UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 23 2015

CERTIFIED MAIL # 7009 1680 0000 7644 8321
RETURN RECEIPT REQUESTED

REPLY TO THE ATTENTION OF:

Mr. Clyde Beltz
OmniSource
711 Lewis Street
Jackson, Michigan 49204

Re: Notice of Violation
Compliance Evaluation Inspection
EPA ID No.: MID118724855

Dear Mr. Beltz:

On August 27, 2012, a representative of the U.S. Environmental Protection Agency inspected the OmniSource facility located at 1306 Page Avenue, Jackson, Michigan. As a small quantity generator of hazardous waste and a used oil generator, OmniSource is subject to the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq*. (RCRA). The purpose of the inspection was to evaluate OmniSource's compliance with certain provisions of RCRA and its implementing regulations related to the generation, treatment and storage of hazardous waste. A copy of the inspection report is enclosed for your reference.

Based on information provided by OmniSource employees, EPA's review of records pertaining to OmniSource, and the inspector's observations, EPA has determined that OmniSource violated RCRA requirements related to hazardous waste, as described in paragraph 1, below.

OmniSource violated the following generator requirement:

1. Hazardous Waste Determination

Under Mich. Admin. Code r. 299.9302(1) [40 C.F.R. § 262.11], a generator must determine whether its waste is hazardous.

At the time of the inspection, OmniSource had not made a determination whether the waste generated by vandalism of buildings onsite (e.g., broken fluorescent bulbs) was hazardous and had not managed the broken fluorescent lamps as solid waste. Photographs P101025-1010129 document the presence of fluorescent lamps in Building 9151.

As shown in photographs 1010142 – 1010148, liquids in tanks and a container were abandoned in the treatment building for oily water. A waste determination must be

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completed for the tank contents. Also, a waste determination on oil-stained soil adjacent to the drain for the scrap pad is required before the released used oil is cleaned up (photographs 1010131-1010140). See 40 CFR 279.22(d).

Three electrical transformers were abandoned in the shredder building (photographs 1010160 – 1010168) and have not been used in over nine years (p. 23 of the inspection report). The RCRA used oil management standards apply only to recycled used oil. In contrast, the oil in the transformers was a) abandoned or b) stored prior to being abandoned. A toxicity characteristic waste determination for oil in the transformers is required if the oil will be disposed. Although the transformers were labeled "PCB Free" during the inspection, PCB-containing components could have leached PCBs into the transformer oil after the 1998 sampling event.

In order to return to compliance, describe the actions taken after the August 27, 2012, inspection with respect to the abandoned fluorescent lamps, tank liquids in the treatment building, releases of used oil to the land surface, and the electrical transformers.

According to Section 3008(a) of RCRA, EPA may issue an order assessing a civil penalty for any past or current violation, requiring compliance immediately or within a specified time period, or both. Although this letter is not such an order or a request for information under Section 3007 of RCRA, 42 U.S.C. § 6927, we request that you submit a response in writing to us no later than 30 days after receipt of this letter documenting the actions, if any, which you have taken since the inspection to establish compliance with the above hazardous waste generator requirements. You should submit your response to Ms. Sue Brauer, U.S. EPA, Region 5, 77 West Jackson Boulevard, LR-8J, Chicago, Illinois 60604.

If you have any questions regarding this letter, please contact Ms. Sue Brauer, of my staff, at (312) 353-6134 or at brauer.sue@epa.gov.

Sincerely,

Gary J. Victorine, Chief
RCRA Branch

Enclosure

cc: Tim Sonnenberg, Jackson District Office, MDEQ (SonnenbergT1@michigan.gov)
John Craig (craigj@michigan.gov)
Lonnie Lee (leel@michigan.gov)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5, LCD, RCRA Branch, LR-8J
77 W. JACKSON BLVD.
CHICAGO, IL 60604

RCRA COMPLIANCE EVALUATION INSPECTION REPORT

SITE NAME: OmniSource Corp

EPA ID NUMBER: MID118724855

ADDRESS: 1306 Page Avenue, Jackson, Michigan 49203

DATE OF INSPECTION: August 27, 2012

EPA INSPECTOR: Sue Rodenbeck Brauer, Environmental Scientist

PREPARED BY: Sue Rodenbeck Brauer November 30, 2012
Date

ACCEPTED BY: 12/4/12
Michael Beedle, Acting Chief
Compliance Section #2
Date

Purpose of Inspection
This inspection was an evaluation of OmniSource Corp's compliance with hazardous waste, including used oil, regulations found at Michigan Administrative Code (MAC) Rules and the Code of Federal Regulations (C.F.R.). The inspection was a federal lead RCRA Compliance Evaluation Inspection (CEI).

Participants
Sue Rodenbeck Brauer, U.S. EPA

Site Representatives:
C. Kevin Gross, Safety/Environmental Manager, OmniSource
Lloyd Titus, no job title provided

Introduction
I arrived on-site at 2:10 p.m. Eastern time. The office building was vacated and the property was advertised as being for sale on a large sign. I telephoned the realtor, Mr. Perlos, for access. He did not have keys. Mr. Perlos provided a telephone number for Mr. Clyde Billups, whose telephone number had changed since the 2008 RCRA Notification of Regulated Waste Activity for this scrap yard. At 3:00 p.m., OmniSource representatives Mr. Gross and Mr. Titus arrived at the site. I introduced myself, presented my inspector credentials and identification, and described the purpose of the inspection and the process by which we intended to conduct the inspection. The facility had been selected for inspection due to the large dark areas seen on aerial imagery. Mr. Gross stated that the scrap processing facility had stopped operating in about 2005-2006. Mr. Titus had never worked at this scrap processing facility. Mr. Titus visits the site about every two weeks to check the perimeter fencing and to order its repair by a contractor.

OmniSource Corporation is a wholly owned subsidiary of Steel Dynamics, according to Mr. Gross' business card. OmniSource is not a small business because the number of employees exceeds 100 (not at this location).

Site Description
The information in this paragraph was provided by Mr. Gross. This facility received the following materials from off-site: cast iron borings, stainless steel turnings and aluminum turnings. Only metal processing was performed at this facility. No white goods were received. Mr. Gross was familiar with the operations from September 2002 through 2005 and identified the equipment used on-site as front end loaders to move material to and from rail cars and trucks, cranes to lift and sort metal scrap and a baler. No records have been on-site since 2006 at the latest.

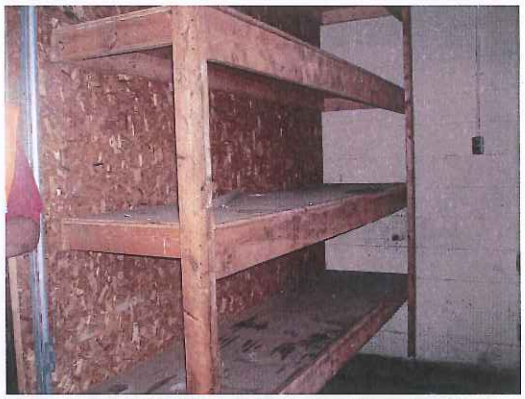
Site Tour
We toured the remaining structures and observed the former locations of heavy equipment. The site is frequently vandalized by thieves attempting to obtain copper wiring or other valuable scrap from buildings (e.g., steel doors) or by people seeking shelter. Photographs taken while

P1010121. Looking at doorway on north side of garage building, door vandalized. Apparently all scrap was not removed prior to putting the property on the market; this may be part of a kiln or furnace.

P1010122. and P1010123. Same piece of scrap material as in P1010121.

P1010124. Looking east at two buildings onsite from near the garage. The block building and stairs on the left (enlarged above to the left) is where the baler used to be. Building #1951, on the right (enlarged above to the right), was used to manage stainless steel scrap.

P1010125 and P1010126. Inside Building 9151, broken fluorescent and incandescent light bulbs litter the floor. Vandals remove the bulbs when trying to obtain scrap metal from the electrical fixtures.



P1010127. There is another fluorescent bulb on the middle shelf.

P1010128. Light fixtures dangle from the ceiling of a room in the Building 9151.

P1010129. There are broken fluorescent bulbs in every room of Building 9151.

P1010130. Looking south toward the north side of the cement scrap pads, sliding iron slab closure to drain and trench drain to wastewater treatment building. The north property line and fence is to my back. The liquid in the trench is supposed to flow right (west) to the wastewater treatment building at the west end of the pads. Some shiny metal turnings were left behind. Leaves and other debris clog the trench.

P1010131. This is another drain from a scrap pile bin. The sliding door is missing. The metal scrap is in smaller pieces than in P1010130. Notice the oil staining on the cement wall.

P1010132. More examples of the metal turnings managed in the scrap piles and one of the bin drain doors.

P1010133. Metal scrap appears to have rusted into a solid mass at this drain.

P1010134. Looking southwest along the trench drain, metal scrap is outside the trench on the ground.

P1010135. The scrap in this photo appears to have been removed from the trench and piled on the trench wall to drain. The stains look oily rather than only rusty.

P1010136. The scrap in this photo appears to have been removed from the trench and placed on the trench wall and adjacent soil. The stains appear oily.

P1010137. This pile of scrap metal was placed on the trench wall and on soil.

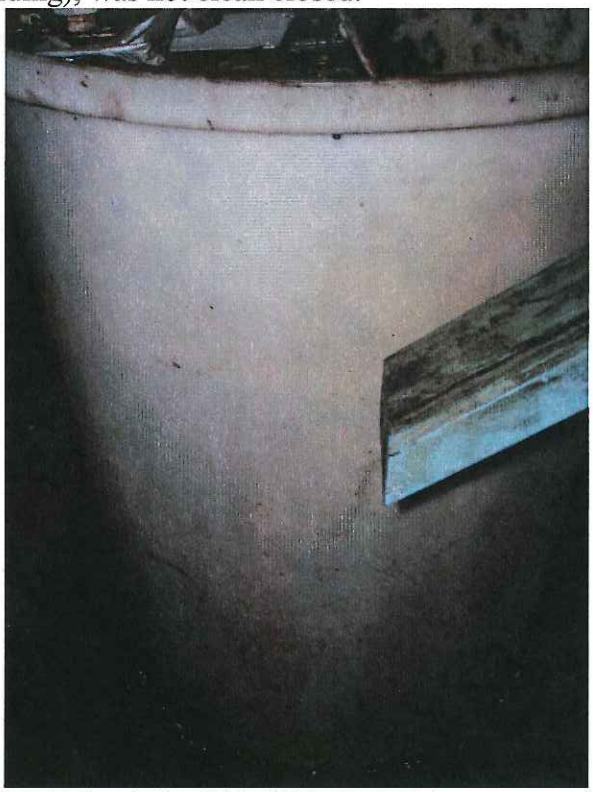
P1010138. This photo shows oil staining from the trench wall and from the scrap on the ground. The oil staining is darkest adjacent to the trench wall.

P1010139. Mr. Titus posed for this picture of the vandalized fence on the north side of the site.

P1010140. This is the point where the liquids drained from scrap leave the trench drain and are directed to the wastewater treatment building. Observe the oil stains on the trench walls and soil.

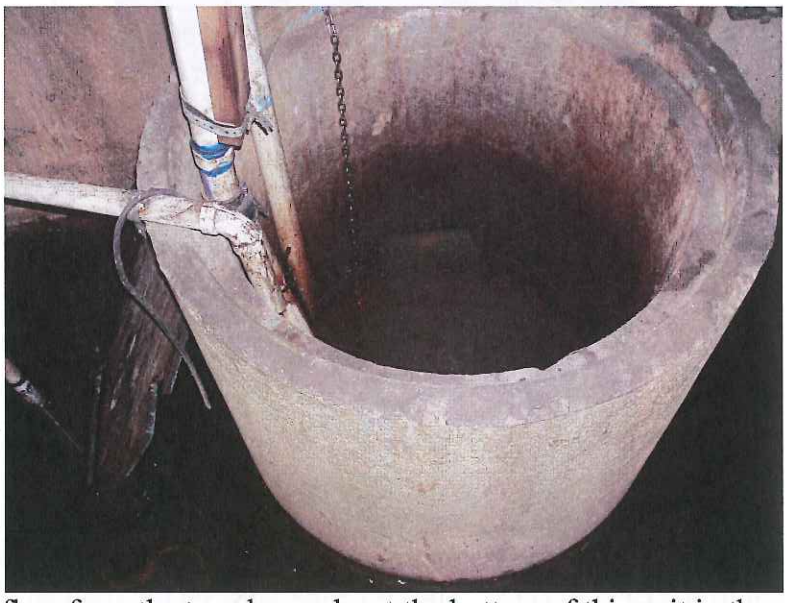
P1010141. The west-facing doorway of the wastewater treatment building opens to an elevated platform littered with debris including broken fluorescent light bulbs.

P1010142. This oily sludge tank in the wastewater treatment building, to the right when facing east (as if to enter the building), was not clean closed.

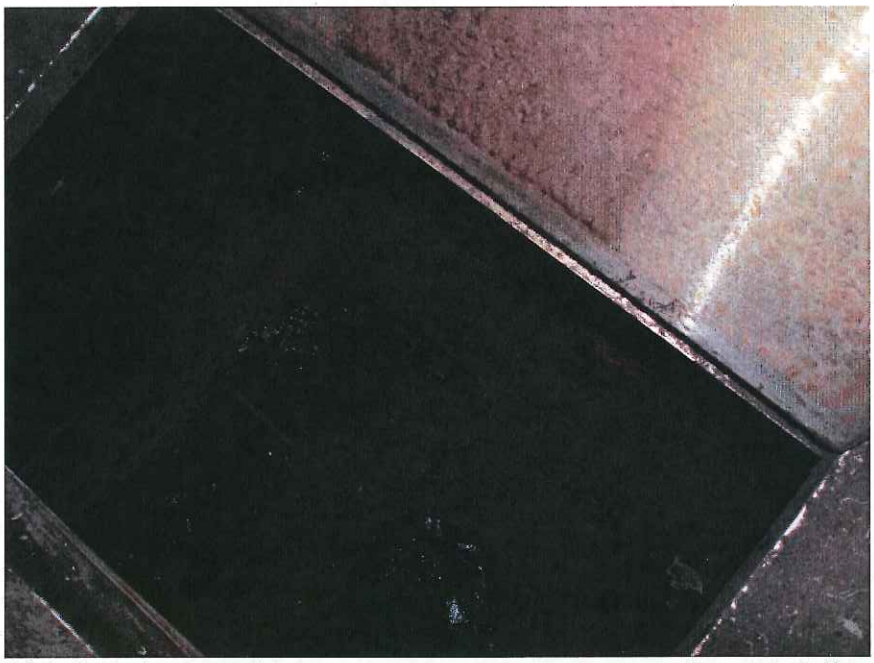


P1010143. This tank is also on the right side of the wastewater treatment building when facing inward at the door. The dirty blue object is the a stairs handrail.

P1010144 and P1010145. This larger tank is to the left as one stands in the doorway to the wastewater treatment building facing inward. In the left picture, the liquid level is visible as a slightly darker color at the bottom; it runs parallel to the tank bottom about mid-picture. In the right picture, the liquid level is about one third from the top.



P1010146. The inflow from the trench may be at the bottom of this unit in the wastewater treatment plant. There was standing liquid on the floor of the building.



P1010147. Looking into the top of the wastewater treatment processing unit (oil water separator). No one present was familiar with the unit operation. The tubes may have been for heat exchange.

P1010148. This container of product was on top of the processing unit. The container label on the left is: "Jackson Iron REF-1503173." The container label on the right is: "DOW CORNING, 544, ANTIFOAM COMPOUND."

P1010149. This photo was inadvertent.

P1010150. Looking north, the storm water on the scrap pad does not have an oil sheen. The clumps of material in the water are corrugated cardboard.

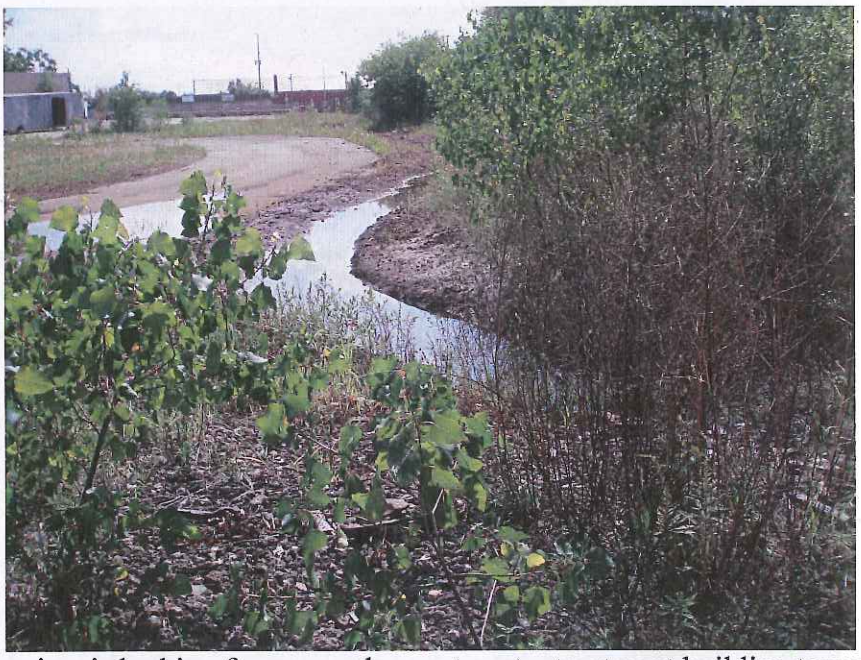
P1010151. Looking east-northeast, the scrap pad drains are visible, from the south, where the floor and wall meet.

P1010152. This is a closer view of corrugated cardboard that has been through several wet-dry cyclesrepeatedly wetted and dried on the scrap pad.

P1010153 and P1010154. This is the largest tank in the building, on the left as one enters the wastewater treatment building.

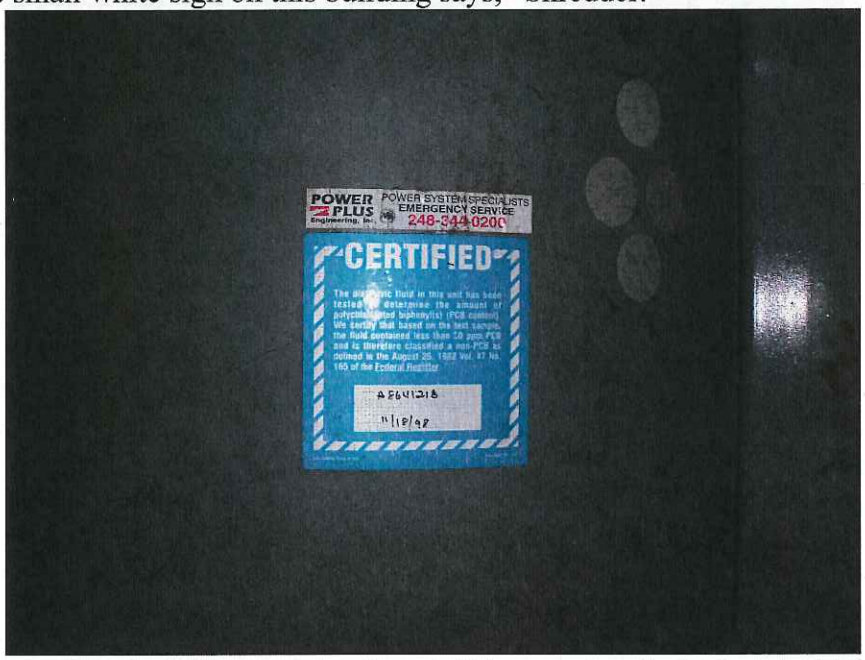
P1010155. This is the oil sludge tank to the right when facing inward at the wastewater treatment building door. The image on the right shows the shape of the cylindrical, vertical tank.

P1010156 and P1010157. These pictures show the labels on the largest tank in the wastewater treatment building, labeled "Holding Tank" in P1010157. The vendor label is from Huco, Inc.

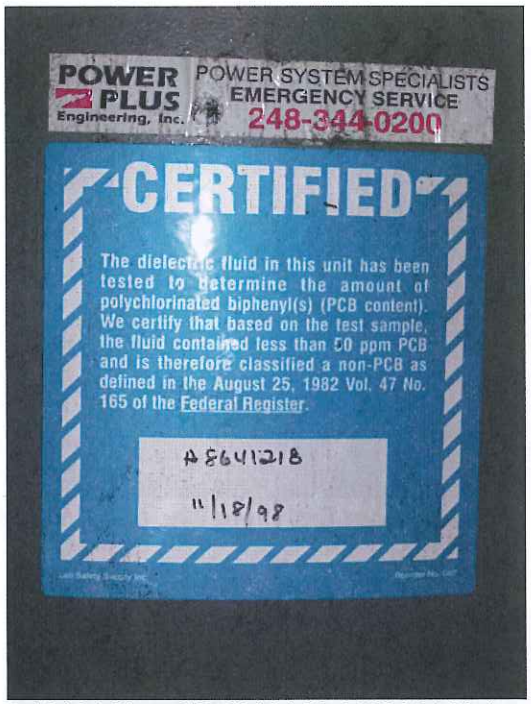


P1010158. This view is looking from near the wastewater treatment building toward Page Avenue. The semi trailer seen in P1010118 is at the top left of this picture, in front of the maintenance garage. The vacant office building is to the right of the tallest tower in the background. The wastewater treatment building appears to have been constructed on land elevated for a former railroad track with lower land covered by standing water on the right and left. See the attached map from www.bing.com.

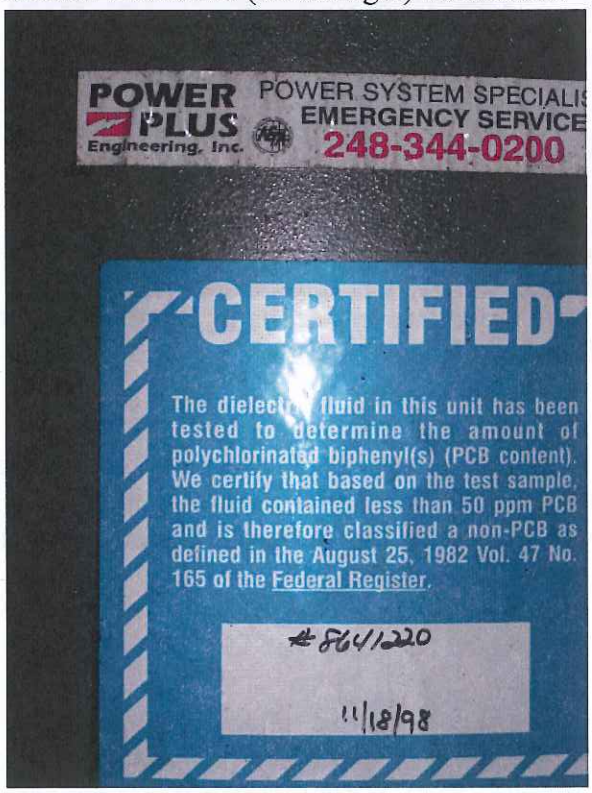
P1010159. The small white sign on this building says, "Shredder."

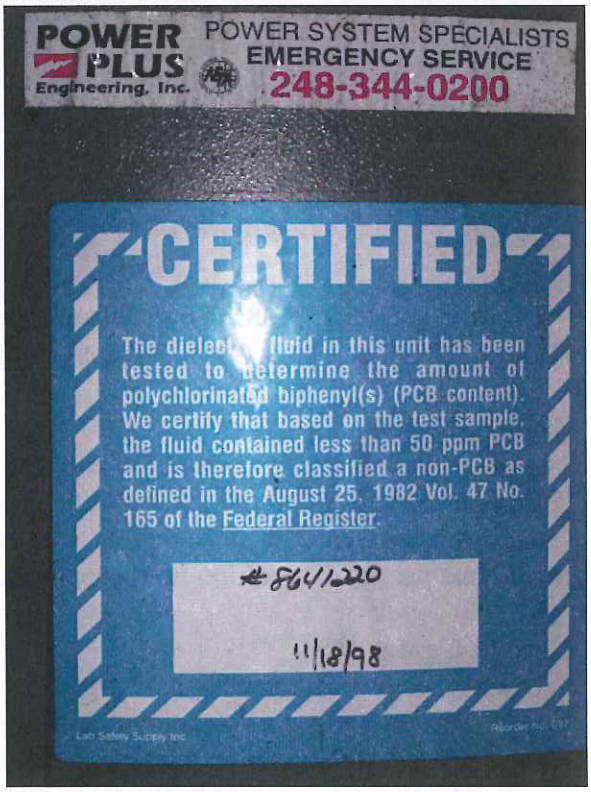


P1010160. The shredder building contains three tall (over seven feet) electrical transformers. This blue label states, "The dielectric fluid in this unit has been tested to determine the amount of polychlorinated biphenyl(s) (PCB content). We certify that based on the test sample the fluid contained less than 50 ppm PCB and is therefore classified a non-PCB as defined in the August 25, 1982 Vol. 72 No. 165 of the Federal Register." The white area of the blue label has a number and date: "A8641218, 11/18/98."

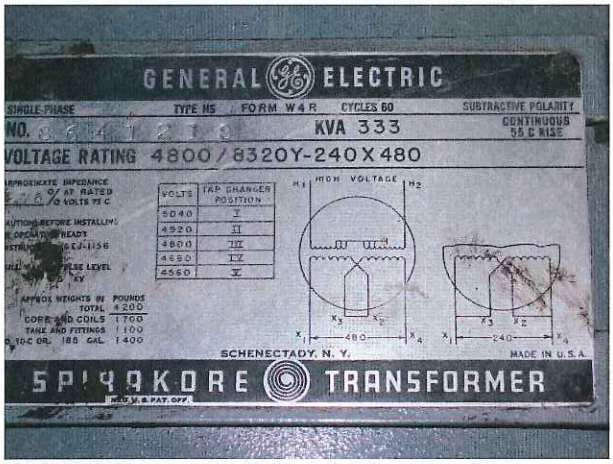


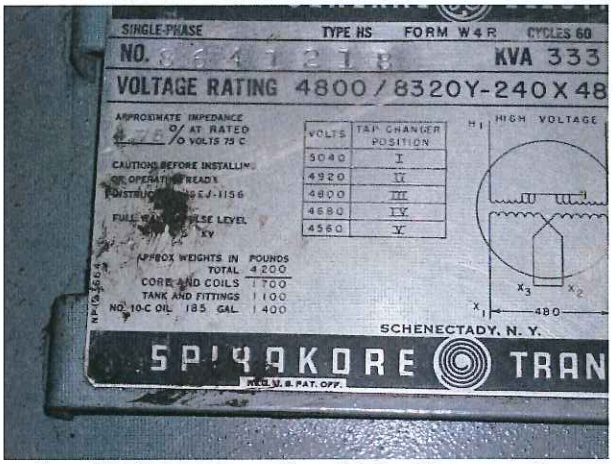
P1010161 and P1010162. P1010161 (to the left) is the same label as in photo P1010160. The label in P1010162 (on the right) has number "A8641219."



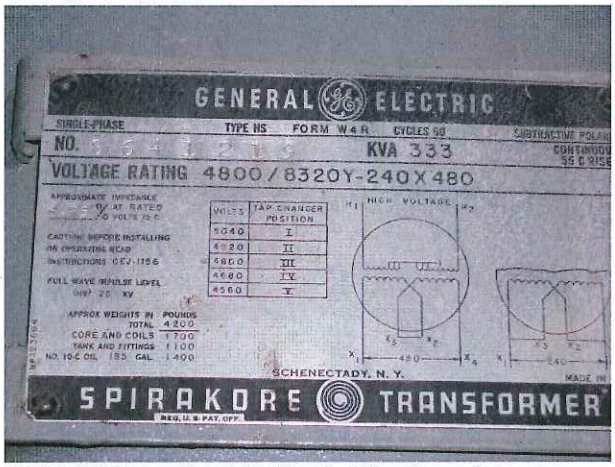


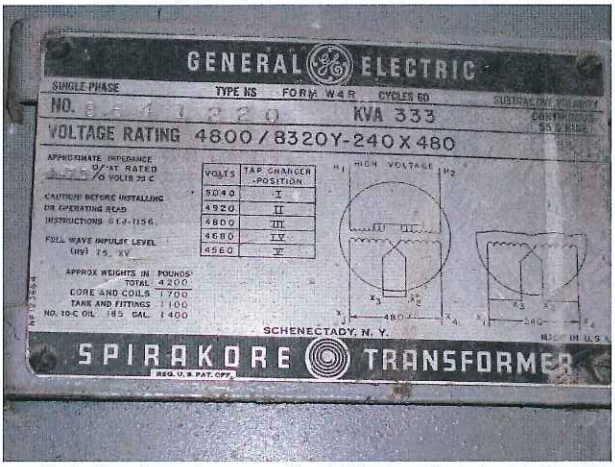
P1010163 and P1010164. Two pictures of the same label with #8641220 and the same date as the two previous labels.





P1010165. and P1010166. The transformer name plate is about seven feet high. The transformer "No. 8641218" matches the PCB test results label number.





P1010167. and P1010168. The transformer name plate is about seven feet high. The transformer "No. 8641219" and "No. 8641220" match the PCB test results label numbers.

Record Review

The office building was vacated for sale. Mr. Gross and Mr. Titus did not have keys to the office building. Assuming that the 2008 Notification of Regulated Waste Activity corresponded to the last clean-up activities prior to putting the property on the market, the three-year record retention period had passed. Therefore, no inspection checklist was completed.

Closing Conference

I summarized my concerns:

1. The large piece of scrap by the maintenance garage door may be refractory material that exhibits the hazardous waste characteristics of toxicity for chromium or another metal.
2. The fluorescent light bulbs, as observed in Building 9151 and the wastewater treatment building are poorly managed universal waste or hazardous waste.

3. The transformers were labeled as tested and found to contain less than 50 ppm PCBs. However, the transformers were not used after 2006 by OmniSource according to Mr. Gross (i.e., while Mr. Gross was employed here). If the transformers still contain oil, they are either a) used oil containers and must be managed in compliance with the Used Oil Management Standards or b) solid waste that has been abandoned and a hazardous waste determination is required. (Omnisource did not leave valuable equipment like the baler, front loaders or cranes at the facility.)
4. The soil to the north of the metal scrap bins' trench drain was impacted by oily scrap.
5. The wastewater treatment sludge tank was not clean closed by decontamination. The holding tank also was not clean closed by decontamination.

The inspection concluded at approximately4:20 p.m. Eastern time when the front gate was locked by an OmniSource employee.