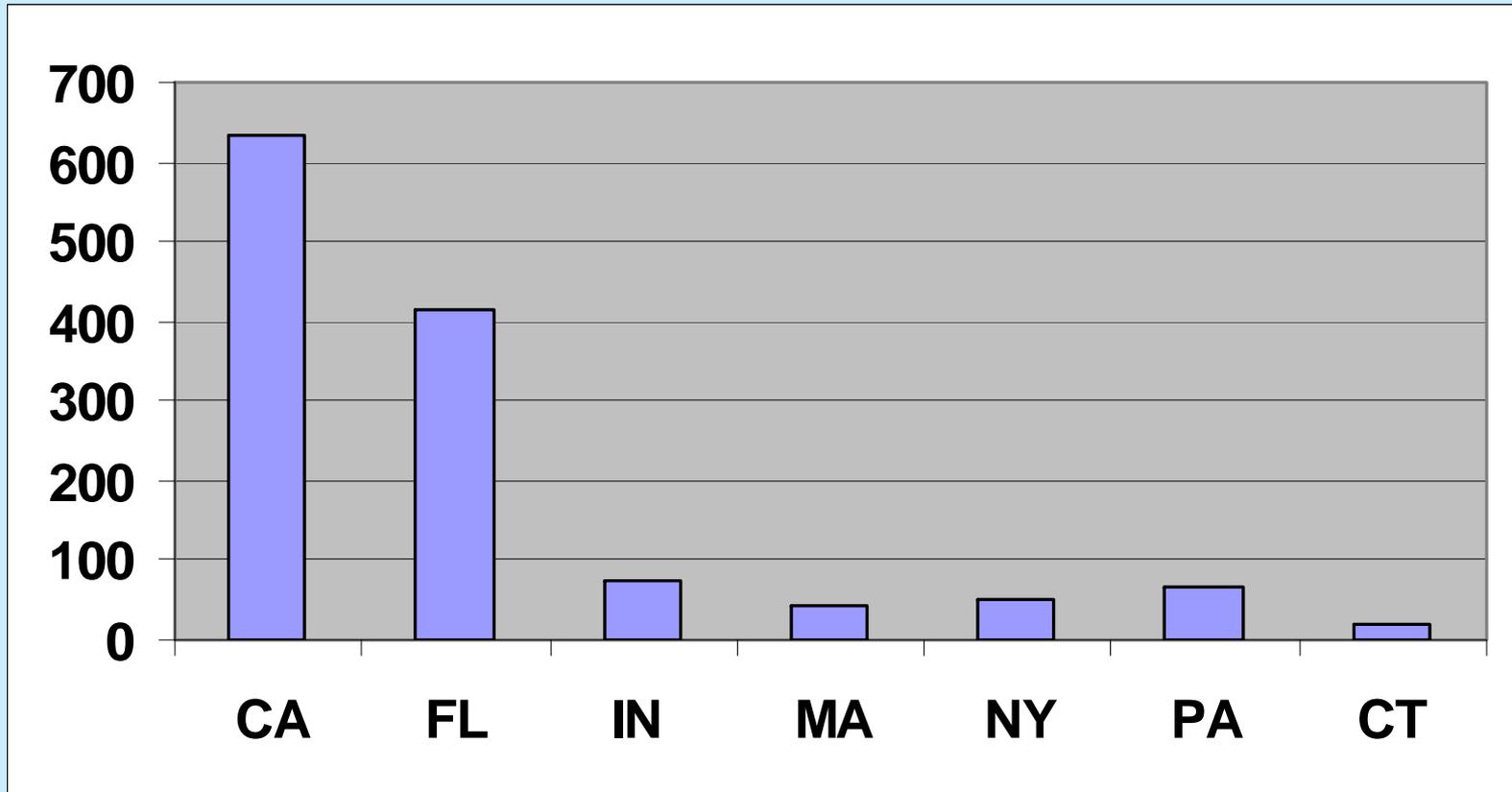


Six Month Status Report on Actions to Improve Administration of the Underground Storage Tank (UST) Cleanup Fund and UST Cleanup Programs

Item No. 6

October 4, 2011

\$1,000,000+ Cleanups



5-YEAR REVIEW: 2010-2011

- Recommended Additional Action • 434
- Concurred with Current Actions • 342
- Recommended Case Closure • 558
- **Total Reviewed** • **1,334**

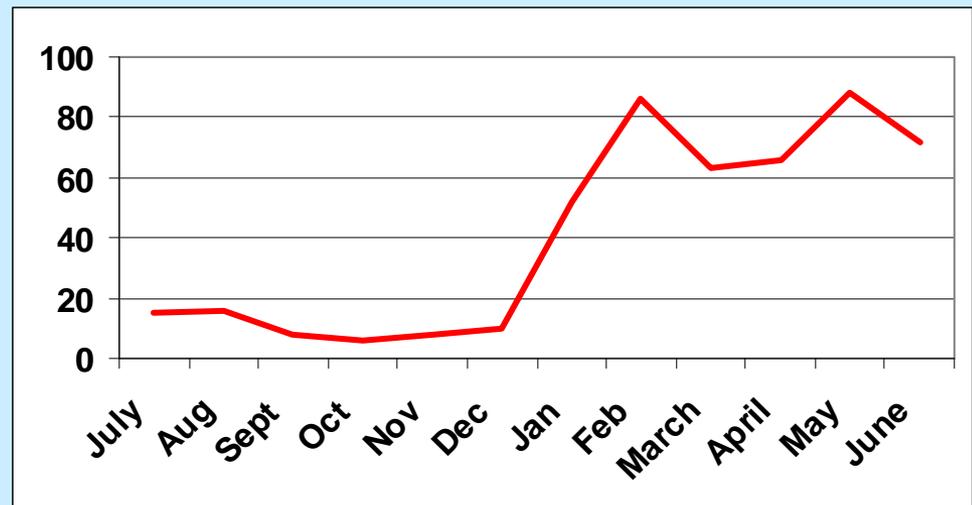
CASE CLOSURES: 2010-2011



- 14 Cases
- 209 Cases

CLAIM CLOSURES: 2010-2011

| <u>Priority</u> | <u>Number of Claims</u> |
|-----------------|-------------------------|
| • A | • 41 |
| • B | • 216 |
| • C | • 193 |
| • D | • 40 |
| • Total | • 490 |



PAYMENTS: 2010-2011

Total:

- Payments • 5,710
- Amount Paid • \$253,504,221

ARRA UST TRUST FUND GRANT



- Received \$15.6 million
- Grant ended September 30, 2011.
- Funding used for:
 - 22 Orphan Site Cleanup projects
 - Staff Time to conduct UST case closure and technical reviews
- All funds drawn by the grant end date.

BUDGET ALLOCATIONS FOR FISCAL YEAR 2011-2012

| | PRIORITY A | PRIORITY B | PRIORITY C | PRIORITY D | TOTAL |
|----------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|
| R | \$2.4 | \$159.5 | \$92.5 | \$0 | \$254.3 |
| A | \$1.6 | \$52.7 | \$26.1 | \$27.0 | \$80.3 |

- An additional \$70 million allocated for “old costs”

SCUFF Enforcement Initiative

Mission:

To deter, investigate, and prosecute fraud against the Underground Storage Tank (UST) Cleanup Fund.

Goals of the Initiative

- Deter the submission of fraudulent claims
- Audit/investigate targeted contractors (and their claimants)
- Refer cases to the Attorney General or other prosecutorial agency for criminal or civil prosecution;
- Publicize filed actions as a deterrent
- Operate as part of a comprehensive Fraud Prevention Strategy

SCUFF Team Members

- Office of Enforcement
- Division of Water Quality
- Division of Financial Assistance
- Attorney General's Office
 - Prosecuting Staff
 - Special Agents

New Tools for Receiving Public Information/Complaints re Fraud

- “Report Fraud” Hotline
- Email reporting system

ReportFraud@waterboards.ca.gov

Potential Legal Remedies

- Criminal Sanctions: Criminal actions can seek recovery of funds based as restitution.
- Civil Sanctions and Damages: False Claim Section can seek civil sanctions using the Attorney General's independent enforcement authority under the California False Claims Act, Government Code section 12650 *et seq.*- Civil Penalties: \$5,000 to \$10,000 for each violation, treble damages and costs)
- Civil recovery of funds: Reimbursement of funds paid for improper purposes

Enforcement Goals

- 10 to 15 Prosecutions by the Attorney General's Office or other Prosecutors
- Recovery of fraudulently obtained funds
- Imposition of civil or criminal sanctions on perpetrators
- Disciplinary actions on contractor licenses