

January 19, 2018

Matthew Rodriguez, Secretary  
California Environmental Protection Agency  
1001 I Street  
Sacramento, CA 95814

Dear Mr. Matthew Rodriguez,

In accordance with the State Leadership Accountability Act (SLAA), the Department of Toxic Substances Control submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2017.

Should you have any questions please contact Francesca Negri, Chief Deputy Director, at (916) 322-4064, francesca.negri@dtsc.ca.gov.

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## BACKGROUND

The mission of the Department of Toxic Substances Control (DTSC or Department) is to protect California's people and environment from the harmful effects of toxic substances by restoring contaminated resources, enforcing hazardous waste laws, reducing hazardous waste generation, and encouraging the manufacture of chemically safer products. Through its statutory mandates, DTSC regulates the management of hazardous wastes, cleans up existing contamination, and prevents pollution by working with businesses to reduce their hazardous waste and use of toxic materials.

DTSC has approximately 900 scientists, engineers, toxicologists, chemists, geologists, attorneys, criminal investigators, and administrative staff. DTSC employees are geographically located in Sacramento headquarters and nine offices throughout the state, and in two environmental chemistry laboratories located in Berkeley and Pasadena. DTSC's Fiscal Year (FY) 2016-17 operating budget was \$262,613 million (of which, \$4,027 million was for local assistance). Revenues to support operations come from a variety of sources, including special taxes and fees, federal grants, and California's General Fund.

DTSC is organized around three core programs:

- Site Mitigation and Restoration Program – Chapters 6.5, 6.8, 6.82, 6.83, and 6.86 of Division 20 of the California Health and Safety Code (HSC) provides authority for the cleanup and restoration of contaminated sites throughout the State, including corrective action sites and legacy landfills (e.g., Exide, Stringfellow Acid Pits and the BKK Landfill), the Santa Susana Field Laboratory, military bases, former industrial properties, and contaminated school sites.
- Hazardous Waste Management Program (HWMP) – Chapter 6.5 of Division 20 of the HSC provides authority for permitting hazardous waste facilities (approximately 114) in California that treat, store, and dispose of hazardous waste; overseeing the hazardous waste generator program; and conducting inspections and taking enforcement actions to ensure compliance with hazardous waste laws and regulations. HWMP performs emergency response functions per Chapter 6.8 of the HSC and is the Certified Unified Program Agency (CUPA) for Imperial and Trinity Counties. HWMP also assists CalEPA in the auditing of all CUPAs on their hazardous waste generator program. The Office of Criminal Investigations, which investigates alleged criminal violations of hazardous waste laws, is also housed within HWMP. The Policy and Program Support Branch

- oversees hazardous waste characterization, rulemaking, and special projects.
- Safer Consumer Products – This program was established in early 2013 and is primarily responsible for implementing the statutory requirements of article 14, of Chapter 6.5 of Division 20 of the California HSC. It requires DTSC to establish a program to identify and prioritize chemicals of concern in consumer products, evaluate alternatives, and specify regulatory responses to reduce chemicals of concern in products.

The following entities support DTSC's core programs:

- Environmental Chemistry Laboratory (ECL) – The ECL provides DTSC and other agencies with expertise and laboratory capacity in the areas of analytical chemistry and biochemistry. The ECL serves as California's reference laboratory for the identification and measurement of concentrations of toxic chemicals in many different media including air, water, soil, hazardous waste streams, consumer products, and biological or human tissues. The ECL also conducts research on toxic materials, develops analytical methods for new contaminants of concern, and provides technical support to field staff on analytical results.
- Office of Public Participation – This office is charged with ensuring that the public is informed and involved early in DTSC's decision-making process on issues impacting their communities. This office organizes public meetings, workshops and other events, develops and makes available a variety of written materials, responds to inquiries, and provides training on risk communication.
- Office of Communications – This office is primarily responsible for DTSC's internal and external communication through various platforms involving print, web, and video products. The office also handles inquiries about DTSC's work and assists staff with providing timely, accurate and understandable information to media outlets and their audiences.
- Office of Administrative Services – This office is responsible for providing administrative support services for DTSC in such areas as accounting, human resources, budgets, procurement, fleet administration, records management, training, and contract development and management.
- Office of Environmental Information Management (OEIM) – This office supports DTSC's information technology needs, including software and hardware acquisition, standardization, information security and training. OEIM also provides network and user support services and develops and supports various information technology applications critical to DTSC and provides manifest oversight.
- The Office of Legal Counsel provides legal advice and representation for DTSC.
- Executive Office – This office provides the following services:
  - The Office of Legislation is responsible for coordinating, analyzing, and recommending actions on state and federal legislative proposals impacting DTSC. The office also serves as the primary liaison between DTSC's programs and the California Legislature and stakeholders.
  - The Office of Civil Rights administers DTSC's Equal Employment Opportunity Program consistent with state and federal law.
  - The Office of Environmental Justice and Tribal Affairs is responsible for ensuring the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies.
  - The Office of Strategic Planning and Development conducts systematic and data-driven reviews of all programs and services. The office aids the Executive Office in identifying potential review areas based on the likelihood and impact of risk to the Department.

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## **ONGOING MONITORING**

As the head of Department of Toxic Substances Control, Barbara Lee, Director, is responsible for the overall establishment and maintenance of the internal control and monitoring systems.

### **EXECUTIVE MONITORING SPONSOR(S)**

The executive monitoring sponsor responsibilities include facilitating and verifying that the Department of Toxic Substances Control internal control monitoring practices are implemented and functioning as intended. The responsibilities as the executive monitoring sponsor(s) have been given to: Francesca Negri, Chief Deputy Director.

### **MONITORING ACTIVITIES**

DTSC's strategic planning cycle and risk monitoring activities inform program-level strategic plans. Program-level strategic plans for the coming fiscal year are used by DTSC managers to outline strategies and actions to address gaps in organizational performance and risk exposures. These program-level plans are being rolled up into a department-wide strategic planning process. DTSC executive staff meet at least monthly to review strategic plan progress, make changes, and address emergent risks. DTSC is using the SLAA cycle to institutionalize the structure and frequency of its risk planning, prioritizing, and monitoring activities.

### **ADDRESSING VULNERABILITIES**

DTSC is developing program-level strategic plans. Throughout the development of these plans, managers and staff have evaluated risks within their programs, and developed objectives to remedy deficiencies and provide improvements. DTSC also integrates external input and audit findings and recommendations into its risk monitoring and work plan development cycle. Recommendations from DTSC's Organizational Health Assessment and the Diversity and Inclusion Work Group will also be integrated into the program plans.

### **COMMUNICATION**

Monitoring results are shared with management as part of the strategic planning cycle. The strategic planning cycle outlines actions and strategies to accomplish goals. The Executive Team is actively involved throughout this planning process and meet regularly to assess risk exposure and impacts. The Executive Team also continually surveys their staff to solicit evolving and emergent risks. As members of the Executive Team participate in this planning process, they work within their individual programs to develop mechanisms to address vulnerabilities and control inefficiencies identified. Programs use work plans to conduct internal and external assessments, which include metrics to measure and track progress.

## **ONGOING MONITORING COMPLIANCE**

The Department of Toxic Substances Control has implemented and documented the ongoing monitoring processes as outlined in the monitoring requirements of California Government Code sections 13400-13407. These processes include reviews, evaluations, and improvements to the Department of Toxic Substances Control systems of controls and monitoring.

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## RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Toxic Substances Control risk assessment process: Executive Management, Middle Management, Front Line Management, and Staff.

### RISK IDENTIFICATION

DTSC's risk assessment process combines systematic activities with significant internal and external input. DTSC is developing its next Strategic Plan with active engagement from the management team and input from staff. DTSC's Executive Team meets regularly to assess risk exposure and impact. The Executive Team continually surveys their staff to solicit input on evolving and emergent risks.

DTSC made numerous strides to identify risks that could potentially impact its mission. In July 2016, DTSC created an Office of Strategic Planning and Development to systematically evaluate the Department's programs and services and assist the Executive Team in developing and implementing performance management strategies across DTSC. In September 2016, DTSC launched a Diversity and Inclusion Work Group to recommend strategies and best practices to support DTSC's development as an employer of excellence. In October 2016, DTSC launched an Organizational Health Assessment to gauge employees' knowledge and perspective to establish a benchmark for tracking progress, and to get a snapshot of DTSC's current culture.

DTSC used a risk assessment process to determine risks reported in this report. The Executive Team reviewed risk areas identified during the last SLAA risk selection process. The Executive Team members responsible for their programs were also asked to submit additional risks. As part of this process, the Executive Team ranked their risks and included a risk description justifying inclusion of that risk. Through a deliberative process, the Executive Team ultimately selected the risks appearing in this report.

### RISK RANKING

The Executive Team evaluated risk factors utilizing a scoring process. The process required the Executive Team to: 1) Identify risk in their program; 2) Determine the likelihood that this risk event would occur; 3) Determine the degree of impact this risk has on DTSC; and 4) Calculate a risk score that would allow the risks to be ranked from greatest to least impactful. The Executive Team then evaluated these risks and determined what risks should be reported.

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## RISKS AND CONTROLS

### RISK: OPERATIONS -EXTERNAL-FUNDING—SOURCES, LEVELS

The Toxic Substances Control Account (TSCA) and the Hazardous Waste Control Account (HWCA) are the major operating funds of DTSC. Both accounts have large structural deficits. If left unaddressed, both accounts will have negative fund balances shortly. A summary of these accounts and the issues they are facing follows:

TSCA – This account was established in 1989 to provide response authority for hazardous substances releases, including spills and hazardous waste disposal sites posing a threat to the public and the environment. The Environmental Fee constitutes over 80 percent of revenue deposited into the account. The fee is adjusted annually based on changes to the Consumer Price Index, yet, it has never had a baseline adjustment to reflect the cost of new initiatives funded by the account. Based on the growth of new mandates established by statute and the lack of a corresponding adjustment in the Environmental Fee, this

account will have a structural deficit as early as FY 2019-20 if left unaddressed.

HWCA – This account supports DTSC’s management of hazardous waste by generators, transporters, storage, treatment, and disposal facilities in California. The HWCA supports these activities through the collection of a variety of fees, including the generator fee, facility fee, transporter fee and manifest user fee. Most fees are adjusted annually based on changes in the Consumer Price Index, although there has never been a baseline adjustment to reflect pressures resulting from new mandates. Consequently, the account has had a structural deficit for several years, ranging from \$4.4 million in FY 2007-08 to \$11.0 million as recently FY 2015-16. DTSC projects the HWCA will have a negative fund balance as early as FY 2018-19 if the deficit is not addressed promptly.

**CONTROL A**

DTSC continues to work with DOF on comprehensive fee reset. Both funds continue to have structural deficits. The structural deficit in HWCA is of particular concern as the fund will have a negative balance shortly.

**CONTROL B**

Absent fee reform, DTSC continues to closely monitor expenditures, cost recovery billings, and fee revenue.

**RISK: OPERATIONS -INTERNAL-TECHNOLOGY—COMPATIBILITY**

The Cost Recovery Billing System (CRBS) is a database that serves as a vehicle for recovering DTSC’s costs. As such, CRBS performs a mission critical function for DTSC. The CRBS issues invoices to responsible parties, tracks cost data, records payments, and reconciles account balances which ensures that claims for reimbursement are accurate. The CRBS also maintains data on the number of invoices processed and the amount of reimbursements received. The information maintained in CRBS is critical to support litigation undertaken by DTSC and the Attorney General’s Office against responsible parties and respond to Public Records Act requests. The CRBS also serves as the source of information for reports and tracking tools containing cost recovery information.

Failure to replace CRBS poses several unacceptable risks to DTSC. CRBS was developed in 2002 using Visual Basic 6, which Microsoft ceased supporting in April 2006. Critical security patches cannot be applied to CRBS as it impacts system functionality. This means that CRBS is at risk from new and emerging viruses. The system also cannot be modified to meet business requirements, such as tracking settlements and issuing collection letters and delinquent notices, which can cause DTSC to be noncompliant with State Administrative Manual (SAM) requirements. Finally, the system cannot be modified to meet changes in statute. In 2015, the Governor signed into law Assembly Bill 273. This bill requires DTSC by June 2021 to charge local governments an interest penalty of 7.0 percent and all other billable parties an interest penalty of 10 percent on payment of late invoices. Since DTSC cannot modify CRBS because its software is not supported by Microsoft, the Department is at risk of not complying with statute.

**CONTROL A**

DTSC began work to procure a replacement for the CRBS in 2015. DTSC has worked closely with the Department of Technology to procure the replacement system. Currently, DTSC is in the third phase of the Stage-Gate process established by the Department of Technology. It is on track to have a replacement system operational by June 2021, when a change in statute concerning the interest rate penalty charged to responsible parties who submit late payments to DTSC takes effect.

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**RISK: OPERATIONS -EXTERNAL-FUNDING—SOURCES, LEVELS**

Exide Technologies (Exide) is closing its hazardous waste management facility located at 2700 South Indiana Street, Vernon, California (Facility). DTSC finalized a Closure Plan and Environmental Impact Report for the facility on December 8, 2016 following an extended public comment period. The Department approved a Closure Implementation Plan on October 5, 2017; closure activities began in early November 2017. Exide is required to establish financial assurances to address a majority of its closure/post-closure obligations, which are estimated to be \$38,660,000. Although not anticipated at this time, the State could be required to pay to complete necessary closure /post closure activities if Exide becomes unable to meet its legal responsibilities.

DTSC has concluded that lead from Exide's operations may have extended as far as 1.3 to 1.7 miles from the Facility, depending on direction. Subsequently DTSC established the Preliminary Investigation Area (PIA), which is defined as an irregularly-shaped area within an approximately 1.7-mile radius of the Facility. The PIA includes properties with sensitive land uses—residential properties, schools, day care centers, child care facilities, and parks—where lead released into the air from the Facility's operations may have been deposited onto surface soil.

DTSC is continuing to conduct investigations to determine the extent of contamination. In February 2016, Governor Brown requested appropriation of \$176.6 million from the state general fund to expedite and expand testing and cleanup of all residential properties, schools, parks, day care centers, and child care facilities within the PIA. Legislation authorizing a \$176.6 million loan for those purposes was passed in April 2016 (AB 118 (Santiago, Statutes of 2016); SB 93 (De León, Statutes of 2016)). DTSC estimates that with presently available funding, DTSC can, in accordance with the Cleanup Plan released by DTSC on July 17, 2017, clean up approximately 2,500 of these sensitive land use properties within the PIA with the highest levels of lead and greatest potential health risk to sensitive individuals.

Additionally, DTSC has ordered Exide to conduct on-site and off-site investigations and develop corrective measures studies for the Department's review and approval. DTSC will ultimately prepare remedy selection documents for public review and comment that will then be implemented to address lead contamination caused by operations at the Facility. The Department ordered Exide to establish an Off-Site Residential Corrective Action Trust Fund, an On-Site Corrective Action Trust Fund, and an Industrial Off-Site Corrective Action Trust Fund to pay for anticipated residential, onsite, and industrial corrective action remedies selected by the Department.

Legal liability for the offsite contamination in the areas surrounding the Facility has not been established and will likely require litigation against one or more potentially responsible parties. Even if liability can be established, the parties who may be liable may be financially unable to address their legal responsibilities.

Therefore, the State could be required to pay for any necessary response actions in the areas surrounding the Facility.

**CONTROL A**

Off-site Residential Removal Actions—The Governor signed legislation allowing DTSC to borrow up to \$176 million from the General Fund to sample approximately 10,000 residential properties, day care centers, child care facilities, and parks within 1.7-miles of the Exide Facility, and remove lead-impacted soil from approximately 2,500 sensitive use properties. DTSC has also ordered Exide to address properties impacted by Exide's operations, and must deposit funds into trust funds to pay for corrective action activities as described in Controls B-D below. Also, AB 2153 (Chapter 666, Statutes of 2016) places a fee on vehicle batteries sold in California; this revenue will be used to repay loans and fund

response actions in areas of the State suspected to have been contaminated by battery recycling facilities. Money from this new fund may, if approved by the Legislature, be used to offset costs incurred with clean up. Consistent with state and federal law, DTSC will seek to recover any of its response costs from Exide and other responsible parties.

#### **CONTROL B**

Off-site Residential Corrective Action—DTSC has ordered Exide to submit a Residential Off-Site Corrective Measures Study (CMS) addressing all residential properties impacted by Facility operations. Exide is also required to deposit funds into a trust fund, in favor of DTSC, to pay for response actions required by the Residential Off-Site CMS and the subsequent remedy selection document approved by DTSC. Exide will make three deposits to the trust fund totaling \$5 million due November 1, 2018, March 1, 2019, and March 1, 2020, respectively. If there are more closure/post closure financial assurance funds than necessary to pay for all remaining closure and post closure care requirements, those funds, if authorized by DTSC, may be transferred to the trust fund for residential off-site corrective action. While not anticipated now, the State may incur costs to complete residential off-site corrective action, if the costs exceed funds deposited for this purpose by Exide, Exide does not agree to pay for the activities required by the Department-approved remedy selection document, or Exide becomes financially unable to address its legal responsibilities. The costs the State may incur depend on the extent and type of contamination found.

#### **CONTROL C**

Off-site Industrial Corrective Action – DTSC requires Exide to undertake investigations in accordance with approved work plans. DTSC required Exide to re-evaluate several nearby industrial facilities. Exide is scheduled to submit a Draft Industrial Area RCRA Facility Investigation report by December 2017 and a draft CMS by August 2018. A 2002 Corrective Action Consent Order issued by DTSC (hereinafter “2002 CACO”) and 2014 Stipulation and Order, HWCA No. 2014-6489, as amended, (hereinafter “the Order”) require Exide to evaluate all off-site industrial locations that may have been impacted by the Facility. Exide is obligated to deposit funds into a trust fund, in favor of DTSC, to pay for response actions required by the Industrial Off-Site CMS and the subsequent remedy selection document approved by DTSC. While not anticipated now, the State may incur costs to complete industrial off-site corrective action if the costs exceed the funds Exide deposited for this purpose, if Exide refuses to pay for the activities required by the DTSC-approved remedy selection document, or if Exide becomes financially unable to address its legal responsibilities. The costs the State may incur depend on the extent and type of contamination found.

#### **CONTROL D**

Onsite Corrective Action – The 2002 CACO and the Order compel Exide to undertake investigations and corrective action in accordance with DTSC-approved work plans. The Order required Exide to submit an On-Site CMS by December 31, 2016 (extended to January 30, 2017), and to deposit funds into a trust fund, in favor of DTSC, to pay for response actions required by a DTSC-approved on-site CMS and the subsequent remedy selection document approved by DTSC. DTSC rejected Exide’s January 2017 CMS based on its use of an insufficient data set, and is currently requiring Exide to perform additional sampling to fill in data gaps to more accurately define contamination boundaries. Although not anticipated now, the State may incur costs to complete onsite corrective action if the costs exceed the funds Exide deposited for this purpose, if Exide refuses to pay for the activities required by the Department-approved remedy selection document, or if Exide becomes financially unable to address its legal responsibilities. The costs the State may incur depend on the extent and type of contamination found.

### **CONTROL E**

Closure/Post Closure - As of November 1, 2017, Exide has established financial assurances to secure its closure/post closure obligations, including a financial guarantee bond of approximately \$11,158,854 and a closure trust fund holding deposited funds of \$11,550,000. An additional \$3,250,000 is due to the trust fund on March 31, 2018. Pursuant to the Order the principal in those financial assurances will not be reduced as Exide incurs closure/post-closure expenses, as Exide is prohibited from seeking reimbursement for its closure/post closure expenditures from those financial assurances.

### **RISK: OPERATIONS -EXTERNAL-FUNDING—SOURCES, LEVELS**

As mandated by the Health and Safety Code, DTSC investigates hazardous substances releases and constructs and operates remedies at Superfund and state orphan sites where there exists an imminent or substantial endangerment and either the responsible party fails to comply with an order or there are no responsible parties.

The State funds investigation and cleanup activities at federal and state orphan sites through annual transfers from the Toxic Substances Control Account (TSCA) to the Site Remediation Account (SRA). The historic and current demand on the SRA consistently exceeds the minimum funding requirement and is not sustainable with the current TSCA deficit. The US EPA and DTSC forecast significant increases annually in the demand for Superfund funding and forecasts a \$6.0 million increase in FY 2019. These increases will exhaust available funds, leaving federally-mandated projects and state orphan sites unfunded. The US EPA has formally notified DTSC of its legal responsibility to fund federal orphans under Comprehensive Environmental Response, Compensation, and Liability Act.

Failure to sufficiently fund the SRA will have serious implications to the State. DTSC will cease all investigations at state orphan sites. All planned remedies at state orphans will cease. Finally, the State will begin shutting down operating systems that include protection of building occupants from indoor air hazards, protection of drinking water, groundwater restoration, maintenance of hazardous waste containment systems, and monitoring of land use restrictions. This means that more people will be exposed to invisible toxins, drinking water sources will be contaminated, and hazardous waste containment systems will fail.

For state orphan sites, DTSC is responsible for all site-related costs, including discovery of contamination and evaluation of risk, potentially responsible party searches, investigation of the extent of contamination, feasibility studies, remedy selection, remedy implementation, and operation and maintenance. Because the State's obligation at Superfund sites is required by federal law, the funding priority of state orphan sites is subordinated to federal sites. Therefore, significant increases in federal obligations directly impacts DTSC's ability to fund state orphan sites.

Forecast costs for federal orphan sites are anticipated to exhaust available SRA funds in 2019, which would leave no funding for state orphan sites. This will result in unacceptable impacts to human health and the environment and significant expenses to restart systems that were shut down.

### **CONTROL A**

DTSC allocates funds to a site from the SRA utilizing an Expenditure Plan. Project funding is prioritized based on several factors. Federal NPL and state orphan sites are scored and prioritized on a quantitative weighting of exposure (i.e., the number and proximity of humans or resources such as drinking water) and threat (i.e., risk of damage or harm when exposed) to human health and environmental impacts. Immediate and acute threats are assigned the highest priority. Sites with operating remedies that require ongoing contract support are given the second highest priority. This



prioritization continues for all identified Superfund and state orphan sites. The highest priority projects are funded first, but additional factors which affect funding include site access, likelihood of identifying a potentially responsible party, findings from a previous phase of work, and readiness of the contract documents, i.e., shovel ready.

#### **CONTROL B**

The primary reason for the SRA funding shortfall is the structural deficit of the TSCA. Environmental Fee reform is critical to funding the State's obligations. Absent fee reform, DTSC will closely monitor and prioritize expenditures to maintain protectiveness, to the extent feasible with the existing funding, at both federal orphan and state orphan sites.

#### **RISK: COMPLIANCE-INTERNAL-RESOURCE LIMITATIONS**

In 2013, DTSC established an entirely new programmatic framework to protect human health and the environment from exposure to harmful chemicals in consumer products through the adoption of the Safer Consumer Products (SCP) regulations. Rather than immediately banning or restricting the use of harmful chemicals, SCP identifies the product- chemical combinations to be evaluated, after which each manufacturer conducts and submits an analysis of alternatives that could prevent exposure and harm. This analysis considers a broad range of chemical, environmental, and economic factors throughout the life cycle of the product. DTSC evaluates the analyses prepared by the manufacturers and develops an appropriate regulatory response. The SCP regulations permit a wide range of responses (e.g., further research, providing information to DTSC or consumers, requiring product design changes or restricting the sale of products containing chemicals of concern).

The SCP Program was established through redirection of existing resources and curtailing of pollution prevention efforts. No budget augmentation was given to support full implementation of the regulations. To date, program resources have been adequate to build the capacity to address the first two of the four steps of the regulations. This includes developing tools to manage a candidate chemicals list SCP issued for its first three-year Priority Products Work Plan and tools to research and identify Priority Products.

DTSC does not have the resources to complete establishing the processes necessary to perform all aspects of the regulations. Appropriate expertise is needed to initiate the latter stage regulatory processes and finalize the infrastructure needed for the program – namely to manage the alternatives analysis, regulatory response, and compliance and enforcement functions of the program. Without additional capacity, DTSC will eventually be unable to list harmful products as Priority Products and compel manufactures to seek safer alternatives.

#### **CONTROL A**

DTSC monitors, evaluates, and adjusts the SCP to maximize program viability. Until all phases of the program are implemented, DTSC is still at risk of negative impacts related to the lack of necessary resources.

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## **CONCLUSION**

The Department of Toxic Substances Control strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising controls to prevent those risks from happening. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

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**Barbara Lee, Director**

CC: California Legislature [Senate (2), Assembly (1)]  
California State Auditor  
California State Library  
California State Controller  
Director of California Department of Finance  
Secretary of California Government Operations Agency