



FOR IMMEDIATE RELEASE  
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**STATE AUDITOR'S OFFICE FINDS RECYCLING RATE NOT SUFFICIENT  
TO REDUCE COLORADO'S STOCKPILE OF WASTE TIRES**

DENVER—An audit by the Colorado Office of the State Auditor (OSA) has found that despite an increase in waste tire recycling in recent years, Colorado does not consistently recycle all the new waste tires it generates. The current recycling rate is not sufficient to eliminate Colorado's stockpile of waste tires by 2024, when statute requires all waste tire storage facilities in the state to close.

In Calendar Year 2013, there were an estimated 61 million waste tires in Colorado, the largest stockpile in the country. Many tires were brought in from out of state; however Colorado consumers still generate approximately 5 million waste tires annually. Waste tires present significant public health and environmental concerns, because they can catch fire and emit toxic gases, leach harmful chemicals into groundwater, and also act as a breeding ground for mosquitoes, which can spread disease.

The Waste Tire Processor and End User Program is intended to encourage companies and individuals to recycle waste tires or use them in tire-derived products through reimbursements. In Fiscal Year 2013, the program issued approximately \$4.8 million in reimbursements, which are paid from cash fees collected on the sale of new tires.

The Department of Public Health and Environment, which administers the Waste Tire Processor and End User Program, lacks strategies, goals and performance measures to establish a self-sustaining waste tire market, the audit found. Legislation passed in 2014 (House Bill 14-1352) will repeal the program by January 1, 2018, and without a stronger waste tire market the stockpile of waste tires may not be eliminated and could even grow.

Additionally, auditors found that the Department's practice of reimbursing for tire bales does not appear to fall within the intent of the program since they are not a permanent use of waste tires. Tire bales, which are commonly used for wind breaks, fences and sound barriers, are created by

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compressing waste tires into a cube, and wrapping them with steel bands. However, the steel bands can eventually break, and the State could be left with the clean-up of the same waste tires all over again. Eliminating their reimbursement could save the program as much as \$194,000 a year.

Auditors also found that the Department needs to strengthen and document its practices for determining that someone is eligible for reimbursement payments and ensure it is not paying reimbursements to anyone who has submitted fraudulent information. A regular, risk-based approach to conducting site visits to verify applicants' reported use of waste tires and reviewing applicants' documentation would increase the Department's ability to identify and deter fraud.

The OSA made five recommendations for improvements going forward. The Department of Public Health and Environment agreed with all five recommendations.

The full report is available electronically on the OSA's website, <http://www.state.co.us/auditor>, via the link called "OSA Audit Reports." In accordance with state statute, the Legislative Audit Committee released the audit by a majority vote during a public hearing.

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.