1	XAVIER BECERRA Attorney General of California	Exempt From Filing Fees Pursuant to Govern Han Elbde § 6103
2	MARGARITA PADILLA	Superior Court Of California
3	Supervising Deputy Attorney General	Sacramento
.4	REED SATO (SB #87685) Deputy Attorney General	06/25/2019
	1300 I Street, Suite 125	rgaddisk
5	P.O. Box 944255	. By Deputy
6	Sacramento, CA 94244-2550	Case Number:
-,	Telephone: (916) 210-7789 Fax: (916) 322-5609	34-2019-00259384
7	E-mail: reed.sato@doj.ca.gov	
8	Attorneys for Plaintiff People of the State of	
9	California, ex. rel. Meredith J. Williams, Acting	
	Director, California Department of Toxic Substances Control	
10		
11	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
12	COUNTY OF S	SACRAMENTO
13		
14	PEOPLE OF THE STATE OF	Case No.
15	CALIFORNIA, EX. REL., MEREDITH J. WILLIAMS, ACTING DIRECTOR OF THE	
16	CALIFORNIA DEPARTMENT OF TOXIC	
	SUBSTANCES CONTROL,	COMPLAINT FOR CIVIL PENALTIES
17	 Plaintiff,	AND INJUNCTIVE RELIEF
18	Fiamun,	[Health and Safety Code, §§ 25100 et seq.]
	v.	
19		
20	STRATEGIC MATERIALS, INC., A	
21	DELAWARE CORPORATION, D/B/A WESTERN	
	STRATEGIC MATERIALS, INC.,	
22	Defendant.	
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	Complaint	for Civil Penalties and Injunctive Relief ()
- 1	Complaint	TO STATE A STREET OF STREET OF STREET

Plaintiff, the People of the State of California, *ex rel*. Meredith J. Williams, Acting Director of the California Department of Toxic Substances Control, alleges on information and belief:

DEFINITIONS

- 1. This is a civil action for injunctive relief and civil penalties under California's Hazardous Waste Control Law ("HWCL"), Health and Safety Code section 25100 *et seq*. The following terms used in this Complaint are defined as follows:
 - a. "Battery" or "Batteries" means the term as defined in Code of California Regulations, title 22, section 66273.9, but excludes "spent dry cell batter[is] containing zinc electrodes" as defined and managed in accordance with the requirements in Health and Safety Code section 25216.3.
 - b. "Comingled Recyclable Mixture" means post-consumer glass received from residential/commercial/industrial curbside recycling programs that are supplied to glass recycling facilities following sorting by Material Recovery Facilities. This mixture contains a wide variety of non-glass materials that have been discarded into curbside residential, commercial, and industrial recycling bins and that pass through the separation processes at the upstream Material Recovery Facilities, such as miscellaneous paper, metal, and organic waste. Commingled Recyclable Mixture also is referred to as "Single stream", "curbside" or "3-mix."
 - c. "Hazardous Waste" as that term is defined in Health and Safety Code section25117, including "Universal Waste," as defined below.
 - d. "Management" as defined in Health and Safety Code section 25117.2.
 - e. "Material Recovery Facility" means a facility that receives discarded materials for recycling and then uses a combination of equipment and manual labor to separate and densify materials in preparation for shipment downstream to recyclers of materials recovered.
 - f. "Universal Waste" as defined in Health and Safety Code section 25123.8.
 - g. "Universal Waste Handler" as defined in Code of California Regulations, title 22, section 66273.9.

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- 2. This is a civil action for injunctive relief and civil penalties under California's Hazardous Waste Control Law ("HWCL"), Health and Safety Code section 25100 et sea., and regulations contained in California Code of Regulations, title 22, division 4.5, section 66260.1 et seq. ("Title 22"), pertaining to the storage, handling, management, treatment and disposal of Hazardous Waste. The California Department of Toxic Substances Control ("Department") is a state agency organized and existing pursuant to sections 58000 et seq. of the California Health and Safety Code. The Department is the state agency responsible for administering and enforcing the HWCL and Title 22.
- 3. At all times relevant to this Complaint, Defendant, Strategic Materials, Inc., ("Strategic") was doing business as in California as Western Strategic Materials, Inc. Pursuant to on-site inspections conducted by the Department on or about May 12, 2015 and August 25, 2015, of a facility Strategic operated by in Sacramento, California, and a subsequent review of records provided by Strategic, the Department discovered violations of the HWCL and its implementing regulations at or associated with the Sacramento facility. Each of the allegations regarding the actions or inactions of Strategic made in this Complaint is based on information that the Department became aware of on or after May 12, 2015.
- 4. The Department and Strategic have executed a series of agreements tolling any applicable statute of limitations for potential claims. As a result of these agreements, any applicable statute of limitations is tolled from November 30, 2016 through July 31, 2018 ("Tolling Period"). The Department has commenced the causes of action alleged herein within five years of the discovery of facts constituting the grounds for commencing the causes of action, excluding the Tolling Period.
- 5. Plaintiff seeks injunctive relief and civil penalties against Strategic pursuant to sections 25181, 25184, 25189 and 25189.2 of the Health and Safety Code for violations of the HWCL and Title 22.

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PLAINTIFF

- 6. Meredith J. Williams is the Acting Director of the Department.
- 7. Pursuant to Sections 25181, subdivision (a) and 25182 of the California Health and . Safety Code, the Attorney General, at the Department's request, may commence an action for civil penalties and injunctive relief under the HWCL in the name of the People of the State of California. The Department has made such a request to the Attorney General.

DEFENDANT

- 8. Strategic is a Delaware corporation, with its principal place of business in Houston, Texas. At all times relevant to the allegations in this Complaint, Strategic has conducted business in California as Western Strategic Materials, Inc. at one or more locations.
 - 9. Strategic is a "person" as defined in Health and Safety Code section 25118.
- 10. In this Complaint when reference is made to any act or omission of Strategic, such allegations shall include the acts and omissions of owners, officers, directors, agents, employees, contractors, affiliates, and/or representatives of Strategic while acting within the course and scope of their employment or agency on behalf of Strategic during the relevant time periods.

JURISDICTION AND VENUE

- 11. This Court has jurisdiction pursuant to Article VI, section 10 of the California Constitution, and Health and Safety Code section 25181, subdivision (a).
- 12. Venue is proper in Sacramento County Superior Court under Health and Safety Code section 25183, because the violations at issue occurred in Sacramento County. The Attorney General also has an office in Sacramento County.

HWCL STATUTORY AND REGULATORY BACKGROUND

13. The State of California has enacted a comprehensive statutory and regulatory framework for the generation, handling, treatment, transport and disposal of Hazardous Wastes. The framework contained in the HWCL, and its implementing regulations, mandate a "cradle to grave" registration, tracking, storage, treatment and disposal system for the protection of the public from the risks posed by Hazardous Wastes. Except where otherwise expressly defined in

this Complaint, all terms in this Complaint shall be interpreted consistent with the HWCL and Title 22.

- 14. California administers the HWCL in lieu of federal administration of the federal Resource Conservation and Recovery Act ("RCRA"), [codified at 42 United States Code sections 6901 et seq.] pursuant to Health & Safety Code sections 25101, subdivision (d), and 25159-25159.9. Federal law prohibits California from imposing any requirements less stringent than those authorized under RCRA. ("42 U.S.C. § 6929"). The HWCL has a more inclusive definition of "hazardous waste" than does federal law. Hazardous Wastes regulated under California law but not under federal law are "non-RCRA hazardous wastes." (Health & Saf. Code, § 25117.9.)
- 15. The HWCL charges the Department with the responsibility to adopt standards and regulations for the management of Hazardous Waste to protect the public health and environment. (Health & Saf. Code, § 25150.) Accordingly, the Department has promulgated regulations setting forth numerous and extensive environmental and health-protective requirements for the day-to-day operation of Hazardous Waste generators, transporters, as well as owners and operators of Hazardous Waste facilities. (See Cal. Code. Regs., tit. 22, § 66262.1 et seq.)
- 16. Prior to January 1, 2018, pursuant to Health and Safety Code section 25189, subdivision (b), a person who intentionally or negligently violated a provision of the HWCL, or any permit, rule, regulation, standard, or requirement issued or promulgated pursuant to the HWCL, was liable for a civil penalty not to exceed twenty-five thousand dollars (\$25,000) for each violation of a separate provision or, for continuing violations, for each day that the violation continues. After January 1, 2018, the liability for a civil penalty pursuant to Health and Safety Code section 25189, subdivision (b), increased not to exceed seventy thousand dollars (\$70,000) for each violation of a separate provision or, for continuing violations, for each day that the violation continues.
- 17. Prior to January 1, 2018, pursuant to Health and Safety Code section 25189.2, subdivision (b), a person who violates a provision of the HWCL, or a permit, rule, regulation, standard, or requirement issued or adopted pursuant to the HWCL was strictly liable for a civil

penalty not to exceed twenty-five thousand dollars (\$25,000) for each violation of a separate provision or, for continuing violations, for each day that the violation continues. After January 1, 2018, the liability for a civil penalty pursuant to Health and Safety Code section 25189.2, subdivision (b), increased not to exceed seventy thousand dollars (\$70,000) for each violation.

- 18. Prior to January 1, 2018, pursuant to Health and Safety Code section 25189, subdivision (c), a person who intentionally disposed or caused the disposal of a Hazardous Waste at a point that is not authorized pursuant to the HWCL shall be subject to a civil penalty of not less than one thousand dollars (\$1,000) or more than twenty-five thousand dollars (\$25,000) for each violation and may be ordered to disclose this violation to those persons as the court may direct. Each day on which the deposit remains and the person has knowledge thereof is a separate additional violation, unless the person complies with the requirements of Health and Safety Code section 25189, subdivision (c). After January 1, 2018, the liability for a civil penalty pursuant to Health and Safety Code section 25189, subdivision (c), increased not to exceed seventy thousand dollars (\$70,000) for each violation.
- 19. Prior to January 1, 2018, pursuant to Health and Safety Code section 25189, subdivision (d), a person who negligently disposed or caused the disposal of a Hazardous Waste at a point that is not authorized pursuant to the HWCL shall be subject to a civil penalty of not more than twenty-five thousand dollars (\$25,000) for each violation and may be ordered to disclose this violation to those persons as the court may direct. Each day on which the deposit remains and the person has knowledge thereof is a separate additional violation, unless the person complies with the requirements of Health and Safety Code section 25189, subdivision (d). After January 1, 2018, the liability for a civil penalty pursuant to Health and Safety Code section 25189, subdivision (c), increased not to exceed seventy thousand dollars (\$70,000) for each violation.
- 20. Prior to January 1, 2018, pursuant to Health and Safety Code section 25189.2, subdivision (c), a person who disposed or caused the disposal of a Hazardous Waste at a point that is not authorized pursuant to the HWCL was strictly liable for a civil penalty of not more than twenty-five thousand dollars (\$25,000) for each violation and may be ordered to disclose the

fact of the violation or violations to those persons as the Court may direct. Each day on which the deposit remains is a separate additional violation, unless the person complies with the requirements of Health and Safety Code section 25189.2, subdivision (c). After January 1, 2018, the liability for a civil penalty pursuant to Health and Safety Code section 25189, subdivision (c), increased not to exceed seventy thousand dollars (\$70,000) for each violation

- 21. Under Health and Safety Code section 25189.2, subdivision (f), a person may not be held liable for a civil penalty imposed under section 25189 and for a civil penalty imposed under section 25189.2 for the same act or failure to act.
- 22. Health and Safety Code section 25181 provides that when the Department determines that any person has engaged in, is engaged in, or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of the HWCL or any rule or requirement issued or promulgated thereunder, and when requested by the Department, the Attorney General may make application to the superior court for an order enjoining such acts or practices, or for an order directing compliance, and upon a showing by the Department that such person has engaged in or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order may be granted.
- 23. Health and Safety Code section 25184 provides that in any civil action brought pursuant to the HWCL in which a temporary restraining order, preliminary injunction, or permanent injunction is sought it shall not be necessary to allege or prove at any state of the proceeding that irreparable damage will occur or that the remedy at law is inadequate. Such relief shall issue without such allegations and without such proof.
- 24. A discarded Battery that exhibits a Hazardous Waste characteristic or contains a listed Hazardous Waste (as described in Cal Code Regs, tit. 22, div. 4.5, ch. 11) is a Hazardous Waste. Such discarded Batteries, include but are not limited to, common rechargeable (lithium, nickel cadmium, and nickel hydride) and single use (alkaline and lithium) AAA and AA size Batteries, C size, D size, button cell, and 9 volt batteries.

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ALLEGATIONS COMMON TO ALL CLAIMS

- 25. Strategic currently operates six (6) facilities in California, Sacramento, Madera, Modesto, Commerce, Fairfield, and Vernon. Strategic accepts and recycles glass bottles, windowpanes, automobile glass, and single-stream glass that it receives primarily from Material Recovery Facilities (MRFs) owned and/or operated by third-parties. The majority of the material Strategic receives originates from curbside pickups of residential, commercial, and industrial recycling bins which are first processed by MRFs. Strategic obtains these materials, referenced herein as Comingled Recyclable Mixture, from the MRFs. Strategic further processes the Comingled Recyclable Mixture that it receives at its California facilities with the goal of culling as much usable glass from that mix. Other commodities (metals) and waste streams (trash) also are extracted by Strategic's various processes.
- 26. Strategic processes the Comingled Recyclable Mixture to produce glass cullet. At its facilities, Strategic converts recyclable glass into glass cullet and special powders for use as ingredients in industrial processes. Glass cullet is glass that has been crushed and is suitable for re-melting into a glass product by glass manufacturers. Strategic is one of the largest sources of glass cullet in North America.
- 27. The Comingled Recyclable Mixture that Strategic processes not only contains glass, but also various wastes, such as plastics, metals, paper, food waste and other household wastes. The incoming Comingled Recyclable Mixture may contain about 20-40 percent glass and 60-80 percent trash by weight and a small percentage of recoverable metals.
- 28. Waste/trash removed from the process at the Sacramento facility was stored onsite in bunkers prior to shipment to landfill. DTSC staff observed that the trash at the Sacramento facility contained Batteries. At the Sacramento facility, these Batteries were removed from the glass cullet reclamation process, stored in on-site bunkers and then disposed of at local landfills. These landfills were not authorized to accept Hazardous Waste for disposal, including Batteries. The facility in Sacramento County has a street address of 5850 88th Street, Sacramento, California 95828.

- 29. Batteries included in the Comingled Recyclable Mixture processed at Strategic's California facilities are managed with that facility's scrap metal. Those scrap metals are segregated by Strategic into ferrous and non-ferrous streams and then sold to scrap metal recyclers. Strategic is the generator, as defined by California Code of Regulations, title 22, section 66260.10, of Batteries removed from the Comingled Recyclable Mixture. Batteries removed from the Comingled Recyclable Mixture by Strategic must be managed as a Hazardous Waste or as Universal Waste. After receiving notice of the Department's concerns, Strategic engaged in an analysis to determine how much of its Comingled Recyclable Mixture contained Batteries. The analysis found that all loads of Comingled Recyclable Mixture received by Strategic contained some amount of Batteries.
- 30. Following the completion of its study, Strategic asked that its suppliers of Comingled Recyclable Mixture install magnetic pulley systems to remove Batteries from the MRF Glass 3 Mix prior to delivery of the MRF Glass 3 Mix to Strategic. The suppliers of the Comingled Recyclable Mixture must maintain those systems in order to help prevent Batteries from being present, or reduce the number of Batteries, in the Comingled Recyclable Mixture. Strategic has represented to the Department that improvements to its own waste management practices (eddy current separators, etc.) and the implementation of the magnetic pulley systems and other steps taken by its suppliers of Comingled Recyclable Mixture has reduced the presence of Batteries in the Commingled Recyclable Mixture that it currently manages.
- 31. Prior to these improvements, based on information Strategic provided to the Department, it is estimated that Strategic improperly disposed of more than 560,000 pounds of waste Batteries over a five-year period of time from its facility in Sacramento County. These Batteries were part of a Comingled Recyclable Mixture managed by the facility in Sacramento County that were not sent to a recycling facility for processing as scrap metal.

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(Disposal of Hazardous Waste at a Point Not Authorized) (Health & Saf. Code, § 25203)

- Plaintiff realleges paragraphs 1 through 31, inclusive.
- Health and Safety Code section 25203 prohibits the disposal of Hazardous Waste except at a disposal site or facility with a valid Hazardous Waste facilities permit or other grant of
- Strategic disposed or caused the disposal of Batteries that constituted Hazardous Waste originating from the facility in Sacramento County at unauthorized points. Strategic did so by sending the Batteries to landfills not authorized to accept Hazardous Wastes pursuant to Health and Safety Code section 25203. Unless enjoined by order of the Court, Strategic may or
- Each intentional disposal of Hazardous Waste at a point that is not authorized pursuant to the HWCL subjects Strategic to a civil penalty pursuant to Health and Safety Code section
- Each negligent disposal of Hazardous Waste at a point not authorized pursuant to the HWCL subjects Strategic to a civil penalty under Health and Safety Code section 25189,
- Each disposal of Hazardous Waste, at a point not authorized pursuant to the HWCL, subjects Strategic to a civil penalty under Health and Safety Code section 25189.2, subdivision
- Based on the foregoing, Plaintiff requests injunctive relief against Strategic pursuant to Health and Safety Code sections 25181 and 25184; and civil penalties against Strategic pursuant to Health and Safety Code section 25189, subdivision (c) and (d) or Health and Safety Code section 25189.2 (c), subject to the limitations of Health and Safety Code section 25189.2,

SECOND CAUSE OF ACTION

(Violation of Hazardous Waste Determination Requirement) (Cal. Code Regs., Tit. 22, §§ 66262.11 and 66260.200(c))

- 39. Plaintiff realleges paragraphs 1 through 31, inclusive.
- 40. On or before January 11, 2011, and continuing through April 11, 2017, Strategic failed to determine if a generated waste from its Sacramento facility was a Hazardous Waste as required by California Code of Regulations, title 22, sections 66262.11 and 66260.200, subdivision (c). Where such waste was hazardous, Strategic failed to handle the Hazardous Waste in accordance with the requirements of the HWCL and Title 22.
- 41. Strategic failed to determine if wastes generated and managed through its operations at the facility in Sacramento County are Hazardous Wastes, in violation of the Hazardous Waste determination requirement of the HWCL and California Code of Regulations, title 22, sections 66262.11 and 66260.200(c). Unless enjoined by order of the Court, Strategic may or will continue in the course of conduct as alleged herein.
- 42. Each intentional or negligent violation by Strategic of the Hazardous Waste determination requirement subjects Strategic to a civil penalty under Health and Safety Code section 25189, subdivision (b).
- 43. Each violation by Strategic of the Hazardous Waste determination requirement subjects Strategic to a civil penalty under Health and Safety Code section 25189.2, subdivision (b).
- 44. Based on the foregoing, Plaintiff requests injunctive relief against Strategic pursuant to Health and Safety Code sections 25181 and 25184; and civil penalties against Strategic pursuant to Health and Safety Code section 25189, subdivision (b) or Health and Safety Code section 25189.2, subdivision (b), subject to the limitations of Health and Safety Code section 25189.2, subdivision (f), as set forth in Plaintiff's prayer for relief.

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THIRD CAUSE OF ACTION

(Failure to Contain Hazardous Wastes to Prevent a Release to the Environment) (Cal. Code Regs., Tit. 22, § 66273.33(a))

- 45. Plaintiff realleges paragraphs 1 through 31 inclusive.
- 46. On May 12, 2015, at Strategic's Sacramento facility, Department staff observed Strategic accumulating waste Batteries in a trash pile on the ground in an unlabeled bunker that was not closed and protected from the elements. Strategic had been accumulating waste Batteries at its Sacramento facility in the same manner for at least five years prior to the May 12, 2015 inspection. By accumulating waste Batteries in this manner, Strategic failed to containerize the waste Batteries that could have resulted in the release of the toxic and hazardous constituents within the waste Batteries to the environment.
- 47. Each intentional or negligent violation by Strategic of the Hazardous Waste containerization requirements subjects Strategic to a civil penalty under Health and Safety Code section 25189, subdivision (b).
- 48. Each violation by Strategic of the Hazardous Waste containerization requirements subjects Strategic to a civil penalty under Health and Safety Code section 25189.2, subdivision (b).
- 49. Based on the foregoing, Plaintiff requests injunctive relief against Strategic pursuant to Health and Safety Code sections 25181 and 25184; and civil penalties against Strategic pursuant to Health and Safety Code section 25189, subdivision (b) or Health and Safety Code section 25189.2, subdivision (b), subject to the limitations of Health and Safety Code section 25189.2, subdivision (f), as set forth in Plaintiff's prayer for relief.

FOURTH CAUSE OF ACTION

(Accumulation of Waste Oil for Greater than 90 Days) (Cal. Code Regs., Tit. 22, § 66262.34(a))

- 50. Plaintiff realleges paragraphs 1 through 31, inclusive.
- 51. Strategic is a generator of Hazardous Waste as defined in California Code of Regulations, title 22, section 66260.10).

- 52. Generators of Hazardous Waste can not accumulate Hazardous Waste onsite without a permit or other authorization from the Department unless they meet the applicable requirements in California Code of Regulations, title 22, section 66262.34 (e.g., a large quantity generator may accumulate hazardous waste onsite for 90 days or less)
 - 53. Used oil, by law, must be managed as a Hazardous Waste.
- 54. On May 12, 2015, Department inspectors observed a 55-gallon container labeled as used oil. The container was marked with an accumulation start date of June 1, 2013. Therefore, as of that date, Strategic had been accumulating used oil onsite in this 55-gallon container for a total of 710 days. The used oil could not be accumulated onsite for longer than 270 days. The Department issued a Statement of Violation to Strategic for this violation. Strategic reported that it removed the barrel for disposal on May 26, 2015.
- 55. Each day of intentional or negligent violation by Strategic of the Hazardous Waste accumulation requirements subjects Strategic to a civil penalty under Health and Safety Code section 25189, subdivision (b).
- 56. Each day of violation by Strategic of the Hazardous Waste accumulation requirements subjects Strategic to a civil penalty under Health and Safety Code section 25189.2, subdivision (b).
- 57. Based on the foregoing, Plaintiff requests injunctive relief against Strategic pursuant to Health and Safety Code sections 25181 and 25184; and civil penalties against Strategic pursuant to Health and Safety Code section 25189, subdivision (b) or Health and Safety Code section 25189.2, subdivision (b), subject to the limitations of Health and Safety Code section 25189.2, subdivision (f), as set forth in Plaintiff's prayer for relief.

PRAYER FOR RELIEF

The People of the State of California, by and through the Department, request the following relief:

1. Judgment finding that Strategic has violated the HWCL and its implementing regulations as described in the First through Fourth Causes of Action;