

E-SCRAP NEWS

Sacramento Bee shines spotlight on CA e-scrap program

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This past Sunday's *Sacramento Bee* featured a [series of articles](#) looking into California's e-scrap collection program and found it wanting, though program administrators say that some of the charges in the investigation are simply untrue.

The articles delve into the program set up by the 2003 passage of [Senate Bill 20](#), which created the nation's first, and still only, e-scrap recycling program funded by consumer paid advanced recovery fees (ARF) on new purchases of covered electronics. The central question of the story seems to be whether or not California should scuttle its singular ARF-based program and follow the 22 subsequent states that have passed e-scrap bills that require electronics manufacturers to be responsible for the equipment they produce. Certainly, that is the subject of [editorials across the Golden State](#) in response to the articles.

The main story calls the California program a "magnet for fraud totaling tens of millions of dollars," with collectors gathering e-scrap from within the state — per the law — and, illegally, outside of the state, and selling the equipment to processors. The state program then pays the processors for recycling the collected material. Unless the provenance of the equipment is unclear, in which case the state rejects the claims.

The story in the *Bee* credited the state for stopping \$23 million in false claims; however, it also stated that the Golden State e-scrap program has been the victim of fraud, to the tune of as much as \$30 million, an assertion refuted by the manager of the state e-scrap program.

There is "unfortunate (and repeated) speculation reported by the *Bee* regarding the amount of e-waste 'fraud' that goes undetected," says Jeff Hunts, manager of California's Electronic Waste Recycling Program, CalRecycle, in an e-mail to *E-Scrap News*. The full e-mail response to the article can be found at the bottom of this story.

"Several recyclers fell victim to, or were careless in dealing with, collectors that provided false source documentation," says Hunts. "And, if the documentation is not provided, the claims are not validated and payment is not made."

Unfortunately, for processors, the claims on collected materials are already processed by the time the claims are rejected. And, as the article and Hunts' e-mail notes, that can hurt a company's bottom line.

"We recycled all the materials we got from collectors," said Steve Skurnac, president of Sims Recycling Solutions, to *E-Scrap News*. "But, we also stopped picking up from some [collectors] because of the rejections that came in July 2009."

"It takes a long time to be denied a claim," says Skurnac. "We had claims in September of 2008 outstanding before being denied in July 2009."

"Is it time for California to follow the 22 other states who hold manufacturers responsible for their e-waste programs?" asks the Electronics TakeBack Coalition on its Facebook page, while re-use advocate and WR3A founder Robin Ingenthron exhorts California to "[Legalize Exports, Dudes](#)" on his *Good Point Ideas Blog*. What is not known, at press time, is whether the pressure brought on by the ongoing controversy from the articles will have any effect other than keeping the editorial pages full.

What follows is the full response by Jeff Hunts, manager of California's Electronic Waste Recycling Program, Department of Resources Recycling and Recovery (CalRecycle):

"We believe CalRecycle has done an excellent job in detecting and denying payment on non-compliant claims. The department's insistence on compliant and valid claims, since the start of the e-waste program in 2005, has protected \$22.6 million in public funds, maintained a fairer business environment and contributed to the overall protection of California's natural resources. CalRecycle continues to protect public funds by denying payment when warranted.

There is no basis for the unfortunate (and repeated) speculation reported by the Bee regarding the amount of e-waste "fraud" that goes undetected. CalRecycle continues to work with its sister agencies at the local, state and federal levels to demand compliance from those engaged in hazardous electronic waste management; to further investigate instances of non-compliance; and to ensure there are consequences for those that do not play by the rules.

California's e-waste industry did experience a period of rapid growth through 2008. During that time, some entities that were not authorized to handle hazardous electronic waste, nor versed in regulatory requirements, attempted to participate. As a result, several recyclers fell victim to, or were careless in dealing with, collectors that provided false source documentation. They paid the economic price through payment denials, and some are no longer in business.

CalRecycle recognizes that it is the California e-waste recycling industry itself that provides the services paid for through the State's landmark program. This partnership has recycled nearly 850 million pounds of discarded televisions and monitors in just over five years. We remain committed to working with all program stakeholders to ensure high levels of public service, fiscal responsibility, regulatory compliance, and environmental protection."