FYI: G. F. Barton
J. A. Alley
J. K. Clark
W. R. Corey
J. E. McKee
J. T. Nolan
L. A. Miller
R. A. Stohr
J. C. Weber
D. Wood
FROM: R. C. Isham

VERBATIM FROM DES MOINES OFFICE March 21, 1977
4:00 PM

Page 10A, first section, Sunday edition Des Moines Register

Iowa Continues Probe of PCB Near Disaster

Dale Sweet, a waste oil dealer from North Mankato, MN owed money to an oil company in Omaha, Nebraska and decided to offer to pay his bill with some low quality oil. Thus, began the odessey of the shipment of liquid that one Iowa official says contained enough toxic material to kill or cripple most of the state's population. Pete Hamlin, an official of the Iowa Dept. of Environmental Quality, calls it "one of the most bizarre things" he has ever encountered. It may have brought the state to the brink of an ecological disaster. Here's how it happened according to Dick Cable, head of the Spills Unit of the Minnesota Pollution Control Agency.

The oil that Sweet offered to Capitol Oil, Inc. of Omaha was at a storage site that Sweet has at St. Paul, MN. After Sweet made the offer, Cable wrote a letter to Capitol asking for details concerning the transfer. But, Cable said Capitol drivers began loading oil from the site without permission either from him or from Sweet. And, allegedly also took high quality oil, low sludge and solvent. The solvent was contaminated with the highly toxic substance PCB (polychlorinated biphenyl). PCB is a thick, colorless and odorless liquid that is virtually indestructible and can cause cancer and birth defects if ingested. It has been held responsible for a number of deaths throughout the world. The solvent, which Sweet had received in January from a local oil collector, was strange-looking and Sweet had asked Cable to test it. Cable said he called Sweet on March 15 with the results and said, "We've got a hell of a problem." And Sweet answered, "I know. The stuff is missing." The St. Paul police were notified and were waiting for the next Capitol truck at the storage site Thursday night, Cable said. They arrested the driver and after questioning him found he had already delivered 4 loads of the solvent to Schmitty's Road Oiling Company of Cedar Falls, IA which is owned by Al Schmidt. Cable said the solvent had been traced

-more-

to a man identified as Hy Friedman, a Minneapolis drain oil dealer. Cable said Friedman says he never handled PCB and told Cable to check with another dealer. Cable said the other company had no part in the transfer. Much of St. Paul PCB comes from an electric transformer. Local collectors sell the transformer liquid containing PCB as waste oil for about 22¢ a gallon. Cable discovered Saturday he had his own version of Iowa's problem. He said Sweet had unknowingly shipped 4,000 gallons of the contaminated solvent to a Mankato, MN storage area. The owners sold the site Monday, and the new owners unaware of any problems began transferring the solvent which contaminated 2 tanks and the truck. Cable said he had sealed the storage containers and hopes to shut down the entire Mankato site. In the Iowa case, Hamlin said Schmidt was unaware that his shipment contained PCB when he purchased it. Schmidt was unavailable for comment Saturday evening. The Iowa DEQ is continuing to investigate the incident. Hamlin said Friday the thousands of gallons of solvent containing PCB were to be spread on gravel roads. He said an ecological disaster probably was averted by the detection. The substance was mistaken at first as crank case oil and would have been spread on dusty roads, Hamlin said. There was enough PCB "to kill or cripple most of the population in Iowa" if it had contaminated food or water supply, the director of DEQ's Land Quality Management Division said. Hamlin said the Environmental Protection Agency office in Kansas City, MO contacted him Thursday with the report that 10,000 gallons of PCB contaminated liquid was being trucked from St. Paul, MN by an Omaha firm. Hamlin said he found out Friday earlier shipments were already in Iowa. Hamlin said the chemical is now in Schmidt's tanks in Cedar Falls and Ft. Dodge. He said that Schmidt has said the liquid won't be spread and that Black Hawk County officials are taking legal steps to block any such action.

-oOo-