

# Certification Evaluation Report

*Roundtable on Sustainable Biomaterials*

*DANSUK INDUSTRIAL Co., Ltd.*

**SCS Certificate Code-SCS-RSB/PC-0012**

165, Hyeomnyeok-ro, Siheung-si, Gyeonggi-do 429-848

Soo-min Kang

www.dansuk.co.kr

CERTIFIED	EXPIRATION
November 18, 2014	November 17, 2015

DATE OF FIELD AUDIT
May 26-28, 2014
DATE OF LAST UPDATE
November 18, 2014

SCS Contact:

**Neil Mendenhall** | Manager

Environmental Certification Services

+1.510.452.8018

[nmendenhall@scsglobalservices.com](mailto:nmendenhall@scsglobalservices.com)

**SCS**global  
SERVICES

*Setting the standard for sustainability™*

2000 Powell Street, Ste. 600, Emeryville, CA 94608 USA

+1.510.452.8000 main | +1.510.452.8001 fax

www.SCSglobalServices.com

## **FOREWORD**

SCS Global Services(SCS) is a certification body accredited by the Roundtable on Sustainable Biomaterials (RSB) to conduct evaluations of biofuel operators. Under the RSB/SCS certification system, participating operators meeting international standards of biofuel production can be certified as “sustainable,” thereby permitting the Operators use of the RSB endorsement and logo in the marketplace subject to regular RSB/SCS oversight.

SCS deploys interdisciplinary teams of natural resource specialists and other experts all over the world to conduct evaluations of biofuel operations. SCS evaluation teams collect and analyze written materials, conduct interviews with Participating Operator’s staff and key stakeholders, and complete field and office audits of the operation(s) identified in the certification scope. Upon completion of the fact-finding phase of all evaluations, SCS teams determine compliance to the RSB Principles and Criteria.

Please Note: An RSB certificate itself does not constitute evidence that a particular product supplied by the certificate holder is certified to RSB standards. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required RSB claim is clearly stated on-product. For more information about the RSB, visit their website at [www.rsb.org](http://www.rsb.org).

### **Organization of the Report**

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Roundtable on Sustainable Biomaterials. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the Participating Operator, and the results of the evaluation. Section A will be posted on the RSB Database of Participating Operators (<http://rsb.org/certification/participating-operators/>). Section B contains more detailed results and information for use by the Participating Operator.

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## SECTION A – PUBLIC SUMMARY

### 1.0 GENERAL INFORMATION

#### 1.1 Operator Information

##### 1.1.1 Name and Contact Information

Organization name	Dansuk Industrial Co., Ltd.		
Operator Number	1399		
Contact person	Soo-min Kang		
Address	165, Hyeomnyeok-ro, Siheung-si, Gyeonggi-do 429-848	Telephone	82-31-488-0766
		Fax	82-31-499-3909
		e-mail	soomin.kang@dansuk.co.kr
		Website	www.dansuk.co.kr

##### 1.1.2 Additional Parties Involved

Organization name	4 South Korea UCO suppliers		
Contact person	-		
Address	-	Telephone	-
		Fax	-
		e-mail	-
		Website	-
Nature of Involvement:			
Supplier of used cooking oil. Please see detailed information of the 4 suppliers in Appendix 2 (CONFIDENTIAL PART).			

#### 1.2 Scope of Certificate

The scope assessment agrees with the scope under which the operator applied	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If no, please explain:		

Note: If the scope is different, please contact SCS.

Site Type				
<input type="checkbox"/> Agriculture		<input type="checkbox"/> Forestry		
<input type="checkbox"/> Biomass Production		<input checked="" type="checkbox"/> Industrial		
<b>Current Land Use</b>		<b>Prior Land Use</b>		
<input type="checkbox"/> Biomass Production		<input type="checkbox"/> Biomass Production		
<input type="checkbox"/> Agriculture		<input checked="" type="checkbox"/> Agriculture		
<input type="checkbox"/> Other:		<input type="checkbox"/> Other: Fallow from abandoned ranching operation		
<b>Current Employment on Site</b>		<b>Prior Employment on Site</b>		
<input type="checkbox"/> Negligible		<input type="checkbox"/> Negligible		
<input checked="" type="checkbox"/> Local Average		<input checked="" type="checkbox"/> Local Average		
<input type="checkbox"/> Above Local Average		<input type="checkbox"/> Above Local Average		
<input checked="" type="checkbox"/> Full		<input type="checkbox"/> Full		
Owned/Controlled By:		N/A		
Location/City:				
Geographic location:		Farm/Entity	Location (Lat. – Long.)	Area ( )
<b>AGRICULTURE, FORESTRY OR BIOMASS PRODUCTION SITES</b>				
Total Area (ha)		N/A		
<b>Products/Crops Produced</b>				
Product Type		Production Area		
<b>INDUSTRIAL SITES</b>				
Input Type		Volume		
UCO (supplier visited on site)		750 ton/month		

<b>INDUSTRIAL FACILITIES</b>		
Name	Dansuk Industrial Co., Ltd.	
Type	<input type="checkbox"/> Agriculture Milling and/or Fermentation	<input type="checkbox"/> Vegetable oil Extraction
	<input checked="" type="checkbox"/> Biofuel Production and/or Distribution	<input type="checkbox"/> Storage or Distribution

	<input type="checkbox"/> Other
Location/City	Siheung-si, Gyeonggi-do
Geographic location	<i>Latitude &amp; Longitude: 37° 21' 47"N, 126°55'1" E</i>
<b>Included in certification scope</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> <li>▪ Number of processing steps</li> </ul>	<ul style="list-style-type: none"> <li>▪ 6, and in agreement with their government license.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Annual Throughput</b> (Litres)</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Material Input:</li> </ul>	<ul style="list-style-type: none"> <li>▪ Used Cooking Oil</li> </ul>
<ul style="list-style-type: none"> <li>▪ Material Output</li> </ul>	<ul style="list-style-type: none"> <li>▪ Biodiesel (UCOME)</li> </ul>
<ul style="list-style-type: none"> <li>▪ % output yield compared to input material</li> </ul>	<ul style="list-style-type: none"> <li>▪ between 92.5% - 93.5%</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Description of Activities:</b></li> </ul>	
<ul style="list-style-type: none"> <li>▪ Transesterification (UCO TO UCOME)</li> </ul>	

### 1.3 Standards Used

#### 1.3.1 Applicable RSB-Accredited Standards

Title	Version	Date of Finalization
RSB GHG Calculation Methodology	RSB-STD-01-003-01 V2	Dec 2012
Consolidated RSB EU RED Standard for Participating Operators	RSB-STD-11-001-30-001 V2	March 2011
RSB EU RED Standard for Risk Management	RSB-STD-11-001-60-001 V3	May 2014
Consolidated RSB EU RED Generic Chain of Custody Standard	RSB-STD-11-001-20-001 V2	Dec 2010
Consolidated RSB EU RED Mass Balance Chain of Custody Standard	RSB-STD-11-001-20-004 V2	Dec 2010
RSB Standard for EU market access	RSB-STD-11-001 V2	May 2011
Procedures for Communication and Claims	RSB-PRO-11-001-50-001	July 2014
Guidance for RSB-certified biofuels from double counting wastes and non-agricultural residues in the United Kingdom	V1 (from <a href="http://rsbervices.org/wordpress/wp-content/uploads/2013/09/White-Paper-on-Certification-of-Biofuels-from-Waste-FINAL.pdf">http://rsbervices.org/wordpress/wp-content/uploads/2013/09/White-Paper-on-Certification-of-Biofuels-from-Waste-FINAL.pdf</a> )	Sep 2013
RSB Standard for certification of biofuels based on end-of-life-products, by-products and residues	RSB-STD-01-010 (V1.6)	Nov 2013
Consolidated RSB EU RED Principles and Criteria	RSB-STD-11-001-01-001 V2	May 2011

All standards employed are available on the websites of the Roundtable on Sustainable Biomaterials (<http://rsb.org/sustainability/rsb-sustainability-standards/>). Standards are also available, upon request, from SCS Global Services (<http://www.scsglobalservices.com/>).

## 2.0 EVALUATION PLANNING & PROCESS

### 2.1 Documentation Submitted by Operator

RSB Screening Exercise	RSB Risk Assessment
RSB Self Evaluation	Environmental and Social Management Plan
Dansuk RSB Manual	Mass Balance (Dansuk & Suppliers)
Supplier RSB Manual	Relevant corporate procedures

### 2.2 Audit Team

<b>Auditor Name:</b>	Marinka Vignali	<b>Auditor role:</b>	Lead Auditor
<b>Qualifications:</b> Marinka is a certified Auditor against two EU approved voluntary schemes (RSB and ISCC EU) and 2 RED national schemes (Italian national scheme and ISCC DE) with many years of experience in biofuels sector. Previously she has worked at European Commission for 9 years, at DG JRC -Renewable Energy Unit. She has received a Master's Degree in Chemical Engineering at Università degli Studi di Pisa (Pisa, Italy) and a PhD in Chemistry at University of Limerick (Limerick, Ireland).			

### 2.3 Evaluation Schedule and Extent of Audit

#### 2.3.1 Determination of Extent of Audit

Total number of subsidiaries, branch offices, affiliated entities, external third parties contracted or otherwise engaged, operational structures, sites, facilities, processing and production units, and supply chain structures	Dansuk Owned Sites: 3 3rd Party Storage facilities: 1 Suppliers of South Korean UCO: 4 (for RSB supply chain)
Participating Operator Risk Class	FROM PO: Low Risk (self-risk assessment score=3).
Disputes or prior Non-compliances	N/A: FIRST AUDIT
Changes in scope since last evaluation	N/A: FIRST AUDIT
Total number of compliance claims	N/A: FIRST AUDIT

### 2.3.2 Evaluation Itinerary and Activities

<b>Date: 26-27-28.05.2014</b>	
<b>Operation(s)/ sites visited</b>	<b>Activities/ notes</b>
Siheung-si, Gyeonggi-do	BIODIESEL PLANT
<b>Date: 27.05.2014</b>	
<b>Operation(s)/ sites visited</b>	<b>Activities/ notes</b>
Namdong-gu, Incheon	UCO collector

### 2.4 Evaluation of Management System

#### 2.4.1 Methodology and Strategies Employed

SCS deploys interdisciplinary teams with expertise in agriculture, ecology, forestry, social sciences, natural resource economics, and other relevant fields to assess an Operator’s compliance to RSB standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of site and facility types, observation of implementation of management plans and policies, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant site observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section.

#### 2.4.2 Capacity of the participating operator to implement its management systems

*Note: include an overall evaluation of the participating operator’s responsiveness and ability to consistently and effectively implement its management system based on the financial, technical and human resources available.*

A management system is currently in place for Dansuk plant, for another voluntary scheme. Responsibilities have been properly identified for RSB scheme. However the crucial aspect of acquiring, handling and forwarding RSB compliant material has not been clearly defined per RSB requirements. Especially the scope of the certificate must be duly clarified to distinguish between different sustainable or non sustainable batches. Specific procedures have to be put in place to clarify how the company intends to manage different incoming batches (certified according to voluntary scheme or under DANSUK UMBRELLA).

#### 2.4.3 Evaluation of RSB compliance claims and use of RSB trademarks

Type (compliance claim, trademark use)	Description	Findings
NC: RSB compliance claim (NC CLOSED)	THE AIM OF THIS PART OF THE AUDIT WAS TO VERIFY HOW DIFFERENT (FROM THE RED	NO PROCEDURE IN PLACE TO DEMONSTRATE HOW THE COMPANY MANAGES CLAIMS.



	POINT OF VIEW) INCOMING BATCHES ARE MANGED.	
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## 2.5 Stakeholder Consultation Process

In accordance with SCS and RSB protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. The primary purpose of such consultation is to solicit input from affected parties as to the strengths and weaknesses of the Participating Operator’s management system and operations, relative to the standard, and the nature of the interaction between the company and the surrounding communities.

Principal stakeholder groups are identified based upon the certification scope of the participating operator.

Stakeholder consultation activities are organized according to the requirements of the RSB. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

### 2.5.1 Summary of Stakeholder Comments and Responses from the Team, Where Applicable

Stakeholder Comments	SCS Response
<b>Economic Concerns</b>	
STAKEHOLDERS HAVE BEEN CONTACTED BY SCS ACCORDING TO SCS PROCEDURE.	NO RESPONSE. IT IS ACCEPTED CONSIDERING THAT THE PLANT IS IN AN INDUSTRIAL AREA FOR WHICH THERE IS NO ADDED STRESS FOR THIS ACTIVITY.
<b>Social Concerns</b>	
STAKEHOLDERS HAVE BEEN CONTACTED BY SCS ACCORDING TO SCS PROCEDURE.	NO RESPONSE. IT IS ACCEPTED CONSIDERING THAT THE PLANT IS IN AN INDUSTRIAL AREA FOR WHICH THERE IS NO ADDED STRESS FOR THIS ACTIVITY.
	OBJECTIVE FOR IMPROVEMENT: STAKEHOLDERS ARE ALSO INTENDED IN POSITIVE WAY TO SUPPORT THE PLANT.
<b>Environmental Concerns</b>	
STAKEHOLDERS HAVE BEEN CONTACTED BY SCS ACCORDING TO SCS PROCEDURE.	NO RESPONSE. IT IS ACCEPTED CONSIDERING THAT THE PLANT IS IN AN INDUSTRIAL AREA FOR WHICH THERE IS NO ADDED STRESS FOR THIS ACTIVITY.

### 3.0 RISK ASSESSMENT RESULTS

SCS Risk Assessment Results	Deviations from Operator Risk Assessment Results	Risk Factor Difference
Low Risk	NA	

Due to the results of the Risk Assessment, the evaluation does not need to be reevaluated.

### 4.0 RESULTS OF THE EVALUATION

#### 4.1 Equivalence between the Audit Team Evaluation and the Operator Self Evaluation

Principle/ Subject Area	Summary of Audit Team Findings	Comparison to Operator Self Evaluation (Equivalence)	Added Risk
<b>P1: Legality</b>	No evidence of guarantee for 1.a.1.2 and 1.a.1.3 for suppliers. Dansuk is responsible for checking. (NC Closed)	50%	YES
<b>P2: Planning, Monitoring &amp; Continuous Improvement</b>	Impact assessment has been conducted exclusively under the biodiesel plant, while the rest of the entire supply chain has not been assessed. Stakeholders have not been approached according to the standard requirement. BUSINESS PLAN does not include yet long term economic viability for example on economic issues including the upstream supply chain.(NC closed)	70%	YES
<b>P3: Greenhouse Gases</b>	Pending issue, but indicated as minor because in case of UCO threshold is respected Specific data not delivered. GHG saving not yet done. (GHG calculation submitted after audit)	30% (only as first certification)	YES
<b>P4: Human and Labor Rights</b>	compliant	100%	NO
<b>P5: Rural &amp; Local</b>	N/A	100%	NO

<b>Development</b>			
<b>P6: Food Security</b>	N/A	100%	NO
<b>P7: Conservation</b>	N/A	100%	NO
<b>P8: Soil</b>	N/A	100%	NO
<b>P9: Water</b>	OFI: Management plan missing.	70%	YES
<b>P10: Air</b>	OFI: Management plan missing.	70%	YES
<b>P11: Technology</b>	COMPLIANT	100%	NO
<b>P12: Land Rights</b>	N/A	100%	NO
<b>FINAL RISK CLASS</b>		83% equivalence	±0 risk class

#### 4.2 Process of Determining Compliance

##### 4.2.1 Structure of Standard and Degrees of Non-Compliance

RSB-accredited biofuel standards consist of a three-level hierarchy: principle, the criteria that correspond to that principle, and then the performance indicators that elaborate each criterion. Consistent with SCS Sustainable Biofuels Program evaluation protocols, the team collectively determines whether or not the subject operation is in compliance with every applicable indicator of the relevant sustainable biofuel standard. Each non-compliance must be evaluated to determine whether it constitutes a major or minor noncompliance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in noncompliance. The team therefore must use their collective judgment to assess each criterion and determine if the Operator is in compliance. If the Operator is determined to be in non-compliance at the criterion level, then at least one of the applicable indicators must be in major non-compliance.

##### 4.2.2 Interpretations of Major and Minor Non-compliances

*Major Non-compliances*, either alone or in combination with non-compliances of other applicable indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant RSB Criterion. These non-compliances must be resolved or closed out before a certificate can be awarded. If Major NCs arise after an operation is certified, the timeframe for correcting these non-compliances is typically no more than three months. Certification is contingent on the certified FME's response to the NCs within the stipulated time frame.

*Minor Non-compliances* are typically limited in scale or can be characterized as an unusual lapse in the system. Most minor NCs are the result of a nonconformance at the indicator-level. Non-compliances must be closed out within a specified time period of award of the certificate.

##### 4.2.3 Major Non-compliances

<input type="checkbox"/>	No major NCs were issued to the Operator during the evaluation. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
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<input checked="" type="checkbox"/>	Major NCs were issued to the Operator during the evaluation, which have all been closed to the satisfaction of the audit team and meet the requirements of the standards. Any minor CARs from previous surveillance audits have been reviewed and closed prior to the issuance of a certificate.
<input type="checkbox"/>	Major NCs were issued to the Operator during the evaluation and the Operator has not yet satisfactorily closed all major NCs.

#### 4.2.4 Non-compliances and Current Status

Summary of Non-compliances and Current Status				
Non-compliance Number	Type of Non-compliance	Relevant RSB Principle and Criteria	Summary of Finding	Status of Non-compliance
1	MAJOR	Consolidated RSB EU RED Generic CoC RSB-STD-11-001-20-001-ver. 2  1.1.1, 1.2.1, 4.4.2	For “Dansuk umbrella”: CoC is not properly managed from the UCO treatment (filtering) plants that supply to Dansuk, thus handling of product does not guarantee the compliance as documents are missing.	Closed
2	MAJOR	Consolidated RSB EU RED Generic CoC RSB-STD-11-001-20-001 11.3, 3.1  Principles & Criteria RSB-IND-11-001-20-001 (V 2.0) and RSB-STD-11-001-01-001 (V 2.0):2.A	Dansuk is acting as RSB “umbrella” without having implemented strict procedures to control the CoC from the first conversion point, which is the one treating the UCO (removing water and cleaning it). There are at least 2 steps from the producer of waste that do not appear to belong to the RSB umbrella.	Closed
3	MAJOR	Consolidated RSB EU RED Generic CoC RSB-STD-11-001-20-001 1.1.4	For RSB “Dansuk umbrella”: No person appointed for managing mass balance at the suppliers (at least 2 steps from producer of waste).	Closed
4	MAJOR	Consolidated RSB EU RED Generic CoC RSB-STD-11-001-20-001 2.1.1, 3.2, 4.3, 4.5.5, 4.5.6, 6.2 2.1.1, 3.2, 4.3, 4.5.5, 4.5.6, 6.2  Principles & Criteria RSB-IND-11-001-20-001 (V 2.0) and	“Dansuk umbrella”: no evidence of controlling and managing differentiation between sustainable and noncompliant products. The scope of the certificate does not include their suppliers (“umbrella model”).	Closed

		RSB-STD-11-001-01-001 (V 2.0): 1.A.1.2 E 1.A.1.3 2.B		
5	MAJOR	RSB Consolidated EU RED Generic CoC Standard RSB-STD-11-001-20-001-vers.2:  2.1.2, 2.2.3, 4.4.5, 5.2.6, 9.1.1	For RSB "Dansuk umbrella": Management of mass balance to distinguish non sustainable from sustainable is not implemented at suppliers sites	Closed
6	MAJOR	RSB Consolidated EU RED Generic CoC Standard RSB-STD-11-001-20-001-vers.2:  6.2.10 (RSB-STD-11-001-50-001), 6.4.1, 9.1.2 (RSB-STD-11-001-20-004)  9.1.3 (RSB-STD-11-001-20-004), 9.4.1 to 9.4.4 (RSB-STD--11-001-20-004)	No evidence on managing of claims depending on acquired batches.	Closed
7	MAJOR	RSB-STD-01-003-01 V2 Principles & Criteria RSB-IND-11-001-20-001 (V 2.0) and RSB-STD-11-001-01-001 (V 2.0):3	GHG CALCULATION HAS NOT BEEN PROPERLY JUSTIFIED. REFERENCES, YEARLY DATA, YIELD OF PROCESS, NEED TO BE CLEARLY STATED TO JUSTIFY THE CALCULATED AMOUNT.	Reduced to Minor
8	OFI	Principles & Criteria RSB-IND-11-001-20-001 (V 2.0) and RSB-STD-11-001-01-001 (V 2.0): 9.a.	UPDATE TO INCLUDE potential solution for improving management in the coming years.	Closed
9	OFI	Principles & Criteria RSB-IND-11-001-20-001 (V 2.0) and RSB-STD-11-001-01-001 (V 2.0): 10.a.	The picture of the current situation should be the starting point for proposing an air control plan.	Closed

#### 4.2.5 New Non-compliances

Select one:	<input checked="" type="checkbox"/> N/A Initial Evaluation	<input type="checkbox"/> New NC(s)	<input type="checkbox"/> No New NC(s)
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## 5.0 CERTIFICATION DECISION

Certification Recommendation	
Operator shall be awarded RSB certification subject to the minor non-compliances stated in Section 4.2.5.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<p>The SCS evaluation team makes the above recommendation for certification based on the full and proper execution of the SCS Responsible Biofuels Program evaluation protocols. If certification is recommended, the Operator has satisfactorily demonstrated the following without exception:</p>	
Operator has addressed any Major NC(s) assigned during the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Operator has demonstrated that their system of management is capable of ensuring that all of the requirements of the applicable standards are met over the sites and facilities covered by the scope of the evaluation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Operator has demonstrated that the described system of management is being implemented consistently over the sites and facilities covered by the scope of the certificate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p>Comments and/or details of any issue which was difficult and/or impossible to evaluate:</p>	
<p><b>Many of the NCs were closed upon review of documents, records and interviews. SCS will do an onsite audit within 12 months to ensure effective implementation of the new procedures put in place.</b></p>	