

# To Disclose or Not to Disclose?

## Advantages (and Disadvantages) of the DEEP Policy on Incentives for Self-Policing

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# Self-Policing vs. Self-Disclosure

## ➤ Environmental Auditing

- Systematic, periodic and objective review of facility operations and practices relative to applicable environmental requirements

## ➤ Voluntary Disclosure

- Act of disclosing to regulatory authorities violations of environmental requirements discovered through self-policing efforts

# Why Conduct an Environmental Audit?

- Enhance regulatory compliance
- Reduce environmental liability
- Reduce operating inefficiencies / improve environmental performance
- Increase awareness of regulatory requirements
- Improve image with regulatory authorities

# Advantages of Voluntary Disclosure

- Penalty mitigation
- Compliance “shield”
- Avert possible criminal sanctions
- Ability to negotiate flexible compliance schedule
- Reduced inspection priority or frequency
- Foster cooperative relationship with regulatory authorities

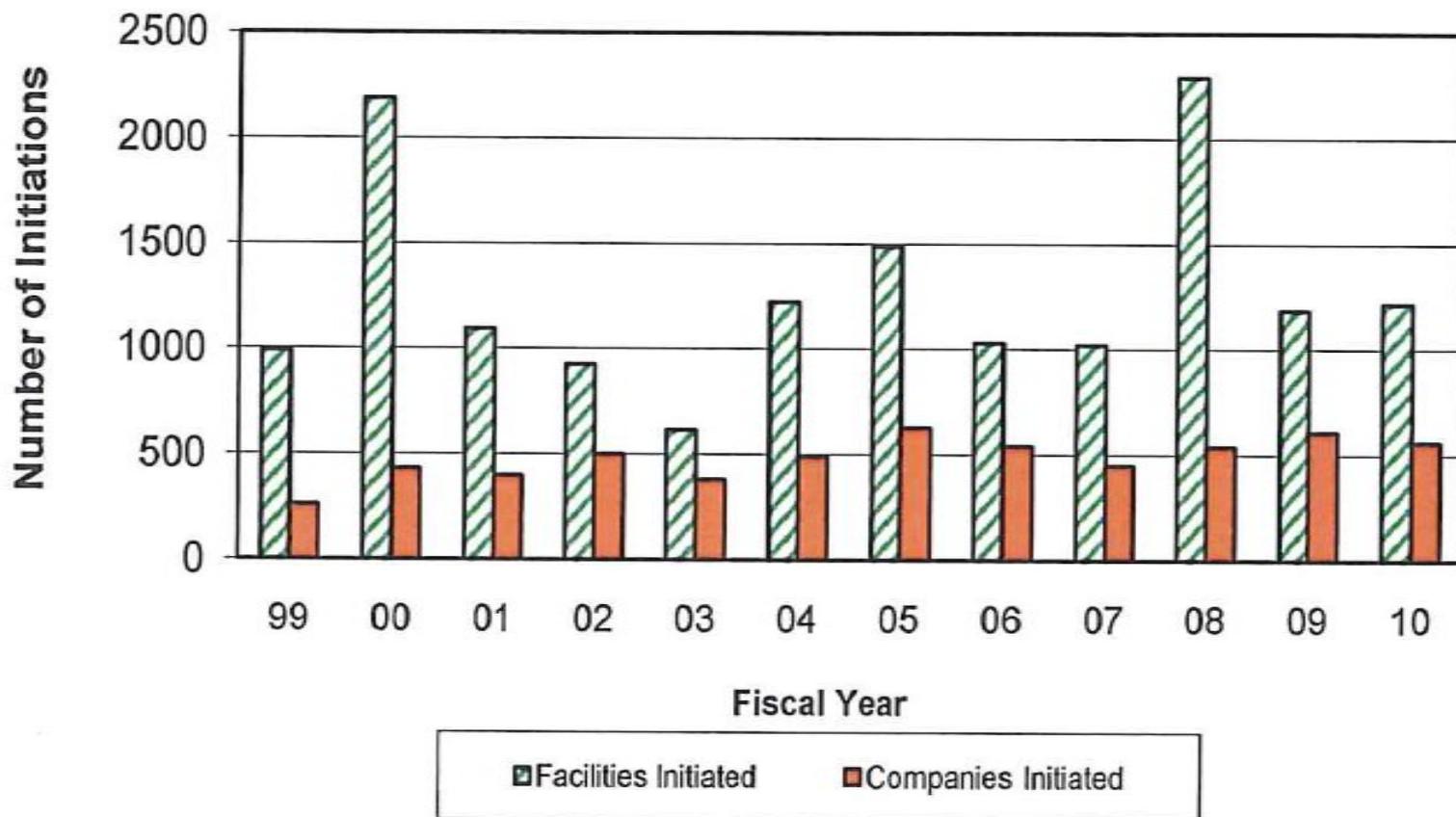
# Disadvantages of Voluntary Disclosure

- Policy is “discretionary”
- No mitigation for “economic benefit”
- DEEP may require disclosing entity to make its due diligence publicly available
- Disclosed violation(s) may serve to enhance penalty for later discovered “repeat” violation(s)

# Common Misperceptions

- Must disclose all violations discovered
- Must provide a copy of the audit report
- Disclosure will result in increased regulatory scrutiny
- DEEP will find “work around” to Incentive Policy conditions

# EPA Voluntary Disclosure Initiations



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