

Alco Press Release

San Leandro, CA - Alco Iron & Metal, Co. has reached a settlement with the Department of Resources Recycling and Recovery (Cal Recycle) after an investigation by the California Attorney General's Office into suspected criminal activity by a third party (Wan Best Trading) revealed that Alco sold to Wan Best Trading aluminum and plastic beverage containers for which Alco had already claimed CRV. Alco believed that Wan Best Trading would legally export that material outside the country. However, without Alco's knowledge, Wan Best Trading redeemed at least some of those containers, a second time. As a result, the state refunded CRV twice on the same beverage containers and suffered a financial loss (once to Alco's Customers and then once to Wan Best). Alco agreed to the settlement because it accepted Wan Best Trading's representations that it was exporting the recycled material without adequately verifying those representations. Alco was not aware of Wan Best's plan to defraud the fund and did not benefit from that fraud.

Alco fully and thoroughly cooperated with the Attorney General's investigation into Wan Best Trading. Indeed, it was information provided by Alco employees during that investigation that established that Alco failed to investigate Wan Best. Once that information was brought to Cal Recycle's attention, it commenced its regulatory action against Alco. Unlike two other recycling companies that did business with Wan Best, Alco was never accused of any criminal wrongdoing. Instead, Alco has acknowledged its failure to perform due diligence required by law, paid full restitution to the Fund for all loss it could have suffered from Wan Best's dishonest behavior, and will continue to participate in Cal Recycle's recycling program. Moreover, Alco will continue working with Cal Recycle to prevent damage to the fund in the future. Since Alco learned of these allegations, the company has improved its compliance with Cal Recycle's rules by additional education of employees as well as regular communication and cooperation with Cal Recycle auditors and regulators to assure future compliance.

Alco Iron & Metal Company was founded in San Leandro in 1953. Alco started on a quarter acre lot with less than 10 employees and grew significantly in the 1990s when the sons of the original owner began managing the business. Today, Alco has five locations throughout the Bay Area, including two in San Leandro, with other locations in Vallejo, San Jose, and Stockton. Of the 206 Employees that Alco employs, 134 work in Alameda County. Alco are one of the Bay Area Leaders in Scrap Metal Yards for our environmental compliance within its facilities, with each one having state-of-the-art storm treatment system. In addition, Alco works closely with law enforcement, and have participated in large scale sting operations with the San Leandro Police Department in their Operation Hot Wire.