



US Army Corps  
of Engineers  
Kansas City District

# *Compliance Inspections*

**Nickie Perry**

Team Leader, Civil Branch  
Kansas City District Real Estate  
Phone: 816-983-3755



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

# *Compliance Inspections*

## *Presentation Outline:*

1. What and Why?
2. Who and When?
3. How?
4. Non-Compliance Follow-up
5. Open Discussion – Q&A



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 1a. WHAT?

*A Compliance Inspection* is the preparation for and conducting of an on-site visit to determine if the terms and conditions of the outgrant are being met by the Grantee.

*Another benefit: Keeps communication flowing within Corps and with Grantees - thus improving service to public.*



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 1b. WHY?

Because, if terms and conditions are not being met, then we can have a method to

- 1) to enforce the terms or
- 2) to close the leasehold for health & safety reasons or
- 3) to document revocation or termination for noncompliance.

If being met, then we document that, too.



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 2a. WHO?

**Real Estate** is responsible; but should use PMBP to work as a PDT with OD and other office elements.

OD often delegated authority to conduct compliance inspections on minor and ag/grazing outgrants. OD provides RE necessary documentation on those inspections.



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 2b. WHEN?

Annually, except every 3 years for State Parks/Recr and Fish/Wildlife Outgrants

NOTE: On day-to-day basis, Project staff reports observed violations to RE--don't wait til scheduled inspection.

**Nickie's rule:** All non-State and 20% of Ag/Grazing Leases are inspected annually by RE because those leases generally have history of potential noncompliance evidenced by previous inspections. Others: every 3 yrs for State and every 5 yrs for minor outgrants.



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 3. HOW?

- **Five keys to a Successful Inspection:**
  - ***A. Advance Preparation***
  - ***B. Gather Tools for Smooth Inspection***
  - ***C. Conduct Inspection w/Support of  
Ops & Safety Personnel***
  - ***D. Well-documented Files***
  - ***E. Consistent Follow-up & Enforcement***



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 3a. HOW?

- **A. Steps of Advance Preparation**
  - (1) Review ER 405-1-12 (Para 8-99 on Compliance Inspections & Sec XII on 16 USC 460d leases, etc.) & each lease file. Make copy of leases.
  - (2) Do initial Insp Form Prep (Compliance Insp QCP/Checklist, NWK Insp Rept, water certif, RA/ADA certif, ENG 3560-Compliance Rpt)
  - (3) Make list of reminder questions/concerns
  - (4) Place lease, forms & list in an inspection file folder for your inspection box



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 3b. HOW?

### B. Gather Tools for Smooth Inspection

- (1) Pack inspection box w/clipboard, pens, camera, calculator, stapler, elec tester, water, hat, sunscreen. *Dress comfortably.*
- (2) Sort/pack inspection files in inspection box in date/time inspection order
- (3) Pack extra copies of all forms

HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 3c. HOW?

### C. Conduct Inspection w/Support of Ops & Safety Personnel

- (1) At least 30 days prior, get w/PDT (Ops & Safety if nec) to set up mutually agreeable inspection date
- (2) Can ask Ops to coordinate w/Lessees on inspection times & get names of attendees.
- (3) Conduct inspection as a PDT team.
- (4) Distribute Insp Report copies & out-brief Ops
- (5) 30-60 days after, Ops re-visits leasehold, completes Insp Rept Followup, & sends to RE

HEARTLAND ENGINEERS





US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 3d. HOW?

### D. Document Files:

- (1) Upon return, complete Checklist, ENG 3560, Report of Compliance, w/Inspec Report (satisfies ENG 3131) then submit for approval =see samples
- (2) After approval, insure REMIS compliance data entries are completed
- (3) Then file Inspection Report w/Lease..
- (4) Immediately write noncompliance letter for urgent health & safety issues.



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - 3e. HOW?

### E. Consistent Follow-up & Enforcement

- (1) Upon receipt of Follow-up Inspection Report from Ops, RE verifies satisfactory compliance.
- (2) If not satisfactory, RE sends Lessee noncompliance letter documenting second notice & noting proposed action if not resolved (coordinated w/Ops, legal, DE). *Note Title 36, new Sec 327.18; Need to check out if Ops can cite Grantee for refusing or failing to comply with lease, license or agreement.)*
- (3) If still not satisfactory, enforce by following through with action as stated in noncompliance letters – otherwise credibility is questionable.



HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections

### - 4. Noncompliance Follow-up

- **NWK NON-COMPLIANCE SAMPLES:**
  - a. Thunderbird Marina (threat revocation due to rental payment lapse. Rent, interest, penalty, \$2K adm fee = Lessee never been late again)
  - b. Southfork Marina (partial closure-unsafe dock conditions = lost slip revenue, fixed w/1 month, now Lessee keeps dock flotation up & safe).
  - c. Bucksaw Marina (revoked lease-Lessee sold marina w/o assignment, taxes & rent due, etc = Purchaser met financial reqmts, we got competition waiver & awarded new lease to Purchaser = current Lessee working well)
  - d. Some resolve themselves (audit, assignment or tornado)

HEARTLAND ENGINEERS



US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections

- **5. Open Discussion**  
**and Q&As**

HEARTLAND ENGINEERS





US Army Corps  
of Engineers  
Kansas City District

## Compliance Inspections - Closing

*“Win-Win is a belief in the third alternative.*

*It’s not your way or my way, it’s a better way,  
a higher way.”*

*---Stephen R. Covey*

\*\*\*\*\*

*Grantees are agents of the government. We all need to  
think win-win to resolve any non-compliance issues for the good  
of the public. But, if that doesn't work, don't forget to  
consistently document files or we've lost before we've begun!*

*--- Nickie Perry*



HEARTLAND ENGINEERS