



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
NEWS RELEASE

Department of Toxic Substances Control

T - 13- 02
June 3, 2002
For Immediate Release

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**\$1,000,000 Agreement Reached with
CENCO Refining Company and Powerine Oil Company**

LOS ANGELES --- The California Department of Toxic Substances Control (DTSC) today announced that it has reached a settlement with CENCO Refining Company and Powerine Oil Company regarding illegal storage of hazardous waste at an out-of-service oil refinery located at 12345 Lakeland Road in Santa Fe Springs. The settlement is in the form of a Stipulation for Entry of Judgment that was filed in the Los Angeles County Superior Court on May 22, 2002. Under the terms of the settlement, CENCO and Powerine will pay DTSC a civil penalty of \$900,000 and reimburse DTSC \$100,000 for costs it incurred in conducting the enforcement action.

“This settlement is the result of a joint effort by DTSC, the state Attorney General, and the City of Santa Fe Springs,” said Ed Lowry, DTSC Director. “The settlement provides for removal of hazardous waste from the site, protects the public and environment, and provides an added level of safety for nearby residents”.

The agreement requires CENCO to remove a significant volume of hazardous waste including approximately 49,000 barrels of contaminated water, 2,800 barrels of oil, and 18,000 barrels of tank solids from deteriorating refinery tanks, and then send those materials for proper treatment and disposal or reuse. In addition, to guarantee and fund the waste removal, CENCO will deposit \$1,490,000 into an interest-bearing trust account, and a limited lien will be placed on the refinery property.

The refinery on Lakeland Road opened in the 1930's and came to be owned by Powerine. In 1995, facing financial difficulties and compliance problems, Powerine closed the refinery and began efforts to sell the facility. In 1998, the Pat Robertson Charitable Trust formed CENCO, Inc. and its subsidiary CENCO Refinery Company for the purpose of buying all of Powerine's assets and liabilities. After the purchase,

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CENCO Refining Company sought the permits needed to rebuild and restart the dilapidated refinery. However, in late 2001, CENCO announced plans to sell the refinery property to developers for other uses.

The settlement stems from inspections conducted at the refinery site by DTSC's Statewide Compliance Division. DTSC inspectors responded to complaints that the facility was storing hazardous waste in tanks at the facility. Samples were taken from the tanks and it was found that they contained flammable waste and elevated concentrations of benzene.

On May 17, 2000, the state Attorney General, on behalf of DTSC, filed a case charging CENCO and Powerine with illegal storage of hazardous wastes. The City of Santa Fe Springs was a co-plaintiff, alleging illegal storage of hazardous waste in drums. The City of Santa Fe Springs action settled on August 29, 2001.

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The Department of Toxic Substances Control's mission is to restore, protect, and enhance the environment and ensure public health, environmental quality and economic vitality by regulating hazardous waste, conducting and overseeing cleanups, and developing and promoting pollution prevention.

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"The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Web-site at www.dtsc.ca.gov."