

Evidentiary Report of e-Stewards® Violation

Total Reclaim

May 3, 2016

Case Number: 01-15-16-01

Observation Locations: Pathway revealed by GPS tracking technology, Hong Kong's New Territories

Dates of Observations: May 5, 2015 – May 2, 2016

Appendices: Tracker log extracts from GPS electronic tracking devices, key photographs

Sections of e-Stewards Standard and Critical Non-Conformity (CNC) Policy potentially violated:

Section	Requirements	Findings	Likely Class of Non-Conformity
<p>Standard: 4.4.6.7 (a) Export and Import Controls, and</p> <p>CNC Policy: Definition 5.3.4.1 a.</p>	<p>“The Organization shall not allow PCMs and/or HEWs to be exported, directly or indirectly, except as stipulated in 4.3.2.1”</p> <p>“Willful violation of the import/export provision of the Standard such that hazardous electronic waste is export from a member country of the OECD or EU and Liechtenstein and imported into any country outside of that group.”</p>	<p>GPS tracking results indicated that Hazardous e-Waste (HEWs) that came into the control of Total Reclaim were exported by Total Reclaim to Hong Kong. A follow up investigation in Hong Kong at locations where the trackers ended up revealed many Gaylords with Total Reclaim and potentially some of their customers named on the labels on the boxes. These visited facility operators stated on camera that they only import whole equipment and especially LCD monitors.</p>	<p>Critical</p>
<p>CNC Policy: Definitions of possible critical nonconformities: 5.3.4.2 b.</p>	<p>“The following activities are also deemed to be Critical Non-Conformities should they take place at any time in the past 5 years of continuous ownership from the date of contracting a Certifying Body by a licensed or prospective e-Stewards Recycler, its owner or individuals on their executive team:</p> <p>...b. Actions which, as judged by the Executive Director of BAN to have, or may, seriously endanger the credibility and viability of BAN or the e-Stewards program.”</p>	<p>Any certified e-Stewards Recycler who willfully deceives its customers and certification body brings harm to the credibility of the certification program.</p> <p>But Total Reclaim (TR) in particular, being in BAN's hometown of Seattle, has been featured by BAN in films and reports, and has been recommended by BAN to journalists, promoted by BAN in speaking engagements, etc., all as a responsible recycler of high integrity.</p> <p>Now, with evidence of critical nonconformities (e.g. export to developing countries) TR not only brings disrepute to their own business, but also to BAN, the entire certification program, and all certification programs.</p>	<p>Critical</p>

<p>CNC Policy: Definitions of possible critical nonconformities: 5.3.4.2 c.</p>	<p>“The following activities are also deemed to be Critical Non-Conformities should they take place at any time in the past 5 years of continuous ownership from the date of contracting a Certifying Body by a licensed or prospective e-Stewards Recycler, its owner or individuals on their executive team: ...c. Repeated (2 times in the course of 5 years) instances of dishonesty or misrepresentation to customers, government officials, and auditors, Certifying Bodies or BAN staff, as determine by the BAN Executive Director.”</p>	<p>In early discussions with the e-Stewards program administrators, Total Reclaim created a false story about the trackers coming apart from the LCDs while knowing that Total Reclaim’s LCDs were in fact exported whole to Hong Kong. Only after they found out that PBS and BAN had photographed and documented TR’s Gaylords in HK informal recycling operations did they decide to admit the truth.</p>	<p>Critical</p>
<p>Standard: APPENDIX B: ADMINISTRATIVE REQUIREMENTS FOR e-STEWARDS ORGANIZATIONS Letters b), c) 1, f), and all applicable requirements of the management system that apply to Ancillary Sites</p> <p>DEFINITION of Ancillary Sites: Locations or operations owned, leased, or Controlled by the Organization, other than Recycling facilities, which serve as sites for collection, receiving, sorting, consolidating, warehousing, storing, cross-docking, administration, retailing, wholesaling, and/or web-based selling of Electronic Equipment, and any other activities not covered by the term Recycling but involving management of Electronic Equipment.</p>	<p>b) “Ancillary Sites: When an Organization owns or Controls Ancillary Sites (e.g., collection sites, warehouses, or other non-Processing sites), each Ancillary Site shall be included in the scope of the Environmental Management System of the associated Recycling facility...”</p> <p>“The certified e-Stewards Organization shall assure through its internal processes that the applicable elements of the environmental health and safety management system have been implemented at each Ancillary Site.”</p> <p>“When auditing a Recycling facility, the CB shall confirm that the applicable elements of the Standard are implemented and maintained as they apply to corresponding Ancillary Sites, including but not necessarily limited to internal auditing, material balance accounting, safety training, and downstream accountability.”</p> <p>“c) ...When completing the application, the CB will request and the applicant shall provide information necessary to properly document and determine the required time to conduct the certification audits, including information as follows:</p> <p>1. Has applicant disclosed all Recycling facilities and all Ancillary Sites that are located within the country?”</p>	<p>Total Reclaim utilized the McKinney trailer yard in Portland, Oregon as a storage area for e-waste. The tracker-tagged LCDs were stored there for many months on both occasions (see Appendix 1) without reporting them to their e-Stewards certification body as an Ancillary Site, a required in the Standard.</p> <p>Likewise, the yard on Harbor Island was used as a staging area (leased from the Port of Seattle) without informing the CB.</p>	<p>To be determined by CB (major or minor non-conformity)</p>

Case Description:

As part of BAN's E-Trash Transparency Project, a broken, non-repairable LCD flat panel monitor with cable cut and an imbedded GPS tracker was dropped at each of the following recycler facilities in the Portland, Oregon area: Recology Oregon Material Recovery (ROMR) and EcoBinary. Both of these LCDs were of the type containing CCFL back-lights that use mercury phosphors. Such tubes, as well as the circuit boards inside of this equipment, qualified the broken monitors as hazardous electronic waste (HEWs) under the e-Stewards Standard, disallowing them to go from a developed to a developing country for any reason.

Records indicate that both broken LCDs monitors made their way to Total Reclaim (TR) Portland, both were stored off site for many months at a logistics company truck trailer yard, and yet this site was not listed as an ancillary site by TR. Then both made their way (separately) to Seattle, where TR exported the two LCD monitors to Hong Kong in two separate shipments from the Port of Seattle.

The LCD dropped at ROMR was deployed on May 5, 2015 (see Appendix 1). It then went directly to TR Portland on May 11 and stayed there for 5 days before moving to a McKinney Trucking trailer storage area, where it was stored for about five months before being trucked to Seattle. In Seattle, it went to a Total Reclaim trailer storage area on Harbor Island on October 12 before moving to the SODO area of Seattle on November 10, subsequently travelling to South Seattle on November 20 before moving back to Harbor Island on November 27. It was then exported from Seattle on December 4, finally arriving in Hong Kong on January 3.

The EcoBinary LCD was deployed on May 7, 2015 (see Appendix 1). On June 17, it went to the McKinney Truck trailer storage area and stayed there until September 29, when it was moved to the TR Portland facility. The very next day it was trucked north to the Total Reclaim trailer storage area at Harbor Island in Seattle where it stayed until around October 10 before going to the TR facility in the SODO area of Seattle. It sailed approximately October 26, reporting in Hong Kong on November 29, 2015.

After confirming all of the above, BAN staff Jim Puckett and Sarah Westervelt confronted co-owner Craig Lorch in a face-to-face meeting with the evidence of both trackers. At this meeting, Craig did not deny the violation. A few days later a second meeting was called, this time with Craig and his business partner, Jeff Zirkle. At this second meeting they put forth an 'explanation' of why two trackers placed in non-repairable LCDs may have ended up in Hong Kong in legal exports by Total Reclaim to Hong Kong. BAN was not convinced by this explanation and asked for shipping documents and further information, which also proved inconclusive while raising more questions.

Soon thereafter, BAN weighed the possibility of a Hong Kong investigation to directly examine the facilities at the end points of the two trackers. BAN traveled to Hong Kong with the Public Broadcasting Service (PBS) to create a documentary news story on BAN's overall e-Trash Transparency Project, and BAN used the occasion to quietly (not initially revealing to PBS) the locations where the TR trackers went in Hong Kong.

BAN visited three locations that gave precise GPS readings from TR's two exported trackers.

The first location possessed volumes of material in Gaylords labeled with Total Reclaim's and possibly their customers' names on the labels. These were all observed and photographed by the PBS documentary team. What took place at this first location while we were there was the dismantling of high-end LED-lit LCD monitor flat panels, some for eventual resale. The tracker-enabled record showed that TR's first LCD monitor did not stay at that location but moved from there to another location nearby, which we also visited and where we conducted significant interviews. We found more Gaylords of TR's material there. The primitive process utilized there relied on mainland Chinese

laborers who spent all day opening the CCFL-type LCDs, smashing them apart, and throwing the aluminum, plastic and circuitry into different piles or Gaylords, all in outdoor recycling operations.

The pile of smashed metal on the ground below the workstation contained significant quantities of broken CCFLs. No precautions were taken with these mercury-laden tubes, inevitably releasing mercury into the ecosystem and workplace there.

The third location was similar to the second: very small and highly polluting, utilizing illegal laborers who ran away when we approached with cameras, finally returning to explain their work. Broken CCFLs were again found in evidence.

We possess extensive photo and video documentation of this evidence, as does PBS. But we will not present this evidence in further detail in this Evidentiary Report because, after this new evidence was presented from our trip to Hong Kong, and including the knowledge that PBS had the same evidence, Total Reclaim fully admitted to the findings of the trackers and stated that indeed shipments of whole LCDs had been sent by Total Reclaim to Hong Kong.

Although BAN requested information from Total Reclaim about how long they have been exporting LCD screens or other hazardous wastes in violation of the Standard, as well as the total number of containers that were exported, Total Reclaim refused to provide this information.

They further explained that the purpose of using the Mckinney Truck Trailers in the Portland yard was storage of trailers of material prior to receiving and invoicing or prior to shipment to Seattle for processing or disposition and they had been using it seasonally for one year. They said they were unaware that seasonal storage of e-waste at secure trailer yards such as the Mckinney site in Portland and the Harbor Island site in Seattle was considered an Ancillary Site under e-Stewards definitions.

Determination:

Based on the above findings of fact, agreed upon by Total Reclaim and by BAN, Total Reclaim's e-Stewards certificate has been withdrawn for 2 years, effective May 3, 2016. Based on the e-Stewards' Critical Non-Conformity Policy, after the two year period, should they wish to once again be an e-Stewards Certified Recycler, Total Reclaim will need to complete new certification or recertification audits conducted by their certification body, and obtain the expressed approval of BAN's executive director in order to be reinstated.

Statement from Total Reclaim:

Total Reclaim has made a public [statement](#) about this matter.

Appendix 1

Below are extracts from our GPS tracker logs. The first column refers to date of GPS reading, second column is time of reading, third column provides latitude and longitude reported by the tracker, and the fourth column indicates an address of GPS reading, where available.

For the purposes of this Evidentiary Report, only GPS readings are considered reliable for determining exact locations. These GPS readings are highlighted in yellow highlight below, and are Google's attempts to assign a street address to the GPS reading, but this can be approximate only and may change at times. Where there is no address provided in the chart (not highlighted in yellow), this indicates receipt of the cell tower's location (via which the device was communicating). This data only gives BAN an approximate location of the actual tracker. Therefore, these cell tower data points are not considered evidence for the purposes of determining who was holding the e-waste, but are evidence of movement, including transboundary movement (e.g. to Hong Kong)."

Tracker delivered to Recology Oregon Material Recovery (ROMR)

LCD Delivered to ROMR in Portland on May 5, 2015

2015/05/06	13:37:26	45.61535/-122.68004	
2015/05/07	13:38:29	45.61535/-122.68004	
2015/05/08	13:39:32	45.61536/-122.68004	
2015/05/09	13:40:35	45.59979/-122.73763	
2015/05/10	13:41:38	45.59980/-122.73767	

Moved to Total Reclaim Portland May 11

2015/05/11	13:42:14	45.57214/-122.60144	6800 Northeast 59th Place, Portland, OR 97218, USA
2015/05/12	13:43:16	45.56702/-122.61508	
2015/05/13	13:44:05	45.57077/-122.60233	6633 Northeast 59th Place, Portland, OR 97218, USA
2015/05/14	13:45:07	45.56702/-122.61508	
2015/05/15	13:46:10	45.56702/-122.61508	
2015/05/16	13:47:08	45.57042/-122.60236	6539 Northeast 59th Place, Portland, OR 97218, USA

Moved to Mckinney Trailer Rentals in Portland on May 16

2015/07/06	14:39:23	45.56210/-122.53803	5445 Northeast 122nd Avenue, Portland, OR 97230, USA
2015/07/07	14:40:05	45.56209/-122.53805	5445 Northeast 122nd Avenue, Portland, OR 97230, USA
2015/07/08	14:39:59	45.56198/-122.53816	5445 Northeast 122nd Avenue, Portland, OR 97230, USA
2015/07/09	14:40:05	45.56189/-122.53798	5445 Northeast 122nd Avenue, Portland, OR 97230, USA
2015/07/10	14:40:05	45.56188/-122.53795	5445 Northeast 122nd Avenue, Portland, OR 97230, USA

Trucked to Harbor Island (Port of Seattle), where Total Reclaim has leased space, October 12 (Google Earth Street View actually shows Total Reclaim Trucks there – see Appendix 3)

2015/10/13	16:10:31	47.57859/-122.35648	10 16th Ave SW, Seattle, WA 98134, USA
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Traveled to Seattle/SODO area around November 10 (TR has main facility in SODO, but in this case we receive only cell ID)

2015/11/11	15:39:37	47.60255/-122.31734	
2015/11/12	15:40:40	47.60254/-122.31734	
2015/11/13	15:41:33	47.58541/-122.33338	

And then to South Seattle on November 20

2015/11/20	15:49:01	47.55659/-122.32120	
2015/11/21	15:50:05	47.55659/-122.32120	
2015/11/22	15:51:08	47.55659/-122.32120	
2015/11/23	15:52:12	47.55659/-122.32120	
2015/11/24	15:53:15	47.55659/-122.32120	
2015/11/25	15:54:09	47.55659/-122.32120	
2015/11/26	15:55:12	47.55659/-122.32120	

Back to Port of Seattle are November 27

2015/11/27	15:56:15	47.60674/-122.34033	
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Sailed from Seattle on December 4th

2015/12/04	16:03:38	48.02273/-122.56205	
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Arrived in Port of Hong Kong January 3

2016/01/03	16:35:33	22.33166/114.11754	
2016/01/04	16:36:28	22.33166/114.11754	
2016/01/05	16:37:31	22.33166/114.11754	
2016/01/06	16:38:34	22.33166/114.11754	
2016/01/07	16:39:36	22.52718/114.14872	

Subsequently, tracker moved to a New Territories, Hong Kong site visited and documented by BAN.

Tracker delivered to EcoBinary

Deployed at EcoBinary, Beaverton, Oregon site on May 7, 2015

2015/05/07	15:09:04	45.46016/-122.78833	8240 Southwest Nimbus Avenue, Beaverton, OR 97008, USA
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Moved to the McKinney trailer yard by June 17

2015/06/17	15:49:59	45.56183/-122.53810	5445 Northeast 122nd Avenue, Portland, OR 97230, USA
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Stayed there until September 29

2015/09/23	16:31:05	45.56166/-122.53787	5445 NE 122nd Ave, Portland, OR 97230, USA
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Went to TR in Portland by September 30

2015/09/30	16:35:31	45.57049/-122.60247	6539 NE 59th Pl, Portland, OR 97218, USA
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Very next day it moved to Seattle, to site where Total Reclaim has leased space at Harbor Island near the Port

2015/10/01	16:36:06	47.57775/-122.35586	10 16th Ave SW, Seattle, WA 98134, USA
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Moved to Total Reclaim's Seattle/Sodo facility

2015/10/10	16:41:53	47.58443/-122.32553	1950 6th Ave S, Seattle, WA 98134, USA
2015/10/11	16:42:35	47.58365/-122.32528	S Walker St, Seattle, WA 98134, USA
2015/10/12	16:43:37	47.58390/-122.32848	
2015/10/13	16:44:41	47.58390/-122.32848	
2015/10/14	16:45:44	47.58542/-122.33346	
2015/10/15	16:46:46	47.58542/-122.33346	
2015/10/16	16:47:50	47.58391/-122.32847	
2015/10/17	16:48:54	47.58391/-122.32847	
2015/10/18	16:49:57	47.58391/-122.32847	
2015/10/19	16:51:00	47.58391/-122.32847	

Went to Port of Seattle and sailed

2015/10/23	16:55:14	47.59904/-122.32917	
2015/10/24	16:56:18	47.60080/-122.33642	
2015/10/25	16:57:22	47.60080/-122.33642	
2015/10/26	16:58:26	47.60080/-122.33642	

Arrived in Hong Kong on November 22

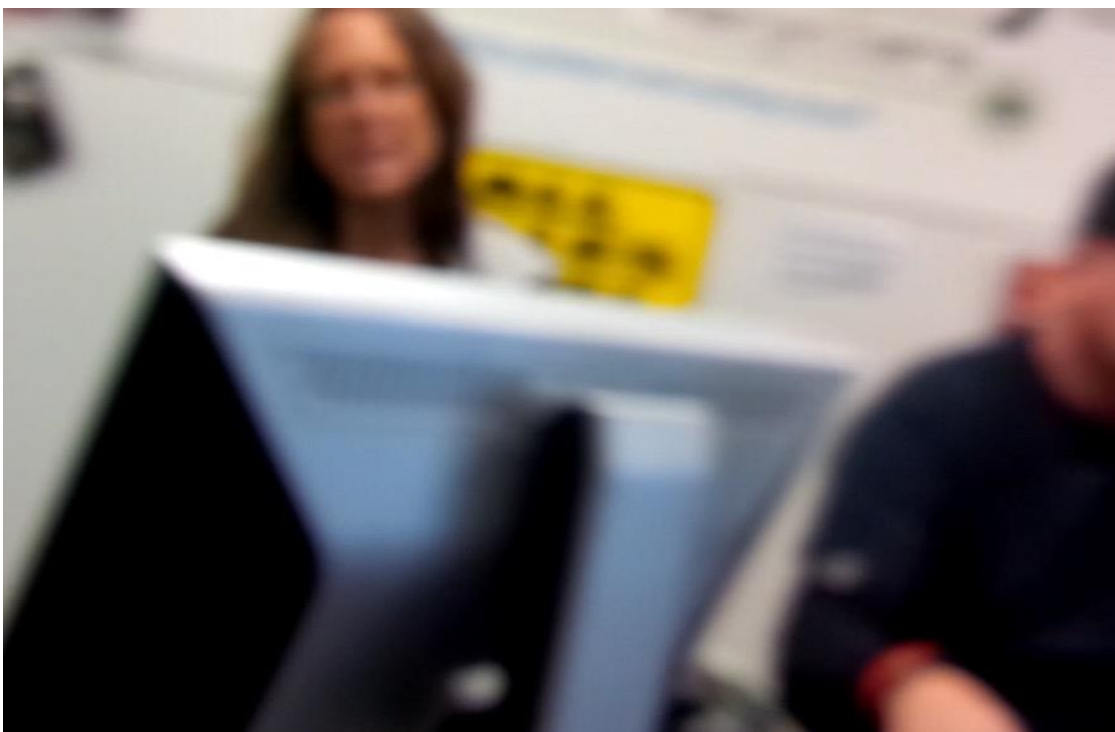
2015/11/22	16:46:46	22.33172/114.11380	
2015/11/23	16:47:49	22.33507/114.11394	
2015/11/24	16:48:52	22.34404/114.12473	

Tracker subsequently moved to New Territories, Hong Kong site visited and documented by BAN.

Appendix 2



Tracker-enabled LCD being received at ROMR. Copyright BAN. May 2015.



Tracker-enabled LCD being received at EcoBinary

Copyright BAN. May 2015.



Google Earth view of McKinney Trucking yard in Portland, OR, where LCDs were stored for many months before moving to Seattle to be exported. Yellow Push Pin marker on precise GPS reading. Screen shot made on April 26, 2016.



Port of Seattle location on Harbor Island where material arrived from Portland and before export to

Hong Kong. Latitude and Longitude: 47.57859/-122.35648. This Google Street view has pictures of Total Reclaim trucks. Screen shot made April 26, 2016.



One of the TR-related labels found on Gaylord box in Hong Kong. Total Reclaim states that boxes originating in one location get reused many times, sometimes with original labels still intact, and may or may not accurately reflect customer information. Copyright BAN. March 2016.



Label on one of the Gaylord boxes from Total Reclaim found in informal electronics recycling operation in Hong Kong. Copyright BAN. March 2016.



One of three locations BAN visited where the LCD tracker from Total Reclaim ended up and was presumably processed. Many CCFL tubes were broken and tossed into this pile. Copyright BAN. March 2016.