

Cost Recovery Audit Backlog Work Plan

Evaluate unbilled and uncollected costs, and pursue collection of response costs to the maximum extent reasonably possible.

Goal: Evaluate sites with unbilled and overdue costs in order to correctly classify the sites in the Department's Cost Recovery Billing System (CRBS) and initiate cost recovery efforts for unbilled and overdue costs to the maximum extent reasonably possible.

Background: DTSC incurs direct cleanup costs and oversight costs (collectively, response costs) in remediating contaminated properties. The Department is authorized to recover these costs from responsible parties. This work plan continues work initiated as part of DTSC's Fixing the Foundation efforts.

Objectives:

1. Determine recovery potential for DTSC's unrecovered costs and ensure that sites are properly classified in CRBS.
2. Establish the personnel, communication, and work flow infrastructure to implement the Department's cost recovery work plan and priorities.
3. Better utilize the Department's existing technological infrastructure to coordinate, organize, evaluate, track, and report on the evaluation and resolution of sites with unbilled and/or overdue costs, and memorialize the resolution outcomes.

Timeline:

6 months: July 2014 - December 2014

- Establish the personnel, communication, and work flow infrastructure to implement the Department's cost recovery work plan and priorities.
- Establish and implement prioritization schedule to evaluate the cost recovery potential of sites and the accuracy of billing statuses in CRBS.
- Continue to evaluate, calculate, and track cost recovery statute of limitations dates.
- Continue to resolve issues impeding cost recovery efforts on sites with outstanding cost balances of \$1 million or more with or without pending statute of limitation dates, and sites with pending statute of limitation dates under \$1 million.
- Continue to evaluate funds in the Department's uncleared receipts account.
- Identify, track, and report all cost recovery referrals to the California Office of the Attorney General (AG's Office) and DTSC's Office of Legal Counsel (OLC).
- Ensure sites with liens are properly characterized in CRBS and accounted for in the California Accounting and Reporting System (CALSTARS).

12 months: January 2015 – June 2015

- Establish prioritization schedule to resolve issues impeding cost recovery efforts on sites with unbilled and/or overdue balances under \$1 million.
- Continue to evaluate, calculate, and track cost recovery statute of limitations dates.
- Continue to resolve issues impeding cost recovery efforts on sites with outstanding cost balances of \$1 million or more with or without pending statute of limitation dates, and sites with pending statute of limitation dates under \$1 million.
- Continue to evaluate funds in the Department's uncleared receipts account.
- Identify, track, and report all cost recovery referrals to the AG's Office and OLC.
- Ensure sites with liens are properly characterized in CRBS and accounted for CALSTARS.