

CLEAN STREETS - Ladysmith Public Works crews make quick work of removing snow from city streets on Wednesday, Feb.23, after a short, intense storm dumped about 8 inches the day before. The storm led officials to close schools the night before.

- News photo by Luke Klink



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Assembly passes bill to clean up e-waste mess left by 5R Processors

By Luke Klink

The Wisconsin Assembly last week passed a bill aimed at providing funding to clean up waste left by a now-defunct electronics recycler.

The State Assembly unanimously approved Assembly Bill (AB) 943 on a 96-0 vote during its floor session, Wednesday, Feb. 23.

This bill requires the DNR to contract with third parties to perform any necessary assessment, collection, transportation and disposal of cathode ray tube glass and related waste generated from activities undertaken by 5R Processors and located at properties in Rusk, Price or Washington counties that are not owned by 5R Processors or its successors.

The bill creates a new continuing appropriation of \$2.5 million from the segregated Environmental Management Account for this purpose. The balance in that account is projected to be \$33.8 million at the end of fiscal year 2022, and the expenditure of these funds will not impact the federal maintenance of effort requirements from the American Rescue Plan Act funds.

This waste is currently contained in several publicly and privately owned semi-trailers and warehouse facilities.

5R Processors was an electronics recycling company formerly based in Ladysmith. 5R was registered as a collector and recycler under E-cycle Wisconsin from 2010 until 2014, when questions began to arise about its handling of CRT glass. With the company out of business, any liability now belongs to the owner of the property where the waste is located.

"I am pleased to see this important legislation receive unanimous support in the Assembly," said Rep. Jim Edming (R-Glen Flora), who co-authored the bill with Representatives Rick Gundrum (R-Slinger) and Beth Meyers (D-Bayfield).

"While we would all like to see those who are responsible for this hazardous waste pay for the cost of the cleanup, they are likely to never have the money to do so. Unless the state steps in, the cost of this cleanup could fall to local governments and local taxpayers which they cannot afford," Edming said.

Investigations of 5R by the DNR and the U.S. Environmental Protection Agency discovered a great deal of illegal activity on the part of company, according to a statement released by Edming's office. The document cited the storing of hazardous waste at unpermitted facilities, transporting hazardous waste without the required manifest and concealing these violations from state regulators.

This led to the federal prosecution of several of he company's leaders by the U.S. Attorney for the Western District of Wisconsin, according to testimony by Edming at the Assembly Committee on State Affairs.

"While most of the legal matters surrounding 5R have been resolved, what remains is millions of pounds of electronic waste without a responsible party to clean it up," Edming testified. "Unless we do something it could fall to local governments and local taxpayers to clean this waste up which they cannot afford to do. That is the reason for this simple bill before you today." AB 943 directs the DNR to contract with a third party for the removal and proper disposal of this waste using not more than \$2.5 million in segregated funds from the environmental management account. At the end of fiscal year 2022, the balance in this account is projected to be \$33.8 million. It is also important to note that because segregated funds are being used there is no impact on the federal maintenance of effort requirements," Edming testified. AB 943 now advances to the State Senate for further consideration. A similar bill has been introduced in the Wisconsin State Senate by Senators Jerry Petrowski (R-Marathon), Robert Cowles (R-Green Bay), Janet Bewley (D-Mason) and Duey Stroebel (R-Saukville).

and transport hazardous waste without the required permits and manifests, in violation of the Resource Conservation and Recovery Act (RCRA). The former president of 5R was sentenced to 18 months in federal prison, but the colossal amount of waste still remains, including approximately 841,000 pounds in my district alone," Gundrum stated during testimony.

Gundrum stated he would prefer to see those responsible cover the cleanup cost of their failed conspiracy, but quoted U.S. District Judge William M. Conley in saying the former president of 5R, "does not have the economic resources to allow him to make full payment of restitution in the foreseeable future under any reasonable schedule of payments.'

5R Processors has no net assets, and there is no realistic possibility the restitution ordered in the criminal cases would be enough to address the sites in question, according to Brad Wolbert, Waste and Materials Management Program Director for the Wisconsin Department of Natural Resources.

"The department does not have an existing program that can pay for the removal of this material. The US Environmental Protection Agency has evaluated the sites and determined that they are not eligible for EPA-funded cleanup programs. Responsibility for removing these materials and ensuring the sites are safe from hazardous substances now lies with the current owners of the properties," Wolbert stated in written testimony on the bills.

"Cleaning up these properties would help to abate any environmental or public health concern and return the sites to productive use," Wolbert stated.

Money appropriated under this bill would go to private contractors performing the cleanup under DNR oversight. The amount in the bill is based on thirdparty contractor estimates compiled by the department as a part of the federal criminal investigation.

CRT glass contains significant amounts of lead and is considered hazardous waste. Before the advent of flat screen TVs and monitors that do not contain lead, crushed CRT glass had value as a recyclable item and could be sold to vendors. However, once the newer screen technology came online, CRTs lost all value and 5R had to pay money to downstream vendors to dispose of the leaded CRT glass.

5R's customers included large public and private entities. These customers paid 5R, through the manufacturer-takeback program, over \$9.6 million to recycle e-waste, including CRTs containing leaded glass.

5R used a de-manufacturing process where the electronic equipment was taken apart manually and the parts classified into commodities which could be

What is the Environmental Management Account?

The environmental management account receives revenues primarily from several state solid waste tipping fees paid by Wisconsin landfills for each ton of solid waste disposed in the landfill. State tipping fees total \$12.997 per ton, including \$9.64 deposited in the environmental management account, \$3.20 in the nonpoint account, and \$0.157 in other accounts. Several other environmental fees and revenues are also deposited in the environmental management account.

Under 2011 Wisconsin Act 32, revenues and most programs related to recycling were transferred to the environmental management account from the former recycling fund, which was eliminated.

The environmental management account provides funding for: (a) recycling financial assistance to local governments; (b) DNR administration of contaminated land, brownfields cleanup, and recycling programs, including staff in remediation and redevelopment, solid waste management, air management, groundwater management, and central administrative programs; (c) brownfields grant programs; (d) debt service costs for general obligation bonds issued for state-funded cleanup of contaminated land and sediment; (e) state-funded cleanup of contaminated properties where there is no responsible party able or willing to pay for the cleanup; (f) debt service costs for general obligation bonds issued under the former point source water pollution abatement grant program, which ended in 1990; (g) certain environmental and recycling programs in DATCP, and the Departments of Health Services and Military Affairs; and (h) remediation of specific sites using moneys received under courtapproved settlement agreements or orders (primarily for Fox River cleanup).

Solid waste is subject to Wisconsin tipping fees for each ton of solid waste disposed of in landfills, except for certain materials used for lining, daily cover, capping or constructing berms, dikes or roads within the facility, or waste subject to certain other statutory fee exemptions. Landfill operators pay the fees to DNR, and recover the cost of the fees from generators who dispose of waste at the landfill In the 2017-19 biennium, approximately 90% of revenues to the environmental management account (excluding certain sitespecific revenue) are anticipated to be received from the recycling, environmental repair, groundwater, and well compensation solid waste tipping fees.

"Thankfully, the individuals involved in this hazardous material shell game were charged with conspiracy to store

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The lead glass mostly from picture tubes is broken into pieces, stored in tote bags, in semi trailers and on warehouse floors, according to Petrowski. In some cases local governments have not received rent payments from 5R for years as the company went bankrupt about 5 years ago.

5R did not pay \$666,449 in rent and lease payments to Rusk County and Ladysmith, according to county officials. The county rented to 5R Processors starting in the late 1990s with payment issues beginning in 2009 and ending in 2014.

In West Bend, no taxes or assessments have been paid for the 5R Processors property since 2015, and there is \$133,180 in outstanding back taxes and charges, according to city officials there.

5R's owners and operators have been the subject of federal criminal prosecution for federal and state hazardous waste violations and other crimes.

They include Thomas Drake, who founded 5R in Wisconsin in 1988, Bonnie Dennee who started with 5R in 1997, Jim Moss who joined 5R in 2007 and Kevin Shibilski who is a former democratic Wisconsin State Senator who lives in Merrill and was indicted by a federal

grand jury in September 2020. Shibiolski's federal criminal case continues. He is also suing his former business partners in a civil case in circuit court.

A property owner paid \$1.1 million to clean up e-scrap abandoned by 5R Processors in Tennessee.

Petrowski said his office worked with the DNR to make this proposal as simple as possible for them to administer. He added he has looked at this issue for a long time, trying to find the best way forward.

"This is the best available solution to a very unfortunate situation and I'm hopeful that this will solve the problem and allow us to move forward," Petrowski said.

