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### Conn. AG pushes for trash regulation

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NEW HAVEN, Conn. (AP) - Attorney General Richard Blumenthal said Friday he will push state regulation of trash fees, saying tighter control is needed to curb the possibility of dramatically higher costs to homeowners and businesses.

At the urging of Fairfield County officials, Blumenthal agreed to spearhead an effort to bring the garbage industry under the regulatory control of the state Department of Public Utility Control.

'This measure is vital to prevent profiteering that will increase costs for homeowners and for business people, raising hugely the cost of living and doing business in the state of Connecticut,' Blumenthal said. 'We are on the verge of a deluge of rising tipping fees.'

Blumenthal said he will ask the legislature to have the DPUC regulate disposal fees charged by trash-to-energy plants in Bridgeport, Hartford, Preston and Wallingford. The quasi-public Connecticut Resources Recovery Authority has contracts with private companies, but local officials are worried about a sharp increase in municipal tipping fees when the agreements expire in the coming years.

'We learned a hard lesson from the electricity industry: deregulation leads to disaster,' Blumenthal said. 'A tiny clique with a hammerlock on trash disposal will send rates skyward, as happened with power prices.'

CRRA is negotiating with Wheelabrator Technologies, a private company that runs the Bridgeport plant, to try to extend an agreement that expires next year, said CRRA spokesman Paul Nonnenmacher. The Bridgeport agreement is the first to expire, he said.

'We want whatever is best for the towns we serve,' Nonnenmacher said. 'But we are also pursuing good faith negotiations.'

Frank Ferraro, vice president of public affairs for Wheelabrator, said the company is hopeful the agreement will be extended and does not see a need for regulating fees.

'We don't see anything in the relationship changing with the communities we serve,' Ferraro said. 'Certainly we won't be able to charge anything that's above the market price of trash disposal.'

Blumenthal also said he will push for licensing and background checks for trash haulers, though legislation to do that failed in the last session.

# **St. Petersburg Times** ONLINE TAMPA BAY

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## **Desal builder files for bankruptcy**

**Covanta Tampa Construction becomes the third contractor to do so. Tampa Bay Water views the move as a way to prevent being fired from the \$110-million job.**

CRAIG PITTMAN

Published October 30, 2003

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The builder of the area's huge desalination plant filed for bankruptcy Wednesday, preventing Tampa Bay Water from firing the company and hiring someone else to finish the \$110-million job.

Construction of the Apollo Beach plant was completed last spring, but sporadic water production has required further work.

Tampa Bay Water is counting on the plant to produce a sixth of the utility's needs - or, about 25-million gallons out of 150-million gallons a day.

But for the past five days the plant has not cranked out a single drop, utility officials say.

This marks the third bankruptcy associated with the construction of the desal plant, which ultimately is expected to be the largest in the United States. Two previous contractors, including the parent company of the one that filed Wednesday, also declared bankruptcy.

Covanta Tampa Construction filed for Chapter 11 bankruptcy in New York City, even as company officials were negotiating with Tampa Bay Water officials to avoid being fired in two weeks.

"To us this amounts to a betrayal of the public trust," said Tampa Bay Water general counsel Don Conn.

That's not the way Covanta officials see it. They say by filing for bankruptcy, they have guaranteed that they will finish the plant with no increase in cost, rather than some other contractor stepping in and doing the job for more money.

Covanta has two dozen employees working on the plant every day, trying to get it running, and this way they aren't distracted by the prospect of losing their jobs, said Covanta vice president Scott Whitney.

"We're the only ones doing anything productive," Whitney said. "Tampa Bay Water seems to be focused on public relations and finding a way to terminate our contract."

Begun two years ago, the plant is supposed to take 40-million gallons of seawater each day from Tampa Electric Co.'s Big Bend power plant next door and force it through 10,000 tightly woven membranes to produce 25-million gallons of potable water and 15-million gallons of brine.

The water goes to Tampa Bay Water's 2-million customers, while the brine is mixed with the electric

## Company seeking to build trash port is trying new type of venture.(Company overview)

Source:  Virginian-Pilot (Norfolk, VA)

Publication Date: 09-OCT-06

Byline: Scott Harper and Tim Mcglone

Oct. 9--The company that wants to build a garbage port on the Portsmouth waterfront is part of a New Jersey-based conglomerate with an eccentric past.

Its history includes emergence from bankruptcy in 2004, investments in pro hockey arenas and an Argentinian casino, as well as the current operation of power plants in China, Costa Rica, India, Hawaii and Northern Virginia.

Covanta Holding Corp., the parent of Covanta Energy Corp., has become a popular stock play on Wall Street of late, but one well-known financial adviser this year labeled the company a bad risk.

Environmentalists in California have marched outside Covanta's gates because of proposed medical waste shipments there. Also, several of its power plants in other states, including Virginia, have been fined in recent years for air pollution violations or have been entangled in contract disputes and lawsuits.

Conversely, the company has won several environmental awards in the past year and has settled many of its legal disputes -- proof, company officials say, that Covanta is back on its feet after the chaos of Chapter 11 bankruptcy.

For all of its business adventures through the years, one project that Covanta has never attempted is the kind envisioned in Portsmouth: a marine terminal, where barges ferrying 2,500 tons of household trash a day from New York City would be unloaded on the banks of the Elizabeth River.

As part of the deal, the Southeastern Public Service Authority, which handles most trash and recycling in eight local cities and counties, would be paid an unspecified fee -- negotiations are ongoing -- to truck the garbage in sealed containers to the agency's incinerator a quarter-mile away in Portsmouth.

There, the trash would be burned and the resulting steam and electricity sold to the neighboring Norfolk Naval Shipyard and Dominion Virginia Power.

SPSA has called the Covanta project a pivotal rainmaker. It could help pull SPSA out of years of indebtedness, officials have said, and quell agency struggles with private competitors.

Furthermore, the officials have warned that without the project, local trash-disposal rates likely would skyrocket, with SPSA forced to seek other means to repay nearly \$250 million in unfunded debts and liabilities.

A recent audit by the city of Chesapeake, however, questions whether the deal is such a winner.

The Sept. 28 audit, distributed last week to the City Council and shared with SPSA, suggests the port could actually lose money when other costs and implications are factored into the equation. The report describes net losses of as much as \$28 million through the proposed 20 years of the contract.

SPSA officials last week dismissed the conclusions outright. "They are absolutely wrong," said John Hadfield, SPSA's executive director.

Instead, SPSA estimates the project would generate about \$9 million in revenues each year, or about \$194 million through the life of the contract. Portsmouth, in a side agreement, could receive nearly \$4 million a year for leasing the port site to Covanta.

Money aside, many residents, environmentalists and public officials view the planned TransRiver Portsmouth Marine Terminal as nothing but blight. They fear Hampton Roads will become known as the

imported trash. (Pennsylvania currently holds the top spot, with Virginia close behind at No. 2.)

The fate of the terminal could be decided by the end of the month, when key votes are anticipated before the Portsmouth City Council and SPSA's Board of Directors.

Covanta still needs permits from the Virginia Department of Environmental Quality and the Army Corps of Engineers, for the proposed dredging of the Elizabeth River so barges could reach the port site.

The site is a 10-acre parcel located just north of the Jordan Bridge known as the Allied tract, named after a fertilizer company that used to operate there. The city of Portsmouth now controls the land.

The property and the stretch of river in question have their own checkered environmental past. In soil and groundwater samples, high levels of toxic compounds have been detected.

In addition, the muddy bottom of the Southern Branch of the Elizabeth along the site, where dredging would occur, contains "some of the more severe contamination in the river," according to a summary by the Elizabeth River Project, an environmental group. The group has not taken a position on the port.

Covanta executives, meanwhile, seem to be growing weary of the often-fiery debate, ongoing for nearly two years now. They indicated last week that they are ready for the issue to be decided, up or down.

The Portsmouth port "is part of our overall package to New York City," said Derek Veenhof, manager of TransRiver Marketing Co. and the local point-man for Covanta, referring to the company's bid for handling the Big Apple's trash. "We didn't go to Portsmouth and say, 'This is where we're putting all our eggs.' We have alternatives," he said. He declined to elaborate.

Covanta needs to update its bid proposal for New York City waste by the first week in November, Veenhof said, so having a decision in hand about the port's option by then "certainly would help clarify things."

Covanta has much experience with garbage-fueled incinerators, also known as waste-to-energy power plants. Covanta Energy Corp. owns or operates 31 such plants in the United States, as well as one in Italy.

In Northern Virginia, the company runs one such incinerator for Alexandria and Arlington and owns another that serves Fairfax County.

In 2003, Covanta was fined \$14,695 by state regulators for excessive emissions of carbon monoxide at the Alexandria plant and for failing to submit environmental reports in 2001 and 2002 -- about the time the company was preparing to file for bankruptcy.

Dennis Best, an air-quality compliance manager for the Virginia Department of Environmental Quality, said the Alexandria plant also recorded violations in 2000 and 2002 that remain unresolved today.

"A lot of this stuff has been dragged out because of the bankruptcy," Best said. For the most part, he added, Covanta "has been fairly cooperative."

Environmentally, similar stories crop up in many of the cities and states where Covanta did business prior to its bankruptcy.

-- The city of Tulsa, Okla., had to divert its trash to a landfill in 2003 when Covanta briefly closed its incinerator there, citing financial problems.

-- In Lake County, Fla., an incinerator contract with Covanta in 1991 has caused more than a decade of acrimony, lawsuits and political fallout. According to Gregg Welstead, Lake County's deputy manager, the lawsuit has since been settled and a new contract agreed to in January 2005. "It's been difficult for a long time," he said, "but we're fine now."

-- In New Jersey, the company has been repeatedly fined for releasing excessive amounts of dioxin and other toxic emissions from its Essex County plant. In the past year, New Jersey regulators have ordered Covanta to pay more than \$112,000 in fines for violations at all three of its waste-to-energy plants in the state.

The Rutgers Environmental Law Center at Rutgers University in New Jersey has filed a notice of its intent to sue Covanta over repeated Clean Air Act violations at the Essex plant, the state's largest garbage incinerator.

-- Covanta is one of the top 40 "primary responsible parties" at a toxic Superfund site in New Hampshire and will have to pay its share of an estimated \$48 million cleanup there. Covanta sent more than 43,000 gallons of waste oil to the Beede recycling site in the 1990s and is liable in part for the mishandling of those wastes by Beede, according to the U.S. Environmental Protection Agency.

Covanta officials defend the company's environmental record and say some of its more problematic plants were inherited.

Covanta "has an excellent environmental record," said Derek A. Porter, director of corporate communications for Covanta Energy.

"The waste-to-energy industry generally, and Covanta in particular, has significantly reduced emissions over the past ten years," he added in an e-mail. He said waste-to-energy plants produce far less pollution than coal-burning plants or landfills, a view shared by the EPA, which considers the technology a "renewable energy source."

Covanta's corporate history dates to 1939 when it opened as a public utility holding company under the name Ogden Corp.

Ogden diversified through the years, buying up horse racing tracks, a scrap metal processor and a food distributor. In the early 1980s, the company entered the energy business by acquiring the means to develop waste-to-energy incinerators. In 2001, Ogden changed its name to Covanta.

According to records and interviews, Covanta's collapse unfolded after two major events: the California energy crisis, in which the company's geothermal plants suffered major financial hits; and the terrorist attacks of Sept. 11, 2001.

The company and 155 subsidiaries filed for bankruptcy protection in 2002. In the months afterward, its stock price dipped to a low of 64 cents a share; it now sells for about \$21 a share.

Covanta Energy Corp. was purchased while in bankruptcy by Danielson Holding Corp., which itself emerged from bankruptcy around 1990.

Covanta came out of bankruptcy in 2004, with the help of some heavy hitters. They included Sam Zell, a self-made billionaire listed by Forbes magazine this year as the 52nd richest American. He was just ahead of H. Ross Perot.

Zell, with two other investors, purchased 40 percent of Covanta's stock and was named chairman of its board of directors, according to financial records.

In the fall of 2005, Danielson became known as Covanta Holding Corp., by now an entirely restructured company. Sold off were interests in hockey arenas in Ottawa and California, the casino in Argentina, and fueling services at 19 airports in the United States, Canada and Panama.

A new management team also narrowed the company's focus, to energy and insurance.

Also in 2005, the company acquired American Ref-Fuel, another New Jersey firm specializing in waste-to-energy plants, for \$2 billion. It was American Ref-Fuel that initially approached SPSA about a deal for New York City garbage coming to Hampton Roads -- an idea that Covanta ran with.

Today, Covanta has about 3,600 employees. Its sales in 2005 were reported at nearly \$1 billion.

Company executives say they want to purchase more waste-to-energy plants and expand their waste-disposal assets.

President and Chief Executive Officer Tony Orlando earns about \$931,000 annually; with bonuses, that figure easily eclipses \$1 million, according to Covanta's financial records. Company vice presidents earn

While many analysts have started urging investors to buy or hold Covanta stock, some advisers remain skeptical.

Dun & Bradstreet Inc., for example, gave Covanta its worst ranking -- a 5, on a scale of 1 to 5 -- for credit and financial risks in a report published in January.

At a public hearing in August, Chesapeake Mayor Dalton Edge quizzed a Covanta official about the poor marks.

The official, Rob Balbierz, noting that the report was almost a year old, responded: "I would like to see what that is now. "

The company's future will rely heavily on renewed municipal contracts, many of which are set to expire in the next 10 to 12 years, as well as its ability to obtain new contracts, such as the New York City deal, according to corporate filings with the Securities and Exchange Commission.

"We cannot assure you that Covanta's business will generate sufficient cash flow from operations or that Covanta will be able to refinance any of its indebtedness on commercially reasonable terms or at all," the company said in an SEC filing last year.

In a conference call with financial analysts in August, Orlando said he expects New York City to make a decision on its waste contract in the next six to 12 months. If Covanta wins a contract, Orlando added, the operation in Virginia could be up and running by 2009.

A spokesman for the New York City Department of Sanitation last week would only say that the bids from several private waste companies still are being reviewed.

SPSA officials, in response to media questions about Covanta's past, said in a statement they will require the company to post a letter of credit to "assume its payment of all obligations" in case something goes wrong financially.

The letter would in essence serve as "a backstop" for SPSA, the officials said in the statement, and "is a fairly common approach in large contracts regardless of the current financial status of the principal company."

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January 19, 2003

## Garbage Plant Stirs Fears of Radiation

By DAVID WINZELBERG

A FORMER town employee's complaints about radiation events at Huntington's garbage plant has prompted the state Labor Department to charge the town with not having a response plan for hazardous materials emergencies and with keeping its workers in the dark about hazards on the job.

The Huntington Resource Recovery plant in East Northport, operated by a Fairfield, N.J., contractor called Covanta Energy, began burning garbage from Huntington and Smithtown in December 1991. For nearly nine years, the solid waste that passed through the incinerator went unchecked for radiation. When a radiation detector was installed in 2000, the Huntington plant became the last of the four garbage-to-energy plants on Long Island to have one.

In the meantime, just about anything could have been incinerated there. Though state regulations do not require landfills or incinerators to have a system for detecting elevated levels of radiation, they forbid the processing of radioactive waste with regular trash.

"If they did not have a detector, we would not know what's there," said Paul Merges, the director of the bureau of radiation and hazardous site management for the State Department of Environmental Conservation.

Town officials said they first became aware of the radiation problem when a scrap metal company, Gershow Recycling of Medford, returned radioactive material that had been trucked to it by the Huntington plant in January 1999. "There are no radiation problems before 1999 that we know of," said Josephine Jahier, Huntington's director of waste management. But D.E.C. records indicate that Neil Sheehan, then the garbage plant manager, asked the agency about a radioactive lump of metal returned by a scrap metal dealer in April 1998, and Laure Nolan, the deputy town supervisor, did not acknowledge receipt of the information until she was questioned about it by a reporter.

There is big money in garbage. The Huntington plant charges \$65 a ton for the garbage it recycles, and last year it generated about \$38 million in fees and electricity sales from burning 320,000 tons of trash. Huntington made \$21 million and Smithtown, \$13 million. Covanta's 10 percent share came to nearly \$4 million.

But the Huntington supervisor, Frank Petrone, said that the town did not begin to turn a profit with the garbage plant until "a few years ago," and that the town's share of the profits came to about \$2 million in 2002.

Each plant has its own emergency procedures in case of a radiation event. Usually, a radiated load is removed to an isolated area for several hours before it is retested. Sometimes the radioactive elements decay quickly, and when retested the load does not set off the detector and is deemed safe to process. If

radiation is still detected, the garbage is returned to its originator for proper disposal.

At the American Ref-Fuel plant in Westbury, a radiation detector has been working since 1990, a year after the first loads of garbage were received there. American Ref-Fuel, which gets about 90 percent of its garbage from the Towns of Hempstead and Brookhaven, has gotten more hot loads recently, averaging one radiation detection a month for the past two years, according to Steve Bossotti, a plant manager, who attributed the rise to an increase in the use of nuclear medicine.

In many cases, radiation in residential trash comes from the improper disposals by patients undergoing radiation therapy. But radiation in solid waste can come from many other sources, including smoke detectors, exit signs, fertilizer, optical lenses, timepieces and even the glaze on some pottery.

Tom Chambers, the manager at Covanta Huntington, said that nuclear medicine was probably the cause of most of the radiation detections at his plant and that they were mostly "low-level incidents." The D.E.C. and the Suffolk County district attorney's office investigated and found no wrongdoing in the plant's handling of hazardous materials.

Radiation detectors at Long Island garbage plants are set to sound a warning when they detect radiation five times greater than naturally occurring background levels, which on Long Island are estimated to be about 300 millirems per year. D.E.C. regulations prohibit the burial or incineration of garbage detected to be more than two to five times local radiation levels.

The average American absorbs about 360 millirems in a year, usually from background radiation. Among the radiation incidents reported by the Huntington plant, many registered under four millirems per hour, but some reached eight millirems, which is about the same exposure as a chest X-ray.

"Most of these are extremely minor incidents," said Barbara Youngberg, a radiation specialist at D.E.C. headquarters in Albany.

But some insist that exposure to any radiation is a risk. "The problem with these agencies is that they are going by outdated science," said Miriam Goodman, a Huntington resident who runs the Mid-Island Radiation Alert, an advocacy group. "They think that a low dose of radiation is no problem. What's important is the total dose. And it's important to remember that the effects of radiation are cumulative."

Karen Joy Miller is founder of the Huntington Breast Cancer Action Coalition. "Any radiation is a threat," she said. "We know that radiation is cumulative and causes all kinds of cancers, especially in children. We need to be aware of what we are being exposed to. We can't proceed with innocence."

Larry Swanson, director of the Waste Reduction and Management Institute at the State University at Stony Brook, said that low-level radiation in solid waste was not particularly dangerous, but that all garbage plants should have radiation detectors. "You don't really know what you're dealing with, so I think it's a proper precaution," he said.

It could also save money. Huntington and Smithtown spent more than \$100,000 for the handling and disposal of the radioactive loads returned from Gershow Recycling. "Steel mills have had radiation detectors for years, and they want us to have them, too," said Kevin Gershowitz, a vice president at Gershow, which turns scrap metal into such items as nuts and bolts and coat hangers. "Having radiation detection is a means of insurance. Even a small amount of radiated metal would make an entire beam of steel worthless."

## Covanta's waste-burning plants are controversial, but seen as energy solution

by **Tom Johnson/The Star-Ledger**

Tuesday August 19, 2008, 12:01 AM

Covanta Energy does not have any wind farms, nor does it produce solar panels. Yet the Fairfield-based company touts itself as a leader in the renewable energy marketplace, churning out about 9 percent of the nation's renewable electricity.

Its power plants, including three in New Jersey, burn household trash, a readily available source of fuel, but one most environmentalists scorn as a source of renewable energy and a bad choice to help meet the state's energy needs

"It's sort of like Ben & Jerry's playing a role in dieting," said Jeff Tittel, a lobbyist for the Sierra Club of New Jersey, referring to the energy-from-waste facilities run by Covanta. "They're trying to change the name, but in the end it's still incineration."

Whatever you call it, Covanta, the world's largest energy-from-waste company, hopes to play a bigger role in tackling some of the toughest issues facing policymakers today: how to combat climate change from greenhouse gases while ensuring there is enough electricity to maintain an affordable and reliable power grid.

"The pendulum is definitely swinging," said Anthony Orlando, Covanta's chief executive, who bristles when people refer to his facilities as garbage incinerators. "The industry has come a long way in terms of technology and environmental performance."

So much so that both the New Jersey draft energy master plan and U.S. Environmental Protection Agency envision energy-from-waste facilities as key elements in their waste-disposal strategies, as well as in supplying a needed source of alternative energy.

In fact, the draft energy master plan suggests New Jersey consider expanding its energy-from-waste industry, which now includes just two other facilities besides those owned by Covanta in Essex, Union and Warren counties.

"Conversion of this waste into energy will also reduce the need for future landfill development and consequently reduce the amount of methane, a greenhouse gas, that is emitted from the landfill," the energy master plan says.

According to Covanta, for every ton of waste processed in an energy-from-waste facility, the company can offset up to one ton of carbon dioxide equivalent by reducing the amount of methane generated by garbage dumps and decreasing dependence on fossil fuels.

"We can be a part of the energy solution. We solve two problems at once," said Orlando, who has held the top job at Covanta since October 2004.

At the time, the company had just emerged from bankruptcy protection after

performed well. It operates in eight countries and 15 states, employing more than 3,000 worldwide. Its market cap is above \$4 billion, with annual revenue of about \$1.4 billion.

In its most recent earnings report, Covanta exceeded Wall Street expectations, posting a 19 percent rise in second-quarter net income, helped by higher prices for electricity and recycled metal. Net income was \$44.9 million, or 29 cents per share, compared with \$37.7 million, or 24 cents per share, in the same quarter a year ago.

In business for seven decades, Covanta was a diversified holding company with interests in energy, entertainment and aviation. It discontinued the latter two units in 1999 in order to concentrate on its waste-from-energy business. Dubbed trash incinerators by environmentalists, the projects ran into heated opposition during the 1980s, particularly in New Jersey, over concerns they would only add to air pollution problems.

In recent years, however, with energy demands rising and electricity costs soaring, the energy-from-waste business has enjoyed improved prospects.

Besides operating 34 energy-from-waste facilities, Covanta owns six biomass plants, which burn wood waste, and five landfill gas facilities, which extract gas from garbage dumps.

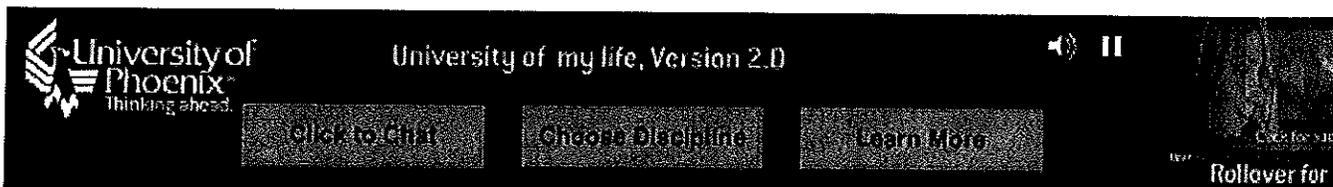
Its biggest growth markets are in Europe, where climate change is a much higher priority among policymakers, and China, which has set ambitious growth targets for energy-from-waste facilities, Orlando said. Covanta also sees growth opportunities in the Northeast, he said.

Analysts who cover the sector also see growth potential.

"Waste-from-energy is very logical at this moment," said Jinming Liu, an analyst who follows the company at Ardour Capital Investments. "We're running out of landfill spaces, and tipping fees have become very expensive. In some countries, more than half of the trash is now burned."

Still, the company faces opposition from environmentalists, who note Covanta racks up numerous violations of its air permits. Over the past two years, Covanta has been fined more than \$83,000, according to state Department of Environmental Protection enforcement records, most of which involved so-called opacity violations, an indicator of dense smoke coming out of the burners.

"There's two problems with these facilities: We are not recycling enough and a lot of material that should not be burned goes through them and they are still emitting toxic pollutants," Tittel said.



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Archive for Tuesday, August 30, 2005

# Waste Firm Settles SEC Fraud Suit

August 30, 2005 in *print edition C-3*

The Securities and Exchange Commission said Monday that it had settled an accounting fraud suit against four former executives at Waste Management Inc., the world's largest trash hauler, for \$30.87 million.

The company disclosed the settlement Friday, when it was approved in U.S. District Court in Chicago. Waste Management, based in Houston, said it would pay for almost all of the accord, or \$26.84 million, to avoid continuing legal costs for its former executives in the 3-year-old case.

Dean Buntrock, the company's 74-year-old former chief executive, and three other former executives agreed to pay the remaining nearly \$4 million themselves, with Buntrock paying \$2.3 million, the largest fine imposed on an individual in an SEC accounting fraud case.

"This was a massive accounting fraud perpetrated by the highest-ranking officers at Waste Management," SEC lawyer Scott Friestad said. "The egregiousness of the conduct is reflected in the severity of the sanctions."

Under the accord, Waste Management agreed to pay \$17.1 million for Buntrock, whom the agency accused in 2002 of leading a fraud from 1992 to 1997 that cost shareholders \$6 billion. Buntrock, who founded Waste Management in 1968 and took the company public in 1971, neither admitted nor denied wrongdoing, the SEC said.

The SEC's suit related to "events dating back 13 years," Buntrock's lawyer, John McCarthy of the firm Bell, Boyd & Lloyd in Chicago, said Friday. "It involved highly complex and judgment issues that would have resulted in a long and complicated trial. My client decided it was better to settle the case."

Waste Management said it also agreed to pay \$7.6 million for Phillip Rooney, \$1.15 million for Thomas Hau and \$950,000 for Herbert Getz.

Rooney, the company's former chief operating officer, agreed to pay a \$1.1-million fine, the SEC said. Hau, the former chief accounting officer, and Getz, the former general counsel, agreed to fines of \$430,000 and \$200,000, respectively. None of the men admitted or denied wrongdoing.

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### THE LECKEY FILE

## Investors in trash firms may end up feeling rosy

By Andrew Leckey

Tribune Media Services columnist

August 24, 2008

Waste hauling is messy business, and not just because it involves disposing of trash.

It has a logical business model, providing a service everyone uses and understands. Cash flow can be predictable even during difficult economic periods. Although affected by rising fuel costs and government regulation, it is a business that isn't going away.

Why is all that an issue? Well, the garbage business generates lots of cash, lucrative contracts and potential financial rewards for those who can get their hands on them.

Not only has the industry been dogged by allegations of organized crime activity, but it was an early poster child for corporate shenanigans. The latter transgressions involved managers and accountants, not underworld kingpins.

In 2001, for example, Waste Management Inc. agreed to pay \$457 million to settle a class-action lawsuit that alleged it violated federal securities laws by misleading investors about its finances in order to bolster its stock price.

With increased emphasis on the environment, the new issue is how to handle trash conscientiously.

Every year, the U.S. generates 230 million tons of trash, or 4.6 pounds per person per day, according to the Environmental Protection Agency. Less than one-quarter is recycled; the rest is incinerated or buried in landfills.

Many world cities have tackled that problem with success. For example, Copenhagen has had a program since 1991 in which 58 percent of the city's waste is recycled, 24 percent incinerated and 18 percent goes to landfills.

Its number of landfills was reduced to three, from 30, since the plan was adopted.

As other cities take similar steps, declining waste volume is likely to slow the profit growth rate. Still,



# Barre landfill fine announced; DEP says action not complete Waste Management Inc. enforcement order in the works.

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Byline: James F. Russell

<sup>MA</sup>  
BARRE Selectmen say Barre landfill owner Waste Management Inc. had been fined \$26,000 by the state Department of Environmental Protection because of odor problems, but a DEP spokesman said this week an enforcement order has not been issued, although one would be forthcoming.

According to the DEP, it would be "at least a couple of weeks before a written decision is issued," spokesman Edmund J. Coletta said.

"There will be a financial penalty," Mr. Coletta said Tuesday. "We are still finalizing the enforcement settlement. I cannot confirm that it is \$26,000."

Waste Management has state permits to accept nearly 100,000 tons per year of trash at the Depot Road landfill.

Robert E. DiGirolamo, chairman of the Board of Selectmen, read a statement at the board's meeting Monday making the announcement. It was prepared by Town Administrator Kevin J. Flynn.

"You may recall that DEP fined Waste Management earlier this year for the methane gas that leaked from the landfill," Mr. DiGirolamo said.

The document that Mr. DiGirolamo read is from a June 29 memorandum titled "Town Administrator's Report" to the selectmen, with the subtitle: "Waste Management donation." Mr. Flynn did not attend Monday's meeting and is on vacation, Mr. DiGirolamo said.

Mr. Flynn wrote in his memo that Health Agent Stephanie King "notified me that WM (Waste Management) has the option of donating 75 percent of the \$26,000 fine to the town for community environmental projects. So Waste Management was looking for local projects. I asked them to consider paying for the Phase 1 assessment of the Mill Road dam and for additional repairs to the bandstand; Stephanie tells me they are agreeable. WM will proceed with the paperwork."

Town officials have said Barre does not own the Mill Road dam. The Telegram & Gazette

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## A New Perspective: Landfill has poor record with local residents

By RUSSELL TUFF

Wednesday, September 3, 2008

For more than 15 years, the county has been buying up land north of the existing landfill off Collier Boulevard and I-75. When residents first learned the property was being purchased for landfill expansion in the early 1990s, there was considerable residential uproar. No one wanted the stink and pollution any closer to them than it already was. The project even spurred an incorporation study, as residents felt the county did not represent the best interests of citizens in the eastern portion of the county.

But public outcry regarding the landfill far preceded the 1990s. In 1976, the Golden Gate Civic Association fought a losing battle to prevent the landfill from being relocated to their neighborhood from the Naples Airport. Ironically, one of the association's strongest remedies to avoid the move was to implement recycling efforts and reduce the need for landfilling. Officials didn't care much for that prospect back then.

Landfilling didn't have as much science behind it when the landfill was built in Golden Gate. The garbage cells weren't lined to prevent ground water contamination and hills weren't covered to prevent offsite odor. This caused major issues as the area's waste stream grew.

In 1993, residents were told the current landfill had 7 to 10 years of life and the 340 acres north of the site was necessary to meet the growing needs of the county. The response from Golden Gate residents echoed that of Coquina Sands residents many years before -- it's time to move it somewhere else. A two-year study followed, from which a county-paid consultant determined there was no other land in the county suitable for a landfill.

Around that time, Waste Management won a bid to contract the county's waste service, not for a specific period of time, but for the "life of the landfill," which suddenly surged from being on life-support to the vitality of a teenager. With a new 25-year life expectancy, it appeared that, like Mark Twain, news of the landfill's demise had been greatly exaggerated.

One problem: It still stunk -- badly. Waste Management officials said the smell was from the county's water treatment plant. Yet, the company was cited by the Department of Environmental Protection on several occasions. Instead of just believing neighboring residents, the county created a 'sniff team' to investigate complaints. Huge fans were purchased to blow the odor away -- to where? They were never installed, corroded away to rust and were later sold for scrap.

On at least one occasion, a Waste Management official acted like a thug, physically threatening someone who vocally opposed the company's tactics. Management later apologized, but the experience gave credence to stories of how that industry operates in other parts of the country.

Mega-million dollar contracts were awarded with no competing bids, almost like something out of a fictional storybook of corruption.

After all these years, the county is now moving ahead with expansion on the 340-acre property, which they haven't quite fully acquired yet. But this time, instead of expanding the cells to the site, they are relocating several landfill services from the current landfill to make room for more cells on that property.

Some of the uses are fairly innocuous while others, like bio-solid processing -- drying up foul liquids to create

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Archive for Saturday, July 21, 2007

# Oakland holds nose as garbage piles up - Cans sit at the curb after a trash firm locks out union workers. The city fears health crisis looms.

By John M. Glionna

July 21, 2007 in print edition B-1

Twenty days without garbage pickup has taught Walter Smith an odiferous lesson about modern culture: Today's throwaway society produces a heck of a lot of trash.

"That's three weeks right there," he says, pointing to a reeking line of six trash containers and an overflow of plastic bags in front of his home. "Pretty soon the rats will be here. We're thinking about getting a cat."

Waste Management Inc., the largest garbage firm in North America, earlier this month locked 480 trash haulers out of their jobs. The rift has provoked tensions over what city officials call a looming health crisis as the company's negotiations with Teamsters Local 70 have stalled.

Oakland officials sued Waste Management last week for breach of contract, even though the firm has brought in 350 replacement workers. The lockout affects more than 200,000 customers in Alameda and Contra Costa counties.

Meanwhile, the garbage mounts – rusting ironing boards, smashed-in TV consoles, broken-down cardboard and rotting fruit rinds that have drawn flies and forced mothers to keep their kids indoors. Panicked residents are breaking into industrial garbage bins and driving to faraway neighborhoods to drop off their trash.

Irate motorists have followed garbage trucks, demanding that they come to their homes. Frustrated residents on one block piled their trash in the middle of the road so replacement haulers would have no choice but to stop.

Lower than usual temperatures have mostly kept a lid on serious vermin, but Oakland officials are nervous. "We're three hot days away from a serious health crisis," said City Manager John Russo.

Following 1,600 complaints by residents, Oakland is considering hiring other companies to help haul away the piled-up garbage. "If both sides get dug in and refuse to give, this could go on until September," Russo said. "That means nearly an entire summer without regular trash pickup."

Issues dividing Waste Management and its workers include company contributions to employee healthcare and pension programs and a no-strike clause. Workers say the firm wants to bust the union and has taken a hard line elsewhere.

Outside company headquarters in Oakland, longtime hauler Mark Giachino held up a sign that brought honks of support from passing cars. The placard showed a figure of a red rat with the words, "Do Not Patronize." Other locked-out workers cursed and shook their fists at replacements who sheepishly drove past in company trucks.

"They've done this all over," said Giachino, a 26-year veteran garbage worker. "This isn't their first barbecue. They've cooked workers and their unions once or twice before."

The company says it has signed union contracts without lockouts or strikes. "We had reason to believe Local 70 was ready to strike," said spokesman David Tucker. "If the strike had come, we wouldn't have been able to provide any service for three weeks. But that part of the discussion gets lost. People say 'Well, they didn't strike.' It wasn't a matter of if, but when."

Oakland officials characterize the company's negotiations as "cavalier" and warn cities in Southern California's South Bay beach communities that the firm could soon lock out workers there as well. "There's speculation this is a trial run for them," said Russo, "an early positioning of assets in a battle."

Waste Management provides service for 122,000 residential customers in the South Bay, but company officials say they expect a contract with Teamsters Local 396 to be renewed when it expires Sept. 30. "We really don't have any reason to expect anything but an agreement with no interruption in these negotiations," said Lynn Brown, a company spokeswoman in Houston.

Sanitation strikes and walkouts are rare in California. Orange County has seen two strikes since 1981. Los Angeles had its last garbage hauler strike in 1985.

In Oakland, after both sides in the lockout met for eight hours Thursday, city officials expressed hope that an agreement could be reached. Talks are scheduled to resume Sunday.

That didn't make Nai Lee feel any better. "This isn't sanitary," said the 25-year-old, as he held his infant outside his home in working-class east Oakland. "I can't let my son go outside."

Nearby, a neighbor shook his head at the trash and said, "Even Lysol won't help this smell."

Alameda County health officials report few rat sightings. "But rats are nocturnal; they feed after dark," said Lucia Hui of Alameda County Vector Control. "When we start seeing them in the day, then we'll know we've got a problem."

The lockout has had other effects, including a slump in the ice cream business, at least according to ice cream truck driver Carlos Gonzales, whose route is in west Oakland.

"Business is down," he said. "Mothers won't let their kids out of the house. They're afraid of the garbage. I want my little customers back."

Standing by a line of garbage cans a few blocks away, Anna Brown bristled at reports that wealthy homes in the Oakland hills had seen little disruption in their garbage pickup.