



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

**DEPARTMENT OF ENVIRONMENTAL PROTECTION
SITE MEDIATION PROGRAM
July 1, 2012 to January 31, 2016**

We found that the financial transactions included in our testing were related to the Site Remediation Program (SRP), were reasonable, and were recorded properly in the accounting systems. We also found the SRP is adequately monitoring the Licensed Site Remediation Professionals. In making these determinations, we noted reportable conditions that merit management's attention.

AUDIT HIGHLIGHTS

During a departmental reorganization prior to our audit period, the Emergency Management Program and the Office of Record Access were transferred from the Site Remediation Program (SRP). However, 46 employees from these two units continued to be funded through SRP salary accounts. In total, we found 50 employees totaling \$3.3 million not performing work for the Site Remediation Program, which is funded through the Hazardous Discharge Site Cleanup Fund and the New Jersey Spill Compensation Fund.

The Department of the Treasury's Circular Letter 13-11-OMB, Statewide Non-Tax Debt Collection and Write-Off, states that all accounts receivable that have not been collected within 90 days should be transferred to the DORES for collection. Although SRP recently started to refer their debt to DORES, with a debt referral rate of only 29.5 percent, SRP is limiting its potential for collection on older cases of which \$4.3 million of outstanding debt is over one year old. We also reviewed the 25 highest dollar accounts totaling \$2.7 million and noted 12 had no lien established totaling \$724,245. Establishing liens will aid in collection of future revenue.

The Department of Environmental Protection is five years overdue in its statutory obligation to rank all hazardous discharge sites, cases, and areas of concern and provide public access on the internet. As of November 2015, the SRP listed 11,400 active sites but none contained rankings on their website.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).