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**FILED**

APR 28 2016

CalRecycle  
Legal Office

8 STATE OF CALIFORNIA  
9 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY  
10 DIVISION OF RECYCLING

11 **IN THE MATTER OF THE**  
12 **ACCUSATION AGAINST:**

13 **California Waste Solutions, Inc.** certified as a  
14 Processor with the Certification No. **PR0328**  
and as a Collection Program with the  
15 Certification No. **CP0897**.

16  
17  
18 **RESPONDENTS.**

OAH CASE NO. \_\_\_\_\_

**DRRR CASE No. 2016-002-BCR**

**ACCUSATION**  
(Government Code §11503)

**COLLECTING RESTITUTION AND  
INTEREST, ASSESSING CIVIL  
PENALTIES AND RECOUPING COSTS**

**[Pub. Resources Code §§ 14591.1, 14591.2,  
14591.3, 14591.4, 14594.5, and 14595-14597]**

19  
20  
21 Pursuant to the California Beverage Container Recycling and Litter Reduction Act, Public  
22 Resources Code (hereafter "PRC") § 14500 et seq. (hereafter "Act"), and California Code of  
23 Regulations, title 14, § 2000 et seq. (hereafter "Regulations"), the Department of Resources  
24 Recycling and Recovery (hereafter "Department"), issues this Accusation by and through the  
25 undersigned, John Halligan, Branch Chief, Recycling Program Enforcement Branch, exclusively  
26 in his official capacity.  
27  
28

1           **A. JURISDICTION**

2

3           1.       The Department is responsible for administration of the Act, including but not limited to,

4           managing the California Beverage Container Recycling Fund (hereafter "Fund"), adopting

5           regulations, certifying and registering program participants, inspecting, auditing, investigating,

6           and filing and prosecuting enforcement actions and imposing discipline. (PRC §§ 14512.7,

7           14530.5, 14538, 14539, 14539.5, 14540, 14552, 14553, 14560, 14580, 14591-14597.) The

8           Department may recover in restitution any money improperly or illegally paid to a certificate

9           holder or registrant from the Fund. This includes payments made from the Fund that are based on

10          documents that are not prepared or maintained in compliance with the Department's Act and

11          Regulations, that are based in whole or in part on false information or falsified documents, as well

12          as claims for program payments the Department cannot validate. (PRC §§ 14538, 14539,

13          14539.5, 14552, 14553, 14591-14597.)

14

15          2.       In connection with all matters relating to the business activities and subjects under its

16          jurisdiction, Government Code §11180 et seq. authorizes the Department to inspect books and

17          records, promulgate interrogatories, and issue subpoenas for the attendance of witnesses and the

18          production of papers, books, accounts, documents, and testimony pertinent or material to any

19          inquiry, investigation, hearing, proceeding, or action conducted in any part of the state. (Gov.

20          Code §§ 11180 & 11181.)

21

22          3.       Prior to June 20, 2014, the Department was authorized under PRC § 14552(b)(1) to audit

23          or investigate any action taken during the three-year period before the onset of an audit or

24          investigation to determine compliance with the Act. As of June 20, 2014, the Department is

25          authorized under PRC § 14552(b)(1) to audit or investigate any action taken during the five-year

26          period before the onset of an audit or investigation to determine compliance with the Act. An

27          enforcement action is timely if filed within five years of the discovery of a violation of the Act or

28          Regulations (two years if prior to June 20, 2014). (PRC § 14552(b)(2).) The Department may

1 also conduct a comprehensive inspection, audit, or investigation to determine an operator's on-  
2 going compliance with the Act and Regulations. (PRC § 14522; Regulations §§ 2075 and 2125.)  
3 An operator must provide the Department with immediate access to its facilities, operations, and  
4 any relevant record, that, in the Department's judgment, are necessary to carry out its obligation to  
5 verify compliance with the Act and Regulations. (PRC § 14552(c).)

6  
7 4. The Act defines "person" as "any individual, corporation, operation, or entity, whether or  
8 not certified or registered" under the Act. (PRC §§ 14515.2 and 14595.4(a); Regulations §  
9 2000(a)(34).)

10  
11 5. The Act defines "responsible party" to include, but not be limited to, the certificate holder,  
12 registrant, officer, director, or managing employee. The Department may take disciplinary action  
13 against any responsible party for directing, contributing to, participating in, or otherwise  
14 influencing the operations of, a certified or registered facility or program. (PRC §14591.2.)

15  
16 6. Public Resources Code § 14595.5 establishes a violation of the Act for any corporation,  
17 operation, or entity, whether or not certified or registered, for knowingly receiving, storing,  
18 transporting, distributing, or otherwise facilitating or aiding in the redemption of materials that  
19 are ineligible for payment of California Refund Value (hereafter "CRV"), processing payments,  
20 administrative fees, or other program payments, such as handling fees.

21  
22 **B. STATUTORY AND REGULATORY AUTHORITY**

23  
24 7. The Act authorizes the Department to certify or register the operators of recycling centers,  
25 processing facilities, dropoff and collection programs, and curbside programs. (PRC §§14538,  
26 14539, 14539.5, and 14551.5.) A certificate is assigned to a single entity or person and cannot be  
27 transferred or sold to any other entity or person. (PRC §§ 14538, 14539, and 14539.5;



1 Regulations § 2060(d) and (e).) Any certification or registration granted by the Department is a  
2 privilege and not a vested right or interest. (PRC §14541.5.)  
3

4 8. The Act defines "recycling center" as an operation that is certified by the Department and  
5 that accepts from consumers and pays to them the CRV for eligible beverage containers. (PRC  
6 §14520.) Only recycling centers certified by the Department may pay CRV to consumers, or  
7 dropoff or collection programs. (PRC § 14572(d)(1); Regulations § 2535.) The recycling center  
8 must inspect each load of beverage containers for CRV eligibility before paying to consumers the  
9 appropriate refund value. (PRC § 14538; Regulations § 2501.)  
10

11 9. Certified recycling centers shall not pay refund values to a non-certified recycler. (PRC  
12 §§ 14538(b)(4) and 14572(d)(1); Regulations § 2535.) It is a violation for a certified recycling  
13 center to split loads in excess of the statutory weight limits, or accept during any one-day an  
14 aggregate total of material in excess of the statutory weight limits, from any person not certified  
15 by the Department. (Regulations § 2535(f)(1).)  
16

17 10. The Act and Regulations require all certified recycling centers to obtain and/or create and  
18 maintain specified documentation so that the Department may validate all claims made by a  
19 recycling center for CRV and processing payments. The Department may recover restitution for  
20 all payments from the Fund where the Department cannot verify the claim because the required  
21 documentation is not available or is not prepared or maintained pursuant to the Act and  
22 Regulations. Any claim that cannot be validated must be denied by the Department and  
23 recovered via restitution. (PRC § 14538(c); Regulations §§ 2525, 2530, and 2535.) All scrap  
24 transactions must be documented independently as well as listed in the daily summary.  
25 (Regulations § 2525(a), (h) and (i).)  
26

27 11. The Act defines "processor" as any person certified by the Department who purchases  
28 from recycling centers or collection programs empty beverage containers which have a refund



1 value established by the Act. Additionally, a processor must inspect the empty beverage  
2 containers for CRV eligibility as well as cancel the refund value by using a method approved by  
3 the Department. (PRC §§ 14518 and 14539; Regulations §§ 2000(a)(4) and 2401.) Cancellation  
4 must be documented fully in accordance with the Act and Regulations. (PRC §§ 14539(d)(8) and  
5 (e); Regulations § 2420(d).)

6  
7 12. The Act and Regulations require all certified processors to obtain and/or create and  
8 maintain specified documentation so that the Department may validate all claims made by a  
9 processor for CRV, processing payments, and administrative fees. The Department may recover  
10 restitution for all payments from the Fund where the Department cannot verify the claim because  
11 the required documentation is not available or is not prepared or maintained pursuant to the Act  
12 and Regulations. Any claim that cannot be validated must be denied by the Department and  
13 recovered via restitution. (PRC § 14539(c); Regulations §§ 2420, 2425, and 2430.) All scrap  
14 transactions must be documented. (Regulations §§ 2420(g) and (h); 2425(f).) Processors must  
15 retain proof that the processor canceled or had the CRV canceled in accordance with the Act and  
16 Regulations. (Regulations § 2420(d).)

17  
18 13. The Act and Regulations specify that a certification to operate a processor or processing  
19 facility is for a specific location. (Regulations §§ 2045(a)(7) and 2060(e).)

20  
21 14. The Act defines "dropoff or collection program" as any person or organization certified by  
22 the Department which does not pay CRV to consumers but that collects empty eligible beverage  
23 containers from businesses and other collection locations, as well as from separating recyclables  
24 from waste streams. (PRC § 14511.7.) By law, a dropoff or collection program cannot accept or  
25 collect recyclable materials which have already been separated from mixed municipal waste.  
26 (Regulations § 2000(a)(20).)

1 15. The Act and Regulations require all certified dropoff and collection programs to obtain  
2 and/or create and maintain specified documentation so that the Department may validate all  
3 claims made by the dropoff or collection program for CRV and processing payments. (PRC §§  
4 14553, 14539.5(c); Regulations §§ 2085, 2090, 2530, and 2615.) Such documentation includes,  
5 but is not limited to, DR6 Shipping Reports, weight tickets, and transaction logs containing the  
6 information set forth in Regulations § 2615(a)(1). The Department may recover restitution for all  
7 payments from the Fund where the Department cannot verify the claim because the required  
8 documentation is not available or is not prepared or maintained pursuant to the Act and  
9 Regulations. Any claim that cannot be validated must be denied by the Department and  
10 recovered via restitution. (PRC § 14539.5(c); Regulations § 2615.) All scrap transactions must  
11 be documented fully by the dropoff or collection program. (Regulations §§ 2085, 2090, 2530 and  
12 2615)

13  
14 16. The Act defines “curbside program” as any recycling program that does not pay refund  
15 value which is operated by or for a city/county/public agency that picks up empty beverage  
16 containers that were separated from waste materials from either or both individual or multiple  
17 family residences with the intent to recycle them. (PRC § 14509.5)

18  
19 17. The Department's Regulations define "operator" as the person or entity who has ultimate  
20 responsibility for a recycling facility, processing facility, or collection program. (Regulations §  
21 2000(a)(33).) An operator has the ultimate responsibility to insure the accuracy of all claims  
22 made on the Fund. (PRC § 14553 and Regulations § 2090(c).)

23  
24 18. As noted in paragraph 4, above, the Act defines “person” as “any individual, corporation,  
25 operation, or entity, whether or not certified or registered” under the Act. (PRC §§ 14515.2,  
26 14595, and 14595.4(a); Regulations § 2000(a)(34).) Public Resources Code § 14595.5  
27 establishes a violation of the Act for any corporation, operation, or entity, whether or not certified  
28 or registered, for knowingly receiving, storing, transporting, distributing, or otherwise facilitating

1 or aiding in the redemption of materials that are ineligible for payment of CRV, processing  
2 payments, administrative fees, or handling fees.

3  
4 19. As noted in paragraph 5, above, the Act defines "responsible party" to include, but not be  
5 limited to, the certificate holder, registrant, officer, director, or managing employee. The  
6 Department may take disciplinary action against any responsible party for directing, contributing  
7 to, participating in, or otherwise influencing the operations of, a certified or registered facility or  
8 program. (PRC § 14591.2.)

9  
10 20. All weight "shall be measured, recorded, and reported" in accordance with "Division 5 of  
11 the Business and Professions Code (Weights and Measures) and any applicable regulations  
12 thereunder." Thus, all weight tickets must include, among other data, accurate container tare  
13 weight. (Regulations § 2115.) All weight tickets must be automatically generated. No manually  
14 created weight ticket is valid for the purposes of the Act and Regulations. (Business and  
15 Professions Code §§ 12501.1-12021.)

16  
17 21. The Act authorizes the Department to audit or investigate any action taken up to five years  
18 before the onset of the audit or investigation in order to determine if there was compliance with  
19 the Act and Regulations. (PRC § 14552(b).) More generally, the Department may conduct any  
20 inspection, audit, or investigation to verify compliance with the Act and Regulations. (PRC §§  
21 14552(b) and (c); PRC § 14553(b); Gov. Code § 11180 et seq.) The entity that is the subject of  
22 an audit or investigation is required to provide to the Department immediate access to its  
23 facilities, operations, and any record deemed by the Department to be relevant to the inspection,  
24 audit, or investigation. (PRC §§ 14552(c) and 14553(c).)

25  
26 22. All reports, claims, and other information required pursuant to the Act or Regulations  
27 must be complete, legible, and accurate, and shall be signed, by an officer, director, managing  
28



1 employee, or owner of the certified recycling center, processor, distributor, beverage  
2 manufacturer, container manufacturer, or other entity. (PRC § 14553.)

3  
4 23. Except for consumers (as defined by the Act), a person, business, or entity not certified or  
5 registered by the Department may not pay, claim, or receive CRV, processing payments,  
6 administrative fees, or other program payments for eligible recyclable beverage containers. (PRC  
7 §§ 14511.7, 14518, 14520, 14538, 14539, 14539.5, 14572, 14573, and 14573.5; Regulations §§  
8 2400 and 2535(f).)

9  
10 24. Beverage containers sold to consumers outside the State of California are ineligible for the  
11 redemption of CRV, processing payments, administrative fees, or any other program payment  
12 made from the Fund. The reason is simple. No CRV is collected from the consumer at the time  
13 of an out-of-state sale. Because no money went into the Fund from the sale, no claim may be  
14 made upon the Fund based on an out-of-state beverage container. (PRC §§ 14538, 14539,  
15 14539.5, 14572, 14591, 14595, 14595.5, and 14597.) Previously redeemed containers, rejected  
16 containers, line breakage, previously baled containers, and materials that have never had a refund  
17 value are also ineligible for payment of CRV, processing payments, administrative fees, or other  
18 program payments. (PRC §§ 14538, 14539, 14539.5, 14572, 14591, 14595, 14595.5, and 14597;  
19 Regulations §§ 2110, 2401, and 2501.)

20  
21 25. The Act declares that any person participating in conduct intended to defraud the State's  
22 beverage container recycling program including, but not limited to, redemption of out-of-state  
23 and previously redeemed beverage containers, shall be held accountable for that conduct. (PRC  
24 §§ 14591, 14591.2, 14595, 14595.5, 14596, and 14597.) The Act deems a claim to be fraudulent  
25 when the claim is based in whole or in part on false information or falsified documents. No  
26 person may submit or cause to be submitted a fraudulent claim. (PRC § 14597.)  
27  
28

1 26. The Act and Regulations impose certain reporting requirements on both a person  
2 importing more than 25 pounds of empty aluminum, plastic, glass, and bimetal beverage  
3 container material into the State and the person receiving this material. The person importing  
4 empty beverage container material shall provide to the person taking delivery copies of the proof  
5 of inspection and the Imported Material Report (IMR) with the appropriate sections complete and  
6 the proper supporting documents attached for each load of imported empty beverage container  
7 material. The person taking delivery shall ensure the IMR is complete, confirm that the  
8 information on the IMR is accurate, and matches the beverage container material with which it  
9 was shipped. (PRC §14599, Regulations §§ 2834, 2835.)  
10

11 27. Disciplinary action is justified where a responsible party engaged in dishonesty,  
12 incompetence, negligence, or fraud in performing the functions and duties of a certificate holder  
13 or registrant, or where the responsible party violates the Act or Regulations. (PRC §§  
14 14591.2(b)(2) and 14591.2(b)(3).)  
15

16 28. The Act authorizes the Department to collect restitution and interest, levy statutory  
17 penalties, recover costs and fees related to audits and investigations, and to revoke certificates.  
18 (PRC §§ 14591.1, 14591.2, 14591.3, 14591.4, 14594.5, 14596, and 14597.)  
19

20 29. If the certificate holder operates more than one site, the Department may simultaneously  
21 revoke all the certificates held by the responsible party. (PRC §§ 14591.2(c)(1), 14591.2(d)(1)  
22 and (2).)  
23

24 30. Each violation of the Act is a separate violation and each day of the violation is a separate  
25 violation. (PRC § 14591.1(a)(3)) Thus, each invalid, illegal, or fraudulent claim, is a separate  
26 violation of the Act. (PRC §§ 14591.1, 14591.2, 14595.5, and 14597.)  
27  
28

1 31. The Act authorizes the Department to assess upon any person, entity, or operation that  
2 redeems, attempts to redeem, or aids in the redemption of, empty beverage containers that have  
3 already been redeemed, or redeems, attempts to redeem, or aids in the redemption of, otherwise  
4 ineligible beverage containers, a civil penalty of up to ten thousand dollars (\$10,000) per  
5 transaction, or an amount equal to three times the damage or potential damage, whichever is  
6 greater, plus costs as provided in PRC § 14591.3. (PRC § 14594.5.)

7  
8 32. The Department may issue an order that a person cease and desist from any recycling  
9 activity that violates the Act or Regulations. (PRC §14591.6.)

10  
11 **C. RELEVANT BACKGROUND ON CALIFORNIA'S BEVERAGE CONTAINER**  
12 **RECYCLING PROGRAM**

13  
14 33. The Act establishes a process by which certified recycling centers pay CRV to consumers  
15 for empty eligible beverage containers and later submit claims for reimbursement for those  
16 payments. (PRC § 14560.) A certified recycling center sells the CRV eligible material to a  
17 certified processor. The certified processor inspects the empty beverage containers for  
18 redemption eligibility, cancels the CRV, and then sells the material to an end user. The certified  
19 processor gathers together the claims made by certified recycling centers and forwards the claims  
20 to the Department for payment, as described below.

21  
22 34. The sale of empty eligible beverage containers from a certified recycling center, registered  
23 curbside program, or certified collection or dropoff program to a certified processor is evidenced  
24 by a DR6 Shipping Report (hereafter "DR6"), a form promulgated by the Department to  
25 document the receipt of material by a processor and forms the basis for payments by the  
26 Department pursuant to the Act. (Regulations § 2000(a)(44).) The certified processor is  
27 responsible for preparing the DR6 in all cases except when the shipper is a certified recycling  
28 center. (PRC § 14539(b)(8)(A); Regulations §§ 2420(a) and 2425(e).) The following



1 information is set forth on the DR6: the company name, address, certification number, and the  
2 shipper's contact person, as well as the material type, redemption weight, and the CRV amount.  
3

4 35. The certified processor that receives the shipment weighs the load, inspects the empty  
5 beverage container material in accordance with the Act and Regulations to determine if it  
6 qualifies for CRV payment, enters the received weight and weight ticket number on the DR6, and  
7 calculates the CRV amount and processing payment, if any, due to the shipper, as well as the  
8 administrative fees due to the processor. The certified processor is required to pay the CRV and  
9 processing payments to the certified recycling center within two working days. (PRC §  
10 14573.5(b).) The processor then aggregates a batch of DR6 forms to make a claim on the Fund  
11 for CRV, processing payments, and administrative fees, thereby obtaining reimbursement for the  
12 monies it previously paid out for CRV and processing payments. The form used by the processor  
13 to compile and claim those amounts is the DR7 Processor Invoice Report (hereafter "DR7"). The  
14 DR7 form was promulgated by the Department so that it could determine the correct payment to  
15 be made to a certified processor. (Regulations § 2000(a)(35.1).) The processor calculates the  
16 total redemption weight, total CRV amount, total processing payment, and total administrative  
17 fees based on the batch of DR6 forms submitted with the DR7. Both the DR6 and DR7 forms are  
18 signed under penalty of perjury.

19  
20 36. The general procedure of sales of eligible beverage containers from a certified recycling  
21 center to a certified processor, as discussed above, also applies to sales by a registered curbside  
22 program or certified dropoff or collection program to a certified processor. The major differences  
23 are that a registered curbside program may not pay out CRV to consumers but may claim CRV on  
24 eligible beverage containers that they acquire on behalf of the city/county/public agency and  
25 certified dropoff and collection programs may not pay out CRV to consumers but may claim  
26 CRV on eligible beverage containers that they acquire by purchase, donation, collection, or by  
27 sorting the containers from municipal waste streams.  
28

1 37. In the past, the completed DR6 and DR7 forms were sent to IKON Office Solutions, Inc.  
2 ("IKON") in Sacramento, California. IKON was under contract with the Department to process  
3 all paper-based claims for CRV, processing payments, and administrative fees. Pursuant to PRC  
4 § 14553(b), all such claims are entered on-line via the Department's electronic claims submission  
5 procedure known as the Division of Recycling Integrated Information System ("DORIIS"). The  
6 Department's billing cycle runs from the first day of the month to the last day of the month.

7  
8 **D. RESPONDENTS**

9  
10 38. Respondent California Waste Solutions (hereafter "CWS") was at all times mentioned  
11 herein, a Company organized under the laws of the State of California, as well as a certified  
12 processor and collection program operating under the designations PR0328 and CP0897,  
13 respectively. CWS's only certified processor facility is located at 1820 10th Street, Oakland,  
14 California. The CWS collection program has a business address at 1005 Timothy Drive, San  
15 Jose, California. Respondent CWS was an operator as defined by Regulations § 2000(a)(33) as  
16 well as a responsible party within the meaning of the Act. (PRC § 14591.2(a).)

17  
18 39. Hereafter, the Department will refer to Respondent California Waste Solutions, Inc.  
19 together with its owners, officers, directors, agents, employees, and operators, as "Respondents."

20  
21 40. Respondents were subject to and required to comply with the Act and the Regulations at  
22 all times relevant to this Accusation.

23  
24 41. This action is timely as it has been filed within two years after the Department discovered  
25 the violations of the Act and the Regulations alleged herein. (PRC § 14552(b)(2).) This action is  
26 subject to the formal hearing procedures of the California Administrative Procedure Act. (Gov.  
27 Code §§ 11500 et seq.; PRC § 14591.2.)

1 **E. GROUNDS FOR ADMINISTRATIVE ACTION AGAINST RESPONDENTS**

2  
3 42. The statements, assertions, and allegations set forth in paragraphs 1 through 38, above, are  
4 incorporated by reference.

5  
6 43. On July 18, 2000, Respondents were issued a certification to operate as a Processor under  
7 certification no. PR0328 for a facility located at 1820 10<sup>th</sup> Street in Oakland, California. No other  
8 facility named or listed in this Accusation is certified to be a processor.

9  
10 44. On July 9, 2007, Respondents were issued a certification to operate as a Collection  
11 Program under certification no. CP0897 with a business address at 1005 Timothy Drive in San  
12 Jose, California. The Timothy Drive business address serves as a contact point for all questions  
13 and investigations related to the collection program. This location is not certified as a processing  
14 facility and is by operation of law incapable of inspecting material or redeeming material from  
15 other certified entities.

16  
17 45. On or about April 29, 2014, CalRecycle Associate Management Auditor Edwin Esternon  
18 contacted Tim Tran of CWS to inquire if CWS is collecting material under its collection program  
19 certification, CP0897, because zero volume had been claimed according to Department records  
20 for the previous year.

21  
22 46. On May 1, 2014, Edwin Esternon emailed Tim Tran to request any collection program  
23 logs, weight tickets, and shipping reports for the period of April 1, 2011 through April 30, 2014.

24  
25 47. On May 14, 2014, George Henebury, a CWS consultant, called to inform Edwin Esternon  
26 that CWS does not maintain collection program logs and therefore no collection program logs  
27 could be produced.



1 48. On July 28, 2014, Staff Management Auditor Alicia Davenport and Edwin Esternon  
2 visited the business location for California Waste Solutions, Inc. located at 1005 Timothy Drive  
3 in San Jose, California to obtain original supporting weight tickets. During that site visit, Tim  
4 Tran informed Davenport and Esternon that California Waste Solutions documents weight tickets  
5 using software called Crystal Report.

6  
7 49. During this site visit, Tim Tran disclosed that the weight tickets documents all 3 of CWS  
8 facilities (2 in Oakland and 1 in San Jose.) Each facility is identified by the first digit on the  
9 weight ticket. The identification is as follows:

10 1.) Weight Tickets starting with "1" are for the facility located at 1820 10<sup>th</sup> Street  
11 in Oakland, California

12 2.) Weight Tickets starting with "3" are for a facility at 3300 Wood Street in  
13 Oakland, California

14 3.) Weight tickets starting with "4" are for a facility at 1005 Timothy Drive in San  
15 Jose, California.

16  
17 50. During this site visit, Tim Tran also explained that out of state materials are processed at  
18 the 1820 10<sup>th</sup> Street in Oakland, California, the 3300 Wood Street location receives material from  
19 multiple certified entities, a Curbside Program and a Community Service Program, and the 1005  
20 Timothy Drive location receives material from one certified entity, a Curbside Program. Further,  
21 Tim Tran explained all materials processed through these locations are reported and claimed  
22 under the one certified entity, California Waste Solutions PR0328 located at 1820 10<sup>th</sup> Street in  
23 Oakland, California.

24  
25 51. On April 8, 2015, Davenport and Esternon returned to the California Waste Solutions, Inc.  
26 business location at 1005 Timothy Drive in San Jose, California. Esternon asked about any  
27 records related to the Import Material Report for material delivered to PR0328. Tim Tran was not  
28 aware of any such records or the need for such records at that time.

1 52. During this visit, Davenport and Esternon conducted a Cancellation Test to determine  
2 whether California Waste Solutions canceled material in accordance with the Act and  
3 Regulations. For aluminum, Davenport and Esternon determined that bales were densified at an  
4 average of 21.85 lbs per cubic foot. For Plastics No. 1 (PET) and No. 2 (HDPE), Davenport and  
5 Esternon determined that the plastic vendors to whom California Waste Solutions shipped to were  
6 not out of state, shredding plastic, or considered to be a location of end use.

7  
8 53. During this visit, Davenport and Esternon interviewed Tim Tran and George Henebury to  
9 complete the Processor Business Process Questionnaire.

10  
11 54. On or about July 28, 2015, Esternon completed the Imported Material Test, a Department  
12 review of a certified entity's compliance with the requirements of Imported Material Reports  
13 (IMRs). During his review, he found that 56 (IMRs) were submitted to the Department online  
14 with a final destination address of 1820 10<sup>th</sup> Street in Oakland, California. As Tim Tran was not  
15 aware of requirements related to IMRs, CWS took delivery of imported empty beverage  
16 containers materials without maintaining copies of IMRs and completing the appropriate sections  
17 including the receiver job title, name, signature, and signature date. Further, 29 out of the 56  
18 IMRs did not have the required Proof of Inspection.

19  
20 **I. COUNT ONE: Submission by Respondents CWS of Fraudulent Claims for**  
21 **CRV Causing \$12,122,551 in Damages To The Fund.**

22  
23 55. The allegations set forth in paragraphs 1 through 52, above, are incorporated by reference.

24  
25 56. For the period April 1, 2011 through and including April 30, 2014, Respondents CWS  
26 filed claims for CRV, processing payments, and administrative fees for material not processed at  
27 the certified location under the certification PR0328. These are identified by the weight tickets  
28 with the first number being either "3" or "4" and associated with a specific DR6 shipping report.

1 57. During the time period April 1, 2011 through and including April 30, 2014, Respondents  
2 CWS received \$12,122,551 in CRV, processing payments, and administrative fees for 1,954 DR6  
3 shipping reports from CWS's facilities not certified to be processing facilities.

4 58. The act of filing a claim for program payments, including CRV, based on falsified  
5 information constitutes fraud. (PRC §§ 14591.2 and 14597.) Each fraudulent claim, regardless  
6 of how the fraud was committed, is a separate violation of the Act. (PRC §§ 14591.1, 14591.2,  
7 14595.5, and 14597.)

8

9 **II. COUNT TWO: Failure to cancel Aluminum and Plastic PET and HDPE from**  
10 **July 2011 through February 2014.**

11

12 59. The allegations set forth in paragraphs 1 through 56, above, are incorporated by reference.

13

14 60. For the period of July 2011 through February 2014, Respondent CWS purportedly  
15 canceled aluminum and plastic PET and HDPE material by either baling or shipping to an end  
16 user.

17

18 61. Department analysis shows that aluminum was baled at an average of 21.45 lbs per cubic  
19 foot.

20

21 62. Department reviews of the vendors to whom Respondents shipped plastic PET and HDPE  
22 material were not out of state, shredding plastic, or considered to be a location of end use.

23

24 63. The act of failing to cancel materials to the requirements of Regulations §2000(a)(4) is a  
25 violation of Regulations §2400(a)(5).

26 //

27 //

28 //



1 **III. COUNT THREE: Failure to maintain and complete Imported Material Reports for the**  
2 **period of June 4, 2014 through September 10, 2014.**  
3

4 64. The allegations set forth in paragraphs 1 through 56, above, are incorporated by reference.  
5

6 65. For the period of June 4, 2014 through September 10, 2014, Respondents were not aware  
7 of the requirements for completion and maintenance of Imported Material Reports.  
8

9 66. A Department review of the records maintained by CWS of the Imported Material showed  
10 that they were missing required information to be completed by the receiving party, CWS, and  
11 over half of the IMRs failed to have a Proof of Inspection.  
12

13 67. The act of failing to complete and maintain Imported Material Reports is a violation of  
14 Regulations §§ 2835(c) and 2085 subdivisions (b) and (c). Alternatively, the failure to obtain a  
15 Proof of Inspection during delivery of out of state material is a violation of Regulations §  
16 2831.4(b).  
17

18 **IV. COUNT FOUR: Failure to provide copies of shipping reports to Curbside**  
19 **Programs and Community Service Programs.**  
20

21 68. The allegations set forth in paragraphs 1 through 63, above, are incorporated by reference.  
22

23 69. During the Processor Business Process Questionnaire conducted on April 8, 2015, CWS  
24 stated that no copies of shipping reports and weight tickets were given to certified entities  
25 shipping material to CWS.  
26

27 70. The act of failing to provide copies of shipping reports to Curbside Programs and Community  
28 Service Programs is a violation of Regulations § 2430 subdivisions (b)(1) and (c)(1).

1           **V. COUNT FIVE: Failure to maintain or complete Collection Program logs.**

2  
3       71.    The allegations set forth in paragraphs 1 through 61, above, are incorporated by reference.

4  
5       72.    On May 14, 2014, George Henebury, a CWS consultant, called to inform Edwin Esternon  
6 that CWS does not maintain collection program logs and therefore no collection program logs  
7 could be produced for the Department's request for records.

8  
9       73.    The act of failing to create or maintain Collection Program logs is in violation of  
10 Regulations §§ 2615(a)(1) and 2085 subdivisions (b) and (c).

11  
12       **G.    STATUTORY DISCIPLINE TO BE IMPOSED ON RESPONDENTS.**

13  
14       74.    The allegations set forth in paragraphs 1 through 67, above, are incorporated by reference.

15  
16       75.    Pursuant to its statutory authority, the Department imposes the following disciplinary  
17 action against Respondents based upon sufficient evidence of violations of the enumerated  
18 statutes and regulations as set forth above:

19  
20       76.    For Count One: As to Respondents California Waste Solutions (PR0328): Restitution.

21           a.) Restitution - Pursuant to PRC §§ 14539(e), 14539.5(c), 14591.2(c)(5), and 14591.4,  
22 the Department orders immediate restitution in the amount of Twelve Million One Hundred  
23 Twenty-Two Thousand Five hundred Fifty-One Dollars (**\$12,122,551**) against Respondents  
24 California Waste Solutions, for the program payments paid to them based on Respondents'  
25 fraudulent submission of 1,954 DR6 Shipping Reports that were for material processed at a non-  
26 certified location.

27       //

28       //

1 77. For Count Two: As to Respondents California Waste Solutions: Civil Penalties and Cost and  
2 Fees.

3 a.) For failure to cancel Aluminum and Plastic PET and HDPE from July 2011  
4 through February 2014 in accordance with Sections 2000(a)(4) subdivisions (A) and (C) of the  
5 Regulations, assess a civil penalty in the amount of One Hundred Sixty Thousand Dollars  
6 (**\$160,000**), calculated at **\$5,000** civil penalty for each of the **32** months for which they were in  
7 violation pursuant to PRC §§ 14591.1 and 14591.2 of the Act..

8 b.) Pursuant to PRC §14591.3, the Department orders payment of all costs and fees,  
9 including but not limited to attorneys' and expert witness fees, and the cost of investigation and  
10 hearing, in the amount to be determined according to proof, against Respondent California Waste  
11 Solutions.

12  
13 78. For Count Three: As to Respondents California Waste Solutions: Civil Penalties and Cost  
14 and Fees.

15 a.) For failure to maintain and complete Imported Material Reports, assess a civil  
16 penalty in the amount of One Hundred Forty-Five Thousand Dollars (**\$145,000**), calculated at  
17 **\$5,000** per each of the **29** Imported Material Reports that failed to include a Proof of Inspection,  
18 pursuant to PRC §§ 14591.1 and 14591.2 of the Act.

19 b.) Pursuant to PRC §14591.3, the Department orders payment of all costs and fees,  
20 including but not limited to attorneys' and expert witness fees, and the cost of investigation and  
21 hearing, in the amount to be determined according to proof, against Respondent California Waste  
22 Solutions.

23  
24 79. For Count Four: As to Respondents California Waste Solutions: Civil Penalties and Cost and  
25 Fees.

26 a.) For failure to provide copies of shipping reports to Curbside Programs and  
27 Community Service Programs in violation of Sections 2430 subdivisions (b)(1) and (c)(1) of the  
28 Regulations for their entire certification period, assess a civil penalty in the amount of One



1 Thousand Dollars (**\$1,000**), calculated at a **\$1,000** civil penalty for the entire period for which  
2 they were in violation, pursuant to PRC §§ 14591.1 and 14591.2 of the Act..

3 b.) Pursuant to PRC §14591.3, the Department orders payment of all costs and fees,  
4 including but not limited to attorneys' and expert witness fees, and the cost of investigation and  
5 hearing, in the amount to be determined according to proof, against Respondent California Waste  
6 Solutions.

7  
8 80. For Count Five: As to Respondents California Waste Solutions: Civil Penalties and Cost and  
9 Fees.

10 a.) For failure to maintain and complete Dropoff or Collection Program logs for the  
11 period of April 1, 2011 through April 30, 2014 in violation of Sections 2615(a)(1) subdivisions  
12 (A) through (F), assess a civil penalty in the amount of Five Thousand Dollars (**\$5,000**),  
13 calculated at **\$5,000** civil penalty for the entire period for which they were in violation, pursuant  
14 to PRC §§ 14591.1 and 14591.2 of the Act.

15 b.) Pursuant to PRC §14591.3, the Department orders payment of all costs and fees,  
16 including but not limited to attorneys' and expert witness fees, and the cost of investigation and  
17 hearing, in the amount to be determined according to proof, against Respondent California Waste  
18 Solutions.

19  
20 81. As of April 28, 2016, the restitution and civil penalties assessed in paragraphs 75 through 79  
21 totals to the sum of **\$12,433,551**, upon which interest, as applicable, shall continue to accrue until  
22 payment is received by the Department.

23  
24 82. In addition to the disciplinary actions taken in paragraphs 68-74, above, the Department  
25 seeks such other and further relief as is just and proper.

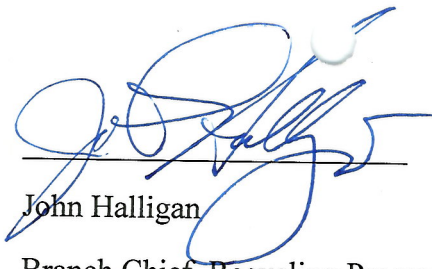
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1 Dated:

*April 28, 2016*

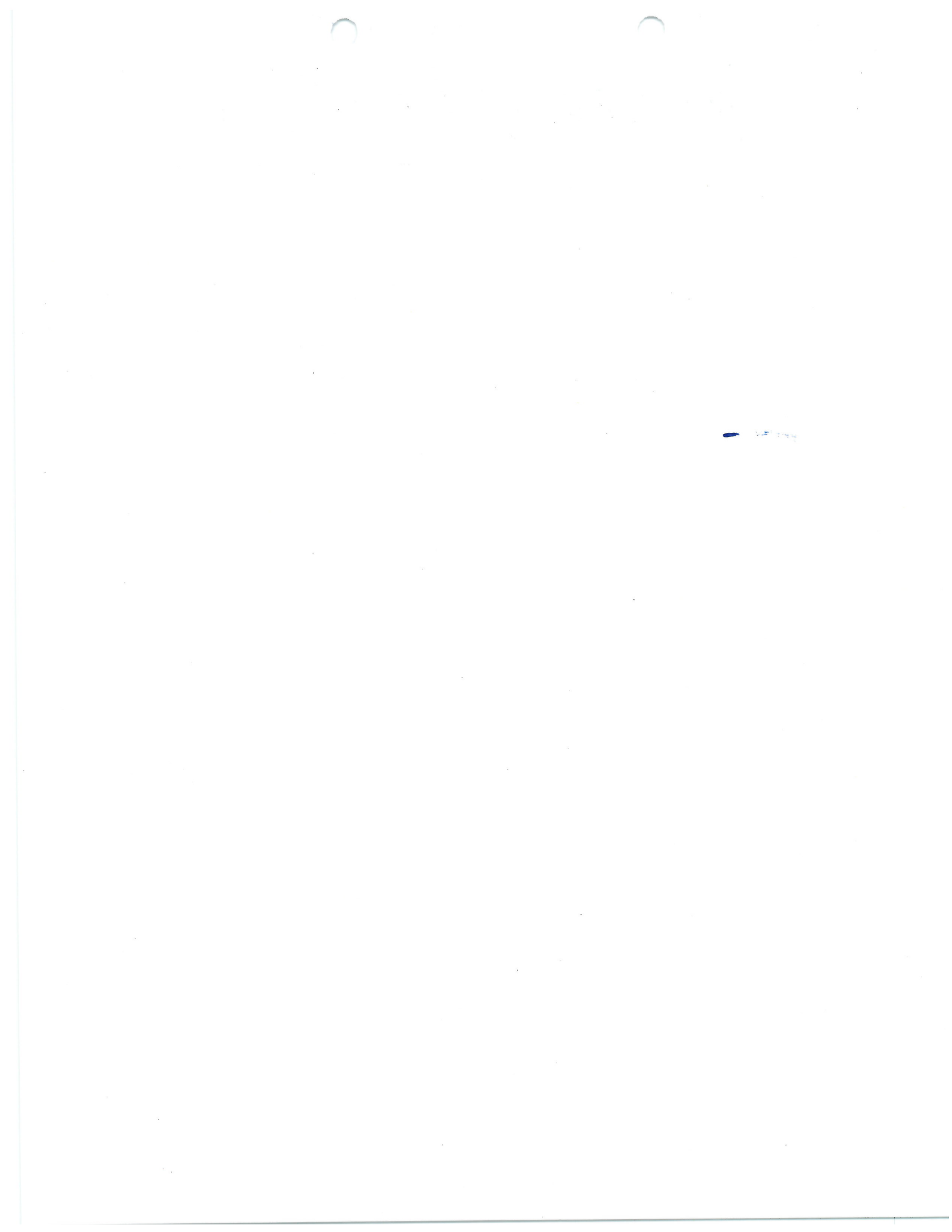


2 John Halligan

3 Branch Chief, Recycling Program Enforcement Branch

4 Department of Resources Recycling and Recovery

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1 ELLIOT W. BLOCK, SBN 116999  
2 Chief Counsel  
3 Kris G. Chisholm, SBN 232124  
4 Staff Counsel  
5 Legal Office  
6 Department of Resources Recycling and Recovery  
7 801 K Street, MS 19-03  
8 Sacramento, California 95814  
9 (916) 327-0089 (Telephone)  
10 (916) 322-8768 (Fax)

11  
12 Attorneys for State of California  
13 Department of Resources Recycling and Recovery  
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**FILED**  
APR 28 2016  
CalRecycle  
Legal Office

15  
16 **STATE OF CALIFORNIA**  
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18 **DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**  
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20  
21 **IN THE MATTER OF THE** )  
22 **ACCUSATION AGAINST:** )

23 )  
24 **California Waste Solutions, Inc.** certified) )  
25 as a Processor with the Certification No. )  
26 **PR0328** and as a Collection Program with )  
27 the Certification No. **CP0897** )

**DRRR Case No. 2016-002-BCR**

**REQUEST FOR DISCOVERY**  
(Government Code Section 11507.6)

28 )  
29 **RESPONDENTS.)** )  
30 )  
31 )  
32 )  
33 )  
34 )

35  
36 To Respondents, CALIFORNIA WASTE SOLUTIONS, Inc., and to the  
37 Respondent's attorney of record, if any:

38  
39 Pursuant to section 11507.6 of the California Government Code, the State of California,  
40 Department of Resources Recycling and Recovery, Recycling Program Enforcement Branch,  
41 hereby requests the following:

- 42  
43 1. The names and addresses of all witnesses to the extent known to Respondent,  
44 including, without being limited to, those witnesses Respondent intends to call to  
45 testify at the hearing.  
46 2. An opportunity to inspect and copy all of the following that are in the possession  
47 or custody or under the control of Respondent:  
48

- 1 (a) Statements of any person or entity, other than Respondent, named in the  
2 accusation, or in any additional pleading, if it is claimed that an act or  
3 omission of Respondent as to that person or entity is the basis for this  
4 administrative proceeding;  
5  
6 (b) Statements pertaining to the subject matter of this proceeding made by  
7 any party to another party, person or entity;  
8  
9 (c) Statements of all witnesses that Respondent intends to call to testify at  
10 the hearing and of other persons having personal knowledge of the acts,  
11 omissions or events that are the basis for this administrative proceeding,  
12 which are not included within the scope of paragraphs 2(a) and 2(b),  
13 above;  
14  
15 (d) All writings, including, without being limited to, business records, financial  
16 records, reports, summaries, correspondence, and other things which  
17 Respondent proposes to offer in evidence;  
18  
19 (e) Any other writing or thing that is relevant and would be admissible in  
20 evidence in this administrative proceeding;  
21  
22 (f) Investigative reports made by or on behalf of Respondent or other party  
23 pertaining to the subject matter of this administrative proceeding, to the  
24 extent such reports:  
25  
26 (1) Contain the names and/or addresses of witnesses or other persons  
27 having personal knowledge of the acts, omissions, or events that are  
28 the basis for this administrative proceeding; or  
29  
30 (2) Reflect matters perceived during the course of the investigation by  
31 the investigator and/or other persons preparing or assisting in the  
32 preparation of the report; or  
33  
34 (3) Contain or include by attachment any statement, writing and/or other  
35 thing described in paragraphs 2(a) through 2(e), above.  
36

37 This is a continuing request for discovery of all of the information and materials  
38 described above that may come into Respondent's possession, custody or control at any  
39 time prior to the conclusion of the hearing on this matter.  
40

41 A response to this request for discovery should be made by Respondent within  
42 30 days to the undersigned attorney for the State of California, Department of Resources  
43 Recycling and Recovery, Legal Office, at the address appearing at the top of the first  
44 page hereof.  
45

46 In the absence of good cause, failure to comply with this request for discovery may  
47 subject Respondent to sanctions by an administrative law judge pursuant to sections  
48

1 11455.10 and/or 11455.30 of the California Government Code and/or section 1040 of  
2 title 1 of the California Code of Regulations.  
3  
4  
5  
6

7 ELLIOT W. BLOCK  
8 Chief Counsel  
9

10  
11  
12  
13 Dated: 4/28/16



14 KRIS G. CHISHOLM  
15 Staff Counsel  
16

17 Attorneys for the STATE OF CALIFORNIA  
18 DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY  
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STATE OF CALIFORNIA

DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

IN THE MATTER OF THE )  
ACCUSATION AGAINST: )

DRRR Case No. 2016-002-BCR

California Waste Solutions, Inc. )  
certified as a Processor with the )  
Certification No. PR0328 and as a )  
Collection Program with the )  
Certification No. CP0897 )

STATEMENT  
TO RESPONDENT

RESPONDENTS.)

TO THE ABOVE NAMED RESPONDENT:

Unless a written request for a hearing signed by or on behalf of the persons named as Respondents in the accompanying accusation is delivered or mailed to the agency within 15 days after the accusation was personally served on you or mailed to you, you will be deemed to have waived your right to a hearing in this matter, and the Department of Resources Recycling and Recovery may proceed upon the accusation without a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled Notice of Defense, or by delivering or mailing a notice of defense as provided by section (§) 11506 of the Government Code to: Department of Resources Recycling and Recovery, Legal Office, 801 K Street, MS 19-03, Sacramento, CA 95814.

You may, but need not, be represented by counsel at any or all stages of these proceedings.

The Department may seek, pursuant to Public Resources Code (PRC) section 14591.3, any costs and/or fees including attorney's fees, expert's fees, and the costs of an investigation and/or hearing which are a result of bringing this action.

If you file any Notice of Defense within the time permitted, a hearing will be held on the charges made in the accusation. The hearing may be postponed for good cause. If you have good cause, you are obliged to notify the agency within 10 working days after you discover the good cause. Failure to notify the agency within 10 days will deprive you of a postponement.

Copies of sections 11507.5, 11507.6 and 11507.7 of the Government Code are enclosed. If you desire the names and addresses of witnesses or an opportunity to inspect and copy the items mentioned in section 11507.6 of the Government Code in the possession, custody or control of the agency, you may contact: Department of Resources Recycling and Recovery, Legal Office, 801 K Street, MS 19-03, Sacramento, CA 95814.





STATE OF CALIFORNIA

DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

IN THE MATTER OF THE )  
ACCUSATION AGAINST: )

DRRR Case No. 2016-002-BCR

California Waste Solutions, Inc. )  
certified as a Processor with the )  
Certification No. PR0328 and as a )  
Collection Program with the Certification )  
No. CP0897, )

NOTICE OF DEFENSE

RESPONDENTS.)

I, the undersigned Respondents named in the above-entitled action, hereby  
acknowledge receipt of a copy of the Accusation, Statement to Respondent, Request for  
Discovery, and Government Code sections 11507.5, 11507.6 and 11507.7.

I hereby:

- Request a hearing.
- Object to the Accusation for failure to state acts or omissions upon which the agency may proceed.
- Object to the form of the Accusation in that the transaction cannot be identified or a defense prepared.
- Present new matter by way of defense.
- Admit the Accusation in whole or in part.
- Object to the Accusation on the basis that compliance with the requirements of a regulation would result in a material violation of a regulation enacted by another department affecting substantive rights.
- Pay the full assessed amount and waive a hearing. Please note your case number and made payable to the Department of Resources Recycling and Recovery.

If you intend to be represented by counsel, please state his/her name, address, and telephone number. Otherwise, state the address and phone number where you want legal documents sent. Mail this Notice of Defense to: Kris G. Chisholm, Staff Counsel, Department of Resources Recycling and Recovery, Legal Office, 801 K Street, MS 19-03, Sacramento, CA 95814.

DATED: \_\_\_\_\_ Respondent's Signature

\_\_\_\_\_  
Name of Counsel/Respondent (circle one) Daytime Phone Number

\_\_\_\_\_  
Address City State Zip





STATE OF CALIFORNIA  
**AUTHENTICATED**  
ELECTRONIC LEGAL MATERIAL

**State of California**  
**GOVERNMENT CODE**  
**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA**  
**DIVISION 3. EXECUTIVE DEPARTMENT**  
**PART 1. STATE DEPARTMENTS AND AGENCIES**  
**CHAPTER 5. ADMINISTRATIVE ADJUDICATION: FORMAL HEARING**  
**§ 11507**

---

11507.5. The provisions of Section 11507.6 provide the exclusive right to and method of discovery as to any proceeding governed by this chapter.

(Added by Stats. 1968, Ch. 808.)







**State of California**  
**GOVERNMENT CODE**  
**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA**  
**DIVISION 3. EXECUTIVE DEPARTMENT**  
**PART 1. STATE DEPARTMENTS AND AGENCIES**  
**CHAPTER 5. ADMINISTRATIVE ADJUDICATION: FORMAL HEARING**  
**§ 11507**

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11507.6. After initiation of a proceeding in which a respondent or other party is entitled to a hearing on the merits, a party, upon written request made to another party, prior to the hearing and within 30 days after service by the agency of the initial pleading or within 15 days after the service of an additional pleading, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and (2) inspect and make a copy of any of the following in the possession or custody or under the control of the other party:

(a) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

(b) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;

(c) Statements of witnesses then proposed to be called by the party and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

(d) All writings, including, but not limited to, reports of mental, physical and blood examinations and things which the party then proposes to offer in evidence;

(e) Any other writing or thing which is relevant and which would be admissible in evidence;

(f) Investigative reports made by or on behalf of the agency or other party pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

For the purpose of this section, "statements" include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

Nothing in this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

(Amended by Stats. 1995, Ch. 938, Sec. 31. Effective January 1, 1996. Operative July 1, 1997, by Sec. 98 of Ch. 938.)



**State of California**  
**GOVERNMENT CODE**  
**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA**  
**DIVISION 3. EXECUTIVE DEPARTMENT**  
**PART 1. STATE DEPARTMENTS AND AGENCIES**  
**CHAPTER 5. ADMINISTRATIVE ADJUDICATION: FORMAL HEARING**  
**§ 11507**

---

11507.7. (a) Any party claiming the party's request for discovery pursuant to Section 11507.6 has not been complied with may serve and file with the administrative law judge a motion to compel discovery, naming as respondent the party refusing or failing to comply with Section 11507.6. The motion shall state facts showing the respondent party failed or refused to comply with Section 11507.6, a description of the matters sought to be discovered, the reason or reasons why the matter is discoverable under that section, that a reasonable and good faith attempt to contact the respondent for an informal resolution of the issue has been made, and the ground or grounds of respondent's refusal so far as known to the moving party.

(b) The motion shall be served upon respondent party and filed within 15 days after the respondent party first evidenced failure or refusal to comply with Section 11507.6 or within 30 days after request was made and the party has failed to reply to the request, or within another time provided by stipulation, whichever period is longer.

(c) The hearing on the motion to compel discovery shall be held within 15 days after the motion is made, or a later time that the administrative law judge may on the judge's own motion for good cause determine. The respondent party shall have the right to serve and file a written answer or other response to the motion before or at the time of the hearing.

(d) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under the provisions of Section 11507.6, or is privileged against disclosure under those provisions, the administrative law judge may order lodged with it matters provided in subdivision (b) of Section 915 of the Evidence Code and examine the matters in accordance with its provisions.

(e) The administrative law judge shall decide the case on the matters examined in camera, the papers filed by the parties, and such oral argument and additional evidence as the administrative law judge may allow.

(f) Unless otherwise stipulated by the parties, the administrative law judge shall no later than 15 days after the hearing make its order denying or granting the motion. The order shall be in writing setting forth the matters the moving party is entitled to discover under Section 11507.6. A copy of the order shall forthwith be served by mail by the administrative law judge upon the parties. Where the order grants the motion in whole or in part, the order shall not become effective until 10 days after the date

the order is served. Where the order denies relief to the moving party, the order shall be effective on the date it is served.

(Amended by Stats. 1995, Ch. 938, Sec. 32. Effective January 1, 1996. Operative July 1, 1997, by Sec. 98 of Ch. 938.)

**DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

801 K STREET, SACRAMENTO, MS 19-03, CALIFORNIA 95814 •

WWW.CALRECYCLE.CA.GOV • (916) 327-0089

**PROOF OF SERVICE**

I, Donnet McFarlane, declare as follows:

I am a citizen of the United States, over the age of 18 years and not a party to this action. My place of employment and business is as in the letterhead.

On May 3, 2016, I served the Accusation, Request for Discovery, Statement to Respondent, Notice of Defense, Govt. Code §11507.5, Govt. Code §11507.6, and Govt. Code §11507.7, In the Matter of California Waste Solutions, Inc., DRRR Case No. 2016-002-BCR, to:

David Dnong, Agent for Service of Process  
California Waste Solutions, Inc.  
1820 10<sup>th</sup> Street  
Oakland, CA 94607  
Certified # 7013 1710 0000 9789 0775

- First Class US Mail** - In a sealed envelope, with postage thereon fully prepaid, via United States Postal Service
- Certified Return Receipt First Class US Mail** - In a sealed envelope, with postage thereon fully prepaid, via United States Postal Service
- By Email** – to the email address listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed at Sacramento, California, on the 3<sup>rd</sup> day of May, 2016.

Donnet McFarlane









DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

801 K STREET, SACRAMENTO, MS 19-03, CALIFORNIA 95814 •

WWW.CALRECYCLE.CA.GOV • (916) 327-0089

PROOF OF SERVICE

I, Donnet McFarlane, declare as follows:

I am a citizen of the United States, over the age of 18 years and not a party to this action. My place of employment and business is as in the letterhead.

On May 3, 2016, I served the Accusation, Request for Discovery, Statement to Respondent, Notice of Defense, Govt. Code §11507.5, Govt. Code §11507.6, and Govt. Code §11507.7, In the Matter of California Waste Solutions, Inc., DRRR Case No. 2016-002-BCR, to:

California Waste Solutions, Inc
1005 Timothy Drive,
San Jose, CA 95133
Certified # 7013 1710 0000 9789 0768

- X First Class US Mail - In a sealed envelope, with postage thereon fully prepaid, via United States Postal Service
X Certified Return Receipt First Class US Mail - In a sealed envelope, with postage thereon fully prepaid, via United States Postal Service
By Email - to the email address listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed at Sacramento, California, on the 3rd day of May, 2016.

Handwritten signature of Donnet McFarlane over a horizontal line.



