



**Recycling Program
Enforcement Branch –
Quarterly Report**

April 19, 2016



OBJECTIVES

- To provide a level of transparency for compliance assurance & enforcement activities
- To highlight successful compliance assurance and enforcement activities by CalRecycle and our interagency partners
- To provide performance metrics associated with major functional areas



COMPLIANCE AND REVIEW SECTION

- 2 Staff Services Management Auditors in the Handling Fee Review Unit (HFRU) started on October 1, 2015.
- Completed transition/training of staff taking over the Handling Fee (HF) eligibility determination and HF payments.
- As the result of an RPEB investigation, 44 Handling Fee Applications (DR-14s) totaling \$262,000 were denied.



INVESTIGATIONS SECTION

- Gonzalo Rodriguez was sentenced in October, and received a three year split sentence of 14 months in custody and 22 months supervised release. He was also order to pay \$1.3 million in restitution under the white collar crime enhancement 12022.6(a)(3).
- Enforcement actions in Imperial County resulted in a 20% year to year decrease of recycling volumes.

A collage of recycled plastic bottles and a metal can lid. The background features several clear and green plastic bottles, some with their caps removed, and a blue metal can lid with a pull tab. The items are arranged in a way that suggests recycling and waste management.

INVESTIGATIONS SECTION

- Alco Iron and Metal made 2nd and final installment of settlement agreement in the amount of \$873,858.97 to CalRecycle.
- Industry notice mailed to all certified processors notifying them of intent to provide for Processor Oversight (November 2015).
- Both Processor Oversight and the Imported Material Unit fieldwork was initiated (December 2015)



DOJ & CHP ARRESTS

- DOJ – November 2, 2015
- Semi-truck w/trailer. Loose material.
 - Aluminum and Glass – 9,480 lbs.
 - Total CRV if illegally redeemed = **\$13,874**
- Vehicle impounded/materials seized. Driver charged with felony recycling fraud & attempted grand theft. Driver faces six months to three years in prison if convicted.



DOJ & CHP ARRESTS

- DOJ – January 15, 2016
- Semi-truck w/trailer. Loose material.
 - Aluminum - 6,622 lbs.
 - PET – 2,606 lbs.
 - Total CRV if illegally redeemed = **\$13,550**
- Vehicle impounded/materials seized. Driver charged with felony recycling fraud & attempted grand theft. Driver faces six months to three years in prison if convicted.





DOJ & CHP ARRESTS

- DOJ – February 17, 2016
- Semi-truck & trailer. Loose material.
 - Aluminum - 7,260 lbs.
 - PET – 3,360 lbs.
 - Total CRV if Illegally Redeemed = **\$15,464**
- Vehicle impounded/material seized. Driver charged with felony recycling fraud & attempted grand theft. 2nd arrest for trucking company – New Evolution Trucking





ACCUSATIONS

Accusations filed & served January – March 31, 2016:

| Participant Name | Date Filed | Amount Assessed |
|---|---------------|-----------------------|
| USA Waste of California, Inc. / dba. Sacramento Recycling & Transfer Station | 02/16/16 | \$3,953,330.26 |
| | TOTAL: | \$3,953,330.26 |



ACCUSATIONS

Accusations resolved as of March 31, 2016 ~ filed & served after CY 2013:

| Participant Name | Date Filed | Amount Assessed | Date Finalized | Resolution |
|------------------|------------|-----------------|----------------|--------------|
| C R & R, Inc. | 08/26/15 | \$200,704.00 | 01/21/16 | \$146,504.23 |
| | | | TOTAL: | \$146,504.23 |



ACCUSATIONS

Unresolved accusations as of March 31, 2016 ~ filed & served after CY 2013:

| Participant Name | Date Filed | Amount Assessed |
|--------------------------|----------------|------------------------|
| J & S Recycling | 02/07/13 | \$ 206,258.61 |
| USA Recycling | 04/24/13 | \$ 790,786.56 |
| Eagle Recycling | 07/29/14 | \$ 2,749,279.41 |
| Dougherty's Recycling | 06/14/15 | \$ 181,500.00 |
| Junior Recycling | 07/13/15 | \$ 661,000.00 |
| Enviro Recycling | 08/24/15 | \$ 1,749,881.00 |
| American Green Recycling | 08/26/15 | \$ 43,000.00 |
| PNL Recycling | 08/26/15 | \$ 2,065,289.00 |
| Valero Recycling | 09/30/15 | \$ 655,400.00 |
| Mejia's Recycling | 10/26/15 | \$ 517,066.72 |
| Jayden Recycling | 11/17/15 | \$ 713,228.12 |
| | TOTALS: | \$10,332,689.42 |



ACCUSATIONS

Unresolved accusations as of March 31, 2016 ~ filed & served before CY 2013:

| Participant Name | Date Filed | Amount Assessed |
|--------------------------|---------------|----------------------|
| Piccadilly Imports, Inc. | 12/22/08 | \$ 10,990.87 |
| Villanueva Recycling | 04/30/10 | \$ 149,434.94 |
| | TOTAL: | \$ 160,425.81 |



REGULATORY UPDATES

➤ Segregated Only Requirements

- Currently pending review the CalRecycle Legal Office

➤ Informal Regulatory Workshops

- Pre-Payment Controls held on December 8, 2015 in Sacramento and February 24th in Diamond Bar
- Final Informal Regulatory Workshop – May 25th in Diamond Bar



QUESTIONS ?