

## **Athens Services**

### **A Leader in Waste Industry Price-fixing, Pollution and Union Busting**

For decades, Arakelian Enterprises (also doing business as Athens Services) has been found guilty in an ongoing string of high-profile controversies, including civil and criminal lawsuits and prosecutions, employment law violations, and environmental violations. The central figures in all of these controversies retain ownership of Arakelian Enterprises, which is variously known as Athens Services, Athens Waste Services, Athens Disposal and West Covina Disposal.

#### **Anti-Trust Violations**

In 1989 four high-ranking employees of Athens Disposal, including Ronald Arakelian Sr. and Ronald Arakelian Jr., pleaded no contest in a Federal anti-trust case accusing them of plotting to artificially control waste-disposal prices through the elimination of their competition and the rigging of bids for contracts. In the negotiated guilty plea agreement, the company paid a \$500,000 fine and each of the four Athens owners and executives involved personally paid six-figure fines. It was left to the judge's discretion whether to sentence the four owners and executives to jail terms of up to 90 days, and the judge's 1989 decision has not been located.<sup>1</sup>

#### **Union Busting and Other Illegal Labor Management Violations**

In addition to their dishonest business tactics, Arakelian Enterprises also has a sordid history of illegal union busting and other labor disputes, usually revolving around their disinclination to allow their members to unionize. In one such case, in 1999, Pilar Arellano of Covina, was followed, subjected to constant company surveillance, asked to spy upon her fellow employees, and eventually fired from her position at Athens Disposal after talking to union organizers.<sup>2</sup>

In 1994, the National Labor Relations Board (NLRB) found Athens guilty of union-busting activities in two separate and unrelated cases. In one,<sup>3</sup> the NLRB found that Athens management illegally conducted surveillance of its employees outside of their work hours, illegally terminated employees suspected of union organizing, and illegally interrogated and threatened its employees about union organizing activities. In the other case,<sup>4</sup> Athens (doing business as "West Covina Disposal") illegally interrogated and threatened its employees about union organizing and conducted illegal surveillance of its employees outside of work hours.

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<sup>1</sup> "Haulers plead no contest," Los Angeles Times, November 16, 1989. All page numbers in footnotes are references to page locations in the primary attachment.

<sup>2</sup> "Union Activists have their work cut out for them," Los Angeles Times, October 11, 1999.

<sup>3</sup> NLRB ruling, "Athens Disposal Company, Inc. and Package and General Utility Drivers Local 396, International Brotherhood of Teamsters, AFL-CIO. Cases 21-CA-28832 and 21-CA-29067"

<sup>4</sup> NLRB ruling, "Arakelian Enterprises, Inc. d/b/a West Covina Disposal and City Refuse Service and Package and General Utility Drivers, Local 396, International Brotherhood of Teamsters, AFL-CIO. Cases 21-CA-28835 and 21-CA-29068"

From 1996 to 2007, Arakelian Enterprises DBA Athens Services was involved in seven lawsuits concerning labor disputes: one Federal and six California cases. Of these lawsuits, four were dismissed, including the U.S. District Court case, and three are still pending. The specific details of these cases were not located.

## **Environmental Violations**

### *Montebello Superfund Site*

Arakelian Enterprises operated one of the region's worst landfills, now a major federal Superfund cleanup site. Working as "Operating Industry" company in the 1970s and 1980s Arakelian Enterprises founder Jack Arakelian owned and maintained a landfill located between Monterey Park and Montebello in Los Angeles County. The U.S. Government sued in "USA, et al vs. Operating Industries Inc." and took over the site<sup>5</sup>, which by then had become one of the worst toxic waste sites in the nation. The property was included in the Federal government's Superfund list in 1986. Its 160 acres hold waste from oil companies, food companies, and aerospace industries. Two-hundred million gallons of carcinogenic toxic chemicals, such as vinyl chloride, trichloroethylene, benzene and toluene, litter the site. From 1985 to 1991, Operating Industry and Jack Arakelian were involved in sixteen civil suits, eight in California courts and eight Federal. While one of the state suits is still pending, neither the judgments of the court on the other fifteen lawsuits, nor the specific details about the cases, are known.

### *South Coast Air Quality Management District (AQMD) Violations*

Cities and neighborhood associations have repeatedly sued Athens for noise, odor, pollution, and vermin violations. The South Coast Air Quality Management District (SCAQMD) cited the facility for odor problems over 44 times in one four-month period alone.<sup>6</sup> In July 2008 SCAQMD implemented a "severe remedy normally reserved for serious violators"<sup>7</sup> when it ordered Athens to fix its odor system and reduce the waste accepted at this facility (Athens is fighting that order in LA County Superior Court).<sup>8</sup>

### *Los Angeles County Environmental Health Department Violations*

The Los Angeles County Public Health Department's Environmental Health team is responsible for monthly inspections of all waste-related facilities in Los Angeles County. Between January 2005 and May 2008, the Athens Transfer Station was cited 42 "Areas of Concern" and 7 full Violations. This is nearly twice as many Areas of Concern and Violations as any other transfer station in the County's jurisdiction.<sup>9</sup> North Whittier and Avocado Heights residents sued the company in 2004 over rats and cockroaches around its Valley Boulevard facility.<sup>10</sup>

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<sup>5</sup> USA, et al v. Operating Industries, et al, 2000

<sup>6</sup> "Waste Firm's Expansion Challenged", San Gabriel Valley Tribune, November 28, 2003.

<sup>7</sup> From AQMD website: <http://www.aqmd.gov/hearbd/hearbd.html>, under "What is the Hearing Board authorized to do?"

<sup>8</sup> <http://www.aqmd.gov/hearbd/hearbd.html>, case # 5655-2

<sup>9</sup> LA County Environmental Health: Kelvin Kasay, 5050 Commerce Drive, Baldwin Park, CA 91706, 626-430-5579, fax: 626-813-4839

<sup>10</sup> "Whittier residents sue waste firm, calling site a dirty shame," San Gabriel Valley Tribune, December 29, 2004.

## **Operational Safety Violations**

The Occupational Safety and Health Administration (OSHA) has cited Athens and its subsidiaries for workplace safety violations 68 times in the last 11 years. Prior to that, one CHP crackdown cited dozens of Athens trucks unsafe maintenance, including “broken brakes” on the vehicles that weigh up to 25 tons when full. In 1991, Athens hired a former CHP officer to oversee its safety compliance program, but the Los Angeles Times discovered that the former CHP officer’s signature was illegally forged on scores of fake vehicle repair certifications. A related CHP raid on the company’s truck yard found 22 Athens vehicles had safety defects.<sup>11</sup>

## **Contract Violations**

The City of Monterey Park apartment owners and City Council members allege Athens is using inappropriate fees and add-on charges to overcharge apartment building owners. The dispute remains ongoing, with the Mayor leading the opposition.<sup>12</sup>

Between 2001 and 2007, Arakelian Enterprises DBA Athens Services, was accused of contract violation in three California state lawsuits. One of these resulted in a favorable dismissal, the other two ruled against Arakelian Enterprises. The specific details outlining these cases were not available.

From 1987 to 2004, Ron or Jack Arakelian DBA Athens Services was the defendant in two commercial compliance lawsuits and the plaintiff in two. Of the two cases where Arakelian Enterprises was the defendant, one was dismissed and the other was judged by the court. Both of the cases in which Arakelian Enterprises was the plaintiff were dismissed. The specific details of these cases were not available.

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<sup>11</sup> “Garbage Company Probed Over Forgery Allegation,” Los Angeles Times, July 10, 1991.

<sup>12</sup> “March 4 council vote on Athens' contract counts,” San Gabriel Valley Tribune, March 10, 2003.