



THE LION GROUP<sub>LLC</sub>  
*Regulatory Consultants*  
*EH&S Sampling / Technologies*  
*Engineering / Design*  
*Creative Design / Administrative Services*  
*TLG Institute of Professional Education*

## CLIENT BULLETIN

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# Be Aware of Compliance Issues in a Slow Economy.

THE LION GROUP LLC (TLG) provides the CLIENT BULLETIN as a complimentary regulatory information resource to our clients, and associates. **October 2008 Issue.**

You would think that a slow economy means regulatory compliance takes a backseat. This is far from the truth. In fact, during slow economy times, the attention to regulatory activities becomes more scrutinized, and compliance and/or noncompliance are typically “spotlighted”. Both private and public sectors have reacted historically the same during these downturns in their own unique way. These reactions have led to more vigorous and sometimes adversarial relationships between those being regulated and those doing the regulating.

The intent of this discussion is to provide some degree of insight and direction based on 35 plus years of experience and observation in the regulatory arena.

The regulations of primary focus are those related to environmental, employee health, and safety.

### Private Sector

Companies who experience slower cycles of business will typically focus on cost controls. This focus may involve elimination of positions that are not considered to make a direct contribution to a sustained profitability. In a number of organizations, those positions that have the responsibilities for company

compliance are among those that are eliminated, and these responsibilities and tasks are assigned to the remaining managerial positions of which are deemed profit contributors. Under these circumstances, the pending conflicts and problems are obvious. In the era of lean manufacturing, most managers are held responsible for a wide number of production related tasks, and the focus on compliance gets blurred. Many times a company will form a regulatory oversight committee which consists of different managers, and more often than not, this reshuffling of responsibilities leads to poor regulatory oversight and loss of compliance focus. As a result, the company is out an enormous amount of resource time, and money, with the potential for severe regulatory penalties/fines, and regulatory actions.

### Public Sector

Government agencies, from federal to small municipalities, are also heavily affected by a reduction of funding during slower economic cycles. The sources of their funding, which are primarily tax related, diminish because the obvious reductions in value, such as property taxes. Additionally, sales tax is reduced because of the decreased sales of goods. Therefore, the agencies are forced to lower their costs by position eliminations, or by not replacing open positions. The agencies then struggle to maintain the number of compliance related activities such as

inspections, sampling events, and various regulatory reviews of submissions from industry, other municipal agencies or departments. The agencies then must justify their activities in order to remain staffed at the reduced levels. It has been stated that compliance fines are efforts by agencies to fund the shortfalls in their respective governments; however, I have personally found this claim, for the most part, to have very little validity. I do however think that the various agencies increase their focus on compliance oversight in order to remain visible as being very active. It is very rare that a business facing a compliance challenge is a victim solely because of an increase of regulatory agency activity. Where there is smoke there is generally some amount of fire.

### Ask yourself the hard questions

If you are forced to make decisions in staffing reductions, which may lead to a reduction / elimination of internal regulatory related resources, ask yourself the following questions:

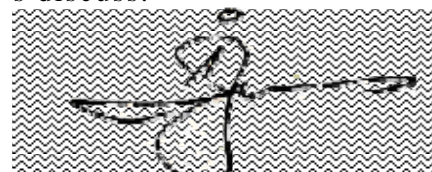
1. How competent are the resources assigned to compliance related tasks?
2. Do you really know what your compliance related obligations are?
3. Do you know what the gaps are in your company's regulatory programs?
4. Can the selected internal resources manage a regulatory program on a day-to-day basis, and maintain the level of performance needed in their other assigned responsibilities?
5. What do you do when a compliance challenge arises and you need to respond quickly, effectively, and efficiently?
6. Who "owns" your company's regulatory programs?

### Observations

Some of my observations and experiences for your consideration:

- TLG is a proven beneficial outside regulatory resource to our clients during slower economic times. The norm is, when companies do not have the proper resources, they face significant regulatory actions. Having a proper regulatory resource means a company is kept informed, on track, and is aware of what is expected and required to remain compliant. This resource must know what is specifically required according to the company's business.
- Companies that recognized their shortcomings engaged TLG to conduct regulatory assessments, acted on them, and were the most successful in remaining compliant.
- Companies that had a history of noncompliance issues have engaged TLG to address their long-term regulatory challenges. In time, many of our clients have become recognized by Agencies as environmental stewards.
- Companies who continue to think that their noncompliance will go unnoticed are typically the ones who face the greatest challenges. This can cause financial penalties, legal suits/actions from the regulatory agencies, mandate to implement major improvements in processes/equipment, and mandates to cease their production of goods and materials. Not only is there negative regulatory reaction but also bad public reaction.
- Companies that cannot properly address a regulatory issue with the agency asking the questions, they will experience an enormous unplanned drain on money and resources. TLG has a proven good results record for effectively dealing with agencies acting as a representative for clients.

Take a few minutes to determine your compliance level, assigned resources, resource competency on regulatory issues, and then give me a call at **1.817.731.4141** and let's discuss.



Thomas O. Jones, Principal  
THE LION GROUP LLC

## 2009 TRAINING CLASSES


THE LION GROUP Institute of Professional Education (TLG IOPE) has been providing global specialized Regulatory / Environmental, Employee Health & Safety training services for over 35 plus years. TLG IOPE is in the process of scheduling training courses for 2009, to be held in TLG IOPE Training Facility, Fort Worth, Texas. These courses will discuss Air, Stormwater, and Wastewater issues. Tentative schedule for 2009: Air – 2nd quarter; Stormwater – 3rd quarter, and Wastewater (“Defensible and Representative Wastewater Sampling”—8-Hours) – 4th quarter. The recently conducted Wastewater training course was given an extremely positive rating by the attending participants. TLG IOPE provides training venues of unique, comprehensive, and one-of-a-kind training courses that are instructed by professionals who each are highly experienced in their field. If your company has challenges that involve any of these course subject matters, these courses will be of great benefit in your dealing with everyday real world issues, as well as provide a higher level of confidence in implementing the learned management tools and skills. Registration is open to personnel of interested global businesses, representatives of municipalities, cities, local, and territorial / federal / state regulatory agencies. These courses are also considered as continuing education credits. More training course details will be posted to website <http://www.theliongroupllc.com> in 1st quarter of 2009.

TLG IOPE can provide customized group training courses for your on-site personnel, or at a specified off-site location. Email us at [training@theliongroupllc.com](mailto:training@theliongroupllc.com) or call our office at 1.817.731.4141 for further details.

**TLG NEW LOCATION - (ADMINISTRATIVE / OPERATIONS CENTER)**  
4012 Old Benbrook Road, Fort Worth Texas  
TLG has consolidated our administrative and operations center into one location. This consolidation has taken place in order to better serve our clients. The new location provides the TLG team with a more comfortable and efficient working space, and enables us to accommodate larger groups of clients, as well as conduct training courses in a perfect setting. An open house is being planned and announcements will be sent out in the first quarter of 2009. We invite you to drop by any time to say hello and visit.

## NEW ADDITIONS TO TLG

TLG is pleased to announce three new Team members. Each new member has come to us as a result of our growth. **As most growing firms, we are always looking for experienced resources that can contribute to our continued success, and who want to grow in personal and professional strengths and abilities.**

-  **Michael Foltz** – Michael has joined TLG after successful careers in the electronic, telecommunication, and EH&S arenas. He currently is focused on further organization of our sampling resources and equipment. Other areas of efforts have been assisting clients in addressing enhancements in various regulatory programs and submissions.
-  **John Paul “JP” Suplita, R.E.M.** – JP has joined TLG after a number of years working in private industries. JP’s experience covers most facets of environmental and safety programs. JP has worked for a number of multinational firms and has strengthened our regulatory group. His experiences in air permitting and monitoring, wastewater emissions, and regulatory submissions have already made a positive impact with our clients. JP is a graduate of Texas A&M University and has degrees in sciences related to environmental disciplines.
-  **Terrah Hernandez** – Terrah joined TLG in the Creative Design and Administrative Services group. Her background in business administration and organizational skills has allowed a more effective method of managing the tremendous amount of regulatory documentation that TLG maintains. Terrah is also instrumental in coordinating personnel schedules, sampling event schedules, and has responsibly related to all of our chain-of-custody and sampling documentation. Besides working with TLG, Terrah also is currently enrolled in college working toward a degree in Business Administration.

**DISCLAIMER:** The intent of THE LION GROUP LLC “CLIENT BULLETIN” is to provide the reader with information regarding regulatory activities. The topics are presented in a very general sense, and are combined with interpretations and opinions from THE LION GROUP LLC. The reader is encouraged to contact THE LION GROUP LLC for further information as it relates to their specific situation, or contact their appropriate company professional. THE LION GROUP LLC makes no warranty, express or implied, nor does THE LION GROUP LLC assume any legal liability as to accuracy, completeness, or usefulness of any of the information in THE LION GROUP LLC “CLIENT BULLETIN.”