



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
Department of Toxic Substances Control

Amended Release

**T – 16 – 11 Amended
Deborah O. Raphael, Director**

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Contact: Jeanne Garcia
(818) 974-6549
Jgarcia1@dtsc.ca.gov

ATTN News Editors:

The DTSC is issuing an amended release of one originally sent out on Sept. 8, 2011, headlined, "Settlement Reached in Auto Shredder Case". The second paragraph of the release sent Sept. 8, 2011, erroneously read "At the time of the explosion, the company was operated by Hugo Neu Corporation. SA Recycling purchased the company in September 2007." According to documentation provided by representatives for Hugo Neu Corp to the L.A. District Attorney's Office, Sims Group Limited acquired substantially all of the recycling operations of Hugo Neu Corp. on Oct. 31, 2005. In Dec. 2005, according to documents provided by Hugo Neu Corp., the new company applied for a subsidiary name change to Sims Hugo Neu West. On June 22, 2007, the Sims Group announced that it has merged the metal recycling operations with Adams Steel, creating SA Recycling LLC. The District Attorney's Office has determined that Hugo Neu Corp. was not operating the site when the explosion occurred. It was being operated by the Sims subsidiary, Sims Hugo Neu West.

Further changes to the release have been highlighted.

The amended release follows:

*****Corrected Version*****

This is a corrected version of a press release distributed on Sept.8, 2011. The second and third paragraphs of the release reflect the changes.

Settlement Reached in Auto Shredder Case

SACRAMENTO – The California Department of Toxic Substances Control (DTSC) and the Los Angeles County District Attorney's Office jointly announced today a \$2.9 million settlement with the owner and operator of SA Recycling LLC, a metal recycler based in Anaheim.

A Los Angeles County judge accepted a settlement agreement resolving a complaint that SA Recycling and Sims Metal West violated hazardous waste and air pollution laws in 2007. In May2007 an explosion occurred at the company's Port of Los Angeles facility, which destroyed its air pollution control system. The facility, which shreds automobiles, household appliances and other metals, continued to operate for about 120 days without a fully functioning air pollution control system in place. An estimated 4.4 tons of material was released into the air. At the time of the explosion, the company was operated by Sims Hugo Neu West, a subsidiary of Sims Group Limited, which acquired substantially all of the recycling operations of Hugo Neu Corp. in October

2005. Sims Group merged the metal recycling operation with Adams Steel in 2007, creating SA Recycling, LLC.

The complaint also alleged that: the shredder residue was illegally transported by unregistered hazardous waste haulers; the hazardous waste was illegally stored on site beyond the time permitted; the company failed to comply with employee training obligations; that DTSC's analytical results indicated that certain samples of treated auto shredder residue destined for the Simi Valley Landfill in Ventura County and the Chiquita Canyon Landfill in Santa Clarita exceeded regulatory thresholds for lead, zinc or cadmium; and the company illegally disposed of hazardous waste at the SA Recycling facility in Anaheim.

"This settlement is a step in the right direction and we applaud all those who have worked so hard to make it happen," said DTSC's Director Debbie Raphael. "The agreement will enhance this facility's ability to stay in compliance with air emissions requirements. More work needs to be done with the metal shredder industry. Addressing the range of issues associated with this industry is one of my top priorities."

Terms of the \$2.9 million Settlement

- \$480,000 of settlement money goes to various academic, environmental, community and research organizations including 11 marinas in the Los Angeles County area. Organizations receiving these funds include: the Coalition for a Safe Environment, Heal the Bay, the Marine Mammal Care Center and Santa Monica Baykeeper and the College of Engineering at the University of California, Davis.
- SA Recycling must pay \$428,640 to DTSC for investigative costs and enforcement tools (surveillance equipment).
- SA Recycling must pay \$321,175 to Los Angeles County for civil penalties and investigative costs and equipment (This includes XRF equipment and a metal detector).
- \$1.7 million of the settlement money will be used to install and improve an up-to-date air pollution control system for the Terminal Island shredder (Port of Los Angeles).

In addition, the settlement calls for SA Recycling to install an up-to date air pollution control system to minimize emissions at its two other facilities in Anaheim and Bakersfield. The cost of each installation is estimated to be \$1.5 million.

After the explosion, DTSC received a tip from an informant that led in August 2008 to criminal investigators, hazardous substances scientists, a high-tech task force and the Los Angeles County District Attorney to serve simultaneous search warrants at the SA Recycling Anaheim headquarters and the Port of Los Angeles facility. Investigators also interviewed witnesses, tracked waste shipments and gathered scientific samples of material that had left the shredder operations.

Background

SA Recycling shreds automobiles, household appliances and other metals. This includes foam car seats, plastic dashboards, electronics, computer control modules and wheels and tires which are crushed and shredded into scrap metal. In order to operate safely, the company was required to have a fully functioning air pollution control system to ensure that air does not become polluted. Investigators learned that after the May 2007 explosion, the company resumed operations without the proper full air pollution control system in place.

SA Recycling is jointly owned by Adams Steel LLC of Anaheim and Sims Metal Management Ltd. of Sydney, Australia.

[Pictures](#) before and after explosion

[Los Angeles County District Attorney Release](#)

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FOR GENERAL INQUIRIES: Contact the Department of Toxic Substances Control by phone at (800) 728-6942 or visit www.dtsc.ca.gov. To report illegal handling, discharge, or disposal of hazardous waste, call the Waste Alert Hotline at (800) 698-6942.

The Mission of DTSC is to protect California's people and environment from harmful effects of toxic substances by restoring contaminated properties, identifying and promoting safer ingredients in consumer products, and ensuring stewardship through enforcement, regulation and pollution prevention.