

Environmental Integrity Project

ANNUAL REPORT, 2017



*Defending Environmental Laws,
Protecting Public Health*



ENVIRONMENTAL INTEGRITY PROJECT

<http://environmentalintegrity.org>

Washington Office:

1000 Vermont Avenue, NW
Suite 1100
Washington, D.C. 20005
(202) 263-4443

Texas Office:

707 Rio Grande
Suite 200
Austin, Texas 78701
(512) 637-9479

PHOTO CREDITS:

Cover photo of air pollution from a Houston refinery over a public park in the Manchester neighborhood by Karen Kasmauski of iLCP. Picture of Eric Schaeffer at EIP 15th Annual Celebration on page 1 by Tom Pelton. Photo of EPA Administrator Scott Pruitt on page 2 by The New York Times. Picture of coal ash pit on page 4 from the Charleston (SC) Post and Courier. Picture on page 4 of Riverkeeper Jeff Kelble holding algae from the Shenandoah River from Shenandoah Rivkeeper. Picture on page 5 of house with smokestack in the background in the Manchester neighborhood of Houston by Karen Kasmauski of iLCP. Photo of Baltimore incinerator on page 6 by Geene Sweeney of The Baltimore Sun. Photos of air pollution from smokestack beside road on page 3, and photo on last page of smokestacks over Deer Park High School school bus by Garth Lenz of iLCP.

EIP Annual Report 2017

Environmental Integrity Project's 15th Anniversary

This was a milestone year for the Environmental Integrity Project, a time of both celebration and combat, of important victories but also unprecedented political headwinds. In 2017, our organization reflected back on 15 years of ground-breaking work to enforce environmental laws and protect public health. It was also a year in which we joined the front lines of the battle to stop the Trump Administration from dismantling the Environmental Protection Agency and stripping away laws that protect America's air, water, lands, and people.

During a gala anniversary event at the Henry J. Kaiser Family Foundation in Washington, D.C., on November 6, we celebrated our 15th anniversary with more than 100 friends and supporters, many of them former EPA employees and other lifelong environmentalists. We raised glasses to toast accomplishments and listen to speeches about the challenging work ahead. Featured speakers included Betsy Southerland, former Director of Science and Technology at the EPA's Office of Water who resigned in protest in August over the "temporary triumph of myth over truth" during the Trump Administration; and Lois Schieffer, the former Assistant Attorney General for the Environment and Natural Resources Division at the U.S. Department of Justice. Patuxent Riverkeeper Fred Tutman, a long-time member of EIP's board, reminded the crowd that our work helps "right the scales of justice" by empowering communities that suffer the most from illegal air and water pollution.

Eric Schaeffer, founder and Executive Director of the Environmental Integrity Project, asked the audience to join EIP in defending the principles that gave us the federal Clean Air Act and Clean Water Act. "We need to understand that we are in a war over the values that should guide our most important public decisions. Will those be law, science, fact, and transparency? Or are we going to tolerate a gangster approach, where the winners move inside EPA, shut everyone else out, and cut deals to benefit their biggest donors and ideological allies?" Schaeffer asked. He called for a return to an open-door government guided by respect for law and science, fair play, and the public interest, and suggested those values can prevail so long as we do not take them for granted.

Because of the generous support of a growing list of foundations and individual donors, EIP was able to achieve several important steps forward in 2017, despite the difficult political landscape. Some examples are in the pages that follow.



Executive Director Eric Schaeffer calls for a return to government guided by a respect for law and science during EIP's 15th anniversary celebration.

Trump Watch: EPA

Communications Campaign: In January, we launched *Trump Watch: EPA* to raise public awareness about the administration's efforts to slash funding to EPA and roll back pollution control and public health standards. EIP investigations and relentless outreach to the media inspired more than 810 news stories alerting voters to President Trump's assault on America's environment. Our data-driven research, based on public records requests and legal actions, was featured in The New York Times, The Washington Post, the Associated Press, Reuters and local papers across the U.S., as well as in television programs on PBS, CBS and NBC. All the news coverage contributed to a pushback against the Trump agenda and prompted the EPA Office of Inspector General to launch an audit investigating Administrator Scott Pruitt's use of taxpayer funds. As part of this effort, EIP has been working closely with teams of former EPA employees, including the Environmental Protection Network and a coalition called "Save EPA." By exchanging intelligence via email chains, phone calls and meetings, EIP is gathering valuable information about what's going on inside EPA during the Trump Administration, which we are sharing with the press and public.

Pruitt Travel Audit: EIP is closely scrutinizing Pruitt's mismanagement of the agency, because the former Oklahoma Attorney General has long been a close ally of the state's oil and gas industry and often acts as a lobbyist for the businesses EPA is supposed to regulate. We filed a lawsuit under the Freedom of Information Act to force Pruitt to release his travel records as EPA Administrator. The records showed that he spent about half of his first three months in office on trips that included stops in Oklahoma, where he is rumored to be preparing to run for the U.S. Senate in 2018. Many of his trips featured meetings with industry groups and conservative political organizations. EIP's release of this information sparked 243 news stories and inspired members of Congress to demand a federal investigation. In response, the EPA Inspector General's Office announced an audit of Pruitt's travel on August 28, which has since expanded and is ongoing.



EIP has been investigating EPA Administrator Scott Pruitt because he is a close ally of the oil and gas industry and has rolled back regulations and slashed the agency's budget.

Investigating Enforcement: On August 10, EIP released a report, "Environmental Enforcement Under the Trump Administration," which documented a 60 percent drop in civil penalties against polluters during the administration's first six months, compared with comparable periods under the previous three presidents. At least 202 news organizations covered our report, including NPR, The Hill, Reuters, The Washington Post, Associated Press, Bloomberg, Greenwire, Grist, Think Progress, CNN, The Los Angeles Times, The New York Times, the Raleigh News & Observer, and The San Jose Mercury News, among many others. The coverage served as a reality check to false claims by Pruitt that he's been tough on polluters.

Oil & Gas

Methane: In 2015, EPA set standards requiring oil and gas operations to reduce leaks of methane, a powerful greenhouse gas. The Trump Administration then tried to suspend those cost-effective standards. EIP and five other environmental groups filed a lawsuit, and on July 3, 2017, the United States Court of Appeals (DC Circuit) ruled against the administration's efforts. It was a major win for the climate and human health. The decision means that oil and gas companies must now comply with the methane rule's standards, including a requirement to find and promptly repair leaks. The Trump Administration's continued efforts to overturn this rule will have to go through the rulemaking process and survive judicial review.



EIP petitioned EPA to require oil and gas plants to start reporting the toxic pollution they release.

Reporting of Toxic Releases: On January 6, 2017, in response to a petition filed by EIP and partners, EPA released proposed regulations that would require oil and gas processing plants to start reporting their release of toxic chemicals, such as benzene. As part of its deregulatory efforts, unfortunately, the Trump Administration has “de-activated” this rule. This means EIP and allies will continue to fight a legal battle to require this public reporting.

Fenceline Monitoring: Residents of southwest Pennsylvania's Beaver County have been fearful of the air pollution that would rise from a massive petrochemical plant that Shell Chemical Appalachia, LLC, is building nearby. On behalf of members of the local community, EIP and a local organization, the Clean Air Council, challenged the plant's permit, and on August 28, 2017, we reached a groundbreaking settlement with Shell. The settlement requires the company to install and operate a fence-line monitoring system to help detect and repair any leaks or other emission sources that cause pollution levels to spike to unhealthy levels.

Coal

Fighting Rollbacks in Court: On May 3, EIP and a coalition of environmental and public health advocates took the Trump Administration to court for trying to weaken rules for cleaning up America's leading source of toxic water pollution: coal power plant waste. The lawsuit seeks to invalidate an EPA order on April 25 that put a hold on a set of regulations to control arsenic, mercury, cadmium, lead, and other pollutants that spew from coal power plants into public waters. We are fighting in court to ensure that safeguards stay in place to keep these dangerous metals and elements out of our streams, rivers, and drinking water supplies.

Tracking Ash Contamination: On February 9, our organization launched an updated and improved website called Ashtracker (www.ashtracker.org), which features data on pollution leaking from coal ash dumps across the country. The database, which extracts and sorts groundwater monitoring data from state records, has been expanded to now include groundwater contamination at 112 coal ash sites across the country. Seventy six percent of the more than 3,000 monitoring wells at these sites have produced samples that exceeded safe drinking water guidelines for one or more pollutants. This means that much of the groundwater beneath these leaking ponds and landfills is unsafe to drink.



While the Trump Administration has been trying to stall regulations to reduce pollution from coal ash, EIP and allies are fighting in court to protect streams, rivers, and drinking water from the arsenic and heavy metals in this waste.

Chesapeake Bay and Factory Farms

Shenandoah Livestock Pollution: On April 26, EIP worked with local Virginia allies at the Shenandoah Riverkeeper organization to release a report, “Water Pollution from the Livestock Industry in the Shenandoah Valley.” It documented high fecal bacteria levels and phosphorus pollution, as well as frequent algal blooms, in the scenic Chesapeake Bay tributary that is popular for swimming, tubing and fishing. Our investigation was featured in 124 news stories and television reports, including both national coverage (with an Associated Press article picked up in publications coast to coast) and intensive local play, including in The Richmond Times Dispatch, Washington Post, NPR affiliate WAMU-FM in Washington, WHSV-TV in Harrisonburg, the Royal Examiner (in the northern Shenandoah Valley); the Roanoke Times; the Winchester Star; and the Waynesboro Virginian-News. The news coverage helped explain to the public the reasons for a federal lawsuit that Shenandoah Riverkeeper filed against EPA on May 30 over the pollution and algae in the river.



Riverkeeper Jeff Kelble holds a handful of algae growing in the Shenandoah River. EIP released a report documenting how livestock industry pollution feeds excessive algal blooms and bacteria in the river.

Chesapeake Bay Wastewater: EIP released a report on Nov. 29 that revealed that 21 wastewater plants across the Chesapeake Bay watershed violated their permit limits in 2016 by releasing excessive amounts of nitrogen or phosphorus pollution. The report also documented how pollution trading systems in Virginia and Pennsylvania contribute to local contamination “hot spots” and reduce accountability for polluters. Our investigation, “Sewage and Wastewater Treatment Plants in the Chesapeake Bay Watershed,” inspired 74 news reports and TV stories across the region,

including in the Baltimore Sun, Frederick News Post, Salisbury Daily Times, the Royal Examiner, WMDT-TV and WBOC-TV in Salisbury, Delmarva Public Radio, the Warren Sentinel, and Winchester Star.

Factory Farm Air Pollution: On April 14, 2017, the U.S. District Court of Appeals (DC Circuit) struck down an illegal 2008 attempt by EPA to exempt the livestock industry from having to report emissions of ammonia and hydrogen sulfide from factory farms. However, EIP and allies must continue to work to defend this victory from the Trump Administration's attempts to evade the court's mandate.

Virginia Newspaper Praises EIP

The Royal Examiner in the Shenandoah Valley offered high praise for EIP's investigations of water pollution from the livestock industry and sewage plants in the valley. "They're at it again," the paper's editor wrote on November 29, 2017. "The environmental watchdog group that broke the story on excessive levels of e-coli bacteria in the Shenandoah River in April has released a new report on pollution issues in the Chesapeake Bay watershed... Stay tuned, we guess the Environmental Integrity Project will remain on the case, even if the re-tooled Environmental Protection Agency doesn't."

Texas

Investigating Enforcement Failures: On July 7, EIP released a report with Environment Texas titled, "Breakdowns in Enforcement." Our study used state records to document that Texas penalized only 3 percent of air pollution violations self-reported by industry from 2011-2016 during industrial accidents or maintenance. Our findings were featured in every major newspaper in Texas and many across the U.S., with 138 news stories published – including headlines on the front pages of the Austin American-Statesman and Houston Chronicle.

Lawsuits Challenging Lax Permits: On July 20, 2017, EIP filed federal lawsuits against EPA challenging deficient permits that make pollution limits nearly impossible to enforce. The permits, issued by Texas, were for some of the state's largest polluters, including ExxonMobil's Baytown Olefins Plant and Refinery outside Houston; Petrobras's Pasadena Refinery east of the city; Motiva's Port Arthur Refinery; and SWEPCO's Welsh Power Plant east of Dallas.

In November 2017, we resolved a lawsuit against the state's environmental agency after it agreed to issue several expired permits that had been languishing for years. Issuance of the permits, which authorize operations at three coal plants, four refineries, and a chemical plant, provides an opportunity to improve pollution monitoring and secure the lower emission limits required by law at the affected sites.

Houston Media Project: EIP has been working with local allies in Houston to build a coalition called the "One Breath Partnership."



Air pollution from a Houston oil refinery rises over homes in the Manchester neighborhood of the city. EIP has been working with allies to raise public awareness about the health threats posed by air pollution in Houston.

Together, we launched a communications campaign to raise awareness of the chronic air pollution from oil refineries and other industries. The team is coordinating action to attack the problem.

On July 7, our coalition held a telephone press conference with Air Alliance Houston and public health experts from the University of Texas, Austin, to highlight the public health threat posed by the emissions, especially during industrial breakdowns and accidents. The event helped to boost public knowledge about the issue. The work continued as the alliance continued to grow through the year, with EIP conducting two educational events at Rice University.

Environmental Justice for Baltimore

Incinerator Cleanup: EIP worked with allies to demand a significant reduction in air pollution from Maryland's largest trash-burning incinerator, the 33-year-old BRESKO plant in Baltimore operated by New Hampshire-based Wheelabrator Technologies. The plant's smokestack towers over the Westport neighborhood and its emissions contribute to smog and asthma attacks among city residents. In response to EIP's efforts, state regulators proposed new rules in September 2017 that would cut nitrogen oxide air pollution from the plant by 200 tons per year starting in 2019. But the rules are not yet final, and EIP and our partners believe that the incinerator can do even better to control its pollution, so we continue to advocate for more improvements at the plant to better protect the health of city residents.

Scrap Yard Cleanup: On December 22, EIP and local allies at Blue Water Baltimore closed a settlement with the Maryland Department of the Environment (MDE) that requires a large metal shredding and recycling operation called Baltimore Scrap to monitor and clean up its storm-water runoff pollution and pay a \$50,000 penalty. The agreement also established a path for MDE to enforce the state's general stormwater permit in the future.

Reducing Chromium Runoff: EIP worked with local residents and partner groups to press MDE for better oversight of stormwater discharges of hexavalent chromium, a carcinogen, from a terminal at the Port of Baltimore. In August 2017, the state responded to our written comments by issuing a final permit that sets new corrective action limits for hexavalent chromium in the terminal's stormwater.



EIP and allies succeeded in convincing the Maryland Department of the Environment to propose new regulations to require a reduction in nitrogen oxide air pollution from the BRESKO incinerator in Baltimore.

Sewage Cleanup for Baltimore Residents: In 2016, EIP worked to investigate chronic and illegal sewage spills in Baltimore. We found residents whose homes have been flooded with waste because of a poorly-managed city sewer line overhaul project mandated by a federal lawsuit against Baltimore. On August 9, 2017, the city approved a revised sewage consent decree that – while still

in need of improvements – takes a step forward by providing city residents who suffer sewage backups with up to \$2,500 each for cleanup.

Thanks to Our Supporters

None of this important work could have been possible without the support of the donors and philanthropic foundations who back our work.

In our daily efforts, we often face difficult odds. We are clashing with not only wealthy fossil fuel companies, but a Trump Administration and its allies in Congress who are crusading to destroy EPA and environmental protections that required decades to carefully erect. We are determined to do everything in our power to win this war – and, given what we're up against right now, we can always use more resources. But we are empowered and inspired by the great friends and supporters we have, and we cannot thank you enough for standing at our side at this moment of reckoning in American history.

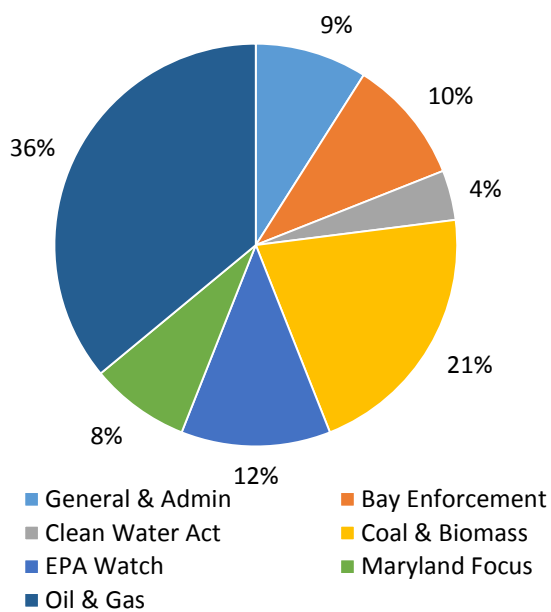
EIP Financial Snapshot, 2017

Beginning of Year Net Assets/Carryover	802,078
Income	
Contributions	287,180
Grant Income	2,765,000
In-Kind Donations	15,000
Recoverable Expenses Income	38,442
Rent and Other Income	34,277
Total Income	3,139,899
Expenses	
Payroll Expenses	2,344,640
Professional & Legal Fees	172,050
Public Relations	7,074
Subgrant Expense	151,500
Mtg & Transportation Costs	71,892
Other Direct Costs	76,374
Indirect Costs (Rent, et al)	419,643
Total Expenses	3,243,173
Surplus/Deficit (Income minus Expense)	(103,275)
Net Assets/Carryover into 2018	698,803

(Note: Unaudited numbers)

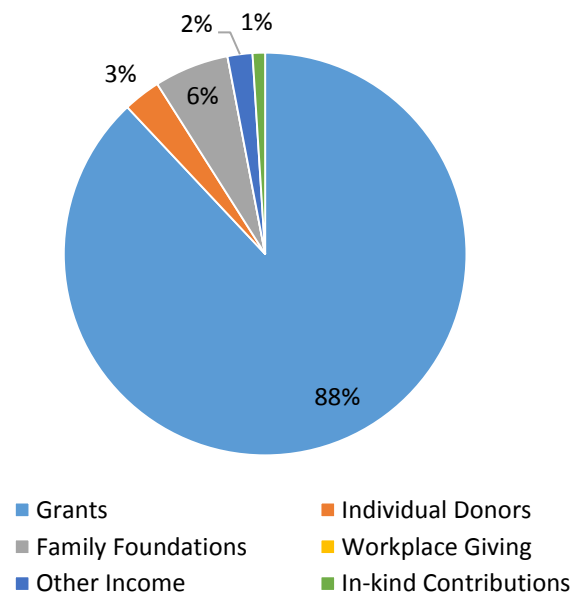
Expenses by Program Area

2017



Income Sources

2017



Donors (at least \$50,000)

Abell Foundation
Anonymous (3)
Blanchette Hooker Rockefeller Foundation
The Campbell Foundation
Colcom Foundation
The Cynthia and George Mitchell Foundation
Educational Foundation of America
Energy Foundation
Heinz Endowments
Hewlett Foundation
The Houston Endowment

James Family Charitable Foundation
Mertz Gilmore Foundation
The Foundation for Pennsylvania Watersheds
Pisces Foundation
Rauch Foundation
Rockefeller Family Fund
The Tilia Fund
Tortuga Foundation
Town Creek Foundation
Wallace Genetic Foundation

Donors (\$1,000 to \$49,999)

2032 Trust
Amazon Smile Foundation
Anonymous Foundations (6)
Anonymous Individuals (7)
Bancroft Foundation
The Jacob and Hilda Blaustein Foundation
Brainerd Foundation
Changing Horizons Fund
The Cornell Douglas Foundation
Crows Nest Fund
Louise Dunlap
EarthShare
Joanne Fox-Przeworski
Fund for Change
Joyce and Roy Gamse
The Henry Foundation
Edward Hopkins
Meredith James
Jewish Community Foundation's Jewish
Federation of Palm Beach County
Karsten Family Foundation
Lauren Kenworthy

Rosalind Kenworthy
Andrew and Julie Klingenstein Family Fund
The Zanyvl and Isabelle Krieger Fund
Thomas Kunstman, M.D in Honor of Elmer
and Marilyn Kunstman
L.E.A.W. Family Foundation
MMHBO Fund
Wendy B. Morgan
Park Foundation
Patagonia
Pittsburgh Foundation
Joseph A. and Barbara Puccio
The Raskin Family Foundation and Thomas
Barefoot
Rockefeller Family Fund
The Ruggles Family
Alejandro Santo Domingo
Patrick Schnell
Larry Shapiro
Meg Silver and Jim Nicoll
Wesley Warren
William B. Wiener Jr. Foundation

Sustaining Donors (monthly contributions)

Marilyn Blandy
Kimberlie Christen
Elizabeth Elmschig
William Getter
Kristin Leach
Erik Nevala-Lee
Naamah Paley

Catherine Pierre
Daniel Tatomer
Jill Taylor
Phaedra Tinder
Daniel Toolan
Monica Werner
Charlotte White

EIP Board of Directors

R. John Dawes, President
Wesley Warren, Treasurer
Eric Schaeffer, Secretary (ex officio)
Al Armendariz
Louise Dunlap

Joanne Fox-Przeworski
Meredith James
Larry Shapiro
Frank Tugwell
Fred Tutman



1000 Vermont Avenue, NW
Suite 1100
Washington, DC 20005
202-296-8800
www.environmentalintegrity.org