

# Intercon Solution's Publicly Funded Grants Awarded for Domestic Recycling

While former employees declared that in fact Intercon Solutions did not recycle e-Waste but packed and shipped it abroad or to landfill. Below we review four Intercon grant applications and awards given Intercon Solutions. These BAN obtained through Freedom of Information laws.

The following is an overview of each of four grants Intercon Solutions received from the Illinois Department of Commerce and Economic Opportunity between 2004 and 2009 totaling \$430,000.

Supporting their applications, Intercon identifies cheap labor in Asia as competition in the electronics recycling industry, agrees to comply with all state and federal laws, agrees to collect and completely recycle end-of-life electronic equipment, and describes the process by which the company breaks down electronic goods.

## 2009 Grant

A 2009 grant provided Intercon \$75,000 to expand the company's scrap recycling processing at its Chicago Heights facility. In their proposal for the grant, Intercon asserts that it will use environmentally safe methods to completely recycle all electronics equipment, is committed to minimizing the creation of waste and pollution, and will manage its people and processes to reduce the environmental impacts associated with their work. DCEO approved and executed by DCEO between April and May 2009.

### Grant No. 09-442063, Illinois Department of Commerce and Economic Opportunity

\$75,000 to expand electronic scrap recycling processing capabilities at Chicago Heights facility

Approved and executed between April and May 2009

### Issues

- "Grantee shall collect or process old, unwanted, obsolete, and end-of-life electronic equipment" (Part II, Scope of Work, page 5)
- "Grantee shall actively market all recyclable commodities collected and processed to end markets or secondary processors." (Part II, Scope of Work, page 5)
- "Project complies with all applicable state, federal, and local environmental and zoning laws, ordinances and regulations..." (Appendix C, signed form)
- Intercon procedures: "As our environmental policy includes a zero landfill tolerance, all equipment including all hazardous substances will be processed according to our certified ISO 14001 EMS" (Intercon Material Flow Chart)

- Draft recycling receipt report: “All electronics equipment will be completely recycled utilizing de-manufacturing methods that are environmentally safe. Intercon Solutions will utilize its zero-tolerance procedures in processing this material” (Intercon grant application materials)
- EMS policy: “We are committed to complying with accepted environmental practices, including the commitment to meet or exceed applicable legal and other requirements, to strive for continual improvement in our environmental management system, and to minimize the creation of wastes and pollution. We will, therefore manage our processes, our materials, and our people in order to reduce the environmental impacts associated with our work...Intercon pledges to implement and operate the ISO 14001 EMS to further enhance environmental performance” (Intercon application materials, EMS policy)

## **2005 Grant**

### **Grant No. 05-44240, Illinois Department of Commerce and Economic Opportunity**

\$75,000 to increase electronic equipment recycling processing capacity by enhancing security at the facility to expand and additional space available

Approved and executed between May and June 2005

#### **Issues**

- “Grantee shall collect or process old, unwanted, obsolete, and end-of-life electronic equipment” (Part III, Scope of Work)
- “Grantee shall actively market all recyclable commodities collected and processed to end markets or secondary processors.” (Part III, Scope of Work)
- “Grantee responsibility: all applicable Federal, State, and local laws, rules, and regulations governing the performance required by Grantee shall apply to this agreement...grantee is responsible for ensuring compliance with all applicable laws, rules, and regulations, including, but not limited to those specifically referenced herein” (Part V, General Provisions, 5.9 applicable statutes)

## **2005 Grant**

### **Grant No. 05-44409, Illinois Department of Commerce and Economic Opportunity**

\$250,000 for Market Expansion Modernization

Executed June 2005

#### **Issues**

- “Grantee certifies that it shall comply with all applicable provisions of federal, State, and local law in the performance of its obligations pursuant to this Agreement” (Part VI, Required Certification, Compliance with Applicable Law)

- On Intercon Competitive Disadvantage: “Many very well-developed companies are involved in providing electronics recycling services to their customers...viable competition comes from Asia where low labor costs and underdeveloped environmental regulations enable cheap material separation...many out of state domestic competitors regularly ship to Asia to have materials processed inexpensively” (Need for Assistance from the State of Illinois, point 2.)
- Process Flow: “materials to be recycled are transported to our facility...staff inspects the shipments to determine compliance of each and every item sent to Intercon to ensure that environmental regulations are maintained and that our staff is working in accordance with our ISO 14001 certification...recycling materials are moved into the facility on pallets using forklifts and stored according to the type of electronic equipment...equipment then enters into the first of two ‘grading’ processes designed to increase de-manufacturing efficiency...equipment are de-manufactured to the point after which they can enter into raw materials reclamation.” (Operations Profile)

## 2004 Grant

### Grant No. 04-44407, Illinois Department of Commerce and Economic Opportunity

\$30,000 for consulting and strategic planning behind the Modernization Assessment Project

Executed June 2004

#### Issues

- “Grantee responsibility: all applicable Federal, State, and local laws, rules, and regulations governing the performance required by Grantee shall apply to this agreement...grantee is responsible for ensuring compliance with all applicable laws, rules, and regulations, including, but not limited to those specifically referenced herein” (Part V, General Provisions, 5.9 applicable statutes)
- “Intercon is the only Illinois recycler of electronic equipment presently using manual labor solely to demanufacture electronic equipment for a 100 percent recycling of all electronic equipment...Intercon is a recycler of all electronic equipment...our primary SIC code is 5093, Recycler of Electronic Equipment and NAICS codes are 562111, non-hazardous solid waste collector, and 562920, materials recovery facility” (Section C, company profile, page 2)
- Company Profile page 5: description of how Intercon breaks down basic components and separates metals and plastics.
- “Our end product is actually feedback for recycling firms, both metallic and plastic...Intercon has learned...to successfully cost bid our end products to a number of qualified and certifiable recycling firms” (Company Profile, Marketing, page 6)
- “Many of our competitors...routinely ship supposedly recycled materials off-shore for feedstock. Shipment off-shore is even more insidious because recycling in foreign lands may not be up to US EPA standards and as such, can present health and safety problems that would ultimately find their way back to these e-manufacturers who sent their product to a supposed recycling firm for restitution or reimbursement of clean up

costs... Intercon's services eliminates the fears of our customers because we can follow the recycling process, certify our end product users, and witness the either smelting or reprocessing of the basic electronic components. (Company Profile, Marketing, page 7)

- Attachments 1 and 2: Primary Manufacturing/Production Operation and Key Business Function: asserts that Intercon disassembles secondary plastics, demanufactures "e-machines," and manually demanufactures products"