer violations noted in 2013 compared to 2012. Still, it remains in the “top two” for the second year in a row. A related violation, *Odor Impact Minimization Plan*, which moved into the top five for the first time in 2012, was not one of the top five violations noted for 2013. *Fire Prevention* violations decreased significantly in 2012 and dropped to the bottom of the list in 2013 with a similar number of violations in both years. New to the 2012 list of top five violations were *Operator Authorized by Solid Waste Facility Permit* and *Inspection of Records*, with 12 and 11 violations respectively. *Leachate Control* and *General Design Requirements* dropped off the top five list.

Top 5 Compost Violations	Violation Category
26	Operator Compliance with Permit Terms and Conditions
22	Vectors, Odor, Litter, Etc.
12	Operator Authorized by Solid Waste Facility Permit
11	Inspection of Records
9	Fire Prevention

**Figure 8.**

**Waste Transfer and Processing Facilities:** The total number of violations at these facilities decreased by one third in 2013 after a significant increase in 2012. There were 223 violations in 2013, which was similar to transfer/processing facility violations in 2011. Although the number of violations decreased, the top five categories in 2013 were unchanged from 2012. The majority of the transfer/processing violations continue the trend of the past several years and relate to facility permits rather than state minimum standards. *Operator Compliance with Permit Terms and Conditions* remained the most common violation category, although it decreased by almost half compared to 2012. *Operator Authorized by Solid Waste Facility Permit* violations remained the second most frequently cited violation. *Solid Waste Removal, Maintenance Program* and *Load Checking* rounded out the top five categories for 2013, just as they did in 2012 (**Figure 9**).

Top 5 Transfer Station Violations	Violation Category
45	Operator Compliance with Terms and Conditions
23	Operator Authorized by SWF Permit
14	Solid Waste Removal
13	Maintenance Program
9	Load Checking

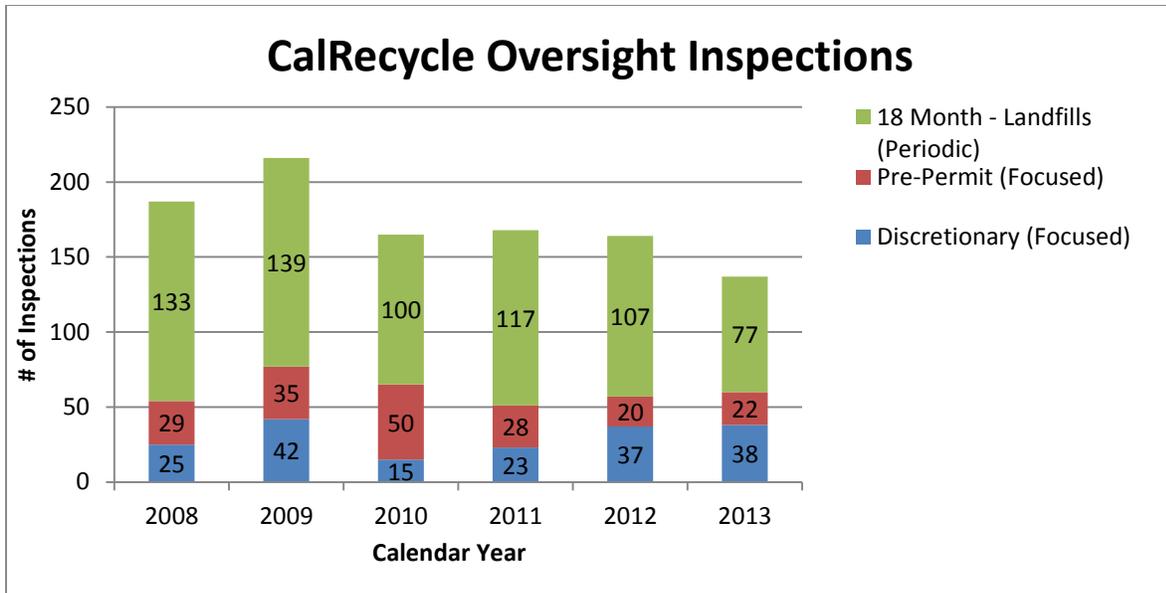
**Figure 9.**

### CalRecycle Oversight Inspections

CalRecycle conducts three types of oversight inspections to evaluate LEAs and ensure consistent application of standards and regulations to protect the public safety and environment as required by statute:

- Eighteen-month inspections at landfills.
- Pre-permit inspections to ensure that state minimum standards are met at facilities applying for permits.
- Discretionary/focused inspections at all facility types.

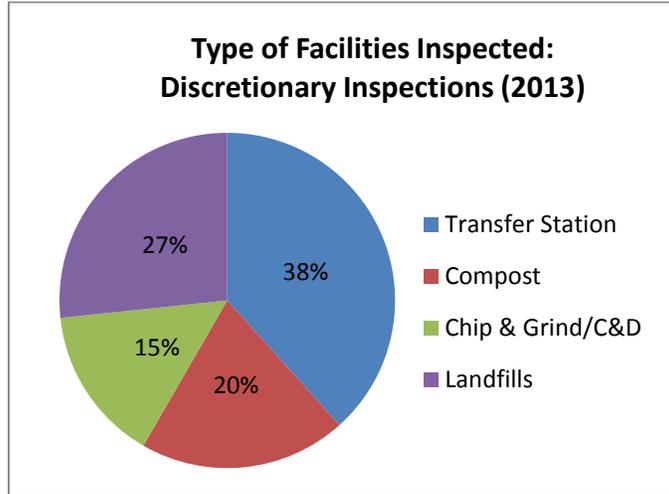
In 2013, CalRecycle conducted 137 oversight inspections, fewer than in previous years (**Figure 10**). However, the relative proportion of types of facilities inspected was approximately the same. Just over half of the oversight inspections (77) were the 18-month (periodic) inspections of landfills. Pre-permit inspections accounted for 16 percent of the total oversight inspections (22). Just over one quarter of oversight inspections (38) were discretionary/focused inspections. (Note: Inspections of closed facilities are not included in these totals.)



**Figure 10.**

**Discretionary (Focused) Inspections:** In 2008, CalRecycle began conducting additional inspections beyond the 18-month and pre-permit inspections. These discretionary inspections address other mandates associated with effectively evaluating the LEAs and ensuring that state minimum standards are met. CalRecycle conducted 60 discretionary inspections in 2013.

In contrast to the statutorily required 18-month landfill inspections, **Figure 11** shows that discretionary inspections were conducted at all facility types: compost; chip and grind; construction and demolition; transfer stations/materials recovery facilities; and landfills. The majority of discretionary inspections were conducted at transfer stations/MRFs as they represent the majority of facilities/operations statewide.



**Figure 11.**

### Enforcement Actions

Noncompliance with state standards and permit conditions is tracked in several ways by CalRecycle. The [Inventory of Facilities Violating State Minimum Standards](#) lists solid waste facilities with chronic violations of one or more state minimum standards for solid waste handling and disposal. Issued enforcement orders are also tracked.

**Figure 12** summarizes enforcement actions taken against facilities that chronically violate state minimum standards and/or permit conditions.



**Figure 12.**

Sixteen facilities received Notices of Intent to List on the Inventory during 2013 for repeated violations of state minimum standards. Listing is triggered by at least one violation of state minimum standards for two consecutive months. These figures continue to decline compared to 2010, when the number of listings was higher as a result of new regulations to protect against explosive landfill gas migration.

Four facilities were listed on the Inventory in 2013. In contrast to the last several years, operators did not implement the changes needed to reach compliance within the 90-day time frame. However, most had done so by the end of December 2013, as only two facilities listed during the year remained on the Inventory.

Another means of tracking compliance is by the number of facilities that are under active enforcement orders. Enforcement orders include Cease and Desist Orders, Notices and Orders, compliance schedules, stipulated Notices and Orders, and Penalty Orders. During 2013, 32 solid waste facilities, primarily landfills, were under enforcement orders, but not all were issued in 2013.

## LEA Evaluations: Significant Improvement Continues

Each LEA is evaluated by CalRecycle every three years, and an evaluation cycle takes three years to complete. Staff members apply standards outlined by statute to ascertain whether the LEA has:

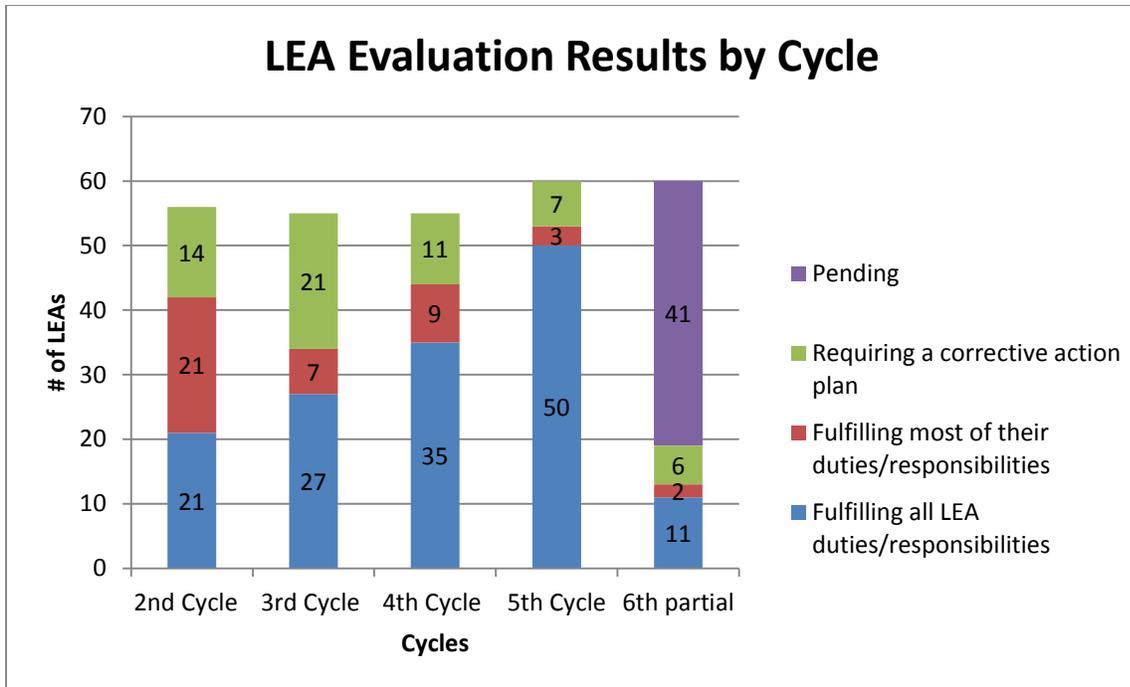
- Consistently enforced statutes and regulations pertaining to solid waste handling and disposal.
- Implemented its CalRecycle-approved Enforcement Program Plan, or EPP.
- Complied with certification requirements related to staffing adequacy, technical expertise, budget resources, training, and EPP processes.

An LEA is not fulfilling its duties if there is a finding that it has:

1. Failed to exercise due diligence in the inspection of solid waste facilities and disposal sites.
2. Intentionally misrepresented the results of inspections.
3. Failed to prepare permits, permit revisions, or closure and post-closure maintenance plans.
4. Approved permits, permit revisions, or closure and post-closure maintenance plans that are not consistent with Part 4 and Part 5 of the Public Resources Code.
5. Failed to take appropriate enforcement actions.
6. Failed to comply with, or taken actions that are inconsistent with or unauthorized by, statute or regulations.

In addition to these findings, LEAs are evaluated on whether they have updated their EPP, have adequate staffing, and have appointed a hearing panel or officer.

LEA performance has steadily and significantly improved over the past decade. As **Figure 13** shows, the number of LEAs fulfilling all of their duties is steadily increasing.



**Figure 13.**

The most recent completed cycle, the fifth cycle, began in 2010 and was completed in 2013. Between the fourth and fifth evaluation cycles, the number of LEAs increased from 55 to 60, resulting in some agencies supervising fewer jurisdictions than they had before.

The sixth cycle began in 2013 and should be completed by the end of 2016. In 2013, 19 evaluations were completed. Of those, 13 were fulfilling all or most of their responsibilities while six required a corrective action plan.

As shown in the chart, 85 percent (50) of the LEAs were fulfilling all their responsibilities during the fifth cycle. This represents the highest number of LEAs fulfilling all responsibilities during the last decade. Seven LEAs required corrective action work plans during the fifth cycle. Of those, four LEAs corrected their deficiencies outlined in the work plan by the end of 2013; one LEA corrected its deficiencies after an administrative conference agreement, and two are making progress on correcting their deficiencies.

## ***Local Government Diversion Enforcement***

### **Program Highlights**

- Compliance evaluation reviews are in progress for the nine local government diversion programs that were referred for review.
- All three local governments that were on compliance orders during the year fulfilled their obligations and were removed from compliance in 2013. Only one local government, Calaveras County, was placed on a compliance order during 2013.

### **Program Description**

CalRecycle has direct authority for the evaluation and enforcement of requirements for local government waste diversion (cities, counties, and regional agencies). The goal is to minimize waste and maximize diversion of materials from landfills through waste prevention, recycling, and composting. Local governments develop plans and implement programs (source reduction, composting, and recycling) to divert 50 percent of waste disposed (based on 2000 figures).

CalRecycle's enforcement role is to:

- Conduct compliance evaluations of local government diversion programs to determine if they are failing to implement their unique diversion programs or failing to make progress in meeting their unique per capita disposal targets; and
- Monitor noncompliant local governments as they implement their corrective action plan to come into compliance with diversion requirements.

### **Regional Programs Reduce Costs**

There are approximately 540 cities and counties in California that are required to plan and implement diversion programs to achieve 50 percent diversion goals. In order to reduce program and reporting costs, as well as to improve accuracy of measurements by reducing complex boundaries, cities and counties are allowed to join regional agencies. Because many cities and counties have joined regional agencies, in 2013 there were 413 local government programs reporting in response to these requirements.

### **Actual Per Capita Disposal Provides More Timely and Accurate Information**

The compliance evaluation review process was adjusted to reflect the per capita disposal measurement system from Senate Bill 1016 (Chapter 343, Statutes of 2008), which changed the measurement system from estimated diversion to actual per capita

disposal. The new system accounts for local growth by relying on per capita disposal as an indicator. As residents or employees increase, report-year disposal tons can increase and still be consistent with the 50 percent per capita disposal target.

Through this system, each local government's compliance will continue to be evaluated on a case-by-case basis. Local governments will not be compared to other local governments or the statewide average. Instead, each will have its own 50 percent per capita disposal target. These 2008 changes to the law enabled local governments and CalRecycle to obtain more timely and accurate information on reductions in tons disposed. These changes also focused efforts on diversion program implementation and make compliance determinations easier.

### **Compliance Review Process**

Local governments submit an annual report on the implementation of their diversion plans to CalRecycle. CalRecycle reviews each local government's progress in implementing its unique waste diversion programs. As a result of that review, some local governments may be referred for compliance evaluation reviews.

After conducting the compliance evaluation review, there are three possible outcomes. CalRecycle can determine that the local government:

- Met its unique per capita disposal targets.
- Made a good-faith effort to implement its diversion programs.
- Failed to make a good-faith effort to implement its diversion programs.

When local governments fail to make a good-faith effort, CalRecycle holds a hearing to determine whether to place the local government on a compliance order, which directs the local government to develop a plan outlining specific steps and deadlines to bring it into compliance. CalRecycle monitors the local governments on compliance orders. If a local government fails to meet the compliance order requirements, a public hearing is held to determine whether it is subject to penalties of up to \$10,000 per day.

### **Enforcement Activity Data**

#### Compliance Evaluation Reviews

Calaveras County Regional Agency's evaluation continued into 2013.

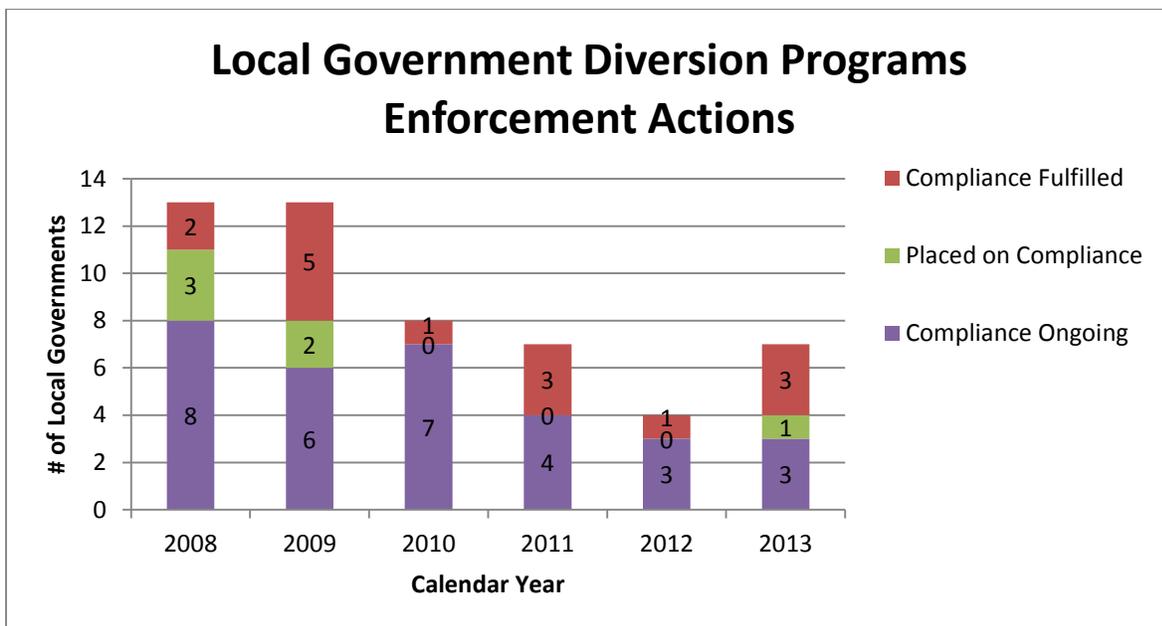
Nine compliance evaluation reviews were in progress during 2013 and continued into 2014. Final outcomes will be determined in 2014.

#### Compliance Orders

During the course of a year, there are generally three categories related to compliance orders:

- **Placed on Compliance:** The local government is issued a compliance order as the result of a compliance evaluation review.
- **Compliance Ongoing:** The local government continues to fulfill the terms of the compliance order that was issued in a previous year.
- **Compliance Fulfilled:** The local government fulfills the terms of its compliance order at some point during the year and is removed from compliance status.

As shown in **Figure 14**, four local governments were on compliance orders during 2013. Three continued compliance orders from 2012, and Calaveras County Regional Agency was placed on a compliance order in August 2013. However, by the end of the year, the number of local governments on active, ongoing compliance orders fell to the lowest level in the past five years, dropping from a high of nine in 2008 to a low of one in 2013. Clearlake, Ridgecrest, and Santa Paula fulfilled compliance during 2013.



**Figure 14.**

### Penalty Hearings

Penalty hearings are held for local governments that do not make a good-faith effort to implement their diversion programs. In 2013, there were no penalty hearings.

## ***Minimum Content Program: Rigid Plastic Packaging Containers***

### **Program Highlights**

- The revised regulations for Rigid Plastic Packaging Containers, or RPPCs, were approved in June 2012 with an effective date of January 1, 2013.
- CalRecycle began the new, phased certification process. The first two phases have been completed: 1,400 RPPC product manufacturers have been registered, and 20 RPPC product manufacturers were notified of their selection for precertification.

### **Program Description**

California's RPPC law was enacted in 1991 as part of an effort to reduce the amount of plastic disposed in landfills and to increase the use of recycled plastic resin in the manufacturing of new packaging containers. CalRecycle regulates product manufacturers that sell certain products in rigid plastic containers in California. (Some rigid plastic containers are exempt from this law due to the type of product they hold, such as food, drugs, or toxic or hazardous products). Revised regulations took effect on Jan. 1, 2013.

### **Compliance Options Promote Particular Goals**

Compliance can be achieved in several ways, with each option promoting a particular goal of the law. Some compliance options were designed to encourage source reduction (waste prevention) or reuse/refilling of rigid plastic containers. One promotes increased use of postconsumer resin in the manufacturing of RPPCs and reduces the amount of virgin resin required. The certification process takes a phased approach to notify regulated RPPC product manufacturers that they have been identified and may be required to certify compliance. The phases of the certification process include:

- Registration
- Precertification
- Compliance certification

During 2013, CalRecycle conducted a webinar to educate the regulated community about the registration and compliance certification process. More than 1,000 product manufacturers and interested parties registered for the training. To begin the certification process, 2,300 potentially regulated product manufacturers were contacted. As a result, more than 60 percent, or 1,400 product manufacturers, were registered in 2013. A randomly selected sample of 20 product manufacturers were sent

precertification notices. Five product manufacturers were randomly selected to participate in the compliance certification process. These five are required to provide documentation to certify that all their products that are packaged in regulated RPPCs are in compliance. The documentation will be due by April 1, 2015. Although registration is ongoing, a new precertification pool is randomly selected each year and notified by March 31 if they will be required to provide documentation for compliance certification.

California statute allows CalRecycle to assess penalties of up to \$50,000 for any violation, up to a maximum of \$100,000 annually. Violations include, but are not limited to, failure to submit all required information, submitting incomplete information, and/or failing to comply with the RPPC law.

### **Enforcement Activity Data**

No enforcement actions were taken during 2013 because the revised RPPC regulations took effect in January 2013. The precertification phase was responded to in a timely fashion by the 20 product manufacturers that had been notified to participate.

## ***Beverage Container Recycling Enforcement***

### **Program Highlights**

- The largest administrative case settled in 2013 was against Paper Rush (San Francisco) and Recycle Today (Oakland) for 175 fraudulent claims. The investigation disclosed that the ineligible materials were likely previously redeemed beverage containers and/or imported empty beverage containers. The administrative law judge concurred with CalRecycle's findings. Each of the programs had their certification revoked, and the respondents were ordered to pay more than \$2 million in civil penalties and restitution.
- A significant number of administrative and criminal investigations are initiated based on tips submitted to CalRecycle. In 2013, CalRecycle received a tip regarding suspicious activity involving Save-Us Recycling, a certified recycling center in Southern California. CalRecycle staff validated the information, and the case was referred to the California Department of Justice (DOJ) for further investigation. DOJ's investigation resulted in the arrest and subsequent prosecution of the owner of Save-Us Recycling. The owner admitted he had been receiving truckloads of out-of-state plastic and aluminum beverage containers, as frequently as six times per month for over a year, resulting in more than \$500,000 in illegal CRV claims. In addition to having his recycling center certification revoked, he was ordered to pay \$516,000 in restitution to CalRecycle, sentenced to three years of formal probation, and ordered to

perform 60 days of CalTrans labor through the Los Angeles Sheriff's Department Work Alternative Program.

- Another case that culminated in 2013 highlighted the effective collaboration between CalRecycle and the DOJ, the California Highway Patrol (CHP) and California Department of Food and Agriculture (CDFA). CalRecycle, CHP, and CDFA coordinated to identify and track loads of imported empty beverage containers into the state. CDFA agents in Truckee then captured vehicle information associated with the importers. That information was used to refer the case to DOJ for criminal investigation. The DOJ investigation culminated in the arrest and successful prosecution of seven people for recycling fraud. CalRecycle's administrative investigation revealed that several recycling centers in the Susanville area, including Bullseye Recycling, had purchased numerous loads in excess of the daily consumer load limits and falsified purchase records and receipts that support CRV claims for reimbursement. CalRecycle's administrative case resulted in the revocation of Bullseye's certification and \$235,000 in restitution and civil penalties. Administrative accusations have been filed against the other recyclers in the Susanville area, and the respective formal administrative hearings are pending.
- CalRecycle successfully promulgated two enforcement-related regulation packages. The first reduced the allowable daily load limit consumers can redeem at certified recycling centers, and the second implemented reporting and inspection requirements for individuals importing empty beverage container materials through CDFA plant quarantine inspection stations. CalRecycle believes these regulatory changes will significantly enhance the state's ability to deter, detect, and mitigate program fraud and abuse.

## **Program Description**

Currently, more than 18 billion CRV-eligible beverage containers made from aluminum, glass, plastic, and bimetals are sold in California each year. When not recycled, they contribute significantly to the state's litter or end up in landfills. In 1986, the Legislature created a funding mechanism to encourage the recycling of certain beverage containers.

To finance the beverage container recycling program, processing fees and redemption fees are collected from beverage manufacturers and distributors for each CRV-eligible beverage container sold in California. The money is deposited into a special account, the California Beverage Container Recycling Fund, and is used to cover refunds, processing payments, handling fees, grants, and administrative costs. Most beverages sold in the state and packaged in aluminum, glass, plastic, and bi-metal containers are subject to CRV. Notable exceptions are milk, wine, distilled spirits, 100 percent

vegetable juice in containers larger than 16 ounces, and 100 percent fruit juice in containers 46 ounces or larger.

Consumers play a key role in this program and receive a refund for recycling beverage containers. They pay CRV at the checkout stand—5 cents on containers less than 24 ounces and 10 cents for containers 24 ounces or larger. Consumers receive CRV reimbursement when the empty beverage container is returned to a certified recycling center.

The recyclers then sell the eligible containers to processors. Recyclers are responsible for verifying that the beverage containers qualify for CRV before claiming a refund from the processor. Processors also receive material through curbside recycling programs and certified collection or drop-off programs, and pay for the material at rates specified by CalRecycle. The processor requests reimbursement from CalRecycle to cover the payments it makes to recyclers and other program participants. More than 34,500 invoices were submitted by processors in 2013. If recyclers or processors submit fraudulent or improperly documented claims, CalRecycle can deny or reduce payments.

### Statewide Infrastructure for Convenient Beverage Container Recycling

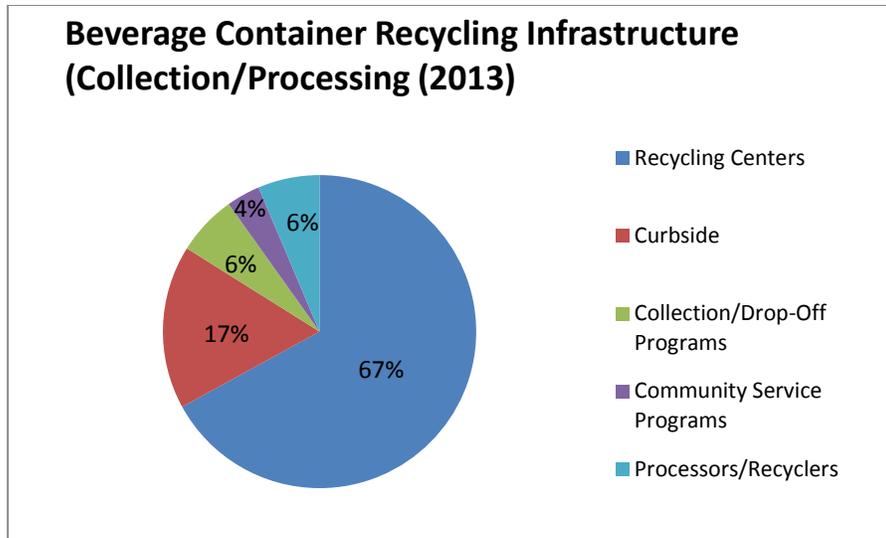
Californians recycled an average of more than 49.8 million beverage containers each day, or about 18.2 billion beverage containers for the year. The network of regulated businesses that make this possible includes:

#### Beverage Container Distribution

- Retailer Beverage Dealers: 30,000 (approximately as not required to register)
- Beverage Manufacturers: 1,588
- Distributors: 1,752

#### Collection/Processing

- Recycling Centers: 2,368
- Curbside: 597
- Collection/Drop-Off Programs: 220
- Processors: 225
- Community Service Programs: 123



**Figure 15.**

For the most part, the number of regulated businesses in each category was approximately the same in 2013. However, in 2013, the number of regulated beverage manufacturers increased by 8 percent compared to 2012, while the number of recycling centers decreased by 8 percent compared to 2012.

Fraud Deterrence, Prevention, and Mitigation

CalRecycle’s enforcement efforts focus on identifying and investigating certified entities and/or registered entities identified as potentially operating in violation of the law or regulations. In 2013, CalRecycle continued strategic efforts to strike an effective balance between prepayment activities designed to deter, prevent, and mitigate program fraud and post-payment activities associated with investigation and prosecution. Enforcement is supported by data and information gathered through a combination of the following activities:

- Probationary review of recycling centers (on site and compliance history/file review)
- Annual inspections of recycling centers
- On-site inspections of recycler loads delivered to processors
- Risk assessment and data analysis
- Prepayment review/audit of claim for reimbursement
- On-site investigations leading to various administrative remedies including accusations for restitution, administrative penalties, revocation of certification, or criminal prosecution, as warranted

Given the large volume of data managed by the program, the data management system known as DORIIS, or Division of Recycling Integrated Information System, is an essential tool. This system integrates various data and tracking systems to pinpoint reporting anomalies and target suspect claims. Using DORIIS, CalRecycle can place anomalous claims for program payments on hold until supporting documents can be reviewed for accuracy and completeness. DORIIS also enables investigators to place suspect recycling center operators on prepayment inspection status until CalRecycle can perform an on-site inspection of the corresponding load of beverage container materials. When used collectively, these systems and processes provide CalRecycle both prepayment and post-payment opportunities to mitigate loss to the fund and identify potential fraud.

CalRecycle currently works with state law enforcement agencies including the California Department of Justice and the state Attorney General's Office because they have the authority to conduct criminal investigations and prosecute such cases. At the local level, partners include sheriff departments in Los Angeles, Riverside, and San Bernardino counties and police departments in Ontario and Sacramento. CalRecycle is actively working to establish partnerships with other local and state law enforcement agencies.

Program fraud associated with the illegal redemption of empty beverage containers imported into California is a significant threat to the solvency of the fund. CalRecycle has worked with the California Department of Food and Agriculture to monitor and survey vehicles transporting empty beverage containers into California through all 16 plant quarantine inspection stations. In 2013, CalRecycle and CDFA successfully developed regulations to implement stringent reporting and inspection requirements for the importation of empty beverage containers into California.

### Regulatory Changes

In 2013, CalRecycle successfully promulgated two enforcement-related regulation packages. The first reduced the allowable daily load limit that consumers can redeem at certified recycling centers based on extensive CalRecycle analysis. The second implemented reporting and inspection requirements for individuals importing empty beverage container materials through CDFA plant quarantine inspection stations in response to amendments per AB 1933 (Gordon, Chapter 540, Statutes of 2012). CalRecycle believes these regulatory changes will significantly enhance our ability to deter, detect, and mitigate program fraud and abuse.

- **Daily Load Limits:** CalRecycle and DOJ have observational and anecdotal evidence that many people frequently import large loads of empty beverage container materials from other states (e.g., Nevada, Arizona, etc.). To facilitate fraud, they break large loads into smaller load sizes that are compliant with current regulations and then illegally redeem them for California Refund Value at certified recycling centers throughout California. In a series of public workshops,

CalRecycle presented an analysis of consumer transactions that clearly indicated that the typical consumer transaction was significantly smaller than the legal daily load limits. CalRecycle's analysis indicated that more than 99 percent of all transactions are for less than 80 pounds of aluminum, while the average weight is 8.7 pounds. For clear plastic bottles, nearly 99 percent of transactions are for less than 80 pounds, and the average is 11.6 pounds. The new per-person, per-day daily load limits, which became effective on Jan. 1, 2014, are 100 pounds of CRV aluminum or plastic empty beverage containers and 1,000 pounds of CRV glass empty beverage containers. Previously, the limits were 500 pounds of aluminum or plastic and 2,500 pounds of glass. Aluminum and plastic, due to their relatively light weight, are the most common materials found in truckloads brought across California's borders for illegal redemption.

- **Imported Material Reporting and Inspection Requirements:** The emergency regulations require anyone transporting into California a load of empty plastic or aluminum beverage containers weighing 25 pounds or more, or 250 pounds or more of glass, to pass through a CDFA quarantine inspection station and obtain and carry proof of inspection. A form documenting the source and destination of the material must also be completed. Importers who fail to accurately complete the required documentation and submit it to a CDFA agent, or who refuse to allow CDFA personnel to inspect the load of empty beverage containers, can be fined up to \$1,000 per violation or prohibited from entering California. Recycling centers are restricted from taking delivery of loads of empty beverage containers they know or should have known were imported into California. Recycling centers who knowingly accept imported empty beverage containers are subject to civil penalties and could have their certification suspended or revoked. Information gathered from individuals and/or entities through the proposed importing and inspection requirements will be provided to state and local law enforcement agencies for potential criminal investigation and prosecution.

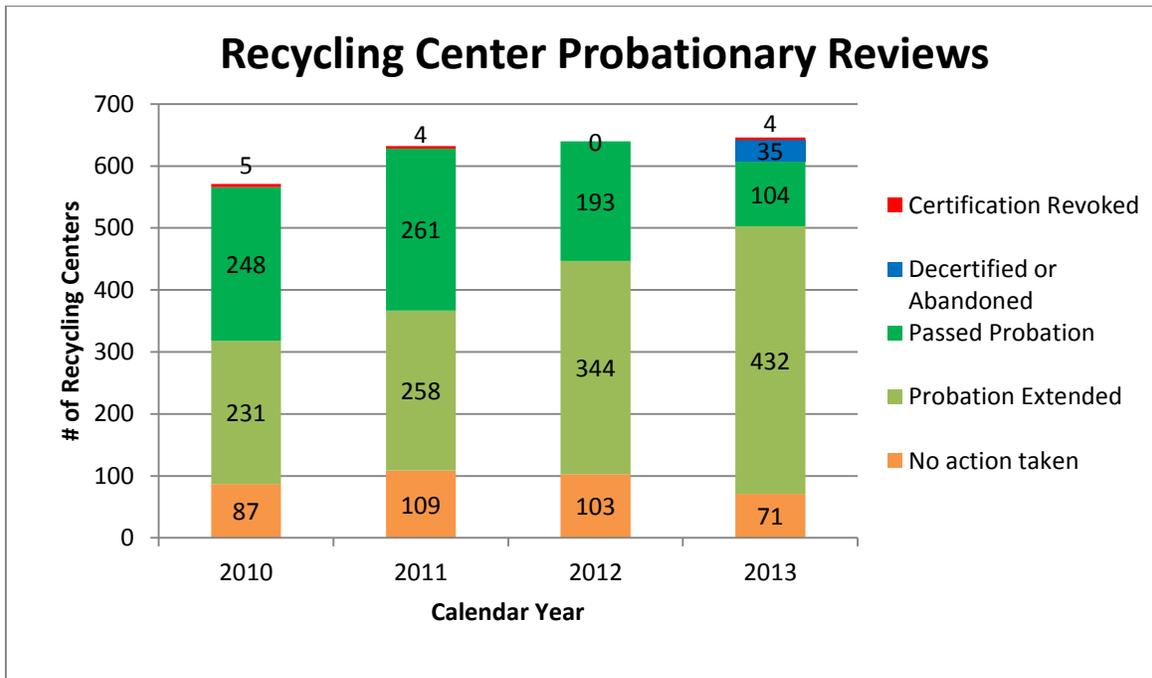
## Enforcement Activity Data

### Recycling Center Probationary Reviews

Recycling centers are on probation for the first two years of operation. CalRecycle staff review their operations to ensure that participants are complying with applicable statutes and regulations. As a result of the reviews, CalRecycle may extend a recycling center's probationary certification status, approve a nonprobationary certification, or revoke a participant's probationary certification.

CalRecycle reviewed 646 probationary certificates during 2013 (**Figure 16**). Based upon a standard risk assessment, staff determines whether a compliance history/file review is sufficient or a site visit is warranted. As a result of the risk assessment, no

action was taken at 71 sites that were processors, curbside programs, collection programs or community service programs as the recycling centers are the primary focus of probationary reviews. The actions taken as a result of the probationary reviews are shown in the charts below. The first chart summarizes the actions taken, and the next two charts break them out by the type of review (compliance history/file review or site visit).



**Figure 16.**

- Compliance History/File Review:** Compliance history/file reviews were conducted for 354 recycling centers. Approximately 85 percent of recycling centers had their probationary certificates extended for another year (299 recycling centers). Approximately seven percent, or 24 recycling centers, passed probation. Thirty-one recycling centers voluntarily decertified from the program or were abandoned. **(Figure 17).**

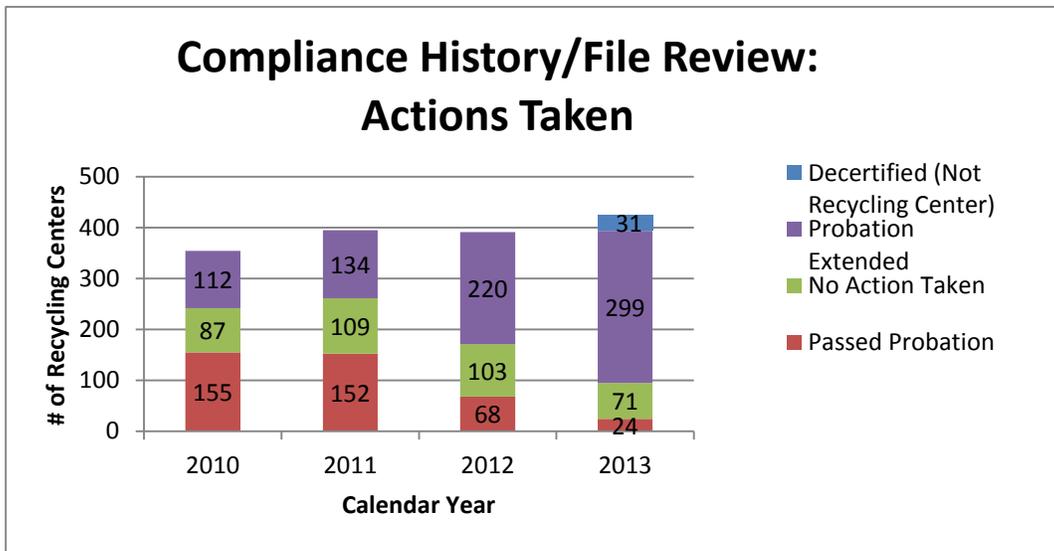


Figure 17.

- On-Site Review:** On-site reviews were conducted at 221 recycling centers. Approximately 60 percent had their probationary certificates extended for another year (133 recycling centers). Another 36 percent passed probation (80 recycling centers). Four recycling centers voluntarily decertified or were abandoned, and four had their probationary certificates revoked. As a result of these site reviews, auditors assessed \$448,090 in restitution, civil penalties, and/or interest in 2013 (Figure 18).

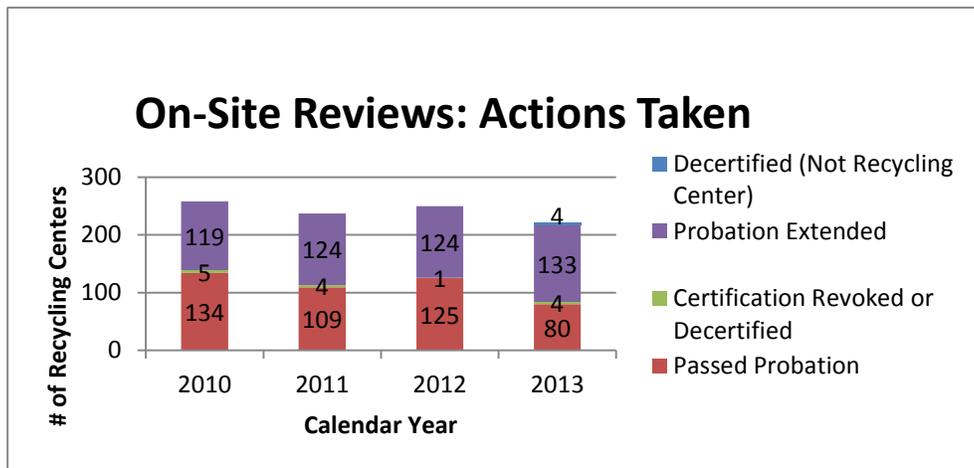


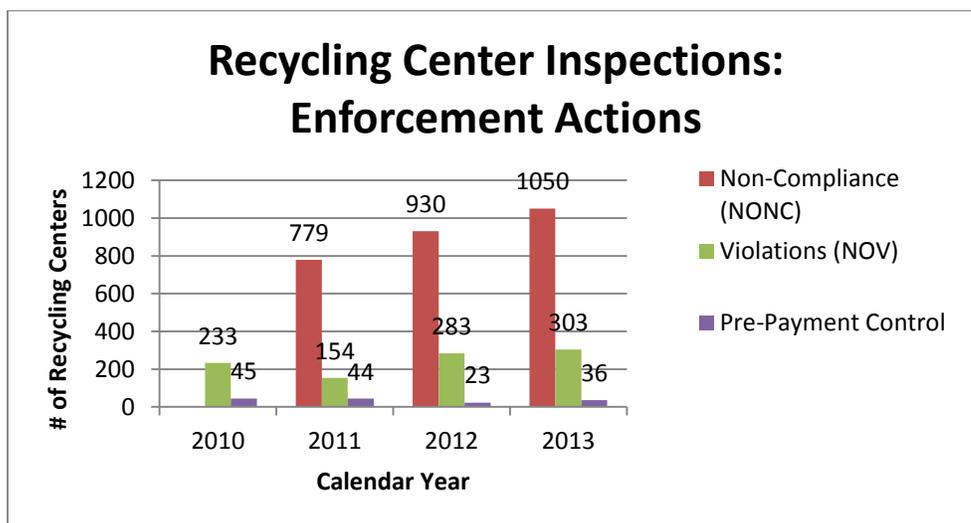
Figure 18.

## Recycling Center Inspections

CalRecycle inspects each certified recycling center at least once annually to ensure compliance with program requirements. The inspection typically consists of a test sale to verify that the recycler is inspecting loads of material from consumers to determine payment eligibility, is paying consumers the correct amount, and is complying with operational requirements such as signage that support consumer convenience. If the program participant is not in compliance, the inspector issues a Notice of Noncompliance. If the recycler fails to achieve compliance when a follow-up inspection is conducted, a Notice of Violation, including a fine, is issued.

In areas where there is no certified recycling center, retail beverage dealers may be required to serve as the recycling center. They are also inspected to ensure compliance with signage and CRV shelf-labeling requirements.

Recycling center inspections were slightly lower in 2013 as compared to 2012, with 3,462 conducted during the year. There were 1,050 Notices of Noncompliance issued in 2013, which is approximately 11 percent more than in 2012 (**Figure 19**). There were 303 violations issued, which was a slight increase from 2012. Thirty-six recycling centers were placed on prepayment controls in 2013, but that represents less than 1 percent of the recycling centers inspected. CalRecycle assessed civil penalties of \$72,100 on noncompliant recycling center operators as a result of the inspections—a 23 percent increase over 2012.



**Figure 19.**

## Processor Load Inspections

CalRecycle inspected approximately 3,719 recycler loads as part of the 2013 processor/recycler inspection program. Investigators inspect shipments from recycling

centers to processors to verify the eligibility of the material and review the accuracy/completeness of the claim for reimbursement. In 2013, 20 percent more load inspections were conducted than in 2012. Only 57 loads were reduced or denied as a result of the inspections which is only one percent of the total loads.

### Risk Assessment and Data Analysis

Risk assessment and data analysis tools and techniques identify high-risk participants based on anomalies in reported data. Anomalous claims, and the program participants who submit them, are subject to further investigation or review by CalRecycle or the DOJ. Given that approximately 2,600 shipping reports valued at \$1.5 million to \$3 million per day are submitted, automated analysis is an essential tool for preventing potential fraud. In 2013, processors submitted 34,555 invoices, and there were 964,712 shipping reports valued at more than \$957 million.

On a daily basis, all shipping reports are reviewed using an automated claimed volume report that is built into DORIIS. The report identifies anomalies such as high average purchase volumes or spikes in daily volumes before claims are processed for payment. On average, 10 percent of the shipping reports are flagged for further follow-up or investigation. Using prepayment controls within DORIIS, CalRecycle can stop the processing of a shipping report for payment shortly after a determination is made. Staff can then place suspect shipping reports on hold for further review, reduce the amount claimed, deny the claim for reimbursement, or allow the shipping report to be processed for reimbursement.

### Investigations, Accusations, and Criminal Prosecution

Many investigations result from risk analysis or inspections. After high-risk participants are flagged, administrative investigations are conducted to evaluate the validity and eligibility of reimbursement claims, look for possible document falsifications, or investigate potentially fraudulent claims. CalRecycle's forensic document reviews can lead to the recovery of unsubstantiated and/or illegal payments. Findings can result in administrative civil penalties, restitution, and/or revocation of the recycler's certification.

In 2013, CalRecycle conducted 20 percent more recycling center investigations than in 2012 and closed almost 50 percent more cases: 117 investigations were opened, and 73 were closed. Results from completed investigation cases include issuance of three accusations filed against certified recycling centers at an assessed value of approximately \$1.03 million in restitution and civil penalties. In addition, more than twice as many recycling center certifications were revoked in 2013 (54) compared to 2012, and 19 certification applications were denied.

A particularly large case with an assessment of \$75 million in penalties against Mission Fibers/Burbank Recycling was filed in early 2009. Although it remains open, significant progress was made toward resolution in 2013, and it is expected to be settled in 2014.

As stated previously, CalRecycle does not have statutory authority to conduct criminal investigations or to criminally prosecute. When CalRecycle investigations reveal potential criminal activity, the case is referred to DOJ for further investigation and subsequent prosecution, if warranted, by the state Attorney General. Similar to 2012, 14 cases were referred to DOJ in 2013. In Northern California, DOJ cases in 2013 resulted in 10 arrests. In Southern California, DOJ cases resulted in nine arrests.

The following are some of the administrative and criminal cases that were concluded in 2013.

- **Paper Rush/Recycle Today:** CalRecycle concluded an investigation involving 175 fraudulent claims submitted by Paper Rush (San Francisco) and Recycle Today (Oakland). Both recycling centers were owned and operated by June Tran Vahn and Hugo Centeno. The investigation disclosed that the ineligible materials were likely previously redeemed beverage containers and/or from out-of-state. The case was heard by the Office of Administrative Hearings, and an administrative law judge concurred with CalRecycle's findings to revoke the recycling center certifications. The respondents were ordered to pay \$2,066,000 in civil penalties and restitution.
- **Unlimited Recycling:** A CalRecycle investigation revealed that Tigran Martinyan, the owner of Unlimited Recycling who operated three recycling centers in Los Angeles County, paid and received CRV on large volumes of imported empty beverage containers. The case was initiated when DOJ notified CalRecycle that Martinyan, Leticia Rodriguez-Gonzalez, Cirilo Vazquez, and Jose Ramirez were suspected of defrauding the program by importing aluminum, plastic, and glass beverage containers and redeeming them for CRV. CalRecycle completed its administrative investigation of Unlimited Recycling and filed an accusation for \$270,552 in civil penalties and restitution against Martinyan and Unlimited Recycling. In lieu of contesting the accusation through the Office of Administrative Hearings, the respondents elected to settle the case and agreed to the revocation of their recycling center certifications and \$70,000 in civil penalties and restitution. Ramirez and Vazquez were subsequently arrested by DOJ agents when they attempted to redeem imported empty beverage containers at a certified processor.
- **Save-Us Recycling:** In addition to risk analysis as a case initiator, many investigations are initiated based on hotline or email tips to CalRecycle. The Save-Us Recycling case was initiated when an informant notified CalRecycle that large volumes of beverage containers from Nevada were being transported to a storage yard in Sun Valley, transferred to Save-Us Recycling, and then redeemed at processors for CRV. CalRecycle staff validated the information and the case was referred to the DOJ for further investigation. DOJ conducted an investigation that resulted in the arrest of Amado Nieva, owner of Save-Us

Recycling, on July 24, 2013, for grand theft. Nieva admitted he had been receiving truckloads of out-of-state plastic and aluminum beverage containers as frequently as six times per month for more than a year, resulting in more than \$500,000 in illegal CRV claims. On December 13, 2013, Nieva was sentenced in Los Angeles County Superior Court, ordered to pay \$516,000 in restitution to CalRecycle, sentenced to three years of formal probation, and ordered to perform 60 days of CalTrans labor through the Los Angeles Sheriff's Department Work Alternative Program. CalRecycle also completed its administrative investigation and revoked the certificates for Save-Us Recycling #1 and #2.

- **Best Recycling:** Another case initiated by an anonymous tip to CalRecycle's toll-free recycling fraud tip line was against Best Recycling (El Centro). The tip alleged that Best Recycling was receiving large loads of imported aluminum empty beverage containers and illegally claiming CRV reimbursement. The information supported a CalRecycle referral to DOJ for further investigation. DOJ's investigation culminated in search warrants for several locations, including a warehouse in Niland, where 11,180 pounds of imported empty beverage containers were seized. Patrick Wilson, president of P.A. Wilson Inc., DBA: Best Recycling, pleaded guilty to grand theft after being arrested by DOJ. He was sentenced to 120 days in jail and three years of probation, and he was ordered to pay \$250,000 in restitution to CalRecycle. As part of his plea agreement, Mr. Wilson was required to cease all CRV-related operations. Two other Best Recycling employees were also arrested and pleaded guilty.

## ***Electronic Waste Enforcement***

### **Program Highlights**

- In 2013, 202 million pounds of covered e-waste were claimed for reimbursement—approximately 5 percent more than in 2012.
- Recyclers continue to submit properly documented claims. CalRecycle adjusted approximately 1.4 percent of requests for payments due to noncompliant or significantly inconsistent documentation. The compliance rate was 98.6 percent, which is one of the higher compliance rates since the program's inception.
- CalRecycle worked closely with the Department of Toxic Substances Control on a case involving cathode ray tube, or CRT, glass that was shipped by California recyclers but subsequently abandoned by an out-of-state business in Yuma, Ariz. Using detailed CalRecycle records of material shipments and employing DTSC emergency regulations, more than 90 percent of the CRT over which California had authority was recovered and rerouted to appropriate dispositions. The remaining material is the subject of an ongoing enforcement case on which

CalRecycle continues to work with DTSC and the Arizona Department of Environmental Quality.

- CalRecycle continues to work through a contract with the Department of Justice to ensure effective enforcement and deterrence of illegal activities that threaten the integrity of the Electronic Waste Recycling and Recovery Account, or EWRRA.

## **Program Description**

E-waste is an informal term for unwanted electronic products such as computers, televisions, and DVD players nearing the end of their “useful life.” Discarded electronic products can present environmental hazards if not properly managed because they contain lead, mercury, and other elements that are hazardous to humans and the environment when discarded.

In 2003, the Electronic Waste Recycling Act created a funding mechanism to encourage the proper recycling of certain video display devices such as televisions and computer monitors (covered electronic devices). The covered electronic waste recycling program pays qualified collectors and recyclers a standard rate to cover the average cost of managing discarded covered electronic devices.

To finance the program, consumers pay a fee when they buy covered electronic devices. (Only covered electronic wastes originating from California sources are eligible for payment in the program, but all electronic discards are considered hazardous wastes and may not be discarded in the trash.) Collected fees are remitted by retailers to the state and deposited in an account.

Approved collectors and recyclers make it convenient for consumers to properly dispose of e-waste. They request payment from the state to cover the cost of covered electronic waste collection, processing, and recycling activities. Recyclers (and collectors) are reimbursed by CalRecycle at a standard rate per pound of covered electronic waste recovered and recycled. If recyclers submit improperly documented claims, CalRecycle can deny or reduce payments.

### Partnership for E-Waste Enforcement

Compliance and enforcement responsibilities are largely shared between CalRecycle and the Department of Toxic Substances Control; however, the Department of Justice and the Board of Equalization also play vital roles in ensuring program integrity.

At CalRecycle, recyclers and collectors are reimbursed at standard rates per pound of covered electronic waste recycled. If recyclers do not submit properly documented claims, or if they make false statements in their documentation, CalRecycle can deny or reduce payments. Additionally, for claim review or other compliance-related matters,

CalRecycle can suspend or revoke approval for collectors or recyclers to participate in the program. In some instances, civil penalties are imposed.

CalRecycle's compliance and enforcement activities include:

- Reviewing recycler claim documentation to ensure that covered e-waste that is recovered for recycling is eligible for reimbursement, compliantly processed, and properly disposed. Payments can be approved in full, adjusted, or denied.
- Reviewing annual net-cost reports and adjusting standard payment rates based on calculated industry average net costs. Collectors and recyclers may have their approval to participate revoked for failing to submit complete and accurate net cost reports.
- Suspending or revoking participant approval for false statements or representation, significant noncompliance, or a pattern of operation in conflict with the Electronic Waste Recycling Act.
- Imposing civil liability up to \$25,000 per violation against any person, including an authorized covered electronic waste collector or recycler, that makes a false statement or representation in any document used for purposes of compliance with the act.

Due to the hazardous characteristics of electronic waste, CalRecycle works closely with DTSC to ensure all participants are in compliance with all applicable DTSC requirements. Hence, DTSC's primary focus is on enforcing standards for the physical management of electronic waste through inspections of e-waste storage, collection, and recycling facilities and handlers to ensure their compliance with regulations.

Notably in 2013, CalRecycle worked closely with DTSC on a case involving CRT glass shipped by approximately 10 California recyclers but subsequently abandoned by an out-of-state business in Yuma, Ariz. Using detailed records of material shipments maintained by CalRecycle and employing DTSC emergency regulations, more than 90 percent of the CRT over which California had authority was recovered and rerouted to appropriate dispositions. The remaining material is the subject of an ongoing enforcement case on which CalRecycle continues to work with DTSC and the Arizona Department of Environmental Quality.

Bestowed with a responsibility to safeguard the integrity of the e-waste fund, CalRecycle coordinates with the BOE to ensure the proper fees are collected to fund the program, and with the DOJ to prevent financial crimes against the fund. BOE's enforcement role is to ensure that the appropriate fees are remitted and deposited into the Electronic Waste Recovery and Recycling Account to fund the program. If fees are not collected or remitted by the retailers, CalRecycle can levy administrative penalties

up to \$2,500 per offense; civil penalties up to \$5,000 per offense; or civil liability against manufacturers up to \$25,000.

DOJ's enforcement role is to provide focused assistance to CalRecycle in detecting, investigating, and prosecuting criminal activity by persons operating under e-waste collection, processing, and recycling program provisions specified under the Electronic Waste Recycling Act.

### Statewide Infrastructure for Convenient Collection

Growth in California's electronic waste collection and recycling infrastructure has been fostered by the recycling payment system. CalRecycle pays approved recyclers, and those recyclers are required to pay collectors. Voluntary participants represent a diverse group, including nonprofit organizations, landfills, local governments, and traditional e-waste collection and recycling businesses. The e-waste infrastructure also recovers substantial quantities of miscellaneous electronic waste not covered by the payment system.

In 2013, there were approximately 500 approved collectors and 45 approved recyclers, which is a decrease of 17 percent and 22 percent, respectively, compared to 2012 (**Figure 20**). Annual participant turnover of more than 10 percent is typical. As profit margins drop and commodity prices soften, less profitable operations leave the industry.



**Figure 20.**

### **Enforcement Activity Data**

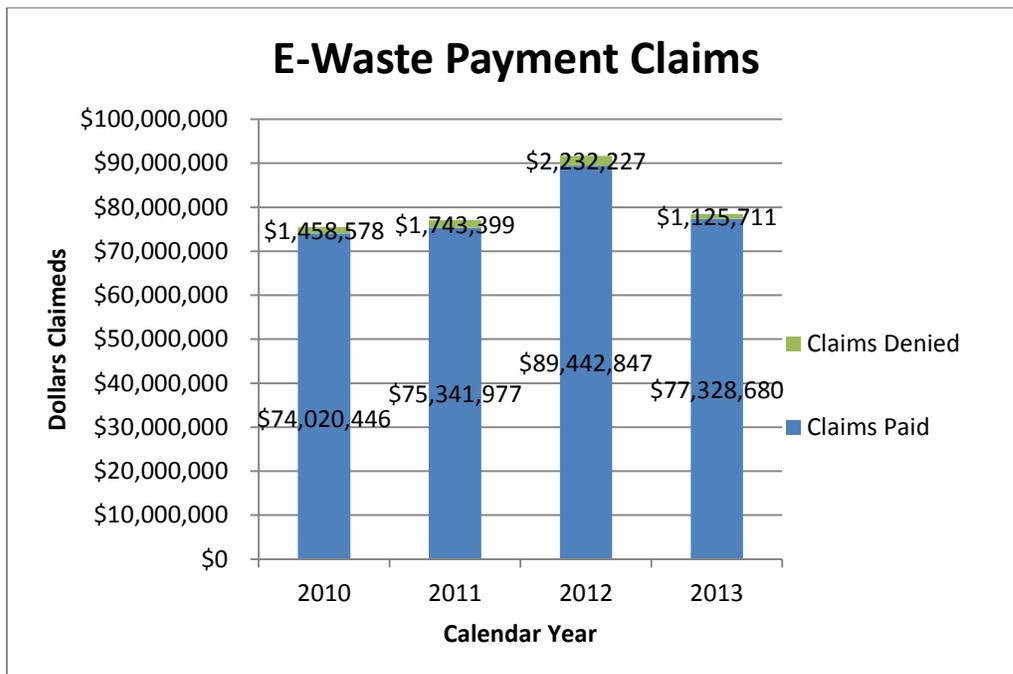
Enforcement actions taken by CalRecycle fall into two main categories: adjustment or denial of payment claims, and suspension or revocation of approval to participate.

## Payment Claim Reviews

Recyclers (and collectors) are reimbursed by CalRecycle at a standard payment rate per pound of covered electronic waste recovered and recycled. If recyclers do not submit properly documented claims, CalRecycle can deny or reduce payments. In 2013, recyclers submitted 278 reimbursement claims for approximately 202 million pounds of covered e-waste processed.

The level of payment claim adjustments remained very low, similar to the previous two years. Although more than half of the claims submitted incurred some degree of adjustment, payment adjustments as a percentage of total dollars requested were very minor: approximately 1.4 percent. On average, collectors and recyclers attained a 98.6 percent overall compliance rate on total dollars claimed. This represents one of the higher compliance rates in years.

- Total Dollars Claimed in 2013: \$78,454,391
- Total Dollars Paid in 2013 (estimated): \$77,328,680



**Figure 21.**

## Revocations and Suspensions

In 2013, 47 certifications for collectors and recyclers were revoked. This is a particularly significant change compared to only one revocation in 2012; however, it is more consistent with 2011 when 46 approvals were revoked. Nearly all revocations are for

failure to submit annual net cost report. Revocations, unless successfully appealed, prevent a participant from reapplying to the program for 180 days. In contrast to the increase in revocations, total suspensions remained flat with 11 suspensions in 2013 (Figure 22).

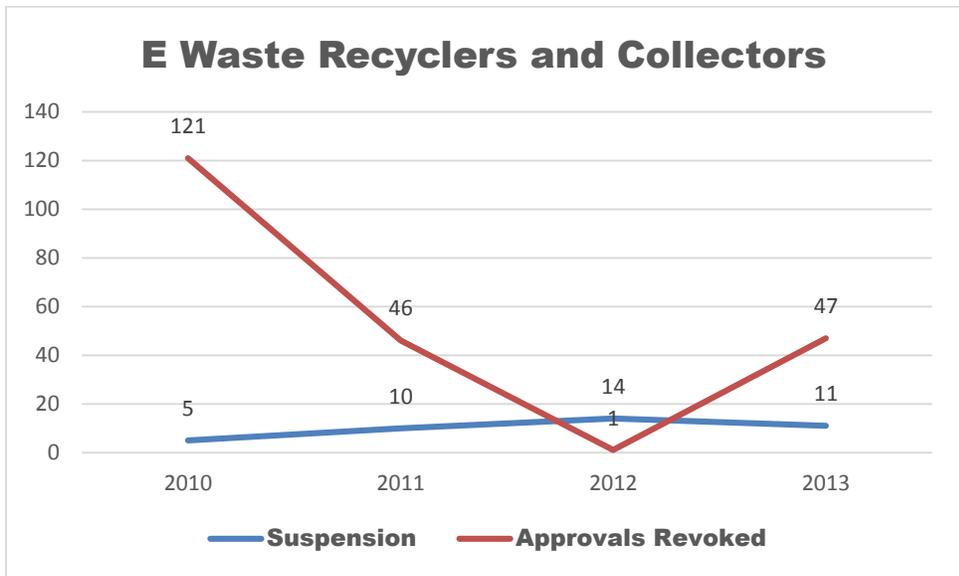


Figure 22.

Suspensions are imposed until the participant is determined to be back in compliance. Three failed to operate in conformance with DTSC hazardous materials management requirements and 8 failed to notify CalRecycle of changes to their application. (Figure 23)

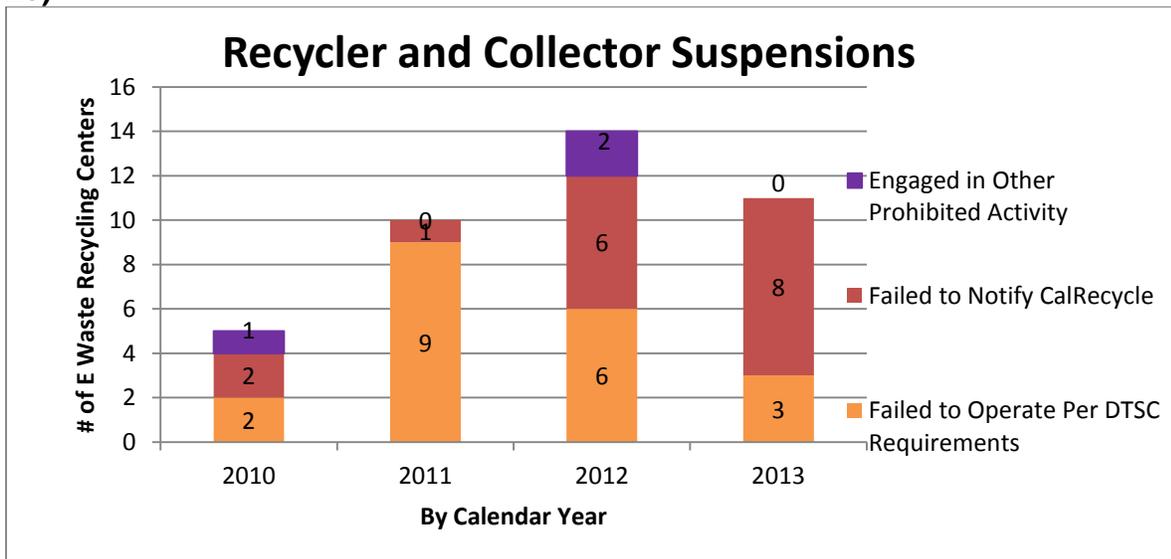


Figure 23.

## Civil Penalties

Legislation was recently signed into law authorizing CalRecycle to impose civil penalties against a person who makes a false statement or representation in any document filed, submitted, maintained, or used for purposes of compliance with the Electronic Waste Recycling Act (per amendments in Senate Bill 1018). Staff is developing emergency regulations to implement this new authority.

## ***Product Stewardship (Extended Producer Responsibility) Enforcement***

### **Program Highlights**

- CalRecycle filled a staff position to continue the development and implementation of its carpet and paint compliance and enforcement programs.
- A state law was enacted to reduce illegal dumping and increase recycling of used mattresses. CalRecycle is developing regulations for the new law.

### **Program Description**

In 2010, two pieces of landmark product stewardship legislation were passed, and a third was enacted in 2013. These laws require industry-led, statewide programs to address the following concerns:

- **California Carpet Stewardship Law** ([Chapter 681, Statutes of 2010 \[Perez, AB 2398\]](#))—increase landfill diversion and recycling of postconsumer carpet generated in California.
- **California Paint Stewardship Law** ([Chapter 420, Statutes of 2010 \[Huffman, AB 1343\]](#))—reduce generation, promote reuse and manage end-of-life postconsumer architectural paint in an environmentally sound manner.
- **California Used Mattress Recovery and Recycling Law** ([Chapter 388, Statutes of 2013, \[Hancock, SB 254\]](#))—reduce illegal dumping, increase recycling and substantially reduce public agency costs for end-of-use management of used mattresses.

California is the first state to establish a statewide carpet extended producer responsibility program designed and managed by the private sector; the second state to enact an industry-led, statewide paint recovery program; and the third state to introduce an industry-run statewide mattress recycling program. The programs follow producer responsibility principles to ensure that discarded or leftover products are properly

managed in a manner that is sustainably funded. In addition, they reduce local agency costs for the end-of-use management of these products.

Under each law, product manufacturers (either individually or through a stewardship organization) design their own stewardship program. They prepare and implement a plan to reach certain goals, finance and distribute funds to support the stewardship program, and report to CalRecycle on their progress via annual reports. CalRecycle approves plans, checks progress, and provides oversight and enforcement to ensure a level playing field among manufacturers and any other regulated entity as specified by the laws. Other program participants, such as collectors, processors, or retailers, participate in the programs as negotiated through the stewardship organizations and as specified in the stewardship plans.

### Stewardship Plans

Stewardship plans define how a manufacturer or stewardship organization intends to fulfill its responsibilities under the law and communicate a course of action to stakeholders and the public. Stewardship organizations (or individual manufacturers that are not represented by a stewardship organization) are responsible for submitting plans. After approving them, CalRecycle posts the stewardship plans on its website.

To sustainably finance the programs, consumers pay an assessment when they buy a covered product. The assessments are remitted to the stewardship organization and used to operate California-specific incentive and/or end-of-life management programs. The stewardship organization also submits an administrative fee to CalRecycle to cover the cost of services to administer and enforce each of the product stewardship laws.

### **Enforcement Activity Data**

Maintaining a level playing field among manufacturers is addressed through a combination of civil penalties for noncompliance and transparency that allows stakeholders and the public to evaluate progress. For example, as one basic requirement for manufacturers to demonstrate compliance, they must operate under an approved stewardship plan and demonstrate achievement of required goals. CalRecycle establishes penalty ranges that reflect a progressive enforcement approach.

CalRecycle's compliance and enforcement activities include:

- Reviewing and approving stewardship plans.
- Listing compliant manufacturers and brands.
- Reviewing and approving annual reports and program progress.
- Conducting investigations to verify program compliance of regulated entities.
- Imposing civil penalties.

**Carpet:** No enforcement actions were taken by CalRecycle during 2013. Staff focused on developing new procedures and practices as well as inspection tools.

**Paint:** No enforcement actions were taken by CalRecycle during 2013. However, CalRecycle granted PaintCare's request for a one-month extension for submittal of its first annual report. Once it was submitted, CalRecycle found the report to be incomplete and requested that it be resubmitted with additional information. In addition, CalRecycle hired enforcement staff in 2013 to develop procedures, practices, and inspection tools.

**Mattresses:** No enforcement actions were taken during 2013 as the law did not become effective until Jan. 1, 2014.

## Future Directions

---

Although each CalRecycle enforcement program has a unique set of activities and performance measures, program improvement is a consistent focus for all the programs. Whether through streamlining processes or pursuing regulatory reform, staff is committed to adapting proven strategies to increase compliance. The following are staff plans for 2014 program adjustments based on previous successes.

**Beverage Container Program Rulemaking (Formal):** CalRecycle plans to develop regulations to amend various reporting and recordkeeping requirements to strengthen CalRecycle's ability to protect the integrity of the Beverage Container Recycling Fund.

**Partnership with California Department of Food and Agriculture to Monitor Out-of-State Vehicles Importing Empty Beverage Containers for Redemption:** Many investigations have revealed fraud involving the importation of containers from other states. As one strategy to address this, CalRecycle will fully implement the interagency agreement with CDFA to monitor and inspect all vehicles importing a significant amount of empty beverage container materials at its 16 quarantine inspection stations.

**Online Waste Tire Hauler Registration Portal:** CalRecycle will develop and implement a new, electronic registration renewal process to streamline the currently resource-intensive system.

**Electronic Submission of Tire Facility and Hauler Inspections:** The program will transition to the electronic system, which will provide compliance staff with quicker access to inspection data for follow-up enforcement action.

**Waste Tire Broker Rulemaking (Informal):** CalRecycle will initiate an informal rulemaking to solicit input from the regulated waste tire community to guide the development of regulations to implement the tire broker requirements of AB 1647 (Gordon, Chapter 34, Statutes of 2012).

**Compost Facilities Rulemaking (Formal):** CalRecycle submitted the “Proposed Compostable Material Handling and In-Vessel Digestion Regulations” to the Office of Administrative Law in late 2013. During 2014, staff will conduct a newly required economic and fiscal impact analysis of the regulations and develop the Initial Statement of Reasons prior to submitting the regulatory packet to the Office of Administrative Law.

**Local Government Compliance Monitoring:** Staff will wrap up compliance evaluation reviews begun in 2013 for local government diversion programs.

**RPPC Registration and Compliance Certification:** CalRecycle will move forward to implement the new regulations efficiently and effectively. Additional product manufacturers will be identified and registered. Precertification and compliance certification will begin.

**Refining E-Waste Data Analysis:** CalRecycle will continue to expand online reporting and documentation capabilities in 2014 to enable more real-time monitoring of activities. These new features enhance early intervention to prevent small problems from becoming a compliance crisis.

**Civil Penalty Regulations for E-Waste (Formal):** CalRecycle is developing emergency regulations in response to recent legislation authorizing CalRecycle to administratively impose civil penalties under specified circumstances upon a person, authorized covered electronic waste collector, or recycler. CalRecycle will convene public workshops to assure transparency in the solicitation and assessment of stakeholder input during the regulatory development process.

**Product Stewardship Program Implementation:** CalRecycle will be piloting the use of the newly developed enforcement tools and beginning full implementation of compliance and enforcement program for paint and carpet.

**Used Mattress Recovery and Recycling Rulemaking (Formal):** CalRecycle will begin regulation development based on input from stakeholder workshops and the Advisory Committee.

## LIST OF ACRONYMS

Acronym	Full Name
CalRecycle	Department of Resources Recycling and Recovery
CalTrans	California Department of Transportation
CDFA	California Department of Food and Agriculture
CRV	California Redemption Value and California Refund Value <ul style="list-style-type: none"> <li>• Redemption is paid when container purchased.</li> <li>• Refund is paid when the container is recycled.</li> </ul>
DOJ	Department of Justice
DORIIS	Division of Recycling Integrated Information System
DTSC	Department of Toxic Substances Control
EPP	Enforcement Program Plan—solid waste
EPR	Extended Producer Responsibility, also referred to as Product Stewardship
E-waste	Electronic waste
LEA	Local Enforcement Agency—solid waste
MRF	Materials Recovery Facility—solid waste
NOV	Notice of Violation—beverage containers, solid waste and tires
PRC	Public Resources Code—state
RPPC	Rigid Plastic Packaging Container
TEA	Tire Enforcement Agency
WTMS	Waste Tire Manifest System