

Madigan files lawsuit against Koch brothers' firm

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The Illinois Attorney General's office filed a lawsuit Monday against KCBX Terminal Co. of Chicago, for allegedly releasing pet coke on the city's far Southeast side.

The suit was filed in Cook County Circuit Court.

Natalie Bauer, spokeswoman for Illinois Attorney General Lisa Madigan, says the lawsuit is intended to get KCBX to keep the dust-like substance from flying into homes and businesses around the Calumet River.

"The piles of refinery waste at this site are growing by the day without the appropriate protections to ensure nearby residents' health and safety," Madigan said in a written statement. "It's critical that KCBX quickly installs safeguards to protect the surrounding community."

KCBX Terminals is a subsidiary of Koch Industries. The attorney general's lawsuit was filed on behalf of the Illinois Environmental Protection Agency, which is investigating KCBX and other firms with ties to the company.

The company is contracted by oil giant British Petroleum to store tons of pet coke, a by-product from refining crude oil. Pet coke, short for petroleum coke, is often used as a low cost fuel in overseas markets.

BP trucks in the pet coke from its refinery in Whiting, Indiana, a short distance from the Southeast side.

According to the lawsuit, the company receives coal by rail, truck, barge or vessel and stores it in large, uncovered piles on its 90 acre property.

The coal is believed to be coming from local steel manufacturers. The pet coke and coal ash is virtually indistinguishable from each other but is very ash-like and can float into the air.

Between December 2012 and last August, KCBX had six 35-foot high water sprinklers to control dust in the southwest portion of the site and one 8,000 gallon water truck to control dust from the pet coke. The attorney general alleges that KCBX "threatened or caused" emission of dust from the pet coke and coal piles due to unloading and loading of the substance.

On Aug. 30, "a visible cloud of black dust from the petroleum coke and coal located at the site was observed off-site blowing into the surrounding residential neighborhood," the lawsuit states. The dust, also known as particulate matter, can get into people's eyes, can be inhaled and threatens human health. The lawsuit orders KCBX to undertake all necessary corrective action to prevent the release of the dust.

The attorney general says KCBX could be subjected to civil penalties of \$50,000 for each violation of pollution laws and an additional penalty of \$10,000 a day for each violation.

KCBX declined comment on the lawsuit filed by Madigan's office but referred to its original statement from last month when residents began to complain about the dust.

"KCBX Terminals Co. has handled various bulk products, including pet coke, in Chicago for more than 20 year," the statement said. "In December of 2012, KCBX acquired the Chicago Fuels Terminal from DTE Energy Co. We are in the final stages of constructing more than \$10 million in upgrades, including improvements to the dust suppression capabilities. KCBX puts a priority on regulatory compliance and managing operations in a manner that protects the health and safety of employees, the community, and the environment

The Attorney General's lawsuit comes on the heels of four Southeast side families filing a lawsuit against KCBX and several other defendants who are owned by Koch Industries or are assisting KCBX with the handling of the pet coke and coal.

In addition, the Illinois Environmental Protection Agency filed a complaint last week against Beemsterboer for failing to cover its own piles of ash and for not filing necessary reports with the state.

Beemsterboer is based in Hammond, Indiana and has been in business for 70 years, mostly handling steel slag, another byproduct in the steelmaking process that is often used in concrete.

Beemsterboer officials have not responded to repeated attempts for comment.