



Environment and
Climate Change Canada

Environnement et
Changement climatique Canada

Canada



ENVIRONMENTAL ENFORCEMENT ANNUAL SUMMARY 2016-2017

Cat. No.: En5-2E-PDF

ISSN: 2561-9152

Unless otherwise specified, you may not reproduce materials in this publication, in whole or in part, for the purposes of commercial redistribution without prior written permission from Environment and Climate Change Canada's copyright administrator. To obtain permission to reproduce Government of Canada materials for commercial purposes, apply for Crown Copyright Clearance by contacting:

Environment and Climate Change Canada
Public Inquiries Centre
12th Floor, Fontaine Building
200 Sacré-Coeur Boulevard
Gatineau QC K1A 0H3
Telephone: 1-819-997-2800
Toll Free: 1-800-668-6767 (in Canada only)
Email: ec.enviroinfo.ec@canada.ca

Cover photo: Enforcement officer collecting a water sample
Photo: Johnny Martincic © Environment and Climate Change Canada

© Her Majesty the Queen in Right of Canada, as represented by the Minister of Environment and Climate Change, 2018

Aussi disponible en français

Contents

1. **Message from the Director General**
2. **Introduction**
3. **Inspection Highlights**
4. **Investigation Highlights**
5. **Intelligence Highlights**
6. **Our Partners**
7. **Building for the Future**

MESSAGE FROM THE DIRECTOR GENERAL

Message to Canada

I'm proud to introduce you to the Environmental Enforcement Directorate (EED) at Environment and Climate Change Canada (ECCC) in our first-ever Annual Summary.

This was a big year for EED. We were out in the field, on the road, on the water, and in the air, conducting thousands of inspections. We completed several major investigations that led to prosecutions and record-setting penalties. If you look behind the statistics and news releases, you'll see the people of EED. We hope you enjoy reading this Annual Summary and getting to know us better.

Who are we? We're a team of 220 people who have backgrounds that include law enforcement, science, engineering, criminology, and natural resources management. We're a diverse group of people who use our individual talents and experience to work together for a common purpose: protecting Canada's environment from harm.

What do we do? We work in every province and territory in Canada, enforcing the nation's federal environmental laws and regulations. Our work is complex and our mandate is broad. The laws and regulations that we enforce apply to an incredibly wide variety of activities and industries, ranging from the dry cleaner down the street to mines in Canada's far north. We work in cooperation with several key partners, such as the Public Prosecution Service of Canada (PPSC), provincial and territorial counterparts, and ECCC's scientists and program experts.

Message to staff

When I look back on this year, I think about teamwork. This was a year in which a team of operations managers from across the country worked with headquarters staff and intelligence analysts to further improve the National Enforcement Plan, designing targeted projects to address important environmental problems, and ensuring that regional expertise informed national priorities.

This was also a year in which a team of operations managers and officers, known as the Investigations Support Team (IST), developed new tools to improve our investigative capacity and strengthen sentencing recommendations for environmental offences. We had an amazing opportunity to bring officers together from across the country at two advanced investigation training sessions, given by PPSC. Meanwhile we increased our involvement with INTERPOL's Pollution Crime Working Group and deepened our partnership with the US Environmental Protection Agency.

Thank you to all of you who make up our extraordinary team at EED. Whether you took an investigation to prosecution, participated in the execution of a search warrant, issued an enforcement action to compel compliance, conducted a complex inspection, produced an intelligence product, contributed to a National Enforcement Plan (NEP) project, led a team, created tools to assist your colleagues, delivered or organized training, responded to an urgent briefing request, facilitated the procurement of field equipment or expert witnesses, managed a budget or conducted financial analysis, or provided support services, you helped enforce Canada's environmental laws and regulations.

You helped protect Canada's environment from harm. I'm honoured to work alongside you.

Sincerely,

Heather McCready

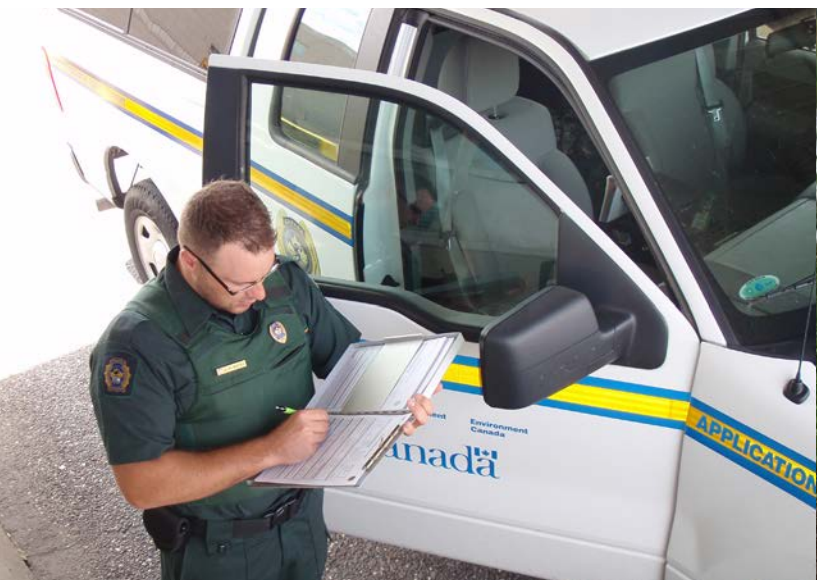
Director General

Environmental Enforcement Directorate



Heather McCready, Director General, on an inspection.

Photo: Robert Robichaud
© Environment and Climate Change Canada



Top left: Enforcement officer completing an inspection at the border. Photo: Drew Hartman © Environment and Climate Change Canada

Top right: Enforcement officer collecting a water sample. Photo: Ron Graham © Environment and Climate Change Canada

Middle left: Enforcement officers participating in hazardous material sampling training. Photo: Vincent Szeto © Environment and Climate Change Canada

Middle right: Enforcement officer taking a sample. Photo: Ryan Hamersma © Environment and Climate Change Canada

Bottom left: Enforcement officer collecting a sample. Photo: © Environment and Climate Change Canada

Bottom right: Enforcement officer taking samples. Photo: © Environment and Climate Change Canada

Enforcement vehicle parked during an inspection
at a port.

Photo: © Environment and Climate Change Canada

Introduction



Welcome to the 2016-2017 Environmental Enforcement Annual Summary

Prepared by Environment and Climate Change Canada's (ECCC) Environmental Enforcement Directorate (EED), this report covers April 1, 2016 to March 31, 2017.

The purpose of this report is to showcase the successes, achievements, and outcomes of our work to enforce federal environmental legislation across Canada. We are proud to share these accomplishments with our colleagues, partners, stakeholders, and the public.

This report is divided into several sections to highlight the variety of enforcement work we do, such as inspections, investigations, and intelligence. The report also contains information on how we are building our organization for the future.

To learn more about us, visit us online at:

<https://www.canada.ca/en/environment-climate-change/services/environmental-enforcement.html>.

Tips on suspected violations of federal environmental legislation can be reported to ec.enviroinfo.ec@canada.ca.

To report an environmental emergency (such as a spill), please call the regional 24-hour telephone number listed at <https://www.canada.ca/en/environment-climate-change/services/environmental-emergencies-program/contacts-province.html>.



Enforcement officer conducting an on-site inspection.

Photo: Pia Rasmussen © Environment and Climate Change Canada

Our purpose

The Environmental Enforcement Directorate (EED) is part of Environment and Climate Change Canada's (ECCC) Enforcement Branch (EB).

We are responsible for enforcing federal legislation that protects the Canadian environment and its biodiversity. This includes the Canadian Environmental Protection Act, 1999 (CEPA), and also the pollution prevention provisions of the Fisheries Act (FA). Together these acts and their associated regulations regulate activities that pose a risk to the environment and/or human health, such as water pollution, the release of greenhouse gas (GHG) emissions, and the import and export of hazardous waste.

Our team

We are a knowledgeable and skilled team, made up of environmental enforcement officers, intelligence specialists, analysts, and support staff. We are in the field, on the water, and in the office every day, protecting Canada's environment.

Environmental enforcement officers

Environmental enforcement officers work and conduct inspections in every province and territory across Canada to verify that individuals and corporations comply with federal environmental legislation. If an officer has reasonable and probable grounds to believe there is a contravention of an act or regulation, they can take various measures to bring the party into compliance. Some of these measures include warnings, directions, tickets, environmental protection compliance orders (EPCOs), and prosecutions. To ensure the fair, consistent, and predictable enforcement of legislation, enforcement officers act in accordance with the Enforcement Branch's compliance and enforcement policies.

Intelligence specialists

We have a team of skilled intelligence officers and analysts across Canada who contribute to our work by creating intelligence products. Intelligence products direct inspection efforts, support ongoing investigations, inform decision-making, and contribute to risk-based planning. Intelligence information is also used by senior managers and planners to inform our national strategic priority-setting process. Together, this allows us to better target our enforcement efforts towards sectors we suspect are at the highest risk of non-compliance and that could potentially cause the greatest amount of environmental harm.

Analysts and support staff

At our headquarters and across the country, we have a team of professionals who provide critical functions to facilitate our operations. This includes planning and reporting activities, statistical analysis, occupational health and safety, training and learning, and other core functions. Our analysts and support staff also work to ensure we operate as a risk-based organization.

Our partners at the Wildlife Enforcement Directorate

We work closely with EB's Wildlife Enforcement Directorate (WED). WED is responsible for enforcing laws that protect and conserve wildlife and its habitat with the aim of reducing damages and threats to biodiversity for the benefit of Canadians and our global community. We collaborate with WED around training, intelligence, joint investigations, and program and operation support. To learn more about WED, please visit them online at <https://www.canada.ca/en/environment-climate-change/services/environmental-enforcement/wildlife-legislation.html>.

Our role in environmental protection

Environment and Climate Change Canada's (ECCC) mandate is to protect the environment and conserve Canada's natural heritage. We contribute to this mandate by providing effective enforcement of legislation and regulations.

Our officers enforce environmental laws and regulations in collaboration with provincial and territorial enforcement agencies, federal partners, and international organizations, such as INTERPOL. We also work closely with other directorates and branches within ECCC, such as the Wildlife Enforcement Directorate, the Science and Technology Branch, and the Environmental Protection Branch.

When the results of an investigation warrant prosecution, we work with Crown Counsel at the Public Prosecution Service of Canada (PPSC) to ensure that those who violate Canada's environmental laws and regulations are held accountable. Funds from pollution penalties and settlements are directed to the Environmental Damages Fund (EDF), which supports projects that benefit the natural environment.

Our priorities

Each year, we develop a National Enforcement Plan (NEP) that sets out activities for the year.

The NEP is established in consultation with partners in the department's Environmental Protection Branch and the Science and Technology Branch. Several factors help us select priorities and projects for the NEP. These factors include:

- information about emerging problems and potential risks to the environment and human health;
- recent publications of new and amended regulations;
- operational complexity and capacity to carry out projects;
- governmental and departmental priorities; and
- domestic and international commitments and obligations.

Once we identify NEP priorities and projects, we use a problem-based approach to implement them. This means identifying important challenges, targetting tailored interventions, and allocating resources accordingly. This is one example of how we strive to be a strategic and targeted enforcement organization.

In the 2016-2017 fiscal year, NEP priorities and projects were identified and carried out under the following regulations:

- Environmental Emergency Regulations
- Off-Road Compression-Ignition Engines Emission Regulations
- Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations
- Wastewater Systems Effluent Regulations

In addition to national and regional planned enforcement projects, our officers also investigated major environmental incidents, such as the Mount Polley tailings pond breach, in British Columbia, the Husky Pipeline break, in Saskatchewan, and the Lac-Mégantic train derailment, in Québec.



Enforcement officer taking a water sample.

Photo: David Rennie © Environment and Climate
Change Canada

Our activities and outputs

Here you will find a summary of activities and outputs for the year. These enforcement activities are the building blocks of longer term outcomes, such as the general deterrence effect created by a robust regulatory regime.

Deterrence is one of the outcomes we aim to achieve by conducting inspections, investigations, and prosecutions. Enforcement outputs, such as fines and other penalties, send the message that the cost of non-compliance is high. The Environmental Enforcement Act (EEA), which finished coming into force in July 2017, enhanced the fine regime in nine acts, including CEPA. Amendments in 2012 created a similar fine regime for the Fisheries Act. As a result of these changes, and significant efforts of our officers and our colleagues at the Public Prosecution Service of Canada (PPSC), fines for environmental offenses can no longer be considered just “the cost of doing business”.

Proactive enforcement efforts also ensure that businesses and individuals remain compliant with environmental laws and regulations. Preventing non-compliance in turn prevents damage to our environment.

Enforcement activities

Table 1 provides information on inspections, investigations, and prosecutions.

Fiscal Year	Act	Number of Inspections			Number of Investigations			Prosecutions	
		On-site	Off-site	Total	New	Continued	Closed	Prosecuted Subjects	Convicted Subjects
2015-2016	CEPA	2,733	1,165	3,898	54	87	39	16	24
	FA	975	1,948	2,923	48	184	65	17	11
2016-2017	CEPA	2,898	927	3,825	26	104	40	33	22
	FA	1,112	1,863	2,975	45	96	69	21	12

Fines and penalties

Table 2 provides information on fines and penalties, including money directed to the Environmental Damages Fund (EDF). The EDF is a specified purpose account administered by the department, which provides a mechanism for directing funds received as a result of fines, court orders, and voluntary payments to priority projects that will benefit our natural environment.

Act	Penalty Type	Penalty Amount by Year	
		2015-2016	2016-2017
CEPA	Fines	\$22,500	None
	EDF-Directed Penalties	\$1,229,050	\$3,158,809
	Other	\$38,809	\$21,156
	Total	\$1,290,359	\$3,179,965
FA	Fines	\$119,250	\$36,500
	EDF-Directed Penalties	\$4,376,750	\$1,544,500
	Other	\$575,000	None
	Total	\$5,071,000	\$1,581,000
Total		\$6,361,359	\$4,760,965

Our achievements at a glance

In 2016 to 2017:

- We conducted 6,800 inspections and initiated 71 new investigations to ensure compliance with our laws and regulations.
- Our inspections and investigations resulted in approximately 4,300 enforcement measures, such as tickets, directions, warnings, and Environmental Protection Compliance Orders (EPCOs).
- Our enforcement efforts resulted in 34 convicted subjects for violations under CEPA and the Fisheries Act, totaling over \$4.7 million in penalties, fines, and contributions to the Environmental Damages Fund (EDF).
- We saw the highest fine ever imposed under CEPA, totaling \$975,000, after our investigation of a large property management company led to a conviction under the PCB Regulations. You can learn more about this story on page 14 of this report.



Inspection highlights

Enforcement officer conducting an inspection.

Photo: Damian Tam © Environment and Climate Change Canada

The purpose of an inspection is to verify compliance with the law. An enforcement officer conducts an inspection by gathering information from a regulated individual or business to assess their compliance with applicable legislation. An inspection may include conducting site visits, examining substances, products, or containers, taking samples, or analyzing records.

There are two types of inspections: on-site and off-site. An on-site inspection occurs when an officer visits a site, border crossing, airport, or port of entry to verify if a regulated party is compliant with applicable regulations or permits. An off-site inspection normally occurs at the officer's place of work and usually involves analyzing reports or records.

Some inspections carried out by enforcement officers are unplanned. Unplanned inspections can result from complaints, notifications from partners, intelligence or departmental referrals, reported spills and incidents, or other information. However, most inspections are planned. These inspections support priorities and projects established by the annual National Enforcement Plan (NEP).

Targeted projects under the National Enforcement Plan

The National Enforcement Plan (NEP) is an important priority-setting and planning tool that uses a risk and science-based approach to guide work and direct resources. Information generated by intelligence specialists and regional staff provides a critical input to the NEP.

At a local level, the NEP is complemented by Regional Enforcement Plans (REPs). The REPs identify regionally-specific issues and outline how the issues will be addressed through local planned inspection efforts. Focus is placed on particular regulations in each region, chosen based on factors including geography, the prevalence of the regulated sector in the region, compliance issues specific to the region, and provincial and territorial environmental sensitivities.

The NEP and REPs help us make better informed decisions and understand the impact of our work. They allow us to look at issues from a strategic perspective, and to design specific approaches to address patterns of non-compliance. They also enable us to feed information into the risk management process, and to inform the development of the strengths of risk-management instruments.

This year, we used a problem-based approach to develop the NEP. A problem-based approach involves viewing a specific challenge as *problem* and building a tailored intervention to solve the problem. Interventions could include applying an innovative solution, allocating specific resources, or taking a unique step-by-step approach to address the issue. Using a problem-based approach helps us to become nimbler, and to better organize our work around emerging risks. It also allows us to more effectively apply interventions, and to find new ways to minimize or suppress the risk of environmental harm.

On the following two pages, you will find a summary of some of the inspections our enforcement officers carried out under the NEP during the 2016-2017 fiscal year.

Inspections aim to reduce accidental releases of hazardous substances

The objective of the Environmental Emergency Regulations, made under the Canadian Environmental Protection Act, 1999 (CEPA), is to reduce the frequency and consequence of uncontrolled, unplanned, or accidental releases of hazardous substances into the environment. This objective is met by requiring proper environmental emergency planning that ensures regulated companies prevent, prepare for, respond to, and recover from an environmental emergency. The Environmental Emergency Regulations require individuals who own or have charge, management or control of specified hazardous substances to report to the department, and in certain cases, prepare and implement environmental emergency plans.

Through intelligence and analysis, the department identified several facilities across Canada that were non-compliant with the Environmental Emergency Regulations. Of most concern was non-compliance with the requirement to submit Schedule 4 (Preparation of an Environmental Emergency Plan) and Schedule 5 (Implementation and Testing of an Environmental Emergency Plan). These schedules are necessary to demonstrate that an environmental emergency plan has been developed and tested by the regulated facility in the cases where one is required. Facilities that are required to develop and test an emergency plan and have not done so are at higher risk of not having adequate measures in place to prevent, prepare for, respond to, and recover from an environmental emergency, including the release of a regulated hazardous substance at the facility.

The department has been actively working to achieve a high level of compliance with the Environmental Emergencies Regulations through site inspections and enforcement. The overall objective is to bring the compliance rate with Schedules 4 and 5 submission requirements to nearly 100% by the end of the 2017 to 2018 fiscal year.

Targeted inspections decrease risk of unidentified storage tanks

The Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations aim to reduce the risk of soil and groundwater contamination on federal and First Nations' lands from spills and leaks of petroleum products located within storage tank systems.

Leaks from storage tank systems can have serious environmental impacts. Small quantities of diesel and gasoline can contaminate surface and subsurface soil, rendering drinking water from aquifers non-potable. Leaks can also create explosive build-ups of vapours in basements and other underground structures.

Last year, approximately 260 enforcement actions were taken for instances of non-compliance with these regulations. Enforcement actions included warning letters and Environmental Protection Compliance Orders (EPCOs). Most of the actions were taken under section 28 of the regulations, which requires the regulated party to identify the presence of a storage tank to the department.

The problem of unidentified storage tanks was included in the NEP and a project has been launched to increase compliance rates related to section 28. Various strategies are being implemented to identify potential unknown storage tanks and target inspections accordingly. The goal is to achieve a compliance rate of 90% or higher for section 28.

The project is a two-year undertaking, expected to end late in the 2017 to 2018 fiscal year. Early analysis of results is showing positive outcomes. In fact, at the end of this fiscal year, 126 new storage tank systems were registered as a result of the project. The majority of the registrations stem from the Government of Nunavut, which worked to bring their facilities (covering 25 communities) into compliance.

Coordinated inspections reduce the illegal import of engines

The objective of the Off-Road Compression-Ignition Engine Emission Regulations is to provide emission standards for diesel engines used in off-road machines. These engines are typically found in machines used for construction, mining, farming, and forestry.

On average, 126,000 off-road compression-ignition engines are imported into Canada each year. Some of these engines originate from countries that are known to have a high risk of non-compliance with Canadian legislation. Non-compliant engines can emit high levels of hydrocarbons, oxides of nitrogen, particulate matters, and carbon monoxide. These emissions create smog and other problems, such as acid rain, building soiling, and corrosion.

This problem was identified in the NEP and is being addressed through a coordinated, targeted project. The project involves identifying high-risk importers and creating an inspection plan to effectively combat the issue across Canada. This project is currently ongoing, with positive results being seen in the early stages.

Spotlight on the Wastewater Systems Effluent Regulations

In 2012, Environment and Climate Change Canada (ECCC) announced new regulations under the Fisheries Act called the Wastewater Systems Effluent Regulations (WSER), which aim to safeguard Canadian waterways.

The WSER was created to address the largest point source of pollution in Canadian waters. The purpose of the WSER is to reduce threats to fish, fish habitat, and human health by decreasing the level of deleterious substances deposited in waters frequented by fish. The WSER set national baseline effluent quality standards achievable through secondary level wastewater treatment. Such a level of treatment removes over 95% of the total mass of conventional pollutants in wastewater.

The WSER applies to wastewater systems that collect at least 100 m³/per day, which currently amounts to approximately 2,475 systems across Canada. These wastewater systems are owned and operated by municipalities, Indigenous communities, federal departments and agencies, provinces, and other entities.

Enforcement approach

The regulations establish standards for deleterious substances in wastewater effluent allowed to be released into receiving bodies of water. Regulated parties are required to engage in sampling, testing, record keeping, reporting, and ultimately undertake treatment system upgrades, if necessary, in order to meet the standards set out in WSER.

ECCC has implemented a phased approach for enforcing WSER to reflect regional variations and challenges. The first phase requires regulated treatment facilities to submit identification (ID) reports. The second phase is a targeted approach to address failures to submit monitoring reports. The third phase addresses effluent quality through inspections of treatment facilities that have reported significant and chronic exceedances. Enforcement officers have been, and still are, conducting hundreds of inspections to ensure compliance with the registration and monitoring requirements.

Actions taken

- This year we continued to verify compliance with WSER in order to ensure that reporting and monitoring obligations are being met. Increased compliance will better protect Canada's freshwater resources.
- We also continued to implement Phase 1 of a national enforcement approach for WSER, aiming to increase the compliance rate of regulated parties submitting identification reports. Under the regulations, an owner or operator of a system must submit an identification report.
- In 2014 to 2015, the compliance rate for the submission of identification reports was 59%. In 2015 to 2016, it increased to 68%. By the end of 2016 to 2017, it reached 71%.

Investigation highlights

Teck Metals Ltd. facility in Trail, British Columbia.

Photo: Darin Conroy © Environment and Climate Change Canada

An investigation involves gathering evidence and information to determine if a violation has occurred. An enforcement officer conducts an investigation when he or she has reasonable grounds to believe that an offence has been committed and that a prosecution is an appropriate enforcement action.

An enforcement officer often conducts an investigation with the support of intelligence specialists, managers, operations and program staff, and partners. If the investigation is likely to result in a prosecution, they also work closely with crown prosecutors. Over the past year, many of our investigations have resulted in prosecutions, demonstrating that individuals or corporations that break federal environmental laws are held accountable for the damages they cause to the environment and human health.

This section contains a snapshot of some of our recent investigations. To read more about our prosecutions, please visit ECCC's Enforcement Notifications at: <https://www.canada.ca/en/environment-climate-change/services/environmental-enforcement/notifications.html>.

Teck Metals fined \$3 million for polluting BC river

February 2016

Enforcement officers launched an investigation into Teck Metals Ltd. after the company discharged approximately 125 million litres of harmful effluent into the Columbia River in British Columbia.

The discharges occurred on several occasions between November 28, 2013 and February 5, 2015. During the investigation, officers found that the effluent contained copper, cadmium, chlorine, and ammonia in concentrations harmful to fish. Depositing these substances into water frequented by fish is a violation of the Fisheries Act.

In February, 2016, Teck Metals Ltd. pleaded guilty in court to three offences under the Fisheries Act. The company was ordered to pay a \$3,000,000 penalty and agreed to undertake on-site improvement projects to prevent future incidents. These improvements are estimated to cost approximately \$50,000,000 to implement.

The \$3,000,000 penalty was directed to the Environmental Damages Fund (EDF) to support fish habitat and fisheries restoration projects in the watersheds of the Kootenay River or Columbia River. The EDF is a specified purpose account, administered by the Department, to provide a mechanism for directing funds received as a result of fines, court orders, and voluntary payments to priority projects that will benefit the natural environment.

DND ordered to pay \$100,000 for fuel spill in Halifax Harbour

April 2016

In May 2013, an incident occurred that caused the HMCS *St. John's* to spill approximately 9,000 litres of diesel fuel into Halifax Harbour. The spill caused a large sheen in the harbour. Diesel fuel can have many negative impacts on the environment and marine life.

The Department of National Defence (DND) reported the spill from its ship and undertook efforts to help contain and recover the spilled diesel fuel.

Enforcement officers investigated the incident and charged DND for allegedly violating the Fisheries Act. In April 2016, DND pleaded guilty to the charges and was ordered by the court to pay a \$100,000 penalty. The EDF received \$98,000 of the penalty.

Nyrstar Myra Falls sentenced to pay \$185,000 for releasing acidic water into creek

October 2016

In September 2016, enforcement officers learned of an incident at Nyrstar Myra Falls Mine in British Columbia that had caused the release of untreated acidic wash water into nearby Myra Creek.

Officers responded quickly by sampling the wash water to test for its toxicity to fish. The samples showed that the wash water was indeed harmful to fish, an alleged violation of the Fisheries Act.

In October 2016, Nyrstar Myra Falls pleaded guilty to two counts under the Fisheries Act and one count under the Metal Mining Effluent Regulations. The court ordered the Nystar Myra Falls to pay a \$185,000 penalty. Of this, \$184,000 was directed to the EDF.

Spotlight on PCB regulations

In Canada, the regulations that control polychlorinated biphenyls (PCBs) are called the PCB Regulations. These regulations are made under the Canadian Environmental Protection Act, 1999 (CEPA).

PCBs are toxic industrial chemical substances that are harmful to aquatic ecosystems and species that feed primarily on aquatic organisms. They are toxic to fish at low concentrations.

PCBs are very persistent in the environment and in the living tissue of humans and animals. Scientific data suggest they are probable human carcinogens.

The Hudson Bay Company ordered to pay \$765,000 for releasing PCBs

December 2016

Enforcement officers led an investigation into the Hudson Bay Company after the corporation released more than 146 kilograms of polychlorinated biphenyls (PCBs) into the environment, exceeding the permitted amount by 146,000 times. The corporation also failed to take all possible measures to prevent the release, report the release as soon as possible, and meet annual reporting requirements.

In December 2016, the Hudson Bay Company was found guilty of six charges and was fined \$765,000 for violating the PCB Regulations and CEPA. The fine was directed to the EDF to support programs that have a positive impact on the environment.

As part of the sentencing, the Hudson Bay Company was also required to establish an Environmental Management System, provide training on the legal consequences of violating environmental legislation to its Canadian managers, and publish an article on the facts surrounding its offences.

Property management firm ordered to pay \$975,000 for improper handling of PCBs

December 2016

An investigation launched by enforcement officers revealed that a Montréal-based property management firm, Tidan Group, was operating in contravention of several requirements under CEPA and the PCB Regulations.

In particular, the company had failed to meet its reporting requirements for the use and storage of its electrical equipment and had failed to meet its obligations related to the use, storage, and disposal of electrical equipment containing

PCBs. Further, the company had not followed environmental protection compliance orders (EPCOs) issued by environmental enforcement officers. An EPCO is a type of order that directs various measures be taken to stop or to prevent the commission of an alleged contravention.

Tidan Inc. and seven associated companies pleaded guilty in court to 52 violations under CEPA and the PCB Regulations. They were fined \$975,000, which was directed to the EDF. This is the highest CEPA fine awarded by a court to date.

The offenders will also have to publish an article on the facts surrounding their violations, develop procedures to manage their contaminated electrical equipment for all of their buildings, and provide training for their managers and staff.

Makwa Sahgaiehcan First Nation fined \$100,000 for violating storage tank regulations

October 2016

In Canada, the regulations that control the storage of petroleum products on federal lands are called the Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations (STSR). These regulations are made under the Canadian Environmental Protection Act, 1999 (CEPA).

The purpose of the STSR is to reduce the risk of soil and groundwater contamination due to spills and leaks of petroleum products from storage tank systems.

Following an inspection of a facility at Makwa Sahgaiehcan First Nation, in Loon Lake, Saskatchewan, enforcement officers issued an Environmental Protection Compliance Order (EPCO) to ensure compliance with the STSR. Charges were laid after the First Nation failed to comply with the terms of the order. After pleading guilty to the offence, the First Nation was fined \$100,000 in court.

CRC Canada Co. charged \$225,000 for violating ozone-depleting substances regulations

December 2016

Information uncovered by EED's intelligence division prompted enforcement officers to conduct an investigation into CRC Canada Co. Of particular concern was the alleged import and sale by CRC Canada Co. of aerosol products containing a prohibited ozone-depleting substance, called HCFC-225.

Ozone-depleting substances, including chloro-fluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), halons, and methyl bromide, are controlled in Canada by the Ozone-Depleting Substances and Halocarbon Alternatives Regulations. These regulations were preceded by the Ozone-Depleting Substances Regulations 1998, which were established to implement Canada's obligations under the Montreal Protocol on Substances that Deplete the Ozone Layer, which Canada ratified in 1987.

Ozone depletion results in a thinning of the ozone layer, which exposes people to increased levels of ultraviolet (UV) radiation. Exposure to UV radiation has been linked to many human health problems, including skin cancer.

Officers laid charges against CRC Canada Co., and in December 2016, the company pleaded guilty to two counts of contravening the Ozone-Depleting Substances Regulations under CEPA. CRC Canada Co. was ordered to pay \$225,000, which was directed to the EDF.

CRC Canada Co. also agreed to pay all costs associated with the removal and destruction of the illegal products seized by the officers during the investigation.

Company fined \$200,000 for illegally dumping crab waste into the ocean

December 2016

In June 2015, enforcement officers carried out an inspection of Barry Group Inc.'s fish-processing facilities in Witless Bay and Port de Grave, Newfoundland and Labrador. During this inspection, officers noticed that workers were dumping crab waste outside of the facility's authorized disposal zone.

Canada has a permitting system to control the disposal of waste or other matter into the ocean. This system is designed to ensure that disposal at sea is the environmentally preferable alternative, that pollution is prevented, and that any conflicts with other legitimate uses of the sea are avoided.

After conducting an investigation into this incident, officers charged Barry Group Inc. with violating the disposal-at-sea provisions of CEPA. In December 2016, the company was found guilty and was ordered by the court to pay a total of \$200,000 in penalties, which was directed to the EDF.

Spotlight on PERC regulations

Tetrachloroethylene, also known as perchloroethylene and commonly called PERC, is a chemical frequently used in dry cleaning. When released into the air, PERC can damage plants. Improper handling of PERC and PERC-containing waste can also contaminate groundwater.

In 2000, PERC was declared toxic and added to the List of Toxic Substances in Schedule 1 of CEPA.

PERC used in or sold for dry cleaning is regulated by the Tetrachloroethylene (Use in Dry Cleaning and Reporting Requirements) Regulations (PERC regulations). Importers and exporters of PERC also have obligations under these regulations.

Dry cleaner in Saskatoon ordered to pay \$5,000 for violating the PERC regulations

August 2016

In 2014, enforcement officers conducted an inspection at a dry cleaning facility in Saskatoon, Saskatchewan. During the inspection, officers found six 10-litre barrels containing PERC residue that had been in storage for three years. The officers sampled the residue and found that the concentration of PERC in the barrels ranged

from 24,600 parts per million (ppm) to 503,000 ppm. The owner of the dry cleaning company was fined \$5,000 for violating the PERC regulations, which require owners to transport their residue to a waste management facility no less than once every 12 months.

Dry cleaner in Scarborough fined \$10,000 for violating the PERC regulations

July 2016

During an inspection of a dry cleaning facility based in Scarborough, Ontario, enforcement officers discovered waste water and residue from a dry cleaning machine that had not been transported to a waste management facility. This contravenes the PERC regulations, which require transport of waste water not treated on-site and all residue to a waste management facility. After pleading guilty in court, the owner of the company was fined \$10,000. The owner was also required by the court to publish facts relating to the offences and punishment in a dry cleaning trade magazine.

Dry cleaner in Edmonton charged \$20,000 for violating the PERC regulations

September 2016

In 2014 and 2015, enforcement officers found PERC-containing waste water and residue in uncovered containers in a dry cleaning facility in Edmonton, Alberta, during an inspection. Keeping PERC in uncovered containers is a violation of the regulations. After pleading guilty in court, the manager of the facility was fined \$20,000. The manager was also ordered by the courts to design and implement training and standard operating procedures for his employees on the safe handling of PERC.

Clearwater River Dene Nation and other parties fined \$130,000 for failing to follow EPCO

January 2017

Enforcement officers issued an environmental protection compliance order (EPCO) to the Clearwater River Dene Nation, in northern Saskatchewan, as well as to a local company and an individual after discovering alleged violations of the Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations (STSR).

After failing to comply with the EPCO, and pleading guilty in court to the charges that were subsequently laid, the parties were fined a total of \$130,000. The Clearwater River Dene Nation was fined \$100,000, the company was fined \$25,000, and the individual was fined \$5,000. All fines were directed to the EDF.

Pulp mill fined \$125,000 for releasing effluent into rivers

February 2017

An investigation found that Fibrek S.E.N.C., a pulp mill in Saint-Félicien, Québec, had allegedly committed several offences in contravention of the Pulp and Paper Effluent Regulations under the Fisheries Act.

In particular, officers found that the company had released acutely lethal effluent from its water treatment system into the Mistassini and Ashuapmushuan rivers. The company also failed to report the spill in accordance with legislation.

In February 2017, Fibrek S.E.N.C. pleaded guilty to two charges in court. The company was fined \$125,000. Of this fine, \$112,500 was directed to the EDF.

Air North pays \$80,000 and acknowledges responsibility following a diesel spill

March 2017

In September 2014, an incident involving Air North led to a diesel spill near Porcupine River in Old Crow, Yukon. The spill occurred in an area where the diesel could have entered fish-bearing waters.

Following an investigation conducted by enforcement officers, Air North was charged with violating the Fisheries Act. The company opted to enter into an alternative measures agreement with the Public Prosecution Service of Canada, which committed the company to:

- pay a total penalty of \$80,000;
- publicly acknowledge and accept responsibility for the spill;
- improve their training, practices, and procedures for fuel delivery, including spill responses; and
- clean up and remediate the spill site to the satisfaction of Environment Yukon.

A portion of the funds from the fine will be used to remediate or improve the environment in Vuntut Gwitchin First Nation territory. The remainder will be directed to the EDF for environmental restoration, improvement, or education in the Yukon.

Valero Energy Inc.–Jean Gaulin Refinery ordered to pay \$500,000 for violating the Fisheries Act

March 2017

After conducting an investigation, enforcement officers found that Valero Energy Inc.–Jean Gaulin Refinery, located in Lévis, Québec, had failed to comply on six occasions with a direction issued to the company requiring them to undertake rehabilitation and environmental monitoring work. This direction was issued following an illegal oil discharge made by the refinery into a stream that was frequented by fish. Oil is harmful to fish, aquatic life, and the environment.

Officers laid charges against the refinery and in February 2017 the company pleaded guilty to six counts under the Fisheries Act. The court sentenced Valero Energy Inc.–Jean Gaulin Refinery (formerly Ultramar Ltd.) to pay a \$120,000 fine for failing to comply with the directive. The company was also fined \$380,000 for the financial benefits it obtained by knowingly violating federal law. The total amount was directed to the EDF.

The background image shows an outdoor industrial or construction site. In the foreground, there is a body of water with green vegetation along the shore. On the bank, there is a large pile of waste materials, including numerous blue and white plastic drums, stacks of wooden planks and beams, and various pipes. A large white pipe lies horizontally across the middle ground. In the background, there are more industrial structures, including a yellow building, and a line of evergreen trees under a clear blue sky.

Intelligence highlights

Waste found abandoned at a mining site in northern Ontario.

Photo: © Environment and Climate Change Canada

Intelligence informs decision-making. Our intelligence specialists support ongoing operations, uncover cases of non-compliance, and forecast patterns of illegal activity. Intelligence makes our enforcement efforts more targeted and effective.

We have a team of intelligence analysts, officers, and managers located in offices across the country. Our intelligence team uses specialized software and tools to develop a variety of products for enforcement officers, middle managers, and senior managers. These products are used to assist with inspections and investigations, and to inform operations planning. Over the past year, our intelligence team has achieved many important results.

Illegal sales of ozone-depleting substances lead to a \$500,000 fine

December 2016

Based on analysis conducted by intelligence specialists, enforcement officers launched an investigation of Acklands-Grainger Inc., located in Edmonton, Alberta, for the sale of aerosol products containing hydrochlorofluorocarbons (HCFCs).

HCFCs are prohibited ozone-depleting substances. If released into the atmosphere, they can thin the ozone layer, exposing humans to increased levels of ultraviolet (UV) radiation.

The investigation found that between 2012 and 2014 Acklands-Grainger Inc. sold two products containing prohibited HCFC-225. Officers charged the company with allegedly violating the Ozone-Depleting Substances Regulations, 1998, under the Canadian Environmental Protection Act, 1999 (CEPA).

In December 2016, the court found Acklands-Grainger Inc. guilty of the charges and ordered the company to pay a \$500,000 penalty. This fine amount was directed to the EDF.

Non-compliant engines result in a \$65,000 penalty

September 2016

Acting on information gathered by intelligence specialists, enforcement officers launched an investigation into an individual who was allegedly importing gas-powered equipment

and engines into Canada without the required paperwork to demonstrate compliance with CEPA and the Off-Road Small Spark-Ignition Engine Emission Regulations.

Fuel combustion from non-compliant small spark-ignition engines can contribute to air pollution and can have adverse effects on the environment and human health.

The investigation found that in 2011 and 2012, the individual had imported more than 2,300 engines and pieces of equipment, including chain saws, hedge clippers and generators, without the required paperwork showing that the items did not emit more than 19 kW (25 hp).

As a result, the individual was ordered in court to pay fines and fees totaling more than \$65,000. In addition, the individual was required to publish a notice of violation in a known magazine or journal.

Intelligence division assists with strategic operations planning

Over the past several years, intelligence products have been increasingly incorporated into the directorate's national strategic planning and priority-setting process. The objective is to inform decision-makers about activities that have the highest risk of non-compliance.

This year, the intelligence team presented several products using market information and other data to show that the risk level of some activities had changed from years prior. This information will allow us to shift our priorities and resources to focus on new or emerging high-risk activities in the coming years.

Intelligence operation tackles illegal imports of VOCs

This year, the intelligence team led a coordinated national project to identify importers of a product containing volatile organic compounds in concentrations above the permissible levels stated in the Volatile Organic Compound (VOC) Concentration Limits for Automotive Refinishing Products Regulations. The objective of the regulations is to protect the environment and health of Canadians by setting concentration limits for VOCs in 14 categories of automotive refinishing products. VOC emissions from automotive refinishing products can create air pollution, which has been shown to have a significant impact on human health and the environment.

After the project was successful in identifying illegal imports of the product containing VOCs, the intelligence team presented the results to operations staff and recommended an approach for a coordinated, multi-region enforcement effort. The enforcement effort is ongoing.

A blue and yellow helicopter is parked on a tarmac under a clear blue sky. Two men are standing in front of the helicopter. The man on the left is wearing a dark uniform and sunglasses, while the man on the right is wearing a green uniform. The helicopter has a yellow stripe running along its side and a yellow stripe on its landing gear.

Our partners

Enforcement officer working with a PEI
conservation officer to conduct aerial surveys.

Photo: © Environment and Climate Change
Canada

Combatting environmental crime takes collaboration. Designing a comprehensive approach to enforcement requires the expertise of scientists, laboratory specialists, and engineers, as well as partnerships with other law enforcement agencies.

To achieve the best possible outcomes from our enforcement efforts, we work closely with a wide range of partners, including other federal departments, provincial, territorial, and municipal governments, and international counterparts.

This year we achieved many positive outcomes as a result of our partnerships. We also continued our work to strengthen key partnerships.

Targeting high-risk agricultural fields

Following heavy rainfall events, registered pesticides (herbicides, insecticides and fungicides) and other substances used by the agriculture industry can be deposited into waters frequented by fish. Some of these substances can be harmful to fish if the concentration and duration of a deposit are sufficiently high. Since 2011, ECCC has responded to several reported fish kills on Prince Edward Island (PEI) following heavy rainfall events.

Over the past three years, our enforcement officers and PEI provincial officials have cooperated to develop a strategic approach to improve the response to such events by focusing on early identification and monitoring of high-risk agricultural fields.

The annual project in PEI includes conducting aerial surveys of targeted watersheds, field monitoring, and inspections during and after rainfall events. The objective is to identify high-risk fields that may lead to run-offs following rainfall events, in an effort to better target enforcement activities.

Over \$4.7 million directed to the EDF

The Environmental Damages Fund (EDF) is a specified purpose account created by the Government of Canada in 1995 to provide a mechanism for directing funds received as a result of fines, court orders, and voluntary payments to priority projects that will benefit the natural environment. A specified purpose account is one maintained separately from the general revenues of the Government of Canada.

The EDF uses contributions to fund various projects, including projects related to restoration, environmental quality improvement, research and development, and education and awareness.

This year, the results of our work directed \$4,703,309 to the EDF, making us the fund's largest contributor.

These results would not be possible without the incredible work of our colleagues at the Public Prosecution Service of Canada.

Sharing of import data made easier with CBSA's Single Window Initiative

This year, we completed a process to align with the Canada Border Services Agency's (CBSA) Single Window Initiative.

The CBSA's Single Window Initiative streamlines the sharing of commercial import data between the Government of Canada and the import community. It balances the needs of government departments and agencies with today's globally competitive business environment. Along with the CBSA, there are nine government departments and agencies participating in the Single Window Initiative, representing 38 government programs.

Through the Single Window Initiative, traders are able to provide all required import information electronically to the CBSA. In turn, the CBSA transmits the information to the appropriate department or agency responsible for regulating the goods. These departments and agencies assess the information and provide any border-related decisions required. This process streamlines and simplifies the import process and significantly reduces the paper burden on the business community, while allowing us to better target high-risk shipments of regulated commodities.



Building for the future

Graduates from the enforcement training
program.

Photo: © Environment and Climate
Change Canada

As environmental crime in Canada and around the world becomes more complex, we are continuing to build our organization for the future.

To face increasingly complex cases of environmental crime, we have evolved our operations to become more sophisticated and targeted. But our work is not yet done. Building for the future means continuing to invest time and resources in our people, partnerships, operations, and organization. Here are some of the ways we are doing this.

Building our risk-based approach

We have always been committed to using our resources in the most effective way possible. To achieve this goal, we have developed our intelligence capacity under the Intelligence Renewal Project. This function has now been integrated into our normal operations. Going forward, the challenge is to continue to support and build this capacity, while also supplementing it wherever necessary. This means work and investment on a number of fronts:

Organizational focus

We are focusing our organization's efforts on areas where we can have the most impact by prioritizing issues that pose the greatest environmental and non-compliance risks, and where we have the tools to take effective action. Planned inspections and National Enforcement Plan (NEP) projects are determined on this basis, and we will continue to work collaboratively to ensure we make decisions based on data and intelligence.

Intelligence

Our intelligence team will be increasingly responsible for providing sophisticated, actionable recommendations that will help us determine our priorities. We will rely on our intelligence staff to develop strategic intelligence products, including threat and harm assessments and profiles. Our planning will be informed by these products.

Data analytics

Closely related to intelligence information, is data analytics. We are continuing to develop our capacity to produce comprehensive, accurate, and reliable statistics on a region-by-region basis that help us identify where we may find

non-compliant activities occurring and what actions are the most effective to address these activities.

Building our investigative skills and capacity

More than ever, we are tackling cases involving serious violations and achieving significant fines and penalties. We are proud of each of our successes. But we also recognize that with the right investments, we can do more. In the coming years, we will intensify our progress in a number of ways:

Case management and major case management

We have developed comprehensive case management protocols and are currently field testing them in all regions. These protocols are based on the latest major case management principles in place across most North American law enforcement organizations and are tailored to our needs. Once finalized, these protocols will be used for all enforcement files.

Investigations Support Team

The Investigations Support Team (IST) was formed in 2016 to provide a national centre of excellence for investigations. The IST brings together experienced investigators to offer support and expertise to officers across the country who are involved in complex investigations. The IST also organizes training sessions on investigative tools and techniques and has included a representative of the Public Prosecution Service of Canada on an *ad hoc* basis. The team will continue to look for opportunities to collaborate across regions to advance our investigations together.

Building our partnerships

Effective enforcement outcomes cannot be achieved without a continual focus on building, maintaining, and enhancing partnerships. We will continue to strengthen the following critical partnerships:

Science and Technology Branch

We are truly privileged to draw on the experience, knowledge, and assets of a world class science-based department. Most importantly, we rely on scientific expertise provided by the Science and Technology Branch's laboratories, which are located across the country. In these laboratories, advanced testing is done on many of the samples we take, to establish whether ECCC's laws or regulations have been violated and, when they have been, to understand the extent of environmental damage. As the complexity of regulations increases, and the burden of proof grows, we will continue to work closely with ECCC's Science and Technology Branch to hold violators accountable.

Public Prosecution Service of Canada

Over the past year, we have worked hard to improve the materials we provide to the Public Prosecution Service of Canada (PPSC) in support of our sentencing recommendations. We have also engaged our partners at PPSC to assist with the delivery of investigative training. This has led, we believe, to better investigative files and input to PPSC on sentencing recommendations. We will continue this important work, and will explore more opportunities for collaboration with PPSC.

Provinces and Territories

Environmental enforcement in Canada can be jurisdictionally complex since provinces

and territories have overlaying mandates and priorities. This creates a collective interest in cooperating to share information for planning and risk targeting, and establishing procedures to work together effectively. To manage this, we have established together a series of memorandums of understanding (MOUs). In the years ahead, we will continue to ensure these MOUs get updated and enhanced as needed.



Investigations Support Team at a training event assisted by the Public Prosecution Service of Canada.

Photo: Margaret Meroni © Environment and Climate Change Canada

Conclusion

This has been an important year for EED.

We saw an increase in large fines, initiated several new projects, brought others to a close, and took critical steps to plan for our future. We did this while undertaking a robust inspection program and managing new and ongoing investigations.

We could not have achieved the same level of success without the dedication of our hard-working team or the collaborative efforts of our partners. Together, we are proud to be protecting Canada's environment and its biodiversity for future generations.

We are pleased to have delivered our first Annual Summary and we look forward to continuing to report on our achievements in the 2017 to 2018 fiscal year.

