MEMORANDUM

DATE: April 11, 2008

SUBJECT: Inspection Report for Summit, Inc.
6901 West Chicago Avenue/Industrial Highway, Gary, Indiana 46406

FROM: Sue Rodenbeck Brauer
Sue Rodenbeck Brauer, RCRA Used Oil Expert
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THROUGH: Paul Little
Chief, CS-2

TO: Mary S. Setnicar
Acting Chief, CS-1

This memorandum is the report of my April 2, 2008 inspection of the Summit Inc. ("Summit") scrap yard at 6901 West Chicago Avenue, Gary, Indiana 46406 ("the facility") for compliance with used oil management standards for used oil generators. Mr. Spiros Bourgikos of CS-1, Mr. Ken Zolnierczyk of the Pesticides/Toxics Compliance Section, and I represented Region 5. Ms. Rosemary Cantwell and Mr. Dorel Hunt represented IDEM. The facility was represented by Mr. Peter Coulopoulos, facility General Manager, and David S. Green of ATC Associates, Inc. in Highland, his environmental consultant.

The inspectors held a pre-meeting at the Highlands, Indiana fire station and talked with William Timmer, Fire Chief. Mr. Timmer provided local fire fighting history. Ms. Cantwell and Mr. Hunt explained Indiana's mercury switch regulation and rebate program. Trunk and door mercury switches must be removed; the removal of anti-lock brake switches is optional due to the relative difficulty of removing those switches. Mr. Zolnierczyk explained that electrical capacitors must be removed from white goods pursuant to TSCA. Mr. Bourgikos had left a message, the afternoon of April 1, 2008, for the facility manager asking him to be present on the day of the inspection.

Summit is registered with the Indiana Bureau of Motor Vehicles as an Auto Salvage Facility. Summit Inc. has not notified for regulated waste activities under RCRA, but Internet searches using the street address after the inspection resulted in identification of Western Scrap Corporation, at the same Chicago Avenue address. An EPA ID number was provided on one webpage for Western Scrap Corporation, but could not be confirmed at EPA's website. Western Scrap Corporation advertised in the Gary yellow pages in the following categories: Wrecking & Demolition Contractors, Auto Dismantling & Recycling.

The inspectors drove to the facility in two vehicles. Mr. Coulopoulos arrived at the facility and greeted us as we approached the office door. Summit's consultant arrived

shortly thereafter. Mr. Green of ATS has consulted for Summit for four years and prepared a stormwater pollution prevention plan one to one and a half years ago. The inspectors displayed credentials, introduced themselves, and provided business cards. Mr. Bourgikos provided handouts. Mr. Green mentioned that soil and groundwater at the facility have been tested for PCBs, as part of a phase 2 assessment, and none were detected. Mr. Coulopoulos owns some of the facility land and is in the process of purchasing the rest from Constance Coulopoulos.

The exterior office door opened to a large room with a picture window which was opaque from outside. As Mr. Coulopoulos sat at his desk, the window was at his back. He called loudly (in a civil manner) for employees in separate rooms and they came to see what he wanted or needed. He is clearly the boss. Mr. Coulopoulos said that he chooses employees with families because they are more likely to be steady and reliable. Summit's 68 employees receive bonuses, health insurance, and retirement (not a 401k plan). He described his religious faith (Orthodox Catholicism), the ongoing Lent fast, and his devotion to his five children. Mr. Coulopoulos expressed his willingness to cooperate and asked the inspectors to point out problems and to suggest solutions during the inspection. He thinks that the EPA-industry relationship should not be adversarial. Throughout our time at the facility, Mr. Coulopoulos received calls on his cell phone, conducting business (e.g., regarding commodity prices) and asking some callers to call back later. The office building is obviously in poor condition, with water dripping from the ceiling in more than one location. From the outside, the flat, sloped roof rafters appear to be rotting. Mr. Coulopoulos said that he was quoted $40,000 for a new roof and decided to build a new, smaller building at $100 per square foot instead.

Summit is not a publicly traded company. Mr. Coulopoulos' parents were in the scrap business at this location when he graduated from [said high school but meant college] in 1976, and he estimates the company began operations in about 1970. Mr. Peter Coulopoulos began operating it in 2002. He told the inspectors that he will be 54 in 2008.

Summit deals in obsolete ferrous scrap, not industrial scrap. Summit does not intentionally receive electrical equipment, but some is received with ferrous material. The facility receives about 100 cars per day (5 days a week 8:00 to 4:30, ½ day Saturday irregularly) in various stages of disassembly and processes them for auto shredders who sell the steel to steel mills. Summit does not have eddy current equipment or a shredder on-site. Summit deals with Metal Management Midwest Inc (formerly Cozzi) or General Iron (and possibly Omnisource-notes are not clear) which have shredders. Cars are crushed for economy in transportation. A trailer can carry 9 uncrushed cars (13 tons) or 16 crushed cars (22 tons). Summit Inc. accumulates tires in a "little" pile for a few months, then loads them with a grapple hook into an "open top" for shipment to Elk Distributing. At the scrap processing shredder, cars with tires are worth $20.00 less. Some cars are received with tires inside.

Mr. Coulopoulos talked about Indiana's mercury switch bounty and whether it is worth the labor to remove the switches. According to him, Summit Inc. pulls the switches when

the cars are drained and puts the switches in a white bucket. The car titles are in the front office, and it would cost more than $3 to maintain a paper trail to identify from which car each switch was removed. Ms. Cantwell and Mr. Hunt arranged to provide information on the state law and an explanation of the program to the facility. According to Mr. Hunt, who checked with his office the inspection, IDEM modified the paper trail requirements in response to industry concerns like Mr. Coulopoulos expressed.

Summit Inc. receives scrap from street collectors and bales it. No steps are taken to remove capacitors. Mr. Zolnierczyk explained what capacitors are and usage in appliance (e.g., washing machines) starter motors. Mr. Coulopoulos opined that it was backwards to regulate PCBs and mercury at product end-of-life.

I requested copies of used oil manifests for calendar year 2008. Office staff provided manifests, invoices, and bills of lading.

The inspectors began to walk around the site, walking southeast along the Industrial Highway (northeast) side of the facility. The four out-of-service underground storage tanks (USTs), formerly used to store used oil and described by Sandy Siler in her report are between the office building and adjacent to the maintenance building, the first structure on the left. The access pipe of at least one UST is not capped. Summit plans to remove the USTs soon. Most vehicle maintenance is farmed out to Hammond Truck Wash and others. On-site maintenance activity includes fixing tail lights and changing tires. Oil, antifreeze, and lubricant (for semi tractors' fifth wheel) products were observed in the maintenance building. I did not observe any obvious hazardous waste management in the building. In the maintenance building, a large, elevated, centrally located firebox had been used as a wood fireplace.

Further southeast along Industrial Highway, there is a large cement pad with broken curbing on the northwest side (photo 13). Tires are piled between the fence and the cement pad. Two automobile crushers are on the pad. Crushed cars are stacked three high on a drip tray on the pad, and then removed. The pad is sloped toward the center, and the drain (estimated to have a diameter of less than 2 inches) to an oil-water separator is more than an inch above the pad floor. The crusher at the northwest end was being drained of hydraulic oil into a five gallon pail. The pail was not labeled "used oil." Additional pails with oily residue near the crusher were not labeled "used oil." The oil water separator struck me as undersized. It is about three feet long, consists of three compartments about one foot wide, and is of unknown depth. The oil water separator is releasing used oil outside the pad, to the environment (photo 14). I did not observe management (i.e., an onsite wastewater treatment process or NPDES permitted outfall) of any wastewater.

Further southeast along Industrial Highway and still on the pad, there are crushed cars stacked about six high and wrapped in clear plastic, then an area with plastic totes (about three feet by three feet by three feet with open tops) containing car batteries. The plastic tote is provided by the battery vendor, TNS (T & S?) Trading. The few (less than fifteen) mercury switches removed are in an unlabeled bucket and have not been separated from

associated electrical connections and light bulb bases. Next, there is a spike over a catch basin more than five feet above the pad so that a front-loader/fork lift can impale a car's gasoline tank on the spike, drain and collect the gasoline before crushing the car. A hose is fitted to the bottom of the basin and gasoline gravity drains to a horizontal tank (reportedly double-walled) with DOT labeling (flammable). This draining operation is sheltered by a three-sided shed. After draining the gasoline, the car is crushed. Additional automotive fluids (used crankcase oil, transmission fluid, and brake fluid) drain to the crusher pad and car trays on the pad.

To the southeast of the shed, a Beaver Oil Company truck was pumping oil from unlabeled drums. The driver, Steve (the name on his uniform), said that he usually serves the same customers on a fixed route. Steve had already pumped out 11 drums that were not labeled "used oil" and 19 unlabeled drums remained to be pumped (photos 13 & 15). Steve said that he could pump out multiple waste liquids if he had a truck with multiple compartments. On April 2, 2008 he was only pumping used oil. To tell whether an unlabelled drum contains used oil, he sticks the hose in the drum and lifts it out to observe the fluid characteristics (e.g., color, smell).

Further southeast, there was a second crusher and a horizontal gray tank used to store used oil from the crusher. The crusher hydraulic oil was draining into a five gallon bucket not labeled "used oil." Inside the metal containment (floor, 4 sides, and no top), there were at least four drums of used hydraulic oil. The containment was covered by a blue tarp which was weighted down with tires. The tank and drums are not labeled "used oil." Between the crusher pad and the fence, there was a pile of tires, and I observed a large puddle of greenish fluid with a sheen (see photo 16).

The facility is located in a wetland area, and the frogs were loud. The land surface slopes down to the southeast. I continued southeast through the scrap car yard to a pond and observed that it did not have an oil sheen (photo 17). I turned around and returned to the general area of the second crusher. The EPA and IDEM inspectors walked south between stacks of crushed cars with Mr. Coulopoulos and Mr. Green. Oil drips were visible on the muddy surface of the road. The road base consisted of large gravel, and mud oozed between the front loader tire sipes, leaving tracks. Oil and other fluids continue to drip from the crushed cars (photo 18). Slag is stockpiled for fill and road base. While walking to the scrap yard's southeast boundary (at railroad tracks), we heard what may have been a gunshot. Mr. Coulopoulos surmised it came from the yellow building across Industrial Highway.

The inspectors left Summit property to observe Mr. Coulopoulos' complaint regarding disposal of tarry tank bottoms. He talked about the facilities that neighbored Summit Inc. Conservation Chemical, a Superfund site (EPA contact Steve Faryan), was accessed through Summit Inc.'s property alongside the railroad tracks separating Summit Inc. from the Gary Airport. Luria Bros & Co Inc used to process metal turnings by burning off the oil, issuing clouds of black smoke, before returning the metal to the mills. Barry Refinery also was a neighbor. To the southwest of Summit Inc's entrance, there are wetlands where, according to Mr. Coulopoulos, City Service (on the west side of Cline

Avenue) piped tarry tank bottoms to dispose of them on the east side of Cline Avenue and west-southwest of Summit (see photo 19). He is upset that all industries are not being equally regulated.

Heading back toward the facility entrance, we observed a green scrap baler, orange Daewoo crane with a shear, and a yellow crane with a grapple hook handling scrap (photo 20). Outside the building west of the office and next to W. Chicago Avenue, scrap was being torch-cut. Gas cylinders were not secured (chained to a vertical support). Inside another building, workers were removing catalyst (containing platinum, rhodium, iridium) from automobile catalytic converters, using a hydraulic shear to cut through the shell, and sorting higher value scrap (alternators, starters, aluminum) into large corrugated cardboard boxes (roughly four feet cubed) on pallets.

The inspectors provided an exit interview.

- I advised the facility to label used oil tanks and containers. Mr. Coulopoulos verbally ordered the procurement of three 500 gallon double-walled tanks rather than drums for used oil and ordered that they be labeled. Earlier that day, he had stated that the stencils are on-site.
- I identified the leaking oil water separator as a problem. He called Dennis into the office and ordered a new oil/water separator.
- In light of the used oil being disposed to the land surface by way of drips from crushed vehicles (e.g., photo 18) and 70 % of crankcase used oil samples exhibiting a hazardous characteristic of toxicity (9/23/91 SNPR preamble—not cited during inspection), I told Mr. Coulopoulos to remove used oil from the vehicles before crushing them and recommended pumping it out. He said that it would be difficult in cold weather. Dennis thought a vacuum pump would work.

Mr. Coulopoulos or Dennis said that Jamie Witham[1] is working on an order for three 500 gallon double wall tanks on cradles ($5400) to eliminate use of 55 gallon drums. Mr. Coulopoulos said Summit would use the drums as secondary containment for containers (buckets) holding batteries.

Rosemary Cantwell informed Mr. Coulopoulos that the buckets should contain fewer than 450 mercury switches so that the weight of mercury would be less than one pound, putting the containers in a different category of DOT regulation than containers holding over one pound of mercury. In addition, Rosemary informed Mr. Coulopoulos that IDEM limits the accumulation time for tires without rims to 30 days.

The inspection ended at 2:30 PM Chicago time. The EPA inspectors returned to the office directly.

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[1] Could be Witham Sales & Service Inc [Witham's Service], 6435 S Howard Ave, Hammond, IN 46320-2773, (219) 932-0352; Also Does Business As: Witham's Service; SIC: Gasoline Service Stations; Line of Business: Gasoline Service Station Retail Fuel Oil Dealer Petroleum Bulk Station Retail Tobacco Products Retail Groceries. www.manta.com/coms2/dnbcompany_w1yfg, accessed 4/7/08.

Used Oil Regulatory Review – Indiana Administrative Code (IAC) Checklist
329 IAC Article 13. Used Oil Management

Rule 4. Used Oil Generators
329 IAC 13-4-1 Applicability
Authority: IC 13-14-8-1; IC 13-14-8-2; IC 13-19-3
Affected: IC 13-11-2; IC 13-14; IC 13-19; IC 13-20; IC 13-22; IC 13-23; IC 13-30
Sec. 1. (a) Except as provided in this section, this rule applies to all used oil generators. A used oil generator is any person, by site, whose act or process produces used oil or whose act first causes used oil to become subject to regulation. This rule does not apply to the following:
(1) Household do-it-yourselfer used oil generators are not subject to regulation under this article. NA
(2) Vessels at sea or at port are not subject to this rule. For purposes of this rule, used oil produced on vessels from normal shipboard operations is considered to be generated at the time it is transported ashore. The owner or operator of the vessel and the person or persons removing or accepting used oil from the vessel are co-generators of the used oil and are both responsible for managing the waste in compliance with this rule once the used oil is transported ashore. The co-generators may decide among them which party will fulfill the requirements of this rule. NA
(3) Mixtures of used oil and diesel fuel mixed by the generator of the used oil for use in the generator's own vehicles are not subject to this article once the used oil and diesel fuel have been mixed. Prior to mixing, the used oil fuel is subject to the requirements of this rule. NA
(4) Farmers who generate an average of twenty-five (25) gallons per month or less of used oil from vehicles or machinery used on the farm in a calendar year are not subject to the requirements of this article. NA
(b) Used oil generators who conduct the following activities are subject to the requirements of other applicable provisions of this article: NA
(1) Generators who transport used oil, except under the self-transport provisions of section 5(1) and 5(2) of this rule, must also comply with 329 IAC 13-6.
(2) Except as provided in subdivision (3), generators who process or re-refine used oil must also comply with 329 IAC 13-7.
(3) Generators who perform any of the following activities are not processors provided that the used oil is generated on-site and is not being sent off-site to a burner of on-specification or off-specification used oil fuel:
(A) Filtering, cleaning, or otherwise reconditioning used oil before returning it for reuse by the generator. NA
(B) Separating used oil from wastewater generated on-site to make the wastewater acceptable for discharge or reuse under Section 402 or 307(b) of the Clean Water Act or other applicable federal or state regulations governing the management or discharge of wastewaters. **Obtain stormwater permit.**
(C) Using oil mist collectors to remove small droplets of used oil from in-plant air to make plant air suitable for continued recirculation. NA
(D) Draining or otherwise removing used oil from materials containing or otherwise contaminated with used oil in order to remove excessive oil to the extent possible under 329 IAC 13-3-1(c). NA
(E) Filtering, separating, or otherwise reconditioning used oil before burning it in a space heater under section 4 of this rule. NA
(4) Generators who burn off-specification used oil for energy recovery, except under the on-site space heater provisions of section 4 of this rule, must also comply with 329 IAC 13-8. NA
(5) Generators who direct shipments of off-specification used oil from their facility to a used oil burner or first claim that used oil that is to be burned for energy recovery meets the used oil fuel specifications set forth in 329 IAC 13-3-2 must also comply with 329 IAC 13-9. Applicable
(6) Generators who dispose of used oil must also comply with 329 IAC 13-10. See comments below.
(Solid Waste Management Board; 329 IAC 13-4-1; filed Feb 3, 1997, 9:15 a.m.: 20 IR 1496; readopted filed Jan 10, 2001, 3:25 p.m.: 24 IR 1535)
329 IAC 13-4-2 Hazardous waste mixing
Authority: IC 13-14-8-1; IC 13-14-8-2; IC 13-19-3
Affected: IC 13-11-2; IC 13-14; IC 13-19; IC 13-20; IC 13-22; IC 13-23; IC 13-30