

Ventura Star Sunday, June 3, 2007

Halaco: What went wrong?

Ormond Beach smelter spewed corrosive brew for decades as owners beat back efforts by regulators and neighbors to make them stop

By [Scott Hadly](#) ([Contact](#))

The Halaco Files



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Gary Moss felt the soot in his throat before he saw the blue cloud descend on the back lot like a heavy fog. His eyes burned. His fillings hurt. His co-workers gasped for air as the pungent metallic tang assaulted their noses and throats.

"It was unlike anything I'd ever smelled," said Moss, his dark skin wrinkled from a life of working outside.

That day on the job in 1970 at Western Kraft, a paper recycling plant near Ormond Beach, was Moss' introduction to neighboring Halaco Engineering.

"It was usually worse at night," said Moss, a maintenance mechanic at what is now Weyerhaeuser, which is across McWane Road from the silent Halaco smelters.

Like many people who lived or worked in that part of town, his first whiff of the sprawling, beat-up magnesium and aluminum recycling plant was overpowering.

As officials with U.S. Environmental Protection Agency consider including the bankrupt metals recycling plant on a list of hazardous Superfund cleanup sites, some of those people are looking back at the years of seeming inaction and wondering what took so long.

The reason Halaco operated for 40 years is that the company followed the law and wasn't polluting, said Dave Gable, the former general manager.



Photo by Jason Redmond

"They kept doing this stuff for all that time and nobody ever did anything to stop them," says Gary Moss, who has worked near the Halaco plant for more than 30 years.

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"Magnesium is the least harmful of any metals," said Gable, pointing out that the 710,000 cubic yards of waste at the site is primarily magnesium oxide. "Have you ever heard of milk of magnesia?"

The active ingredient in the over-the-counter heartburn medicine is magnesium hydroxide, while Halaco's waste pile is primarily magnesium oxide. Gable is correct when he says magnesium oxide is mostly harmless, but the other constituents in the waste pile are anything but benign, according to federal officials.

Along with magnesium, the pile contains arsenic, barium, beryllium, cadmium, chromium, copper, mercury, lead and zinc. And laced in the melange of metals is an undetermined amount of low-level radiation.

Part of what will happen in coming years is to determine in more detail what is in the pile, what sort of threat it poses, and who will pay to clean it up.

Meanwhile, Halaco's rusty, graffiti-covered corrugated-metal-and-concrete buildings remain. Built atop the old Oxnard city dump, the company's cavernous bag house, where the smoke was sent through filters, smelter building and squat offices cover a vast uneven cement slab. Across the narrow gray water of the Oxnard Industrial Drain looms the four-story high, 28-acre slag heap, containing enough waste to fill the Rose Bowl twice.

The almost 40-acre property is in the industrial corner on the southern edge of Oxnard, where Perkins Road dead-ends at Ormond Beach. Within a mile are the ocean, wetlands, a few dozen industrial operations, Oxnard's sewer plant, farm fields, beachside condos and several thousand people living in the working-class neighborhoods near Hueneme Road.

"I couldn't understand it," said Moss, wearing dirty white coveralls one day after work. "They kept doing this stuff for all that time and nobody ever did anything to stop them."

Signs of decay

For almost 40 years, Moss and hundreds of others complained about what spewed from Halaco's smokestacks or out of its pipes and into its settling pond, around which a gray mound of waste slowly grew.

No plants lived on that pile.

Kids soon wore crisscrossing trails into the lifeless gray dust, where they would trek on hunts for old bottles or ride bikes.

Along with the metallic smell, Halaco would pump out brutal whiffs of ammonia or hydrochloric acid. Periodically, a thick blue, gray or even purple cloud would drift from Halaco's little smokestack and creep low to the earth, raining gray flakes in its path that corroded any paint or metal in its way, according to people who worked there and various agency reports.

Sometimes when the emissions interacted with moisture in the air a chemical reaction would occur, creating a white cloud of ammonia or acid.

At Oxnard's nearby sewage treatment plant, employees said Halaco's fumes had pitted the metal on the side of the flagpole that faces the smelters.

"I cannot name a smell more acrid," said Katie Greenstreet, a boisterous, silver-haired woman with a raspy voice.

"It was like if you're not a cigarette smoker and you go into a room with a bunch of smokers, and your throat, eyes and lungs burn. It was like that, but a thousand times worse. You'd just go ahhhhhhhh' and run in the house and slam the door."

Greenstreet, who lives in the Surfside condominiums at Hueneme Beach near Halaco's smelters, was among the people who complained to whomever would listen. She and her neighbors signed petitions, took notes on what they saw and even manned picket lines with signs that said, "Halaco, You Stink."

"I think that somebody dropped the ball, and I checked and it wasn't my job," Greenstreet said. "But it's like anything, you have to make noise to get the government to pay attention. It just took a while a long while."

When the company pulled up stakes and declared bankruptcy three years ago, many were not surprised that taxpayers might end up paying for the cleanup.

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Kesa Ryono and her daughter Dharma Murphy, 10, at Hueneme Beach near their home. Ryono is one of many people in neighboring condominiums who worked to stop Halaco from polluting.

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Kesa Ryono, 44, a single mother of two, worked for years to draw attention to the problems created by the company.

"I knew they'd declare bankruptcy," Ryono said. "You could just tell by looking at the plant that they weren't putting any money into it. I didn't have any hope that they'd stay and do the right thing."

Pickleweed and pollution

Halaco changed its operation little during the four decades it was open in Oxnard.

The company melted tens of millions of aluminum cans, magnesium aircraft parts, engine parts and borings from metal fabricators.

The kind of pollution it created in the 1960s was the same kind of pollution it created until it closed its doors in 2004, reports by several regulatory agencies show.

Throughout its existence, more than a dozen government departments nipped at Halaco's tail. None ever brought the company to heel, but it wasn't for lack of trying.

The Los Angeles Regional Water Quality Control Board's file on Halaco has more than 40,000 pages of reports, memos, letters and records of attempted enforcement actions.

The EPA's files are equally voluminous.

There are also boxes of dusty files at the Ventura County Air Pollution Control District, Oxnard Fire Department, Ventura County Environmental Health Department, state Department of Fish and Game, U.S. Fish and Wildlife Services, U.S. Army Corps of Engineers, state Department of Toxic Substance Control and state Coastal Commission.

"There is a pendulum that swings back and forth between working with people (at a business) to get them into compliance and using enforcement," said Jonathan Bishop, executive officer for the Los Angeles Regional Water Quality Control Board. "Looking back, I think we went too far in the direction of working with them (Halaco)."

When the agencies tried to be more aggressive, Halaco sued.

In 1979, the U.S. Army Corps of Engineers tried to stop Halaco from dumping waste into what it called a wetland on the north end of Halaco's property. Art Fine, the company's attorney and son of its co-founder, Les Fine, sued. The agency dropped the effort, and stopped referring to it as a wetland.

Two years later, the California Department of Toxic Substance Control found the company's waste exceeded state limits for copper and zinc. Fine sued again. The department responded by exempting Halaco from the limits on copper and stopped referring to the company's waste as "hazardous."

When the California Coastal Commission argued in the early 1980s that Halaco needed a permit to operate in the coastal zone, Fine sued again. The case went to the state Supreme Court, where Halaco won.

In 2001, David Nahai, chairman of the Regional Water Quality Control Board, marveled at Halaco's litigiousness, telling Fine, "You said that during the last decade, you've (Halaco has) been subject to investigation and inquiry and criticism and even worse by a number of agencies and by a number of governmental entities. Wouldn't it be easier to comply?"

Several government officials attribute the company's ability to continue its operations to Art Fine's skill in the courtroom.

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Ventura Deputy District Attorney Mitch Disney, who successfully prosecuted the company for violating air pollution rules in 2003, said Fine was always well-prepared and often knew the regulations better than the regulators.

But another attorney, Daniel Cooper, who is representing the Environmental Defense Center and Santa Barbara Channelkeeper in a civil suit against Halaco, said Fine was "lucky."

Fine said his success had little to do with skill or luck.

"We weren't violating any laws and regulations that applied, and we demonstrated that in court, whether it was against the EPA or the Department of Toxic Substance Control," he said.

Halaco's problems with government agencies had more to do with changing times, said Marvin Burns, an attorney now representing 92-year-old Clarence Haack, company co-founder. The company started operating before the state's passage of the Coastal Act, before the federal Clean Air Act, the federal Clean Water Act, and the federal Endangered Species Act.

And not all of Halaco's neighbors had problems with the plant. Jim Measures, personnel director for the paper recycling company when it was owned by a different company, said Halaco wasn't so bad.

"I'm not a doctor or a scientist so I couldn't tell you if the fumes were dangerous," said Measures. "I'm a glass-half-full kind of guy. I don't buy into that conspiracy stuff."

But the company couldn't win over everyone and the persistent complaints began when Halaco started its operations and didn't end until the company closed.

A history of problems

As far back as the mid-1950s, when the company was in Gardena, Halaco had problems.

The Los Angeles County's Industrial Waste Division told Halaco in 1955 that its wastewater loaded with ammonia and a long list of metallic oxides couldn't be discharged into local waterways.

Just as it did in Oxnard, the company had permits to recycle magnesium alloyed with radioactive thorium. But, according to a 1997 Nuclear Regulatory Commission document, Halaco didn't dispose of the waste properly and likely contaminated the Gardena Harbor dump in the late 1950s.

Halaco moved to Oxnard because of complaints by neighbors in Gardena, according to court records. Company officials thought the Perkins Road site would allow them to dump Halaco's waste in the ocean and be far enough away from people to avoid problems.

But problems with the company emerged here as soon as the Halaco began operations. Records show that neighbors complained of fumes throughout the 1960s.



It wasn't just fumes, either. In a 1970 study, state biologists placed fish in water taken from the canal next to the plant. The fish died in 10 minutes. Halaco challenged the study, arguing that the ammonia that presumably caused the toxicity came from nearby farm fields.

The Regional Water Quality Control Board stopped the company from dumping its wastewater directly into the Oxnard Industrial Drain in the 1970s. To deal with its waste, the company began pumping it into a settling pond where the water would evaporate, leaving solids that were scooped out and added to a growing pile of dust-like waste.

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In a 1981 EPA survey, crews noticed that "freshly deposited solids ... were observed to produce heat, emit crackling sounds, and produce gases."

The stuff smelled of ammonia and remained hot and "reactive" for up to half a year. When the EPA attempted to stop Halaco from dumping the waste, the company sued and succeeded in getting the federal agency to back off.

Despite those early studies, the Regional Water Quality Control Board sent a letter to Halaco in the mid-1980s, noting that its waste was essentially "inert."

Ten years later, the board reversed itself and said the waste contained "hazardous substances."

Halaco's studies stated that the waste was a "harmless product and demonstrates a remarkable lack of toxicity." In the mid-1980s, a lab hired by Halaco went so far as to rub the waste on shaved rabbits and feed it to rats to show it had no ill effects.

Co-founder Les Fine referred to the waste as "salts and dirt." Five years ago, Dave Gable, the former general manager, said that radiation in the pile was of such a low level that a person "could have slept on a sheet of it all of your life and not had a problem."

Neighborhood fixture

Halaco's waste pile was right next to wetlands, a football field away from the beach and a few blocks from the neighborhood where Mike Johnson grew up.

As kids in the 1970s, he and his friends used to play there.

"The Halaco site had been a city dump beforehand so we'd find all kinds of old jars and glass bottles," said Johnson, who works on a tugboat at the Port of Hueneme.

Sometimes the boys would come across chunks of metal or pots of slag hissing and crackling as they cooled in what Halaco workers referred to as "the boneyard," just north of the waste pile.

As Johnson got older, he started surfing in front of Halaco. Surfers would run across the waste pile or wade through the mucky lagoon next to the plant to get to the beach.

At home, Halaco's presence could be felt when the wind blew in the right direction.

"It was a pretty nasty," said Johnson, who said as a kid he would get two or three bad bouts of bronchitis each year.

When Halaco ran its massive silo-sized tumblers to wash the chunks of scrap metal and dirt-like leftovers from previous smelting, thuds would echo through South Oxnard. It sounded like a huge dryer into which someone had dropped bowling balls, said David Swingler, who lives about two miles from the plant.

Swingler, a father of 10 who started taking long walks in the 1990s as therapy for a back problem, was quickly drawn to the mound. He noticed all sorts of debris when walking along the edge of the mound.

"Hundreds and hundreds of automobile engine parts, door handles little pieces of machines," he said. "Millions of broken bits of everything."

Once he walked along the top of the pile, smelling what he thought was muriatic acid. What he saw astounded him: a lake in the middle of the pile off of which wafted fog.

"It smelled acidic and I walked through the fog without breathing, but halfway through it my eyes started burning," he said. "I thought, Whoa, that's a whole pond of acid there.' "

About 20 minutes later the skin on one arm and the side of his face where the fog had hit burned and were red, he said.

Over a 15-year period from 1989 to 2004, the Ventura County Air Pollution Control District received 322 complaints concerning Halaco. The company consistently was the target of more air nuisance complaints than any other county business, said Keith Duvall, manager for compliance and engineering for the district.

Looking back now, Mike Johnson said he isn't surprised by how Halaco operated.

"It's a testament to big money," Johnson said. "There's a whole lot back then that could have been done. But frankly we were from a lower economic class, a working-class neighborhood, and there were more pressing concerns."

The Halaco series

Today: Halaco Engineering operated at Ormond Beach for 40 years despite years of complaints from neighbors.

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Monday: The EPA has stepped in to figure out how to clean up a mountain of contaminated waste. Also, former employees, like Gary Howe, right, were not surprised the company closed.

About this series

After the U.S. Environmental Protection Agency recommended including the site of the shuttered Halaco Engineering company smelting operation on a list of Superfund hazardous waste cleanup sites in January, Ventura County Star Staff Writer Scott Hadly began digging into what led to the contamination at the south Oxnard property.

He spent five months combing through court documents and thousands of pages of local, state and federal enforcement files. He contacted more than 100 people, including former employees, government regulators, attorneys and neighbors of the old metals recycling company. About 50 of those individuals were interviewed for these stories.

Hadly details how the company fended off regulators for 40 years, which frustrated some people who lived and worked near the plant.