

**2020-107 AUDIT SCOPE AND OBJECTIVES**  
**Department of Toxic Substances Control—**  
**Lead Contamination Cleanup**

The audit by the California State Auditor will provide independently developed and verified information related to the efforts of the Department of Toxic Substances Control (DTSC) in cleaning up lead contamination from the former Exide Technologies, Inc. (Exide) facility located in Vernon, California. The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives
2. For the contracts that DTSC has executed for cleanup activities, determine the following:
  - a) Whether the cleanup cost per property varies between contracts, the causes for any such differences, and whether such differences are reasonable; if not, identify actions DTSC could take in the future to prevent cost differences.
  - b) Which major factors, apart from parcel size, determine the per-property cleanup costs.
  - c) Whether DTSC complied with relevant state contracting rules in awarding cleanup contracts. If DTSC did not comply, identify the major reasons why not.
  - d) What actions DTSC has taken to avoid contractors exceeding contract amounts.
  - e) Whether DTSC's administrative costs for overseeing and administering the contracts are consistent with its actual expenses.
3. Evaluate DTSC's per-property cleanup cost estimates, and determine what factors contributed to increases in cost estimates in 2018 and whether those factors are consistent with the reasons cited in DTSC's budget documents. Determine whether the magnitude of the contracts was a factor in the increase to per-property cleanup costs. To the extent possible, determine whether DTSC's current per-property estimates will further increase.
4. Determine when DTSC anticipates completion of the Exide cleanup efforts of different kinds of properties, such as commercial properties and private residences, and assess the reasonableness of the projected time frames. Specifically, identify the factors that contributed to the duration of the cleanup efforts.
5. Determine the total expected cost of the Exide cleanup efforts, including actual costs so far and, to the extent possible, the estimated cost of expected remaining cleanup efforts.
6. Determine whether there are additional steps that DTSC can take to improve the efficiency of the Exide cleanup process.
7. Review and assess any other issues that are significant to the audit.