

Quality, Environmental, Health and Safety  
Compliance and System QEHSMS Audit in  
Response to:

Washington State Preferred Performance  
Measures for Direct Processors

WAC 173-900-650

Facilities Audited: Electronic Recyclers International, Inc.  
Sumner, WA and Fresno, CA

Auditors: Emily Farrant, Kelley Keogh  
Date: December 1<sup>st</sup>, 2021

### **Scope of Audit**

This audit was designed to meet the specific requirements of the State of Washington's "Environmentally Sound Management Performance Measures for Direct Processors – Preferred Status" qualification requirements. The WA State Standards, WAC 173-900-650. These were interpreted, and a facility checklist was prepared to meet the standards requirements that related directly to the operations. The audit consisted of confirming the nexus between the two documents and the operations. This is the 10th annual audit of these two facilities and any changes in the operations and downstream vendors utilized will be noted.

To minimize documentation and audit costs – both facilities will be included in this document. The QEHSMS is identical for the two and the operations complement one another in that the Washington facility will sort CEP's and ship to the CA facilities for first tier processing (dismantle, shredding of metals, crushing of glass) utilizing a WA State DOE Certified transporter.

The ISO system manages non-conformances with the CAPA process. All the issues that have been identified will be managed appropriately to resolution and to prevent recurrence.

The two sites that were audited were:

Electronic Recyclers International (ERI) facility located at - Facility - 3243 S East Avenue, Suite 102, 103, 104, 105, 108 Fresno, CA 93725 and was performed December 1<sup>st</sup>, 2021.

The Electronic Recyclers International (ERI) facility located at 3901 150th Avenue Court East, Ste. 200 Sumner WA 98390 and was performed on October 19<sup>th</sup>, 2021.

The facilities are well run and operating efficiently. Employees demonstrated proficiency in their job duties and the management system in general. The ERI staff demonstrated strong commitment to the management systems and the overall QEHS performance of the company.

## Audit Summary

The following is a summary of a comprehensive review for compliance of operations in response to the Washington State Department of Ecology Preferred Performance Standards for Direct Processors of Electronics Processors - WAC 173-9000.

### **1. Responsible Management Priorities – Facility Maintains Compliance with Standards**

Inherent in the ISO 14001:2015, ISO 45001:2018, R2v3 and e-Stewards V4 Standards, which is what this company utilizes as an QEHSMS, is the continuous improvement of operations through management and operation's evaluations.

### **2. Legal Requirements – Facility Maintains Compliance with Standards**

Both facilities use Regscan, a subscription service that identifies local, state, federal and international regulations. An external audit of compliance is completed annually by a third party. The facility receives third-party compliance audits annually. Internal audits of their management systems are completed annually, and the certification bodies do an annual surveillance audit as well.

At the WA facility material continues to be managed under Fed UW regulations (WA) and CA DTSC regulations. At the CA facility material is managed to UW and CA DTSC requirements. The company agrees to be completely transparent with the WM DOE regarding non-compliant events. This is added to the Legal and Other Requirements register at both facilities.

### **3. Environmental, Health, and Safety Management System EHSMS - Facility Maintains Compliance with Standards**

In Washington and California, Electronics Recyclers International is certified to ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018. These are internationally recognized standards of excellence in Environmental, Health and Safety Management Systems. The company wide QEHSMS is audited and updated, as new procedures are implemented, or as new materials is accepted. The EHSMS contains a diligent "Plan, Do, Check" component, which manages change and issues through constant management review. The system is 3<sup>rd</sup> party reviewed annually during surveillance audits required by these certifications.

### **4. Recordkeeping – Facility Maintains Compliance with Standards**

Records are managed well as noted during the audits and all material downstream dispositions to final destinations were confirmed through the R2 and e-Steward audit certification processes, which also meet the WA DOE requirements.

WA is indirectly sending circuit boards to [REDACTED] – Japan, leaded glass from CRTs to [REDACTED] – South Korea, and batteries to [REDACTED] – Canada, and [REDACTED] – Japan.

The CA site is indirectly sending circuit boards to [REDACTED] - Japan and directly exporting to [REDACTED] – South Korea, batteries ship indirectly to [REDACTED] Canada.

CRT glass from the WA site is sent to [REDACTED] and then to [REDACTED] South Korea. The material tracking database enables auditors as well as clients to track all tonnage and materials to final destination.

### **5. On-site requirements - Facility Maintains Compliance with Standards**

The internal site auditors observed material handled per regulations and using acceptable industry standards. Housekeeping and material management was on par to industry standards. Material is inventoried and moved quickly throughout and managed in a database to ensure that none is kept over 3 months. Facility scale in Washington has been calibrated and certified. The Fresno facility scales are certified. Materials of Concern are not stored outside, and the security is adequate with visitor sign in, perimeter fencing, CCTV and 24/7 security guards. Worker safety is protected through training, OSHA required safety programs and housekeeping practices. Risk assessments have been done for each job station and auditor can verify that the appropriate PPE is worn. The health and safety training are consistent with requirements for the operation and the facility. IH monitoring and medical reviews have been conducted.

For the CA facility, the internal auditor reviewed Industrial Hygiene Survey and concluded it was more than adequate to meet the standards and Cal and Fed OSHA requirements. Training logs, Job Hazard Analysis and training records were also reviewed as part of the ISO 45001 audit and confirmed to be more than adequate to meet the company obligations to protect worker health and safety.

At the WA facility, a Certified Industrial Hygienist completed noise monitoring and air sampling for: mercury, cadmium, lead and beryllium at the hard drive punch area, and noise levels and fiberglass dust particulate near baler. The results indicated no exposures.

### **6. Materials of Concern - Facility Maintains Compliance with Standards**

The CB auditors observed Materials of Concern (MOC) being handled in accordance with standards. A MOC flow chart is attached. The auditors verified that all downstream vendors for MOC's handle material per the WA State DOE Standards. Comprehensive on-site audits were reviewed by the CB auditor while on site in CA and virtual in WA and found to be well managed and detailed. ERI agrees to notify the WA State DOE of vendor changes for all MOC's and will build this into their QEHSMS.

**7. Recycling - Facility Maintains Compliance with Standards**

Materials managed to ANSI and OSHA standards - observed during the internal audit site visit. Auditor observed dismantling and separation to the highest marketable levels.

**8. Reuse - Facility Maintains Compliance with Standards**

The Fresno, CA facility has a security protected asset management area for hard drives which are wiped to 3 pass DOD specifications using the YEC hardware-based system. Those they are unable to wipe are moved back by an access employee to the R&R side for circuit board removal and hard drive shredding. The WA facility has a security protected asset management area. No data sanitization is conducted onsite – it is sent to Fresno for wiping and equipment with a potential for reuse.

**9. Disposal of Residuals - Facility Maintains Compliance with Standards**

Facility waste management protocols follow state and federal guidelines as observed by the certification auditors. No materials of concern go to non-HW landfills or incineration. Site waste is managed and separated to minimize material going to landfill and nothing from the recycling process goes to the landfill. CRT Glass from the Fresno location, within the CA SB-20 program (not WA State generated material) is sent to [REDACTED] managed as a HW for microencapsulation. Metal dust from bag houses is managed as a HW and sent to [REDACTED] for encapsulation. Wood pallets are recycled and used in energy recovery.

**10. Refurbishment - Facility Maintains Compliance with Standards**

See reuse section.

**11. Transport – Facility Maintains Compliance with Standards**

All trucking is handled by outside contractors. Trucking into the State of CA is provided by WA State DOE certified transporters. Other trucking companies used by the facilities go through a transportation audit that includes 3 years of compliance certification, insurance requirements, ownership and company identification and annual vendor form updates. The auditor has reviewed the completed audits.

**12. Prison Labor – Facility Maintains Compliance with Standards**

Electronics Recyclers International does not use prison labor.

**13. Facility Access – Facility Maintains Compliance with Standards**

Electronics Recyclers International allows WA State DOE full record and site access – auditor discussed with management team.

**14. Notification of Penalties and Violations – Facility Maintains Compliance with Standards**

Electronics Recyclers International (ERI) agrees to notify the WA DOE within 30 days if they receive a Notices of Violation at the facilities included in this audit. The facility has listed this requirement into the Register of Compliance Obligations to manage.

**15. Due Diligence Downstream - Facility Maintains Compliance with Standards**

Electronics Recyclers International has implemented comprehensive audit criteria for downstream vendor audits to assure that they are compliant with all applicable international, US, EU and WA State DOE Standards. All current vendors have been audited and the CB auditors reviewed the documents for completion and compliance with the R2 and e-Steward standards during the certification audits. ERI's audit protocol also includes the WA State DOE MOC's handling requirements as well.

**16. Exporting – Facility Maintains Compliance with Standards**

As confirmed during the R2 and e-Steward certification audits, ERI is following WA DOE and FED EPA standards as the final destination for the CRT glass from the ERI WA location. All glass from ERI WA is sent to [REDACTED] where the glass is processed and is sent to [REDACTED] in South Korea, an OECD country that allows clean, separated CRT glass into the country as a commodity for recycling. Circuit boards from ERI WA are sent to ERI CA then sent to [REDACTED] in Japan and [REDACTED] in South Korea and the facility has audits of these facilities on file, which were reviewed by the CB auditors during the certification audits. Circuit boards from ERI WA are also sent through [REDACTED] who sends to [REDACTED] in Japan.

**17. Insurance - Facility Maintains Compliance with Standards**

Electronics Recyclers International, Inc. maintains more than adequate insurance to cover their employees, operations, and pollution liability. The CB auditor has reviewed the coverage.

**18. Closure QEHSMS and Financial Responsibility - Facility Maintains Compliance with Standards**

As noted during the certification audits:

- Reviewed closure plans. Plans were updated 07-01-21 and is reviewed yearly and includes closure cost estimate, a full decontamination process (performed by a contractor), and removal of waste resulting from the decontamination process, a confirmation plan, and remediation. WA and CA both have financial mechanisms in place with each state. The site in WA has an irrevocable standby letter for credit with the bank of Comerica with the Department of Ecology as the beneficiary. The CA location has a closure cost account that is payable to the California Department of Toxics Substances Control.

**19. Facility Security - Facility Maintains Compliance with Standards**

Electronics Recyclers International's warehouses are managed by a security firm 24/7. CCTV monitors all operations. The CA facility, employment and criminal background checks are required, and records checked annually by NAID. The production suites are in a multi-occupant facility. A chain link fence secures the perimeter. The entrance gate is closed and padlocked after business hours. Security guards are on duty 24 hours a day, 7 days a week. The guards provide access control and loss prevention. Security guards patrol the premises after normal business hours. All visitors must sign in with the security guard upon arrival and check out when leaving. At the WA facility, employment and criminal background checks are required and records checked annually by NAID. Human Resources conducts the background checks. 12 CCTV camera recordings are stored for 90 days. A third-party alarm company, Tyco Integrated Security, monitors the building 24/7. Exact Staff performs background checks on temp employees and then ERI performs background checks and drug testing on employees before hiring.

## **Findings**

*ERI's third party internal auditor, Emily Farrant noted the following Non-Conformances, Opportunities for Improvement and Areas of Concern during the November 19<sup>th</sup> and December 1<sup>st</sup>, 2021 internal audits at the ERI WA and Fresno facilities:*

### **Washington:**

#### **Non Conformances**

##### NC 01

- Facility does not have [REDACTED] on approved downstream flowchart, however LCDs are sent for testing/refurbishment to [REDACTED]
- [REDACTED] is not ISO 9001 and is conducting testing/refurbishment.
- [REDACTED] is not ISO 9001 and is conducting testing/refurbishment.
- [REDACTED] is used as a broker through [REDACTED] and is not certified to a quality standard.
- [REDACTED] is used as a broker and is not certified to a quality standard.
- Materials recovery facilities are not vetted up to Appendix E requirements.
- The facility does not have Compliance Plans on file for none ISO 14001, 45001, R2 or e-Stewards certified downstream vendors.
- Closure Plans and or pollution insurance are not on file for downstream vendors handling negative value material.
- Desk audit checklists for all downstream vendors to EOL have not been completed.

##### NC 02

The facility has lithium-ion batteries stored onsite for over a year, with start accumulation dates 10-9-20.

NC 03 The facility is not tracking material to the R2 Controlled Stream requirements and are not following their Sorting, Categorization and Processing Procedure.

##### NC 04

- Observed data containing material dated 7-15-21, which is past the 60-day sanitization date from time of receipt.

##### NC 05

- Receipts of Equipment Containing data was not available for customers. Facility only produces data sanitization certificates once sanitized.
- Data Security and Sanitization Audit Form has not been completed.

## **California:**

### **Non-conformances**

NC 01 -

- [REDACTED] is not EOL and ship material to smelters.
- [REDACTED] is used as a broker through [REDACTED] and is not certified to a quality standard.
- Materials recovery facilities are not vetted up to Appendix E requirements.
- Closure Plans and/or pollution insurance are not on file for all non-certified R2 or e-Stewards downstream vendors handling negative value material.
- Desk audit checklists for all downstream vendors to EOL have not been completed.

MAJOR NC 02 –

- The facility is not tracking material to R2 Controlled Stream requirements and are not following their Sorting, Categorization and Processing Procedure.
- Observed R2 Controlled Streams received on 5-23-16. Stored in trailer yard.

NC 03 -

- Receipts of equipment containing data are not available for customers. Facility only produces data sanitization certificates once sanitized.
- Annual Data Security and Sanitization Audits have not been conducted.

### **Opportunities of Improvement**

OFI 01 – Ensure EQHSS Manual and scope correctly references ERI applicable R2 appendices. Current EQHSS Manual shows Appendix D and F as applicable. No evidence of Specialty Electronics or Brokering were observed.

OFI 02 – Consider removing the Specific LOTO procedures for the trash compactor as there is no longer one onsite.

OFI 03 – Update Master Programs-Policies-Plans Register with current rev. # and Current Document Date for Suite 104 and 108 closure plans.

OFI 04 - Battery Management and Packaging (SWOP) has an expired special permit authorization attached to it. Expired 11-30-21.

OFI 05 – Ensure AM Quality Control Job Aid references that Logical Sanitization QC inspections can be recorded in the validator.

OFI 06 – Consider updating the AM Quality Control Job Aid which has “(enter details)” under the Physical destruction section.

OFI 07 – Ensure Quality Assurance listed on R2 reuse plan reflects current processes: Reuse plan lists a “Testing Quality Control Log” that is not used.

**Auditor Qualifications**

The auditor is certified by the State of WA DOE to perform this audit. Kelley Keogh is the Co-Founder/Managing Director of Greeneye Partners, LLC., for whom Emily Farrant works. Their main body of work is in the electronics processing and recycling fields. The State of Washington's DOE maintains the auditor qualifications on file.