



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

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NOTICE

November 20, 2015

To: All Certified Processors

From: Division of Recycling, Recycling Program Enforcement Branch (RPEB)

Subject: Implementation of Beverage Container Recycling Processor Oversight Program

With passage of the California State Budget for Fiscal Year 2015/16, the Division of Recycling was authorized and funded to implement an oversight program with dedicated on-site staff resources at certified processor facilities. This program supports the Division's fraud management strategy, and its goal is to help ensure the fiscal and programmatic integrity of the Beverage Container Recycling Program (Program). Effective immediately, RPEB will periodically station staff at certified processor facilities to conduct on-site reviews and observations of program participants and determine compliance. The on-site activities may include, but are not limited to, inspection of empty beverage container deliveries to each processor, validation of cancellation methods and processor-issued authorizations to cancel, inventory reconciliation, and the review of records associated with purchases and sales of empty beverage containers.

As a certified processor and a stakeholder in the Program, it is crucial that processors are in compliance with all aspects of the California Beverage Container Recycling and Litter Reduction Act (Act) and the California Code of Regulations (Regulations). This notice is not intended to cover all aspects of the Act and Regulations; however, noted below are some of the inspection, cancellation, and imported material report requirements as a courtesy reminder.

Inspection

Pursuant to Section 2401(a) of the Regulations, certified processors shall inspect each load of containers, subject to the Act, delivered to the processor, for which refund value is claimed, to determine whether the load is eligible for any refund value. For any load delivered to a processor from a drop-off or collection program, community service program, curbside program, or recycling center, each processor taking delivery of the material shall visually inspect each load of material by monitoring the unloading and/or conveyor process to determine eligibility. **Processors must have staff responsible for monitoring and inspecting all loads delivered for CRV reimbursement.**

Cancellation

A certified processor shall take the actions necessary and approved by the Department of Resources Recycling and Recovery (CalRecycle) to cancel containers to render them unfit for redemption, as noted in Section 14539(b)(7) of the Act. Cancellation means the act of removing the refund value of an empty beverage container as instructed in Section 2000(a)(4) and 2420(d)(1),(2),(3) of the Regulations.

Recordkeeping

A certified processor shall ensure that all recordkeeping is in accordance with Section 2420 and Section 2085 of the Regulations.

Imported Material Report

Pursuant to Section 2831(b) of the Regulations, persons receiving imported empty beverage container material shall operate in accordance with all of the following requirements:

- (1) Persons receiving imported empty beverage container material shall not take delivery of any imported empty beverage container material that is not accompanied by a proof of inspection and an Imported Material Report (IMR) that has the appropriate sections completed, has the proper supporting documents attached, correctly identifies the delivery location, and accurately describes the material.
- (2) Persons receiving imported empty beverage container material shall inspect each load of material to determine whether the material matches the description on the accompanying IMR.
- (3) Persons receiving imported empty beverage container material shall prepare weight tickets describing the material and indicating the weight for each individual load of imported empty beverage container material received. A separate weight ticket shall be prepared for each material type received. Weight tickets for loads of material weighing more than 100 pounds shall be issued by a weighmaster licensed pursuant to Chapter 7 of Division 5 of the Business and Professions Code (commencing with section 12700). A copy of each weight ticket shall be provided to the person delivering the material.
- (4) Persons receiving imported empty beverage container material shall complete and sign all appropriate sections of the IMR upon taking delivery of the material.
- (5) Persons receiving imported empty beverage container material shall not pay, claim, or receive any refund value or other recycling program payments for the material.
- (6) Persons receiving imported empty beverage container material shall cooperate fully with any California Department of Food and Agriculture inspector, Division staff person, law enforcement officer, or other appropriate official to fulfill the purposes of Section 14596 of the Act and these regulations, including preparing and completing all required documentation, providing full, true and correct information, granting access to records, premises, equipment, facilities, and operations.

Failure to comply with the Act and/or Regulations may result in civil penalties, restitution, revocation of authorization to cancel, and/or suspension or revocation of your certificate.

In order to effectively implement the Processor Oversight Program, RPEB asks for the processor's cooperation. RPEB understands that a processor may be engaged in assisting customers while also fulfilling the Department's requests. RPEB is committed to ensuring staff do not adversely impact the processor's business activities. Should you have any questions, please contact:

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