



NEW JERSEY LEGISLATURE
OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR

EXECUTIVE SUMMARY

**DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF SUSTAINABLE WASTE MANAGEMENT
BUREAU OF RECYCLING AND HAZARDOUS WASTE MANAGEMENT
ELECTRONIC WASTE PROGRAM
July 1, 2022 to June 30, 2025**

We found that the financial transactions included in our testing were related to the program, were reasonable, and were recorded properly in the accounting systems. Furthermore, we determined that adequate controls were in place to ensure the Electronic Waste Program was in compliance with statutory and internal requirements. In making these determinations, we noted certain deficiencies meriting management's attention regarding revenue reconciliations, timeliness of deposits, a vehicle purchase, and compliance with statutorily required annual reporting to the legislature.

AUDIT HIGHLIGHTS

- Revenue in the department's system is not being reconciled to the New Jersey Comprehensive Financial System (NJCFIS). We tested all 84 manufacturers and 23 authorized recyclers who were required to pay a registration fee and compared all program registration fees recorded in NJCFIS. In fiscal years 2023 and 2024, we found six manufacturer registration overpayments of \$5,000 each and one authorized recycler registration overpayment of \$15,000. Most of the overpayments were not detected by the division because it does not perform reconciliations.
- Deposits for the program are not being made timely, thereby resulting in lost interest revenue to the state. We tested all 40 physical checks received in fiscal years 2023 through 2025, totaling \$580,000, and found that the checks had been in the division's possession for an average of seven days before being sent to the Department of the Treasury, Division of Revenue and Enterprise Services (DORES) for deposit. We found that deposit delays could be avoided if the program were to invoice the recyclers upfront and instruct them to send payments directly to DORES.
- We tested all eight non-payroll related expenditure transactions totaling approximately \$148,000 from fiscal years 2023 through 2025 (as of December 2024). We found two transactions in fiscal year 2024 totaling \$53,000 for a vehicle purchase that was not related to the program. In addition, the vehicle fails to meet the required minimum mileage of an average of 750 miles per month for official state business as required by Treasury circulars.
- The department is statutorily required to provide an annual report to the legislature detailing critical data related to the collection and recycling of CEDs in the state. The statute's effective date was January 13, 2008; however, an annual report has never been submitted to the legislature.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click on the attached files.