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IMPACT

Burned
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This is an aerial photograph of Mid-America Steel Drum Co, Inc., 3950 S. Pennsylvania Ave. in St. Francis, (Company front is in the upper left).

EPA investigators fall ill from barrel plant fumes

By John Diedrich and Raquel Rutledge,
Milwaukee Journal Sentinel

Two federal inspectors became ill earlier this year while investigating a chain of industrial barrel refurbishing plants in Wisconsin, reporting nausea, dizziness and difficulty breathing as they spent several days talking to residents near one of the facilities.

A month earlier, other

inspectors were inside the plants but said they didn't get to see regular activities as required by law. Instead, it appeared the company was staging operations to make it look like regulations were being followed.

Concerned that the company engaged in a cover-up and that the plant's true operations

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presented a risk to residents, federal prosecutors took the unusual step of asking a federal magistrate judge to approve search warrants authorizing surprise inspections to collect samples. The judge approved them in early May.

A Milwaukee Journal Sentinel investigation in February uncovered dangerous working conditions and environmental problems at the plants and three others in Arkansas, Indiana and Tennessee, all part of the chain. The facilities are operated by Container Life Cycle Management (CLCM), a joint venture majority owned by industrial packaging giant Greif Inc.

The U.S. Environmental Protection Agency and other agencies sent inspectors to the CLCM Mid-America Steel Drum plants in St. Francis, Oak Creek and Milwaukee a short time later.

New details of the EPA inspections are outlined in reports, emails and other documents made public in the warrants filed by the EPA in U.S. District Court in Milwaukee in May.

In seeking warrants to do surprise inspections, EPA officials cited the Journal Sentinel investigation as well as previous environmental violations.

The plants refurbish 55-gallon metal drums and large plastic totes, cleaning them out for

future use or to recycle them. The drums and totes are supposed to arrive empty, but they routinely come in “heavy,” with a significant amount of chemicals remaining inside, according to documents and workers.

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

The Journal Sentinel findings were based on 16 hours of audio recordings by a whistleblower; hundreds of pages of documents, including internal injury reports and safety audits; as well as public records and interviews with workers, regulators and experts.

Greif spokeswoman Debbie Crow said the company has not yet received findings from the EPA and the company “will work with them to remedy any issues as they arise.”

EPA officials would not comment on the ongoing investigation other than to say they don’t yet have results from samples of material that were collected during the inspections.

Federal and state lawmakers have demanded action. U.S. Sen. Tammy Baldwin has written numerous letters to

governmental agencies and told the Journal Sentinel immediate steps are needed to protect the public.

“I have no doubt that people have been harmed or put at risk, whether it’s workers or people who live in these neighborhoods. ... It’s important that all federal agencies charged with oversight do their job and get to the bottom of this,” the Wisconsin Democrat said.

Staged inspection suspected

Federal and state regulators inspected the plants in Milwaukee shortly after the Journal Sentinel investigation.

The inspectors from the EPA, U.S. Department of Transportation and Wisconsin’s Department of Natural Resources were trying to determine if there were violations of federal hazardous waste handling and emissions laws at the plants.

At each plant, the regulators said, there were indications they were not seeing typical operations, which they are supposed to be able to see under the law.

Inspectors noted they were barred from entering the plants until a company attorney arrived.

Barrels appeared to have been selected to avoid any containing hazardous waste, they said. Containers had new-looking white labels on them with the words “non-regulated

waste.” And a worker operating a furnace at one plant happened to be “on break” during the inspection, according to court documents.

Operations “appeared to EPA inspectors to be ‘staged’ to create the appearance of compliance with applicable environmental regulations,” documents said.

Even with those efforts, the inspectors spotted possible violations of the law: Workers were guessing by “feel” if a barrel contained chemicals; fumes wafted from some barrels; possibly harmful waste was streaming down a storm drain; and records required by law to be kept were missing.

And by the company’s own admission, one of the facilities was dealing with hazardous waste without a permit. The company’s attorney wrote in a letter after the inspection that the company is now applying for a hazardous waste permit.

“This suggests a failure in the past to characterize properly wastes present at this facility,” the warrant application said.

Inspectors arrived at the plant in the 2300 block of W. Cornell St. the morning of Feb. 24. After waiting for the lawyer to arrive, the inspectors entered the plant to find that operation was shut down, so there was little to observe.

Four days later, the

inspectors went to the St. Francis plant. They had to wait an hour while the company called its lawyer to appear.

The inspectors believed the drums being processed on that day were “cherry-picked” so they did not include any hazardous waste. But inspectors also saw barrels fuming at the St. Francis plant, indicating that drums were not emptied.

An inspector went to the roof to examine the smokestack scrubber, which is designed to clean the exhaust gas as it leaves the plant. He discovered fluid coming off the scrubber was going into a pipe and then a storm drain.

“The reason the system was set up to leak in this way was not made clear during the inspection,” the inspection report said.

At the Oak Creek inspection on March 2, inspectors identified several areas of concern. Workers used metal blades to cut the drums containing unknown and potentially flammable chemicals, creating a risk of explosion.

A worker died in Milwaukee in 1984 after a barrel of randomly mixed chemicals exploded in his face. There have been dozens of other deaths and serious injuries in incidents involving drums with chemicals or residue over the past 15 years across various industries.

The way workers were

putting drums in the furnace in the Oak Creek plant represented a risk of fire or explosion — all dangers that happen routinely at the plants, according to workers interviewed by the Journal Sentinel.

‘Insane’ plant near residents

Residents around the St. Francis plant have contended with foul odors and smoke belching over their neighborhood for years, federal EPA investigators found while spending nearly a week in the area in March.

EPA investigators Aaron Price and Maureen O’Neill interviewed several residents in their homes, “where we believe the remnants of the exhaust had accumulated for years in the carpet and upholstery.”

Residents reported health complaints including dizziness, itching, watery eyes, rashes on exposed skin, nausea, lymphoma, vitamin D issues, cardiovascular disease and throat cancer, according to documents.

Price and O’Neill both reported that they felt sick after being in the neighborhood around the St. Francis plant. O’Neill said her tongue swelled, her throat constricted and she was suffering from “unbearable” throbbing and numbness in her hands and feet.

She asked for Benadryl at the front desk of her hotel that night.

The staff offered to take her to a hospital or pharmacy. A hotel driver took her to get an antihistamine. The swelling went down the next day, but the pain in the hands and feet persisted until she left the assignment.

Price, too, reported feeling ill: headaches, dizziness and breathing difficulty, nausea, sleep difficulty and trouble focusing.

A neighbor of the plant told Price and O'Neill the smell from the plant's emissions was strong enough that he could taste it. He couldn't get away from it, even in his house with the doors and windows closed.

A secretary at Willow Glen Elementary School, which is a half-mile south of the plant,

called the Fire Department to investigate one day this year because the plant's odor was so strong in the school.

The investigators interviewed several residents who reported health problems including a man who talked about the danger of living near the plant with his 6-year-old daughter, who has had rashes, itchy eyes and dizziness, which he attributed to the smell and a pink film from the plant that settles on his property.

He told investigators he planned to move; no one should be living near the plant.

"He felt it to be 'insane' that the facility was allowed to be anywhere near a residential area."

Burned

July 26, 2017



Department of Natural Resources inspectors found a hole cut in a metal fence at the Container Life Cycle Management facility on W. Cornell St. in Milwaukee earlier this year. Regulators said the hole was a way to channel possibly contaminated wastewater off the site, in violation of state law.

Notice of violation

By John Diedrich and Rick Barrett,
Milwaukee Journal Sentinel

Three Milwaukee-area industrial barrel refurbishing plants have been cited by state regulators for violating 19 environmental laws, including misrepresenting information and sending hazardous ash to a landfill not permitted to handle such waste.

Inspectors found that the plants handled, stored and

shipped hazardous waste without permits, failed to keep numerous required records, and continued to spew putrid odors over neighborhoods three years after similar smells were noted by inspectors.

The 250 pages of documents from the Wisconsin Department of Natural Resources also detail how inspectors found

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State environmental regulators issued violations at three Container Life Cycle Management industrial barrel reconditioning plants in Milwaukee for having hazardous waste on site without a permit. The labels on these barrels indicate a permit is needed, the DNR says.

a hole cut in a fence at one of the plants, allowing potentially contaminated waste to run into the storm sewer, a violation of the state's water laws.

The violation notices issued last week are part of a series of regulatory actions being taken by state and federal authorities after a Milwaukee Journal Sentinel investigation in February revealed environmental problems and dangerous working conditions at the plants here and at three others in Arkansas, Indiana and Tennessee.

The facilities are operated by Container Life Cycle Management, a joint venture majority owned by Ohio-based Greif Inc, an industrial packaging giant. The plants refurbish 55-gallon steel drums and large plastic chemical containers, cleaning

them out for reuse or recycling.

The three Milwaukee-area plants operate as Mid-America Steel Drum.

In response to the DNR actions, Greif spokeswoman Debbie Crow said the company is cooperating with the agency and other regulators and "is already addressing several of the items noted by the DNR and will work with them on remediating other matters."

She wrote in an email that the company's plants have been inspected by the DNR in the past but such violations were not noted, adding, "the items asserted by the DNR attempt to implement a new regulatory framework for the reconditioning industry that has not previously been imposed by federal or state authorities."

Crow did not elaborate further.

The DNR has scheduled enforcement conferences for the company to attend in Milwaukee in August. The agency said historically most violations are resolved at such meetings, but noted the law allows the matters to be referred to the state Department of Justice, which could seek court-ordered compliance and penalties up to \$25,000 for each day of violation.

The agency noted that four other government agencies are investigating the plants — the U.S. Environmental Protection Agency, the U.S. Occupational Safety and Health Administration, the U.S. Department of Transportation and the Milwaukee Metropolitan Sewage District.

“It is important to note that this is a multi-agency endeavor and our notice of violation actions are only a piece of the larger picture,” the DNR said in a statement to the Journal Sentinel. “Other agencies are looking at different elements that make up the total picture of activities.”

Earlier this year, two EPA investigators became ill while interviewing residents around the St. Francis plant, reporting nausea, dizziness and difficulty breathing.

Concerned that the company engaged in a cover-up and that the plant’s true operations

presented a risk to residents, federal prosecutors took the unusual step of asking a federal magistrate judge to approve search warrants authorizing surprise inspections to collect samples.

The judge approved them in early May, and the newly released DNR violation reports show the EPA was in the plants that month. The EPA has not released details of those surprise inspections.

Hazardous waste noted

State DNR officials allege the three Milwaukee-area plants have stored hazardous waste without a license. Investigators visited the plants five times in February and March and noted seven hazardous waste violations in their report.

The 55-gallon drums and totes are supposed to arrive at the plants empty, but they sometimes come in with a significant amount of chemicals remaining inside, including highly flammable and other hazardous liquids.

During one inspection, inspectors found more than 100 barrels on site at the Oak Creek plant, several that were labeled hazardous waste with strong smelling chemicals inside.

They randomly pulled drums and found several with significant amounts of chemicals inside, including one that was full, the report said.

Inspectors noted that when the drums headed for recycling were turned upside down, chemicals began running out within seconds.

Workers at the plants have said chemicals were mixed together, triggering dangerous reactions, and plumes of smoke from unknown chemicals have been released into neighborhoods, the Journal Sentinel investigation found.

The inspectors found the company failed to have the necessary license to store such hazardous materials on site.

The DNR also found that Mid-America Steel Drum violated hazardous waste transportation laws by shipping such waste without a permit. Large chemical totes are sent from the St. Francis plant to the company's Cornell St. plant on Milwaukee's north side.

"Semi-trailers are known to transport non-empty drums and totes, some of which contain hazardous waste," the DNR report said.

At the Oak Creek plant, hazardous wastes were sent through an incinerator, according to the DNR, and the resulting ash was disposed of at a Muskego landfill that is not licensed as a hazardous-waste facility.

The inspectors found the plants did not have proper paperwork listing when barrels that were too heavy arrived and when they were shipped out.



The plants, operated by Container Life Cycle Management, refurbish 55-gallon steel drums and large plastic chemical containers, cleaning them out for reuse or recycling.

The inspections also showed the Oak Creek facility, "does not have an inspection program for malfunctions and deterioration, operator errors and discharges, which may be causing or may lead to release of hazardous waste constituents to the environment or a threat to human health."

Air pollution violations

The agency issued eight violations of air pollution rules, saying it believes Mid-America misrepresented air pollution emissions at the St. Francis plant and that operations continue to cause significant odor issues in the surrounding neighborhood.

The company did not fully disclose its discharge amounts in its 2014 permit application and has not complied with information requests from the state since then, according to the DNR records.

For years, residents near the St. Francis plant have complained about foul odors and smoke from the plant. They've also reported health complaints including dizziness, itching, watery eyes, rashes on exposed skin, nausea, lymphoma, cardiovascular disease and throat cancer, according to court documents seeking the surprise EPA inspection earlier this year.

The DNR also cited the company for four wastewater

violations at the three facilities.

At the Milwaukee facility, inspectors found that a hole was cut in the metal perimeter fence of the facility, six inches high and 15 inches wide. This allowed potentially contaminated waste to run into the nearby storm sewer,

There was no explanation from the company in the report about how the hole got there.

Raquel Rutledge of the Journal Sentinel staff contributed to this report.

Burned
August 11, 2017



The Mid-America Steel Drum plant in St. Francis has been cited for environmental problems.

OSHA opens barrel plant inquiry

By John Diedrich, Milwaukee Journal Sentinel

The federal agency charged with workplace safety has opened an inspection of an industrial drum refurbishing plant in St. Francis — but only months after reports of dangerous working conditions and action by environmental regulators uncovered numerous violations.

Inspectors from the U.S.

Occupational Safety and Health Administration opened an inspection of Mid-America Steel Drum last week — on the same day the Milwaukee Journal Sentinel posted a story examining why the agency had inspected just one of six plants in the chain.

The inspection was opened Aug. 3, according to the agency

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website and a spokesman, who declined to say if inspectors have been in the plant yet.

There is no indication, however, that the agency is inspecting another local plant in the chain, in Oak Creek, which also refurbishes industrial drums and has been cited for illegally storing hazardous waste, among other violations.

A Milwaukee Journal Sentinel investigation in February revealed environmental problems and dangerous working conditions at a chain of barrel refurbishing plants, including three in Wisconsin — Oak Creek, Milwaukee and St. Francis — as well as facilities in Arkansas, Indiana and Tennessee.

Workers at the plants said chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems.

One worker described pouring liquid from a drum into a collection container and a horrible smelling orange cloud filling the plant. The workers went outside and waited for the air to clear.

The Journal Sentinel findings were based on 16 hours of audio recordings by a whistleblower. The plant's safety manager is heard on one recording saying, "When you look at the hazard potential here, they

could blow up and kill eight people in a heartbeat."

U.S. Sen. Tammy Baldwin (D-Wis.) has criticized OSHA for not inspecting all the plants and said she was happy to learn of the action last week.

"I am pleased that they are finally doing their job at St. Francis and now they need to do so at Oak Creek as well," Baldwin said in a statement Wednesday.

Baldwin said she was told earlier by OSHA it could not go into the plants without a worker complaint. In a July letter to OSHA, Baldwin cited regulations that say OSHA can inspect a facility based on media reports or referrals from other government agencies.

Unannounced inspection

OSHA spokesman Scott Allen said he could only confirm the agency opened an inspection into the St. Francis facility, located in the 3900 block of S. Pennsylvania Ave.

"No information will be available until the investigation is completed," Allen wrote in an email.

Allen did not answer a question about why OSHA opened its inspection of the St. Francis plant last week. The online entry lists the agency as doing a partial inspection and that it was the result of a referral.

The barrel refurbishing plants are operated by

Container Life Cycle Management, known as CLCM, a joint venture majority owned by Ohio-based Greif Inc., an industrial packaging giant. The plants refurbish 55-gallon steel drums and large plastic chemical containers, cleaning them for reuse or recycling. The three Milwaukee-area plants operate as Mid-America Steel Drum.

Greif spokeswoman Debbie Crow said in a statement, “The company is committed to the health and safety of our colleagues and protecting the environment in the communities where we live and work. CLCM will continue to work closely with agency partners in an effort to uphold that commitment.”

When asked if the OSHA inspection of the St. Francis plant was announced, OSHA spokesman Allen wrote, “We do not announce or pre-inform a company when OSHA conducts an investigation.”

Federal environmental regulators did their own inspections of all three Milwaukee-area plants earlier this year but reported that inspectors were forced to wait until the company’s attorney arrived and during the tour, they suspected they were not seeing typical operations, as required by federal law.

Federal prosecutors in Milwaukee took the unusual step of asking a federal magistrate judge to approve search

warrants that authorized surprise inspections to collect samples.

EPA inspectors sickened

The U.S. Environmental Protection Agency conducted its inspections in May. The results have not been released.

During the visit, two EPA investigators became ill while interviewing residents around the St. Francis plant, reporting nausea, dizziness and difficulty breathing.

The Wisconsin Department of Natural Resources also inspected the three barrel refurbishing facilities earlier this year and cited the company for 19 violations, according to 250 pages of enforcement reports released last month to the Journal Sentinel. Enforcement conferences with the company to discuss what has to be done to correct the violations are set for this month.

The company was cited for handling hazardous waste without permits; failing to keep required records; misrepresenting information on permit applications; sending hazardous ash to landfills not permitted to receive it; and continuing to send putrid odors over neighborhoods three years after similar smells were recorded.

State Sen. Chris Larson and state Rep. Christine Sinicki, both Democrats, applauded the DNR’s action and in a letter

asked the agency to participate in a public meeting for residents living near the plants.

The DNR said it could not attend a meeting because the investigation remains open. Larson and Sinicki are considering others who can speak about the DNR's findings publicly. No meeting date has been set.

OSHA officials inspected one drum plant in the chain after a complaint late last year.

They issued citations alleging unsafe work conditions at

the Milwaukee facility, located on W. Cornell St. near W. Hampton Ave. and N. 24th St., and assessing \$108,000 in fines.

Among the violations found in the inspection: Workers were mixing chemicals from barrels, exposing workers to the risk of burns, explosions and the inhalation of toxic gas. The company disputes those violations.

Raquel Rutledge of the Journal Sentinel staff contributed to this report.

Burned
September 17, 2017



State environmental regulators issued violations at three Container Life Cycle Management industrial barrel reconditioning plants in Milwaukee for having hazardous waste on site without a permit. The labels on these barrels indicate a permit is needed, the DNR says.

Industrial barrel investigation goes national

By John Diedrich, Milwaukee Journal Sentinel

Federal regulators have expanded their investigation of industrial barrel refurbishing plants nationwide, examining operations and safety at 13 facilities in nine states.

The multi-agency investigation initially focused on three such facilities in the Milwaukee

area, where a Milwaukee Journal Sentinel investigation uncovered a host of problems endangering workers and residents.

The U.S. Department of Transportation recorded 16 violations at the three plants, including not properly cleaning and reconditioning the

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55-gallon barrels, failing to give employees adequate training and not keeping required paperwork, according to a Notice of Probable Violation issued Aug. 31 to Container Life Cycle Management.

The department's sanctions are the latest development as regulators continue to investigate the plants in Milwaukee, St. Francis and Oak Creek.

The Wisconsin Department of Natural Resources earlier found 19 environmental violations at the plants.

The U.S. Environmental Protection Agency and the U.S. Occupational Safety and Health Administration also both continue to investigate. The EPA's own inspectors got sick as they talked to residents about smoke and odors near the St. Francis plant.

The action comes following a Milwaukee Journal Sentinel investigation in February that revealed environmental problems and dangerous working conditions at the three Milwaukee-area plants, as well as facilities in Arkansas, Indiana and Tennessee.

Workers at the plants said chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems.

The Journal Sentinel

findings were based on 16 hours of audio recordings by a whistle-blower; hundreds of pages of documents, including internal injury reports and safety audits; as well as public records and interviews with workers, regulators and experts.

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

Container Life Cycle Management, known as "CLCM," is a joint venture majority-owned by Ohio-based Greif Inc., an industrial packaging giant. The plants refurbish 55-gallon steel drums and large plastic chemical containers, cleaning them for reuse or recycling. The three Milwaukee-area plants operate as Mid-America Steel Drum.

Inspectors from the U.S. transportation department's Pipeline and Hazardous Materials Safety Administration assessed fines against the company totaling \$31,880 following inspections in February and March.

The agency's maximum penalty is \$78,376 unless there is a death, serious injury or substantial destruction of property. Its average penalty

in fiscal 2015, the last year for which data was available, was \$7,822; the median fine was \$4,800 that year, according to department data.

Following visits to the three Milwaukee-area plants, DOT officials launched inspections into 10 other industrial drum reconditioning facilities in eight states, according to a source familiar with the agency's investigation.

It's the first indication that regulators are examining operations at a larger swath of the barrel reconditioning industry.

The 13 U.S. facilities being inspected make up Earth-Minded Life Cycle Services, a network of independent drum reconditioning companies across the nation and the world.

Company promises fixes

In response to the DOT actions, Greif spokeswoman Debbie Crow said the company has addressed all of the agency's "claimed violations."

"The Department of Transportation regularly inspects facilities like ours, and CLCM has always been, and will continue to be, willing to open its facilities for inspection by governmental agencies," Crow said.

DOT officials declined to comment on the violations, citing the ongoing investigation.

Several elected officials, including U.S. Sen. Tammy Baldwin (D-Wis.), have called

for an investigation into the plants following the Journal Sentinel reports.

Following the release of the DOT violations report, Baldwin issued a statement saying, in part, "Our work here is not done and I will continue to demand answers. We must ensure these workplaces and our communities are safe."

Surprise inspection sought

Department of Transportation inspectors were among the group of regulators who visited the plants in the Milwaukee area in February and March.

EPA officials reported that inspectors were forced to wait until the company's attorney arrived and during the tour inspectors suspected they were not seeing typical operations, as required by federal law.

Federal prosecutors in Milwaukee took the unusual step of asking a federal magistrate judge to approve search warrants that authorized surprise inspections.

During a later visit, two EPA investigators became ill while interviewing residents around the St. Francis plant, reporting nausea, dizziness and difficulty breathing.

The state DNR, which also was on the inspection, cited the company for 19 violations, according to 250 pages of enforcement reports released to the Journal Sentinel.

The company was cited by the DNR for handling hazardous waste without permits; failing to keep required records; misrepresenting information on permit applications; sending hazardous ash to landfills not permitted to receive it; and continuing to send putrid odors over neighborhoods three years after similar smells were recorded.

The company issued a statement saying the company's plants have been inspected by the DNR in the past but such violations were not noted, adding, "the items asserted by the DNR attempt to implement a

new regulatory framework for the reconditioning industry that has not previously been imposed by federal or state authorities."

The company spokeswoman, Crow, has not elaborated on that further.

Enforcement meetings between the company and DNR were held last month. The case remains open.

DNR spokesman James Dick said the department continues to review additional documents supplied by the company.

"We are working closely with U.S. EPA on this matter and conclusion of the enforcement

COMPANIES INSPECTED

Here is a list of the industrial barrel plants being inspected by the U.S. Department of Transportation. They are the U.S. facilities in the EarthMinded network:

- Container Life Cycle, Ludlow, KY
- Drumco of Tennessee, Memphis, TN
- Mid-America Steel Drum Co, Inc., Milwaukee, WI
- Mid-America Steel Drum Co, Inc., St. Francis, WI
- Mid-America Steel Drum Co, Inc., Oak Creek, WI
- Indianapolis Drum Service, Indianapolis, IN
- Drumco of Arkansas, Arkadelphia, AR
- West Texas Drum LTD, Baytown, TX
- West Texas Drum LTD, Odessa, TX
- CMS, LLC - Los Angeles, CA
- CMS, LLC - Bay Area, Hayward, CA
- CMS, LLC - Portland (Steel Drum), Portland, OR
- CMS, LLC - Portland (IBC & Plastic Recycling), Portland, OR

aspects could take some time, but in the interim the company has corrected or is actively taking steps to correct many of the issues that have been identified,” Dick said in a statement.

The DOT violations include inadequate testing and certification of drums, training violations, and not notifying the agency of changes made to processes that had been approved by the agency, according to the document.

The company has promised to address the violations by buying new equipment, filing revised permits and conducting training, the DOT report said.

The DOT increased the fines because there are multiple counts of the same violation but then cut about \$8,000 because the company took steps to fix the problems.

Raquel Rutledge of the Journal Sentinel staff contributed to this report.

Burned
October 8, 2017



Will Kramer, a safety consultant with Safety Management Services Company, was the whistle blower against Greif Inc. and the CLCM drum reconditioning plants.

Greif board members accused of insider trading

By John Diedrich, Milwaukee Journal Sentinel

Late last year, executives at Greif Inc., a \$3.3 billion industrial packaging company, learned that a safety consultant working for one of its subsidiaries was going public about unsafe conditions he saw in its chain of barrel reconditioning plants.

The whistleblower, Will Kramer, had more than first-hand accounts of the dangers; he had secretly made recordings of the company's own safety officials expressing alarm at the conditions.

In December, Kramer revealed to company officials

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that he had shared the recordings with the Milwaukee Journal Sentinel. A reporter soon called Greif with questions about its operations, including ones in Milwaukee.

A couple weeks later, two members of Greif's board did something they had not done since 2014: They sold shares of stock in the company.

Board chairman and former CEO Michael Gasser sold 20,000 shares, or 10% of his holdings, for just over \$1 million, U.S. Securities and Exchange Commission records show. Board member Daniel Gunsett sold 3,800 shares — 15% of his holdings for \$206,000.

The Journal Sentinel investigation, published in February, uncovered a host of problems that endangered workers and residents living near the facilities, which are operated by Container Life Cycle Management (CLCM), a joint venture majority owned by Greif.

Following publication, federal and state regulators launched a broad investigation into safety at the plants. The probe has now expanded to 13 facilities in nine states.

Kramer, the whistleblower, has filed a complaint with the SEC that accuses Gasser and Gunsett of insider trading, saying the pair sold the shares based on inside information that the Journal Sentinel investigation was coming and



Michael Gasser is the former CEO and current chairman of the board for Greif Inc., an industrial packaging giant.

concern it could affect the company's share price.

Federal law prohibits company officials from making trades based on inside information that is "material" and not known to the public.

Kramer has also filed a complaint with the SEC, accusing Greif of misleading investors by failing to disclose the extent of the company's environmental risks.

U.S. Sen. Tammy Baldwin (D-Wis.) is calling on the SEC to investigate those complaints. Baldwin, along with U.S. Rep. Gwen Moore (D-Wis.) earlier demanded that the agency investigate Kramer's complaint.

"Both of these allegations would be violations of federal securities laws and regulations and deserve your immediate attention," Baldwin wrote in a letter sent late last month. "As the scope (of the investigation)

has widened a picture has emerged of a company that views regulations as unnecessary limits on profits.”

A SEC spokesman declined to comment on the complaints or Baldwin’s letter.

Debbie Crow, a spokeswoman for Greif, said she could not comment on the SEC complaints as the company has not seen them.

“However, any suggestion that Greif did not provide fair and accurate financial statements as required by the SEC is absolutely untrue and absurd,” she said.

Not clear-cut case

Experts in securities law were divided on the strength of the insider trading case being alleged against the two Greif board members.

Bill Singer, a New York securities lawyer, said Kramer’s complaints might not rise to the level of the kind of information that the law deems “material,” but more like a person’s opinion.

“We have to be careful we’re not punishing people for using their brain,” he said. “There is a difference between knowing the FBI is outside knocking at your door and having the belief that if we don’t do something in the next week, the FBI could be knocking at our door.”

Jeffrey Cramer, a former federal prosecutor in New York and Chicago, said selling shares after

learning that a news investigation was coming is trading on inside information. The information was not known by the public and it had the potential to affect the share price, he said.

But Cramer, who is now a managing director at Berkeley Research Group, said a prosecution appears unlikely to him. After the Journal Sentinel investigation was published, Greif’s share price remained at about \$58. The stock dropped about 9% in early March but later rebounded.

The fact that the pair did not avoid a big loss might deter a prosecution, Cramer said.

“It’s not a defense, but it is definitely part of the calculation about whether to bring a case,” Cramer said, but added a case still may come in the right circumstances. “It could be a shot across the bow for a federal prosecutor.”

Safety concern spurs action

In 2015, Kramer was on a team from Iowa-based Safety Management Services doing safety audits at the CLCM plants.

They identified concerns at the CLCM plants in four states: Wisconsin facilities in St. Francis, Milwaukee and Oak Creek, as well as operations in Arkansas, Indiana and Tennessee.

The plants refurbish 55-gallon steel drums and large plastic chemical containers, cleaning

them for reuse or recycling. The three Milwaukee-area plants operate as Mid-America Steel Drum. Greif entered the reconditioning business seven years ago.

During the visits, safety officials started expressing concerns and did not think they would be fixed. Kramer identified issues as well and began secretly recording the company officials.

In one of the conversations, safety manager Steele Johns says, “When you look at the hazard potential here, they could blow up and kill eight people in a heartbeat.”

Ultimately, Kramer turned over 16 hours of recordings to the Journal Sentinel. The tapes, along with extensive interviews and other documents, found danger for workers and people living nearby.

Workers at the plants said chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems. Fires have erupted at the plants, fouling the air and posing a danger to nearby homes, the investigation found.

Residents living near one of the plants said they have endured strong odors and heavy, particle-filled smoke for years.

Broad investigation launched

Federal and state regulators launched investigations into the plants shortly after the Journal Sentinel series published.

During their inspection of the Mid-America plants in the Milwaukee area, officials said they didn’t get to see regular activities as required by law. Instead, it appeared the company was staging operations to make it look like regulations were being followed.

They took the unusual step of asking a federal magistrate judge to approve search warrants authorizing surprise inspections to collect samples. In documents, officials noted that two U.S. Environmental Protection Agency investigators became ill while interviewing people living around the St. Francis plant.

The Wisconsin Department of Natural Resources found 19 environmental violations at the plants. The U.S. Department of Transportation found 16 violations and has expanded its investigation to 13 plants in nine states.

The Occupational Safety and Health Administration found 15 violations at the Milwaukee facility and issued a \$108,000 fine. OSHA and EPA continue to investigate but have not reported findings.

Company mum on probe

Greif has disclosed little in its SEC filings about the investigations.

In March, the company filed with the SEC a press release issued in the wake of the Journal Sentinel investigation. It said the company is committed to safety and protecting the environment and had made improvements at its plants.

Several experts said they would have expected Greif to report the government enforcement, if for no other reason than to cover itself against shareholder lawsuits.

One former SEC lawyer who asked not to be named said the violations are significant. “I would want to know if I was a shareholder,” the lawyer said.

But Cramer, the

former prosecutor, said the press release was enough. The company is not required to report each development from regulators, he said.

Crow, the Greif spokeswoman, said the company believes its disclosures “fully comply with the disclosure requirements of the SEC.”

“Our advisers, who are aware of the facts regarding these facilities and understand the company’s overall financial condition and performance, have concurred with our conclusions,” she said.

Raquel Rutledge of the Journal Sentinel staff contributed to this report.

Burned
November 5, 2017

Mercury violations found at barrel refurbishing plant

By John Diedrich, Milwaukee Journal Sentinel

Mercury has been detected in wastewater coming from an industrial barrel refurbishing plant in St. Francis for at least four years — and more than a dozen times levels exceeded legally permitted limits.

Since at least January 2013, records show the Milwaukee Metropolitan Sewerage District has repeatedly issued warning letters to the company that runs the Mid-America Steel Drum plant, asking it to solve its mercury discharge problem.

But the district issued no fines and took no action against the company's permit and the violations continued, a Milwaukee Journal Sentinel investigation has found.

Mercury, a heavy metal, is a closely monitored



Inspectors photographed a tote used to collect waste at the W. Cornell St. barrel refurbishing plant in Milwaukee.

environmental toxin that in high enough concentrations can attack the nervous system of humans and wildlife.

The levels detected coming from the Mid-America plant are not typically considered

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a health risk, but experts say they are still a concern because released mercury builds up in the environment. In Milwaukee, it collects in rivers and Lake Michigan sediment, passes into fish and over time presents a risk to people.

“It’s a small amount, but it suggests they have a problem in the process that needs to be rectified,” said Michael Carvan, a professor at the University of Wisconsin-Milwaukee’s School of Freshwater Sciences.

“They have to go after this,” he said. “If you let one company get away with it, you’ll have others pushing it.”

Sewerage district officials finally sought to address the issue further when it summoned the company to an enforcement meeting in March — a month after publication of an investigation by the Journal Sentinel that revealed environmental and workplace violations at barrel refurbishing plants in Milwaukee County and other states.

The three plants, known locally as Mid-America, are operated by Container Life Cycle Management, a joint venture majority owned by Greif Inc., a \$3.3 billion packaging giant based in Ohio. The plants refurbish 55-gallon steel drums and large plastic chemical containers, cleaning them for reuse or recycling.

Workers at the plants told

the Journal Sentinel chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems.

The investigation also found that at the plant on W. Cornell St. in Milwaukee, workers and one of the company’s own safety managers said residue from dangerous chemicals went directly down the drain.

“Whatever was left in there is going straight into the sewer,” the safety manager said in a conversation that was secretly recorded by a whistleblower. “We have no permits.”

Since the Journal Sentinel investigation, at least five government agencies have launched their own probes into the operations. The state Department of Natural Resources and the U.S. Department of Transportation both recorded violations at the facilities and are looking at other plants nationwide. Other investigations are ongoing.

The sewerage district didn’t even know the Cornell St. plant was operating until it read about it in the Journal Sentinel, according to a Feb. 28 letter to the plant’s manager. The letter noted that the company had established “a pattern of non-compliance at this facility” with its mercury discharges.

At the meeting with MMSD, company officials proposed a plan to eliminate the mercury discharges. They pledged to clean out pipes, equipment and floors where mercury was detected, install new filters, and improve its “preapproval process” to make sure the company was not taking in steel barrels and plastic totes containing mercury.

The mercury cleanup was done in July, records show. Two tests taken since then indicate the presence of mercury, but both were below the legal limit.

The company applied for a wastewater permit for the Cornell St. plant — the one the district did not even know existed. But it withdrew that application and instead sealed off the sewer drain, promising to make the plant a “zero discharge” facility, records show.

A Greif spokeswoman said the company has been working with the sewerage district to “achieve and maintain compliance with permitted limits.”

“The St. Francis facility is currently operating within permitted limits and we intended to maintain that status,” spokeswoman Debbie Crow wrote in an email.

For the Cornell facility, the company maintains there will be no water coming from the site into sewers.

“Water associated with the process is now collected in

totes and shipped offsite using a licensed disposal company,” Crow wrote. “The facility continues to evaluate options to recirculate the water within the facility to further decrease overall water usage at the site.”

Years of violations

The sewerage district recorded mercury discharge violations at the St. Francis plant at least as far back as January 2013, records released to the Journal Sentinel show.

Since then, the plant had 64 water tests showing the presence of mercury; 16 were over the legal limit. The district issued more than a dozen letters to Mid-America between January 2014 and August of this year, asking that the company solve the problem.

In an October 2014 letter, the district said it could take enforcement action including putting Mid-America on a published list of violators; revoking the plant’s wastewater discharge permit; and seeking an injunction or a fine of up to \$10,000 a day per violation.

The district included Mid-America on the list of a dozen to two dozen polluters published as a legal notice annually in the Journal Sentinel. The company is one of a few that has been on the list since 2015 and will be on the list published early next year based on results in the first half of 2017.

The company has been charged the cost of testing the water at the plant, which comes to about \$51,000 to date. Additional testing was triggered by the violations.

But the sewerage district did not fine the company for the mercury violations.

The agency typically opts for a collaborative approach instead of going right to fines, which can take a long time, said Sharon Mertens, the district's director of water quality protections.

"We have had cases in the past where there is an egregious issue and enforcement went very quickly. We were on it in a very short period of time, but this was not that," she said. "This was a sporadic situation in which there didn't seem to be a clear pattern."

Mertens said that while the company was in violation, she noted several of the violations were only slightly over the permitted levels.

"As a regulator, from my standpoint, it is always preferable to solve the problem and work together collaboratively," Mertens said. "Penalizing and fining is the last resort."

Mertens said it is rare to have an industrial plan operating without the knowledge of the district, as occurred with the company's Cornell St. facility in Milwaukee, but officials are still not sure what was happening at the plant before they inspected it.

Mertens said the district tested pipes leading from the plants, but found no evidence of illegal dumping of chemicals.

Susan Keane, deputy health director at the Natural Resources Defense Council, a national environmental group, said agencies like the sewerage district should aggressively enforce limits on mercury discharge by companies.

And while the levels detected are low, she noted that the sewerage district discharge water is just one possible source of the toxin.

"Mercury getting into the Great Lakes is no small thing," she said. "That is a big concern because it stays around forever."

Raquel Rutledge of the Milwaukee Journal Sentinel staff contributed to this report.

Burned
November 9, 2017



The plants, operated by Container Life Cycle Management, refurbish 55-gallon steel drums and large plastic chemical containers, cleaning them out for reuse or recycling.

Residents sue barrel company over fumes

By John Diedrich, Milwaukee Journal Sentinel

Residents living near an industrial barrel refurbishing plant in St. Francis on Wednesday sued the company, saying the facility belches noxious fumes over their homes, diminishing their quality of life as well as their property values.

Three residents — Michael Tennesen, Deborah Kessel and

Robert Kress — sued the plant's parent company, Greif Inc., a \$3.3 billion packaging company based in Ohio, alleging its operations are a nuisance and that it is guilty of negligence for failing to improve operations as recommended by a safety consultant.

The three filed a class-action complaint in Milwaukee County

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Circuit Court. Their attorneys will be seeking to have Circuit Judge Stephanie Rothstein to certify it as a class action, which would allow other residents to join it.

The suit proposes to allow any residents with similar complaints in a one-mile ring around the plant, in the 3900 block of S. Pennsylvania Ave., to join the suit, which seeks unspecified damages.

“I am proud of Robert, Debbie and Mike for stepping forward to take on this big company,” said Milwaukee attorney Michael Lueder, who also is working with a Detroit firm on the case.

“These folks just want to be able to let their kids and grandkids enjoy the yard on a sunny day. They want to invite guests for barbecues without embarrassment. They want to hang their clothes out on the line and pull them down smelling fresh, and not like unpleasant chemicals.”

A Greif spokeswoman said the company had not seen the lawsuit and therefore could not comment.

A Journal Sentinel investigation, published in February, uncovered a host of problems that endangered workers and residents living near the company’s plant in St. Francis as well as facilities in Oak Creek, Milwaukee and three other states.

Workers at the plants told the Journal Sentinel chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems.

Residents, especially those living near the St. Francis plant, said in a meeting following publication that it is often miserable living near the facility. The smell can be so powerful that residents are forced to stay in their homes. They say the fumes lead to burning eyes, sore throats and headaches

Following the Journal Sentinel investigation, agents from the U.S. Environmental Protection Agency spent several days interviewing residents near the St. Francis plant. The EPA investigators themselves reported experiencing health problems during that time.

The EPA is one of at least five government agencies investigating the plants following the news organization’s investigation, at the urging of several members of Congress. The state Department of Natural Resources and U.S. Department of Transportation together have uncovered three dozen violations.

Mercury levels over the legal limit have been found in wastewater coming from the St. Francis plant for at least four years.

Following the investigation, officials met with the company, which promised to clean it up.

The three plants, known locally as Mid-America, are operated by Container Life Cycle Management, a joint venture majority owned by Greif.

The plants refurbish 55-gallon steel drums and large plastic chemical containers,

cleaning them for reuse or recycling. Those drums that cannot be refurbished are burned.

The company has “negligently created an unreasonable risk of harm” by sending noxious odors into the neighborhood, the suit says.

Reporter Raquel Rutledge contributed to this report.

Burned
November 30, 2017

EPA uncovers violations

By John Diedrich, Milwaukee Journal Sentinel

The U.S. Environmental Protection Agency has found a chain of industrial refurbishing plants in the Milwaukee area violated federal law, the agency announced Wednesday.

The EPA determined the plants in St. Francis, Oak Creek and Milwaukee were breaking the law by transporting, storing and treating hazardous waste without required licenses, among other violations.

EPA inspectors said plant officials blocked their entry into the St. Francis plant for nearly 30 minutes, even though they had a warrant issued by a federal magistrate judge. They also were initially denied access to the Oak Creek plant.

The agency took the unusual step of seeking the warrant after suspecting the company had “staged” operations in its plants during an earlier inspection.

Once inside, investigators



The U.S. Environmental Protection Agency tested the air outside the St. Francis facility over the summer using this canister among others.

found a host of problems: barrels labeled as “non-hazardous” that contained flammable chemicals; drums leaking unknown chemicals onto the ground; milky white plumes of smoke puffing out of the St. Francis facility, creating a “standing haze;” and a barrel

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that workers said was for water, but actually contained ignitable hazardous waste.

The inspections were initiated following a Milwaukee Journal Sentinel investigation, published in February, which uncovered a host of problems that endangered workers and residents living near the company's plants in the Milwaukee area and three other states — Tennessee, Indiana and Arkansas.

Workers at the plants told the Journal Sentinel that chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems.

Residents near the St. Francis plant say it is often miserable living there. Fumes result in burning eyes, sore throats and headaches, forcing them to stay in their homes at times. Three of the residents have filed a class-action lawsuit.

The three plants, known locally as Mid-America, are operated by Container Life Cycle Management, a joint venture majority owned by Greif Inc., a \$3.3 billion Ohio-based firm.

The plants refurbish 55-gallon steel drums and large plastic chemical containers, cleaning them for reuse or recycling. Drums that cannot be refurbished are burned.



Plastic totes are stored outside the Mid-America Steel Drum plant on W. Cornell St. in Milwaukee. State and federal regulators found more than two dozen violations during inspections of three such plants in the area in early 2017.

‘Heavies’ at the plant

By law, barrels that arrive at the plant are supposed to be essentially empty with no more than an inch of contents in the bottom.

But the inspectors found barrels and totes with a significant amount of chemicals inside — called “heavies” in the industry — that had been sitting there in one case for at least three months, in violation of the law, the EPA said. Plant officials said workers determined if a barrel was heavy by “feel.”

The EPA tested the air near the St. Francis facility in response to resident complaints and the “smelly emissions from the plant.” During their investigation, two EPA inspectors who were interviewing residents themselves reported feeling ill.

Air testing by the EPA revealed the presence of volatile

organic compounds associated with industrial activity. The agency is analyzing the data to determine if there is a health risk to workers and residents. The agency plans more testing.

The agency issued notices against the St. Francis and Oak Creek plants, alleging 13 violations of the federal Clean Air Act. The Milwaukee plant does not have a burning operation.

At the Oak Creek facility, the EPA says the company illegally treated hazardous waste in an incinerator. At St. Francis, the agency alleges the plant failed to control or measure potentially hazardous emissions, didn't keep adequate records or obtain proper permits and failed to adequately respond to requests for information.

Soil testing by the agency did not reveal levels of contamination that violated federal law.

Company questions violations

In a statement, a Greif spokeswoman said the company learned of the EPA violations Monday and continues to cooperate with regulators. The statement also contended regulators have changed their past standards to find problems.

"We are not perfect and will always work to address issues in cooperation with regulators," said Debbie Crow, in the statement. "Company representatives have met — on a voluntary basis — with federal and state

environmental regulators on multiple occasions to discuss perceived issues."

The company has 30 days to respond. Documents indicate the EPA will then consider a fine, but no amount was listed.

"EPA, in coordination with the Wisconsin Department of Natural Resources and other government agencies, continues to investigate and intends to take appropriate action," an agency statement said.

The EPA is the latest regulatory agency to conclude the barrel plants are breaking the law. The EPA is one of at least five government agencies investigating the plants following the Journal Sentinel's investigation, citizen complaints and several letters from U.S. Sen. Tammy Baldwin (D-Wis.) and other members of Congress.

"I am pleased that they have now identified violations and are moving forward with issuing penalties and bringing the company into compliance," said Baldwin, who called on EPA to investigate in February. "Our work here is not done and I will continue to demand answers."

The state Department of Natural Resources and U.S. Department of Transportation together have uncovered three dozen violations. DOT has expanded its investigation to 13 plants all tied to Greif in nine states.

The U.S. Occupational Safety and Health Administration

found 15 violations at the Milwaukee facility and issued a \$108,000 fine. OSHA continues to investigate the plants in Oak Creek and St. Francis but has not reported findings.

Rep. Gwen Moore (D-Wis.) said the EPA's findings are "deeply disturbing" given the population around the plants and credited the Journal Sentinel's investigation with bringing the dangers to light.

"Today's announcement not only stresses the need for enhanced transparency in the private sector, but it also underscores the necessity for press freedom and a responsive EPA that can hold companies accountable for breaking laws that protect the public," she said.

Mercury in wastewater

The Milwaukee Metropolitan Sewerage District found mercury in wastewater discharge from the St. Francis plant that repeatedly was over legal limits. While the issue existed for at least the past four years, MMSD did not meet with the company until a month after

the Journal Sentinel investigation. The company promised to clean up the problem.

The Journal Sentinel findings were based on 16 hours of audio recordings by a whistleblower; hundreds of pages of documents, including internal injury reports and safety audits; as well as public records and interviews with workers, regulators, and experts.

The whistleblower, Will Kramer, said Wednesday plant officials had plans for staging operations when government inspectors came, and the most recent blocked entry may have allowed them to prepare employees.

Kramer applauded the EPA's action, but he said regulators have as yet failed to determine where the barrels full of hazardous waste are sent.

"After further confirmation that this company has been illegally storing, treating, and transporting hazardous waste, my question continues to be: where did all of that hazardous waste end up? So far, neither the company nor regulators have answered that question."

Burned
December 21, 2017



A three-alarm fire heavily damaged the IndyDrum plant in Indianapolis in May 2014. The fire was blamed on spontaneous combustion of chemicals.

Barrel refurbishing plant closes

By Raquel Rutledge and Rick Barrett,
Milwaukee Journal Sentinel

A chemical drum recycling plant that had worker safety issues for years has been shut down by its owner, which also runs three troubled plants in the Milwaukee area.

IndyDrum, in Indianapolis, was “unable to recover from

the loss of a major customer and has not been able to provide sustainable returns for quite some time,” Debbie Crow, a Greif Inc. spokeswoman said in an email to the Milwaukee Journal Sentinel on Tuesday.

Employees were told last

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week, she said, and the closing was effective immediately. The plant employed fewer than 40 people.

IndyDrum was part of a network of six drum refurbishing plants called Container Life Cycle Management, in four states including three plants here — in St. Francis, Oak Creek and Milwaukee, which operate as Mid-America Steel Drum.

The joint venture, known as CLCM, is majority owned by Ohio-based Greif, an industrial packaging company. The plants refurbish 55-gallon steel drums and large plastic containers, called totes, cleaning them for reuse or recycling.

The CLCM plants in Wisconsin, Indiana, Arkansas and Tennessee have been the subject of a Journal Sentinel investigation that has documented unsafe working conditions and environmental problems.

Workers at the plants said chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems.

Following the Journal Sentinel investigation in February, five agencies have examined the operations of the Milwaukee-area plants, issuing more than 70 violations and \$114,000 in fines so far.

Air testing near the plant



A three-alarm fire, at Indy Drum, Empty Container Management Services, 3619 E. Terrace Ave, Indianapolis, on May 7, 2014.

in St. Francis by the Journal Sentinel and separately by the U.S. Environmental Protection Agency revealed the presence of chemicals commonly used by the plant at levels that constitute a nuisance odor and which may be making people in the neighborhood sick.

The Journal Sentinel's examination of drum recycling plants in other states revealed the industry's record of pollution, fires and noxious smells being discharged over surrounding residential areas.

It is unclear if the work from IndyDrum will be shifted to one of the other facilities.

Much of the IndyDrum plant was heavily damaged in a May 2014 fire caused by spontaneous combustion of chemicals that had been mixed with sawdust used to clean drums.

In 2010, employees at the plant had told a safety inspector that they mixed together "every type of chemical known

to man,” and had seen all kinds of reactions such as smoke, crackling, spattering and bubbling of liquids.

The Occupational Safety and Health Administration (OSHA) cited IndyDrum for 23 workplace safety violations, the majority classified as serious. The agency proposed \$289,500 in fines but settled for \$110,000.

Bobby Johnson worked at IndyDrum for 13 years, first on the docks unloading drums and later on the regrinding line, overseeing large plastic containers as they moved along the conveyor belt through the shredder.

Johnson said on a good day the company would process around 1,000 drums. But work had been slowing down recently, he said. The company had been losing customers, but he didn’t know why.

Last Wednesday morning, the company broke the news.

“They called everybody in the conference room and said as of today, we are closing the door,” he said.

Records obtained by the Journal Sentinel show Johnson had suffered a chemical splash to his face in 2013 after pressure had built up in a drum.

Johnson had removed the drum’s bung, which is like a cap, and car wash polish erupted on the left side of his face, according to the incident report.

Johnson, 56, said Tuesday

he didn’t recall the episode and that he didn’t have any problems working for the company.

“It wasn’t a bad job,” he said.

He said he’s upset to be out of work and is now looking hard for new employment.

Good-paying jobs aren’t easy to find in that part of the city, said Zach Adamson, an Indianapolis city councilman.

The plant closure was tied to a consolidation of CLCM’s operations, Crow said. She did not name the customer that IndyDrum lost or say more about why the customer pulled out.

“CLCM is still determining where production from this facility will be redirected. An announcement of this kind is difficult, but it is especially challenging during this time of year. CLCM will work to minimize the impact to employees,” she said.

In October, U.S. Sens. Tammy Baldwin (D-Wis.) and Joe Donnelly (D-Ind.) sent a letter to the heads of the U.S. Environmental Protection Agency and U.S. Occupational Safety and Health Administration, urging them to expand their probes into the drum refurbishing plants as the U.S. Department of Transportation already had done.

DOT investigators are examining operations and safety at 13 facilities in nine states.

John Diedrich of the Milwaukee Journal Sentinel staff contributed to this report.

Burned
December 21, 2017



St. Francis residents P.J. Early (right) and Amy Szuta discuss the Mid-America Steel Drum plant with Ald. Ken Tutaj after the City Council meeting Tuesday night.

St. Francis council seeks resolution on plant after residents' complaints

By John Diedrich, Milwaukee Journal Sentinel

ST. FRANCIS - The City Council has begun to apply pressure on the Mid-America Steel Drum plant, voting to draft a resolution on the matter after months of complaints from residents about persistent foul smells from the facility.

The council voted Tuesday night to direct staff to draft a

resolution urging federal and state environmental investigators to complete their 10-month-old investigations into the troubled barrel refurbishing plant as soon as possible.

Council members also agreed they will talk in closed session next month about the possibility of declaring the

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Residents near the Mid-America Steel Drum Plant, 3950. S. Pennsylvania Ave. are concerned about strong odors.

plant a public nuisance, allowed under local ordinance or state statute, as they look for ways to force changes at the facility.

“It’s a problem that has been going on for many years and is not getting any better ... We have to discuss violations to our ordinances. I’m not a lawyer but they seem pretty clear-cut,” said Ald. Ray Klug, noting residents have complained about putrid smells coming from the plant for at least 15 years.

“A sense of urgency is needed here.”

Residents who have been pressing the council for months to do something appreciated the new tone, but said much more is needed.

“We have been asking them since February to take some action, and we are grateful that they are finally listening,” P.J. Early said.

A protest march by residents is being planned for Dec. 28, starting at Willow Glen grade school.

In February, the Milwaukee Journal Sentinel began publishing an investigative series that has exposed dangers to workers and residents from barrel refurbishing operations in the Milwaukee area and other states.

Since then, five government agencies have examined the area plants, including St. Francis, and issued more than 70 violations and \$114,000 in fines. Those investigations are continuing.

Air testing near the plant in St. Francis by the Journal Sentinel and separately by the U.S. Environmental Protection Agency revealed the presence of chemicals commonly used by the plant at levels that constitute a nuisance odor and which may be making people in the neighborhood sick.

The Journal Sentinel’s examination of drum recycling plants in other states revealed the industry’s record of pollution, fires and noxious smells being discharged over

surrounding residential areas.

The three Milwaukee-area plants, which operate as Mid-America, are part of Container Life Cycle Management, a joint venture majority owned by Greif Inc., a \$3.3 billion Ohio-based firm. This week, Greif announced it had closed IndyDrum, a CLCM facility in Indianapolis.

The EPA is planning more testing, to be done by the city starting in January. St Francis School District did testing at Willow Glen, which is a half-mile south of the plant, after complaints of powerful odors. The results are not in yet.

The EPA is planning a public meeting on the plant in St. Francis in late January, said city attorney Paul Alexy.

Alexy also said he's been assured the case against the Mid-America plants is a top priority for the EPA and the Wisconsin Department of Natural Resources.

Given the cost of air testing, City Administrator Mark Johnsrud said it would be best to rely on the EPA's results to lay the groundwork for a possible nuisance case.

He warned residents at the meeting that the bar could be high to prove a public health nuisance. And even if the city is successful, the plant would have a chance to make changes before the city could move to close it, he said.

The company sent a letter to members of the city council, dated Monday, that noted the St. Francis plant was inspected a dozen times in 2017 and said it is committed to working with regulators to address issues.

"At the same time, we will defend ourselves from allegations we believe are incorrect," the letter said.

The company may be moving toward settling the air pollution part of the case with EPA, but is fighting the hazardous waste violations.

In a letter to the council, CLCM said it doesn't believe the pollution readings cited by EPA are typical of its operations, but it will meet with EPA before the end of the year to "begin discussing long-term solutions."

But the company is contesting the EPA's finding that all three Milwaukee-area plants were illegally storing hazardous waste without a permit.

The company said the violations amount to an effort by EPA to rewrite a longstanding definition of when a drum is considered empty. A provision of the federal hazardous waste law says that a container — plastic or metal — is considered "empty" if it has an inch or less of residue in the bottom that cannot be poured out.

"If the agency desires to change existing regulations, there is an administrative process to do so. To date, no such

process has taken place,” the letter said.

According to violations, EPA inspectors found drums in the three plants’ “heavies” section which were not empty and contained hazard waste.

The EPA declined to comment on the matter because it is an open case.

City Council President

Donald Brickner said he has been frustrated by years of inaction by EPA, DNR and the company. He lives just south of the plant and smells the odor with the right wind.

“The city has been treated like a canary flying into a coal mine,” he said. “We have been ignored for way too long on this issue.”

Burned
January 28, 2018



Emissions from a stack near Mid-America Steel Drum in St. Francis where there have been repeated odors complaints.

Barrel plant promises to install new pollution

By John Diedrich, Milwaukee Journal Sentinel

he company running a chain of troubled barrel refurbishing plants is promising to install pollution control equipment on its St. Francis facility in an effort to eliminate strong odors.

The equipment could resolve long-standing complaints from residents about putrid fumes blowing out of the

plant and over the surrounding area, an industrial pollution expert said.

“If this is properly designed, installed and operated, it should greatly reduce or eliminate odor complaints in the surrounding community,” said Jacob Persky, an industrial hygienist with RHP Risk Management, a

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Chicago-based environmental consulting firm.

“This is a tremendous result of activism by the community.”

The move comes as the plants — in St. Francis, Milwaukee and Oak Creek — face wide-ranging enforcement action by federal and state agencies. Five agencies have leveled more than 70 violations of environmental laws against the plants.

The plant is also facing increasing pressure from residents in the area, who held a march in December to protest the fumes. The City of St. Francis also has stepped up pressure on the plant and is considering taking enforcement action.

The violations followed a Milwaukee Journal Sentinel investigation which uncovered a host of problems that endangered workers and residents living near the company’s plants in the Milwaukee area and three other states — Tennessee, Indiana and Arkansas.

The plants refurbish 55-gallon steel drums and large plastic chemical containers, cleaning them for reuse or recycling.

Workers at the plants told the Journal Sentinel that chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems.



Upset residents and supporters march to protest the smell coming from the Mid-America Steel Drum plant in St. Francis. Their concerns are echoed in a Milwaukee Journal Sentinel series titled “Burned.”

Residents near the St. Francis plant say it is often miserable living there. Fumes result in burning eyes, sore throats and headaches, forcing them to stay in their homes at times. Three of the residents have filed a class-action lawsuit.

The three plants, known locally as Mid-America, are operated by Container Life Cycle Management, a joint venture majority owned by Greif Inc., a \$3.3 billion Ohio-based firm. CLCM also operates plants in Arkansas and Tennessee. Its plant in Indiana was recently closed.

In a letter to nearby residents, plant manager Kevin Meyer said the company is installing a regenerative thermal oxidizer, known as an RTO, at the St. Francis facility. The unit uses high temperatures to convert chemicals into water and heat, largely eliminating odors.

The company said the RTO

will be custom-made for the St. Francis plant and will be a “multi-million investment.” The company will submit applications for permits in coming weeks, and the equipment should be operational by September, the letter said.

“We are installing the RTO because CLCM is investing in the St. Francis employees, facility and our community as we believe the RTO will eliminate odors,” Greif spokeswoman Debbie Crow said Friday.

The news comes a day before a pair of public hearings on the pollution violations will be discussed. It is hosted by U.S. Rep. Gwen Moore (D-Wis.) and officials from the U.S. Environmental Protection Agency and other regulators.

The meetings Saturday are: 10 to 11:30 a.m. St. Francis High School Theater, 4425 S. Lake Drive, and 1 to 2:30 p.m. at Villard Square Library Community Room, 5190 N. 35th St. Doors open 15 minutes before the meetings start.

Residents were cautiously optimistic about the new equipment coming.

“It feels like a definite step in the right direction,” said Amy Szuta, one of the leaders of the effort to force the plant to clean up. “I don’t want to be fooled by a facade of great-sounding solutions that we may never be able to verify. It definitely gives me hope.”

St. Francis City Administrator Mark Johnsrud took the news as a positive step. The city has been considering whether to pursue an action against the company for being a public nuisance.

“The city is pleased to see that they are taking steps towards abating the problems identified by city residents,” Johnsrud said.

This is not the first time the company has touted multi-million-dollar improvements in the St. Francis plant that is said would solve the odor issue, which goes back more than 15 years.

In 2015, facing an odor violation by the Wisconsin Department of Natural Resources, general manager Mike Higgins wrote that the plant had spent \$4 million to install an industrial wash line which “includes some of the finest fume/odor scrubbing equipment available in our industry.”

In the same letter, the company said it was being wrongly signaled out. The company claimed only one person had complained about the smell and suggested it was coming from a fermentation operation in the area.

However, a DNR investigator reported the odors he personally smelled at the plant were “significant, obnoxious and objectionable” in October of the same year.

That 2015 complaint is part

of the basis of 19 current DNR violations against the plant, which have been referred to the state Department of Justice for possible prosecution.

In a letter to state lawmakers concerned about the issue, Attorney General Brad Schimel wrote that he was working with the EPA and the U.S. Department of Justice on the case, saying it likely will likely be a joint prosecution led by federal authorities “because the enforcement action implicates regulatory policy at a national level.”

“Based on the successful working relationship we have had with the EPA on previous cases, I’m confident we will come to an appropriate resolution that holds this company accountable for their alleged actions,” Schimel wrote in the Jan. 10 letter.

Health effects debated

The company’s letter to residents, dated Jan. 24, calls the odors from the plant “unpleasant” but added that “all available test data and studies indicate that these odors do not represent a health threat.”

“We will continue to monitor the data and review the latest

studies to protect the health of our workers and neighbors,” it said.

Air testing by the Journal Sentinel and separately by the EPA found that the smokestack emissions were creating nuisance odors in the neighborhood and may be responsible for health ailments reported by residents, including scratchy throats and eyes, fatigue and headaches.

The EPA has asked the federal Agency for Toxic Substances and Disease Registry to evaluate its air data to see if there are health risks. The EPA also has asked the city of St. Francis to test the air when there are odor complaints.

In November, the EPA issued 20 violations against the three Mid-America plants. Earlier the state Department of Transportation had issued 16 violations.

Szuta said she and her family suffer ill effects when the odors invade their neighborhood south of the plant.

“At the exact same moment I smell it, my throat burns, sometimes for hours or days,” she said. “My body doesn’t do that when I breathe fresh air. I don’t have to be a scientist to figure that out.”

Burned
January 28, 2018



St. Francis resident Michael Grimshaw discusses problems at the Mid-America Steel Drum plant in St. Francis at a public hearing Saturday.

EPA could sue barrel company

By John Diedrich, Milwaukee Journal Sentinel

The U.S. Environmental Protection Agency is negotiating a settlement with a chain of troubled chemical barrel refurbishing plants but may sue the company to force compliance if negotiations break down, officials said Saturday.

An EPA official also revealed that the agency's Chicago office

is examining similar operations across the Midwest and sharing findings with EPA counterparts nationwide, as they investigate whether other plants have the same kind of violations uncovered at the facilities in St. Francis, Milwaukee and Oak Creek.

The U.S. Department of Transportation is examining

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safety at a dozen plants in nine other states based on what was found in the Milwaukee-area facilities.

The comments came at a pair of public meetings held Saturday in St. Francis and Milwaukee. Hosted by U.S. Rep. Gwen Moore (D-Wis.), officials from EPA and DOT as well as the Agency for Toxic Substances and Disease Registry attended.

A Milwaukee Journal Sentinel investigation published in February revealed dangers to workers and the public from the plants here and in three other states. Since then, five agencies, including the EPA and DOT, have issued more than 70 violations against the plants here.

The government continues to analyze air samples collected near the St. Francis facility to determine whether the plant's emissions are a hazard to human health, but more data is needed, officials said. If a health hazard is detected, EPA vowed to move quickly.

"To the extent that an imminent and substantial endangerment exists, EPA will use its statutory authority to protect human health and the environment," said Sarah Marshall, section chief for EPA's Air and Radiation Division for the Midwest.

The EPA did air testing only at the St. Francis facility where it received numerous odor complaints, not in Milwaukee and Oak Creek.



Federal officials speak Saturday at a hearing on pollution violations at Mid-America Steel Drum.

Residents expressed frustration at why more thorough air testing has not already been done. They pointed that out that when two EPA inspectors spent a week in the area over summer talking to residents about health concerns, they personally reported feeling symptoms such as headaches, dizziness and numbness in their hands and feet.

"We have to live here. Those investigators don't live here," resident Michael Grimshaw said. "You want to prove there is actual harm before you enforce the law and I cannot agree with that."

Grimshaw said the parent company of the Mid-America Steel Drum plant has no credibility with residents.

"They have ignored us, lied to us and we can't trust them," he said.

Several residents said there is a lot of cancer in the neighborhood that needs to be investigated to see whether it is

occurring at an usually high rate. Officials from the Agency for Toxic Substances and Disease Registry said Saturday that it would examine the cancer concern.

About 60 people attended the meeting in St. Francis and 30 at the one in Milwaukee, near the plant in the 2300 block of W. Cornell St. The company has a third plant, in Oak Creek, in a district represented by U.S. Rep. Paul Ryan (R-Wis.). The agencies were not asked to speak in Oak Creek.

The Wisconsin Department of Natural Resources and the U.S. Occupational Safety and Health Administration did not attend the meetings. Both have issued violations against the plants and continue to investigate.

The three plants, known locally as Mid-America, are operated by Container Life Cycle Management, a joint venture majority owned by Greif Inc., a \$3.3 billion Ohio-based firm. CLCM also operates plants in Arkansas and Tennessee. A plant in Indiana was recently closed.

Mid-America refurbishes and recycles steel barrels and plastic containers used to carry chemicals and other products.

Drums are run through a furnace at the Oak Creek facility to burn off chemicals. In St.



U.S. Rep. Gwen Moore (D-Wis.) speaks at a forum Saturday on the Mid-America Steel Drum plant. John Heneghan, director of field operations for U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration listens.

Francis, drums and plastic containers are cleaned using a hot water and chemical washing operation, though residents and workers said in the past burning was done at that location. The Milwaukee operation deals only with plastic containers, washing and recycling them.

St. Francis residents are worried about what chemical concoctions are being made in the plant on S. Pennsylvania Ave. Jim Felber said he took a tour and was concerned that workers lack training.

"They know how to clean barrels, but they have no clue how to handle the chemicals," he said. "It's like going to a scrap yard and having them remove asbestos. They are making chemical cocktails and they have no idea what they are doing."

Burned

February 1, 2018



Federal workplace inspectors cited a St. Francis barrel plant with two violations. The two citations say training was lacking. A \$15,550 fine was issued. The company is disputing it.

OSHA: Workers didn't get training

By John Diedrich, Milwaukee Journal Sentinel

Workers at a barrel refurbishing plant in St. Francis were exposed to formaldehyde, mercury and other hazardous chemicals but did not receive proper training in safely handling the materials, according to violations found by the U.S. Occupational Safety and Health Administration.

Also, workers whose native language is Spanish did not receive training on how to deal with hazardous materials in a language they could fully understand, according to OSHA.

The agency issued two citations with five violations against the plant and assessed \$15,550 in fines, according to the Jan. 19

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citations, which were released by the agency late Tuesday.

To date, OSHA issued 14 citations with 26 violations at three drum plants — in Milwaukee, Oak Creek and St. Francis — and assessed \$128,000 in fines.

The company is disputing all the citations except the two for the Oak Creek plant. The violations at the St. Francis plant were corrected during the inspections, but fines were still issued, records show. Inspectors were in the plant at least twice, in August and September.

A whistleblower said workers at the plants were prepared to “stage” operations, hiding problems when an agency like OSHA arrived. State and federal environmental inspectors said operations were staged when they inspected in February and went to federal court to get a search warrant.

An OSHA spokesman said such investigations are always unannounced, and he was not aware of a suspicion of staging.

OSHA opened investigations in the St. Francis and Oak Creek plants after receiving a letter from Sen. Tammy Baldwin (D-Wis.) in July, calling on them to inspect following reports of unsafe work conditions.

“This news is concerning, but unfortunately not surprising given the recent reports of horrifying injuries employees endured while working



Phillip Leitze, who worked at Mid-America Drum in St. Francis, said he endured dangerous working conditions at the plant. He said workers were given answers to safety exams before taking them.

at Wisconsin Greif facilities,” Baldwin said of the violations.

“What is most shocking is that OSHA has again neglected to cite the company for willful violations, despite what appears to be clear evidence of the company’s knowledge of the regulations they were violating.”

Problems at the plant came to light after whistleblower Will Kramer, who worked as a safety consultant for the company, secretly recorded the supervisors saying how unsafe conditions were.

Kramer said he gave OSHA the consultant’s findings on the lack of training for workers. He said the evidence was there for a stronger case, such as willful violations that can carry a larger penalty.

OSHA has “direct evidence that the employer was informed of this exact deficiency more

than two years ago, and didn't address it," Kramer said.

OSHA spokesman Scott Allen declined to provide details on the deliberation process.

"OSHA does not release specific details on how those decisions are made for each case," he said.

The move by OSHA is the latest in a flurry of regulatory action against the plants. Five state and federal agencies issued more than 70 violations since a Milwaukee Journal Sentinel investigation uncovered risk to workers and residents from the barrel plants here and in several other states.

The U.S. Environmental Protection Agency is in negotiations to settle the 20 air pollution and hazardous waste violations. But officials said last week the agency may sue the company if they cannot reach an agreement.

The company also said recently it would install pollution-control equipment that, if properly installed and operated, could reduce or eliminate the odor issue in St. Francis, an industrial pollution expert said.

Violations involve training

The OSHA violations at the St. Francis plant cite two dangerous and closely regulated chemicals: formaldehyde and mercury.

Air testing by OSHA inspectors detected the presence

of formaldehyde, a colorless, flammable chemical used in building materials, household products, glues and other products. Formaldehyde is a cancer hazard, according to OSHA.

Even at lower levels, formaldehyde can cause adverse health effects. At 0.1 parts per million, some people get watery, burning eyes, coughing and skin irritation, according to OSHA. The government requires training for workers when this level is detected.

The level detected by OSHA at the St. Francis plant was 0.48 parts per million over eight hours, nearly five times the detectable level. But there was not adequate training, including correct safe handling practices, emergency procedures and instruction on the use of personal safety equipment, according to OSHA.

The level detected at St. Francis was just shy of the agency's "action level" for formaldehyde of 0.5 parts per million, which triggers industrial hygiene monitoring and medical surveillance of workers.

OSHA's threshold for formaldehyde, at which no employee is to be exposed, is 0.75 parts per million over eight hours.

"We don't agree with the citation and we won't be going into further detail until we provide our response directly to OSHA," said Debbie Crow, spokeswoman for Greif Inc.

The three plants, known locally as Mid-America, are operated by Container Life Cycle Management, a joint venture majority owned by Greif, a \$3.3 billion Ohio-based firm. CLCM also operates plants in Arkansas and Tennessee. A CLCM plant in Indiana was recently closed.

The plants refurbish 55-gallon steel drums and large plastic chemical containers, cleaning them for reuse or recycling.

The second citation for St. Francis involved a violation for lack of training in Spanish for workers who speak that language primarily. The same citation included a lack of training on the dangers of mercury, a heavy metal and closely monitored environmental toxin that in high enough concentrations can attack the nervous system of humans and wildlife.

Mercury was detected in wastewater coming from the St. Francis plant for at least four years — and more than a dozen times levels exceeded legally permitted limits since at least January 2013.

The company finally vowed to tackle the problem last year, cleaning out pipes, equipment and floors where mercury was detected, installing new filters, and saying it would ensure it was not accepting barrels and

totes containing mercury.

The mercury cleanup was done in July, and two tests taken since then indicate the presence of mercury, but both were below the legal limit.

Workers at the plants told the Journal Sentinel chemicals were routinely mixed together, triggering dangerous reactions that resulted in chemical and heat-related burns, injuries from exploding barrels, breathing difficulties and other health problems.

One worker at Milwaukee was scorched so badly on his chest that he couldn't button his shirt as the wounds oozed, yet said he was told to keep working. A worker at St. Francis said he got metal shavings in his eyes because of poor safety equipment. He got some of the shavings out of his eyes with a magnet. Another worker said he lost his sense of smell.

The workers said training and protection was severely lacking. Protective gear was shoddy or lacking all together. At St Francis, when workers were given a safety test, they were given the answers ahead of time, they said.

"It was a terrible experience," said Phillip Leitze, who worked at the plant until 2015. "They did the least amount to fix the safety problems."