

REPORT HIGHLIGHTS PERFORMANCE AUDIT

Subject

The Arizona Structural Pest Control Commission was established in 1988 to protect the public from chemical harm and the harm caused by inadequate or improper structural pest control. The Commission licenses and regulates pest control businesses and applicators.

Our Conclusion

The Commission appropriately investigated most inquiries and complaints, but should improve investigation timeliness and develop policies for violations its staff handle. The Commission should ensure that all companies are inspected at least every 2 years, and that additional inspections are selected based on recently developed guidelines. The Commission should also continue efforts to improve its information management systems.



2007

Commission should improve inquiry and complaint processing

By law, the Commission must investigate all potential violations of statute or administrative rule by its licensees.

Licensees as of January 2007

1,006	Pesticide businesses
6,995	Pesticide applicators
1,217	Qualifying parties (persons responsible for supervising applicators)

These investigations take two forms: inquiries and complaints.

Inquiries—The Commission receives "inquiries" from the public or staff, which provide information about possible statute or rule violations. Staff investigate these inquiries to initially determine (1) if the Commission has jurisdiction, and (2) whether a violation occurred. These investigations typically involve interviewing the person who initiated the inquiry, the licensee, and others; reviewing documents; and possibly conducting an inspection. If there is no basis for the inquiry or the Commission has no jurisdiction, it is dismissed. Dismissed inquiries are not reported to the public, and the files are destroyed after 6 months.

Complaints—If the inquiry investigation substantiates a violation that is not minor in nature, then the inquiry becomes a complaint. The licensee is notified of the complaint and asked to respond in writing to the allegations. Staff also conduct further investigation into the matter.



Source: The Arizona Structural Pest Control Commission

Information the Commission or staff receives may also begin as a complaint, such as when violations are discovered during an inspection.

The Commission opened 176 inquiries and 72 complaints in calendar year 2006.

Investigations adequate—We found most inquiries and complaints that auditors reviewed are adequately investigated. Commission staff performed the necessary investigative steps, including interviewing the complainants, licensees, and witnesses; collecting sufficient evidence; and writing a detailed investigative report.

When an investigation substantiates a violation, the Commission may take one or more disciplinary actions.

Disciplinary Statistics for Federal Fiscal Year 2006

26	Licenses revoked
21	Licenses suspended
5	Licenses placed on probation
66	Civil penalties
92	Administrative warnings
7	Cease-and-desist orders
29	Other—Includes requiring continuing education and/or reporting to the Commission

Investigative process not timely—Although the Commission's investigations are adequate, they do not meet the Commission's goals for timeliness. The Commission prescribes that inquiries be investigated within 60 days, complaints be investigated and adjudicated within 180 days, and inquiries that become complaints be investigated and adjudicated within 240 days.

Time frame goals

Number meeting goal

Inquiry—60 days	15 of 44 sampled
Complaint—180 days	11 of 19 sampled
Combined—240 days	8 of 19 sampled

Various factors influence untimely investigations. These include:

- **Lack of investigative time frames**—Time frames have not been established for the different steps in the investigative process. Such time frames could help prevent cases from sitting for long periods of time.
- **Combined inquiry/complaint completion goal too long**—We also found that allowing 240 days to complete an inquiry that becomes a complaint is too long. For several complaints auditors reviewed, most of the investigative work was actually completed during the inquiry process. Therefore, the combined process should still be completed in 180 days.

Recommendations

The Commission should:

- Establish internal time frames for the steps in the investigative process.
- Adopt a 180-day investigation and adjudication time frame for inquiries becoming complaints.
- Improve quality of inquiry and complaint databases.
- Review and prioritize investigator responsibilities.
- Develop and implement policies regarding inquiry violations that its staff handle.
- Develop and implement recordkeeping procedures for violations resolved by staff.

- **Failure to monitor progress**—Not all needed information on how a case is progressing is entered into the databases. Instead, some cases are closed and purged before the information is entered, and some information is not entered until after the case is completed.
- **Additional staff duties**—In addition to inquiry and complaint investigations, investigators spend an estimated 45 percent of their time conducting inspections.

Policies needed for staff's handling of violations—

The Commission can better handle substantiated violations. The Commission has delegated to its staff the authority to close or remediate inquiries with minor violations. In a few instances, staff have remedied an inquiry where a violation was substantiated without appropriately documenting the remedial actions taken by staff and/or the licensee. For instance, in the case of an apartment complex employee who applied pesticide without a license, the staff educated those involved that a license was necessary. However, the file does not have any documentation of the action taken.

To improve how substantiated violations are handled, the Commission should:

- Establish and implement policies regarding violations its staff can handle.
- Establish and implement procedures for documenting corrective actions.

Commission should better monitor inspection process

Inspections protect the public by helping to ensure that licensees properly and safely use and apply dangerous pesticides. Inspections include:

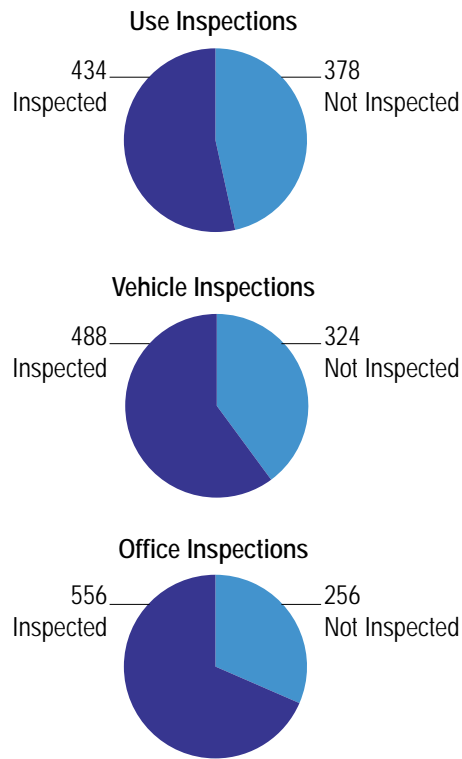
- **Use inspections**—Assess the proper and safe application of pesticides, including inspections of termite treatment applications that involve a review of information recorded on a tag at the application site.
- **Vehicle inspections**—Assess whether licensee maintains safety equipment and adequately stores pesticide on vehicles.
- **Office inspections**—Determine whether the licensee maintains required records.

Many companies not inspected—Companies should receive each of these inspections at least once every 2 years. However, from July 1, 2004 through June 30, 2006, the Commission did not meet its inspection goals, and many of the 812 companies licensed during this time did not receive inspections.

Other companies received multiple inspections—Although 138 licensees received no inspections, some received multiple inspections during fiscal years 2005 and 2006. For example, 5 companies, 3

Licensed Pest Control Company Inspections

Fiscal Years 2005 and 2006



of which have both a main and branch offices, received more than 50 use inspections each, including tag monitors. One of these companies received 156 use inspections during this time. According to the Commission, this is because some are large companies that are involved in termite control, which is an area that receives more consumer complaints. However, we noted that some termite control companies did not receive any use inspections during this time.

The disparities in inspections appear to result from the Commission's not actively monitoring the numbers and types of inspections its inspectors are performing. For example, the Commission reported conducting 4,888 inspections during fiscal years 2005 and 2006. This was more than twice the number of inspections needed to meet its goal of

conducting a use, vehicle, and office inspection of all 812 companies licensed during this time.

Revised inspection approach—During the course of the audit, the Commission revised its inspection plan. It still requires each company to receive all three types of inspections at least once every 2 years. However, the revised inspection plan now provides more guidance and direction for how any additional inspections should be distributed among licensees. The plan allocates the additional inspections based on the type and volume of pest control that companies are performing and establishes monthly goals for each inspector.

In order to ensure that all companies receive the minimum number of required inspections, the Commission should ensure that supervisors follow procedures established in January 2007 for monitoring inspections.

Improve guidance for inspectors—Although the Commission has developed an inspection manual, inspectors do not use it because it has been in revision. The Commission has also provided inspectors with inspection forms, but these forms do not provide sufficient guidance for performing inspections.

Ensure violations are corrected—The Commission requires that licensees correct violations detected by inspections. However, the Commission has not ensured that licensees provide documentation of corrective actions in all cases. Therefore, the Commission should require its staff to ensure that licensees have taken corrective action. This may include follow-up inspections where necessary.



Source: The Arizona Structural Pest Control Commission

Recommendations

The Commission should:

- Continually monitor inspections and inspectors' compliance with the inspection plan.
- Provide better inspection guidance to its inspectors.
- Require staff to follow up on inspections that identified violations.

Commission should continue improving information management

The Commission uses various databases to track licensing, complaints, inquiries, inspections, and termite action registration forms (TARFs). However, certain impediments limit commission management's access to database information. For example:

- The inquiry database contains inaccurate information, and the inspections database does not contain all completed inspections.
- Data is not easily accessible, and standard management reports cannot be readily produced.
- Information on how the databases function and can be used is insufficient.

These limitations reduce commission management's ability to monitor the timeliness of investigations, to review and analyze information regarding Commission functions, and to provide timely information to the public.

The Commission has taken steps to improve information management. It has only two IT staff, but has received authorization to hire an additional IT person and retain a consultant to provide customer service, maintain IT systems, and create database documentation. It is also engaged in identifying the IT needs of its staff.

TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling
(602) 553-0333



or by visiting
our Web site at:
www.azauditor.gov

Contact person for
this report:
Dale Chapman

Recommendations

The Commission should continue efforts to improve the management of its IT resources including:

- Ensuring the accuracy of the data in its databases.
- Developing needed management reporting.
- Addressing insufficient database documentation.