

EPA'S AUDIT POLICY

MAY 1, 2009

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EPA Region 2 (New York, New Jersey, Puerto Rico, US Virgin Islands)

To encourage companies to conduct audits, EPA issued a voluntary Audit Policy in 1995 which was revised in 2000. Under this policy, EPA agrees to eliminate or greatly reduce gravity based penalties for violations that are voluntarily discovered and disclosed to us, provided that certain conditions (see below) are met. These conditions are designed to ensure that the protection of human health and the environment are not compromised and include the prompt disclosure and correction of violations, the remediation of any environmental harm associated with the violations, and the implementation of steps to prevent the recurrence of violations. (Companies that gained a significant amount of economic gain over their competitors by delaying investment in compliance would still be liable for an economic benefit penalty.) A copy of EPA's Audit Policy can be downloaded from EPA's website at

<http://www.epa.gov/compliance/incentives/auditing/index.html>

From part B. Pursuant to the EPA's Audit Policy, Respondent hereby certifies and warrants as true the facts referenced in this Section, and EPA accepts Respondent's certification. As such, Respondent specifically certifies to the following facts upon which this disclosure is based:

1. The violations were discovered through an audit or through a compliance management system reflecting due diligence in preventing, detecting and correcting violations;
2. The violations were discovered voluntarily;
3. The initial violations were disclosed to EPA promptly...and subsequent disclosures were also prompt...
4. The violations were disclosed prior to commencement of an agency inspection or investigation, notice of a citizen suit, filing of a complaint by a third party, reporting of the violations by a "whistle blower" employee, or imminent discovery by a regulatory agency;
5. The violations are corrected within 60 calendar days from the date of discovery. If more than 60 days will be needed, the regulated entity must so notify EPA before the 60 day period has passed;
6. Appropriate steps have been taken to prevent a recurrence of the violations;
7. Respondent has no knowledge that the same or closely related violations have occurred within the past three years at the same facilities; nor are the specific violations that are the subject of this disclosure part of a pattern of violations by the entity's parent organization which have occurred over the past five years;
8. The violations have not resulted in serious actual harm nor presented an imminent and substantial endangerment to human health or the environment and they did not violate the specific terms of any judicial or administrative Final Order or Agreement; and
9. The Respondent has cooperated as requested by EPA.