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BUTCH COMEGYS/THE TIMES TRIBUNE

Steel drums are stacked outside of the IndyDrum plant, in Indianapolis.

BURNED | A JOURNAL SENTINEL WATCHDOG REPORT

Environmental problems plague the barrel reconditioning business

By Raquel Rutledge (mailto:raquel.rutledge@jrn.com) and Rick Barrett (mailto:rick.barrett@jrn.com) of the Milwaukee Journal Sentinel

Feb. 15, 2017

(http://hrefshare.com/d6953a) (http://hrefshare.com/e145)

(http://www.jsonline.com/story/news/investigations/2017/02/15/comment-chemicals-left-barrels-leave-workers-and-neighborhoods-risk/97934986/)

Michael Griffin was 200 yards from the steel drum company in St. Francis and knew something was wrong.

ATTACHMENT A

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It was November 2015 and the state air management engineer was on his way to a drum refurbishing plant south of Milwaukee that had been around for decades.

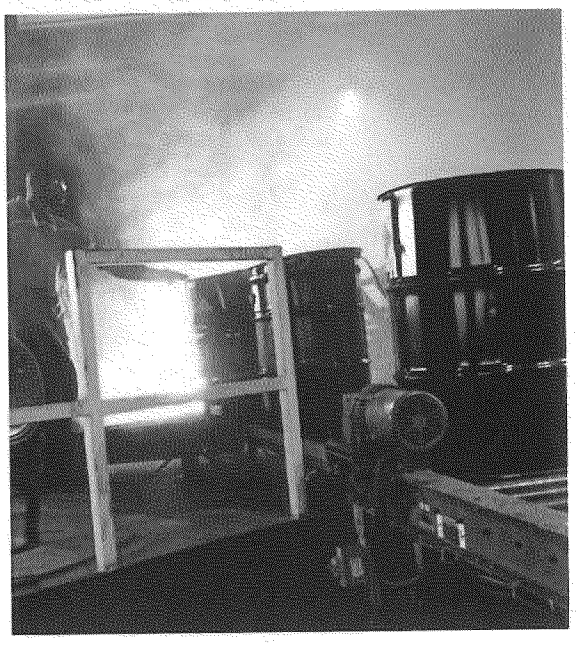
Griffin was following up on an odor complaint.

"The intensity (of the smell) increased to the point I felt a burning sensation in the back of my throat and sinuses," Griffin later wrote in a letter to the plant manager (https://www.documentcloud.org/documents/3423774-DNR-Letter-of-Noncompliance-2015.html). "The odors were significant, obnoxious and objectionable."

Griffin suspected the smells violated state environmental laws forbidding "malodorous emissions."

When Griffin returned later that day, he found blue smoke wafting from the drum oven. He also spotted rust-colored discharge on the roof of the building indicating the smoke stack "may be discharging particulate matter to a degree that is excessive."

Three more complaints would be filed the following month.



Hazards hit employees, neighborhoods

(http://projects.jsonline.com/news/2017/2/15/chemicals-left-in-barrels-leave-many-at-risk.html)

The company, Mid-America Steel Drum, had been acquired a couple years earlier by a joint venture — a group of similar operations spanning four states — majority-owned by industrial packaging giant Greif Inc.

Called Container Life Cycle Management (CLCM), or "Click'm," the venture operates six plants; three in the Milwaukee area and others in Indianapolis, Memphis, Tenn., and Arkadelphia, Ark.

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before. For years, the plant had been owned by Kitzinger Cooperage, and state regulators had repeatedly cited the company for failing to properly control and monitor air emissions.

Officials with the Milwaukee Metropolitan Sewerage District, which oversees wastewater, had been there — finding its own violations — as well.

An investigation by the Milwaukee Journal Sentinel uncovered problems with Greif's CLCM facilities in four states and other drum reconditioning operations nationwide whose practices have posed risks to workers, neighborhoods and the environment. In some cases, the problems have persisted for decades.

Dangerous chemicals have been washed down floor drains, plumes of smoke from unknown chemical reactions have been released into neighborhoods and fires have erupted at the plants, fouling the air and posing a danger to nearby homes, the investigation found.

Agencies entrusted to protect workers and the public have been ineffective at preventing problems, with federal, state and local authorities all reducing fines to nominal amounts and failing to address egregious hazards. In some cases, penalties can be steep, typically when clean up costs are involved.

The Journal Sentinel's findings are based on 16 hours of audio recordings from a whistle-blower, hundreds of pages of government reports and dozens of interviews with workers, experts and others.

Greif officials declined requests from the Journal Sentinel for interviews.

In a written response to a question about sites that have been cited for wastewater violations, Greif said it works with independent labs to test the water and "have made significant management process improvements at the reconditioning facilities to comply with all applicable regulations." The company said in late 2016 it appointed an environmental officer to "facilitate and oversee continued process improvements."

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and protective white suits in 2005 in a protest against odors from the Kitzinger drum reconditioning plant.

Carrying signs that read "Ask about the Stench," the pickets said they wanted to make prospective buyers of nearby condominiums aware of the problem.

Sometimes the odor was like "Lemon Pledge." Other times it was more like a urinal puck, recalled St. Francis Ald. Donald Brickner. It depended on what type of drums were being processed.

"When the wind was right, it was offensive," he told the Journal Sentinel.

In 2010, three years before Greif's CLCM group acquired the plant, Kitzinger agreed to pay $220,000 in state fines for emissions violations between 2004 and 2008.

In Milwaukee, the CLCM plant on the city's north side is part of a small stretch of industrial operations along one side of Cornell St., near W. 24th St. just south of Hampton Ave. Modest homes line the other side of the street.

CLCM's safety manager, Steele Johns, told safety consultants what happened at the plant when employees washed the chemical residue from large used containers:

"Whatever was left in there is going straight into the sewer," Johns said, adding: "We have no permits."

In late 2015 and throughout much of 2016, Johns spoke candidly to the consultants, not knowing that one of them was recording the conversations and would later become a whistle-blower.

Johns described what had happened when workers drained an assortment of leftover chemicals into one 275-gallon container.

Origins of an industry

(http://projects.jsonline.com/news/2017/2/15/how-the-barrel-business-got-its-start.html)

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20 minutes," Johns said.

Johns also said the plants shipped barrels full of the unknown mixed chemicals — a "witches brew," he called them — to landfills, labeling them "non-hazardous" waste.

That's not all. He said the plants that have furnaces for burning chemical residue from the steel drums weren't reporting accurate emissions to regulators.

"These are the realities I'm dealing with," he said in the recordings.

Will Kramer, a safety consultant with Iowa-based Safety Management Services Co., spent close to a year recording conversations with Johns and other managers and employees in Greif's CLCM plants, and documenting their activities.

In June 2016, he filed a whistle-blower complaint with the U.S. Securities and Exchange Commission, detailing his findings and alleging that Grief misled investors by not disclosing its environmental risks and liabilities.

A few months later, after concluding the company was not addressing the problems, Kramer shared the information and 16 hours of audio recordings with the Milwaukee Journal Sentinel.

'Nasty reputation'

The drum reconditioning industry has a troubled legacy that dates back decades, reaching coast to coast.

Evidence can be found in court records — and also in rural and urban landscapes pocked with leaky barrels.

In 2013, U.S. Environmental Protection Agency officials found several thousand chemical containers abandoned at Superior Barrel and Drum Co., a drum reconditioning facility in rural New Jersey, which is not part of the CLCM group.

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the EPA.

Investigators sampled the contents of the drums and plastic containers at the 5-acre site, revealing hazardous materials and carcinogens including flammable chemicals, benzene, toluene, trichloroethylene, lead and polychlorinated biphenyls.

Pollution at the site and surrounding wetlands raised concerns about the water supply for nearby residents, who for years had complained about strong odors and leaking chemical drums.

"The owner of this facility ran away from his obligations and allowed conditions to deteriorate rapidly," Bob Martin, with the New Jersey Department of Environmental Protection, said in a Jan. 30, 2014, news release.

"The abysmal storage conditions and poorly managed toxic chemicals found by EPA at this facility are unlawful, threaten the environment and are simply unacceptable," Judith Enck, an EPA administrator, said in the release.

No criminal charges were filed against the company owner, although that's still a possibility, according to the agency.

The cleanup cost taxpayers more than $1 million.

The largest penalty the EPA levied against a drum reconditioner still in business in the last five years was $15,000. That's what a Kansas City company was fined in 2012 for pouring chemicals down a floor drain years earlier.

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MIKE DE SISTI / MILWAUKEE JOURNAL SENTINEL

Large chemical containers are stacked outside IndyDrum in Indianapolis. The plant refurbishes or recycles these totes that have contained a wide variety of chemicals.

In 2007, a city building inspector in Memphis discovered a mess of leaking and damaged drums strewn about American Drum and Pallet, a small company not part of CLCM. Many were labeled "flammable" and "corrosive," and some were within 50 feet of a home where children played.

At least 144 containers were labeled as methyl parathion and had liquids remaining in the bottoms. Methyl parathion is a highly toxic insecticide that can be fatal if ingested or absorbed through the skin.

"Stained soils and pooled oily liquids were noted at several areas ... dead vegetation was noted along the drainage pathway leading off-site from the property," the EPA said.

Company owner Johnnie Williams was later charged with criminal violations relating to receiving drums that weren't empty and instructing employees to pour hazardous contents into containers that then remained on his property. Williams had no hazardous waste storage permit.

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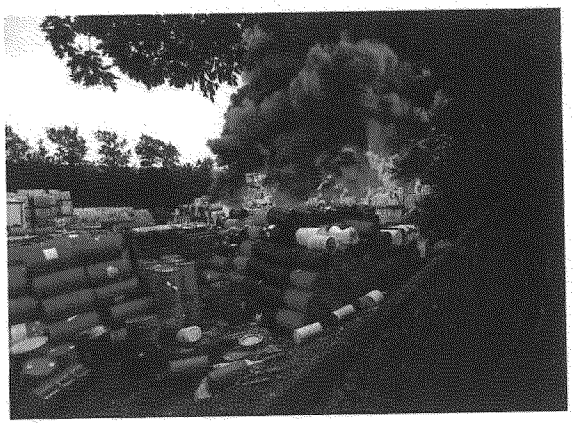
emergency cleanup (HTTP://WWW.JSONLINE.COM/)

A major fire broke out at the closed site in 2014, injuring four firefighters.

The Ohio Department of Justice got involved in a 2009 case, after a drum reconditioner was found to have hazardous chemicals on the property and was spewing pollution from its incinerator.

Gray Container LLC was located in Cleveland, within a half of a block of residences, a park and a church, according to the Ohio EPA. Business owner Kenneth Gray and two of his companies were found guilty of criminal violations of the state's hazardous waste laws.



Chemicals heighten fire risk

(http://projects.jsonline.com/news/2017/2/15/leftover-chemicals-heighten-the-risk-of-barrel-fires-at-refurbishing-facilities.html)

The company was ordered to pay $1.05 million in 2013 for the violations.

In December 2015, the EPA announced a $22 million settlement for the cleanup of a former drum reconditioning site that in the 1980s had been next to an elementary school in Los Angeles.

School employees had long complained of rashes, headaches and allergies, suspecting the neighboring Cooper Drum Co. was largely to blame.

EPA investigators found high levels of the commercial degreasing solvent perchloroethylene in the soil and volatile organic compounds such as trichloroethylene, which had spilled and leaked on the site, contaminating the soil and ground water.

Exposure to trichloroethylene has been linked to increased cancer risk and is also associated with diabetes, liver and urinary-tract problems.

'Significant noncompliance'

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including one that covered 13 acres along the lakeshore in South Milwaukee.

The former Northwestern Barrel site, at the east end of Marina Road, was badly contaminated as the company refurbished steel drums in the 1940s through the mid-1960s, according to the EPA.

Northwestern Barrel dumped waste into two pits on the east side of the property, which later was named an EPA Superfund site.

Both pits contained an oily sludgelike material. One pit sample indicated PCBs. And a ravine on the property had some of the highest lead levels in the state.

DNR non-compliance notice

The department received an odor complaint on October 30, 2015. In response, I performed an odor survey of the area around your facility and the impacted downwind residential area located to the northeast of your plant (NE of E Howard Ave and Hwy 32). The winds were 10 to 15 mph and from the southwest. Within the residential neighborhood the odor was identifiable and consisted of a melted plastic odor accompanied by a waste water type odor. As I approached your facility intensity increased to the point I felt a burning sensation in the back of my throat and sinuses. This observation was made at 11:46 am when approximately 200 yards downwind of your facility. The odors were significant, obnoxious and objectionable. This letter serves to notify CLCM St Francis of my observations and the potential noncompliance situation attributable to the CLCM St Francis operations with respect to malodorous emissions.

(https://www.documentcloud.org/documents/3423774-DNR-Letter-of-Noncompliance-2015.html#document/p1/a337058)

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residents complained of health problems — including headaches, sore throats and nausea — all resulting, they said, from the release of toxic fumes during the soil treatment process.

The treatment was halted and the remaining contaminated soil was shipped away. In 1997, a group of 80 companies was ordered to pay an estimated $3 million to remove more than 5,000 cubic yards of contaminated material.

More recently, the state has found problems at Mid-America Steel Drum operations, the facilities that have since been acquired by Greif's CLCM venture.

In September 2011, the Oak Creek facility agreed to pay $81,000 in fines for violating state air pollution regulations, according to the Wisconsin Department of Justice.

The company violated state air pollution laws and operated without an air emissions permit in 2008, according to the complaint against the company. The company exceeded its permitted limits of volatile organic compounds by more than 500 pounds over several months, the attorney general's office said.

But the problems didn't stop.

The Wisconsin DNR issued a noncompliance notice in 2013 for violations regarding release of volatile organic compounds and records from the EPA show the company violated federal Clean Air Act requirements again in 2014.

As for the 2015 odor complaints that brought the air management inspector to the St. Francis facility: Mike Higgins, general manager of the plant, responded in a letter that the company had made costly upgrades to its operations (https://www.documentcloud.org/documents/3423781-Greif-Response-to-DNR-LON-2015.html) and added "some of the finest fume/odor scrubbing equipment available."

"After spending considerable effort and expense to voluntarily upgrade our systems for the common good, we feel we are being wrongly singled out as a violator," Higgins wrote, blaming the complaints on one person who lived a half-mile away.

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mercury discharges in recent years.

The sewerage district, which oversees discharges from hazardous waste generators in 28 communities around Milwaukee, issued a notice of "continuing violation" in 2014 as well as notices of "significant noncompliance" in 2015 and 2016 (https://www.documentcloud.org/documents/3424266-MMSD-Mid-America-Pennsylvania-Ave.html).

Yet little punitive action has followed the warnings.

"While there have been repeated violations, we believe that there has been, to date, an active and sincere effort on their part to try to determine the source of their problem," said Sharon Mertens, director of water quality protection for the district.

"We do have the ability to levy fines. We don't do it very often. ... We're not here to fine people, we're here to make sure it gets done right."

Neither the state DNR nor local sewerage district was aware that CLCM is operating a facility on Milwaukee's north side, based on records requests from the Journal Sentinel.

In interviews with the Journal Sentinel, three recent employees from that plant confirmed what Johns — the safety manager — had been recorded as saying to consultants: The chemical residue they washed from the drums went right down the floor drain and into the sewers.

Greif officials deny that the plant flushes chemicals into the sewer system and say any residue is taken off site and disposed of properly.

CLCM facilities in other states have caused environmental problems as well.

In October 2014, the Memphis CLCM facility was in "significant noncompliance" for continuous pH violations related to wastewater discharges as well as "nickel and copper exceedances," according to the Tennessee Department of Environment and Conservation.

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dodged emissions regulations in a number of ways. They burned materials that put off dark, black clouds before dawn so nobody would see, he said.

And when regulators would visit, managers would hide the dirty drums and only process empty or clean drums, he said. Drum reconditioners are only supposed to accept empty containers for recycling and refurbishing. Most don't have permits to handle hazardous waste.

Robinson suffered a severe chemical burn to his leg in 2015 and told the Journal Sentinel he was ultimately fired for complaining and being late.

Steele Johns, too, raised concerns about the Arkansas plant emissions, telling consultants the facility was throwing paint filters in the burner.

Arkansas state regulators had been to the facility many years earlier — in 2003 — before CLCM acquired it. They found the plant wasn't properly recording and reporting emissions. Managers had failed to include accurate information on the paints and other chemicals handled at the plant.

The fine: $3,000.

Related stories

Gasping for Action

It's been known for years that diacetyl destroys lungs. So why is it still harming coffee workers and allowed in e-cigarettes?

(http://archive.jsonline.com/watchdog/watchdogreports/gasping-for-action-b99440601z1-291548941.html)

Shattered Trust

After a seemingly routine recall of alcohol pads in January 2011, the Journal Sentinel found federal regulators had known about problems at Triad Group and its sister company H&P Industries for a decade but failed to take action, putting the public at risk.

(http://archive.jsonline.com/news/125609233.html)

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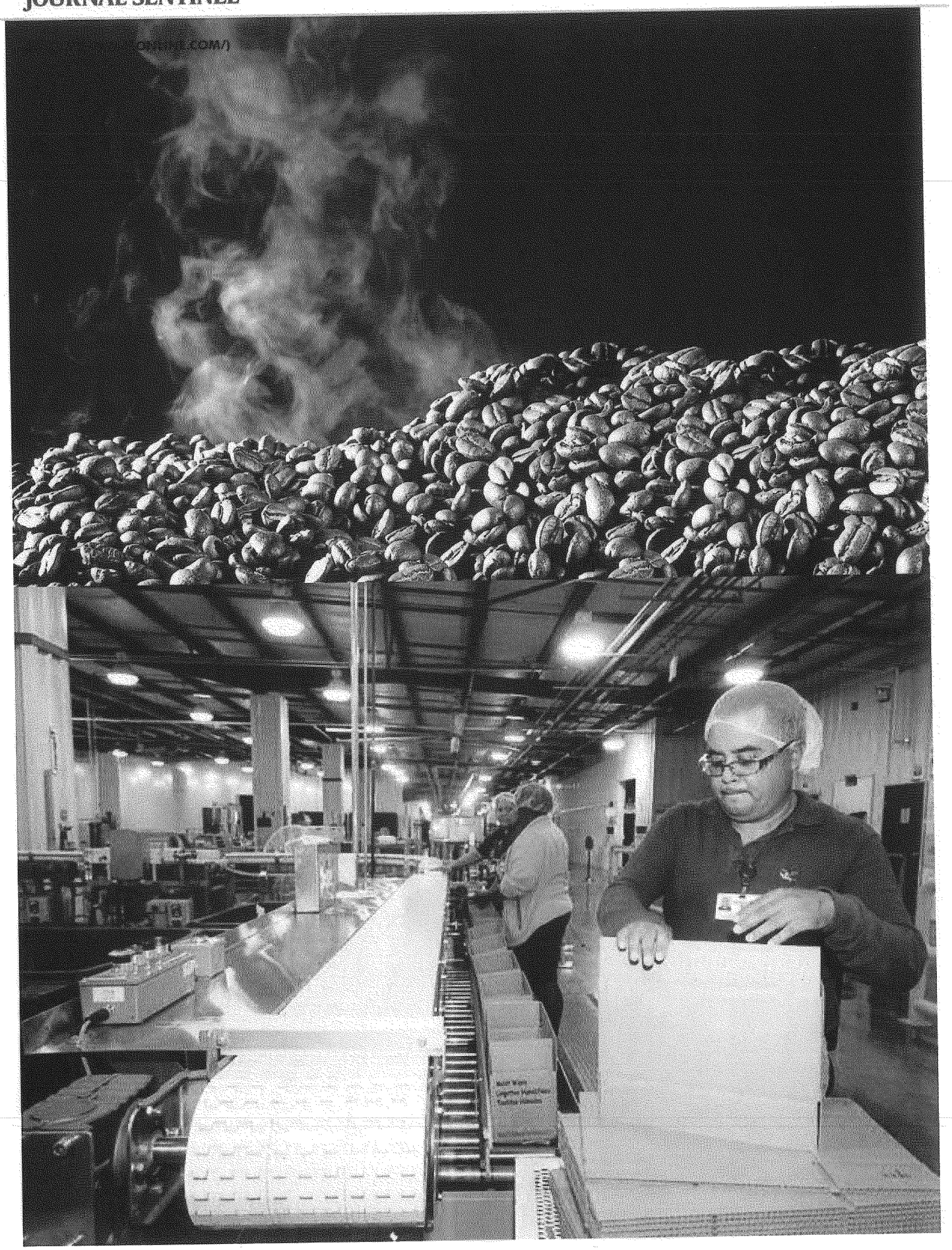

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