

What to Look For When Selecting An Electronics Recycling Vendor

BY MICHAEL GOLUB

Generators of end-of-life electronics are challenged to engage a recycling vendor that serves their best interests in conformity with applicable law. Entrusting material to an unqualified company means that the material will not be processed in an environmentally responsible manner. This puts the generator of so-called e-waste at risk for “generator liability” including substantial financial penalties. Following the guidelines set forth below will enable you to ask the right questions and make the right vendor choice.

HISTORY/COMMITMENT

Has the prospective vendor been in business for a number of years? Has the vendor been exclusively committed to electronics recycling during that time? Many companies offer electronics recycling services not because of a commitment to environmentally sound end-of-life electronics recycling, but as an ancillary service needed to attract other business. These companies dispose of collected electronics using subcontractors and brokers, leaving the fate of your electronics in the hands of an unknown third party while you remain potentially liable as the generator of the e-waste. A qualified vendor is one that has a history of being exclusively involved in electronics recycling for a number of years, that is fully committed to environmentally sound processing of materials, that recycles without subcontractors or brokers and that can document to you each and every aspect of the recycling process.

ISO CERTIFICATION

Is the electronics recycling vendor ISO certified? In most cases, the answer is “no.” Most public companies want to work with ISO certified vendors. It is important to understand why. ISO 14001 was created by the International Organization for Standardization. It specifies a process for controlling and continually improving a company’s environmental performance. Becoming certified is difficult and time consuming. It involves a top-to-bottom review of company operations and the development of procedures and practices at every level aimed at identifying,

prioritizing and managing environmental risks as part of normal business practices.

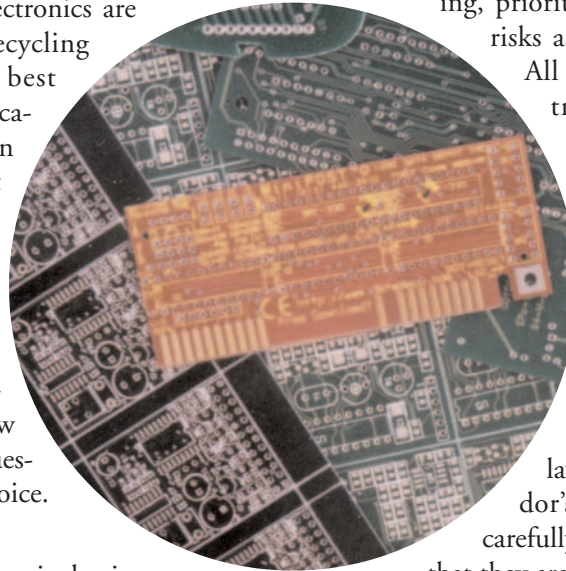
All employees are involved and all are trained. ISO certification demonstrates operational strength and commitment to the environment by meeting the rigorous requirements for ISO 14001 certification.

ENVIRONMENTAL COMPLIANCE

What is the vendor’s record for compliance with environmental laws, rules and regulations? Is the vendor’s property site polluted? Inspect it carefully. Are electronics materials stored so that they are in contact with the dirt? Are materials exposed to weather? Are materials scattered about in outdoor areas? Because electronics contain hazardous elements, improper outdoor storage means that hazardous elements will leach into the environment. A potential vendor must comply with all laws, rules and regulations governing the storage, processing and disposition of end-of-life electronics. Proper due diligence includes determining that the vendor has never been the subject of any enforcement action by any governmental authority with regard to its environmental compliance.

“BAN” ENVIRONMENTAL STEWARDSHIP PLEDGE

BAN, the Basel Action Network, an outgrowth of an environmental meeting held in Basel, Switzerland, is an international network of activists aiming to stop the transfer of hazardous electronic waste from rich countries to poorer countries. BAN understands that many “recyclers” do not actually recycle hazardous materials, but instead simply export them to foreign countries. This is an industry-wide problem caused by a lack of regulation and a lack of material tracking. Every vendor in the industry is familiar with BAN. But only a few distinguish themselves by having become parties to BAN’s Stewardship Pledge. If the vendor you are considering is not a party to the BAN Pledge, this may be an indication that it is exporting hazardous electronic scrap to less developed countries. The



consequences to you of this improper conduct can be both expensive and embarrassing. A New York Times article revealed the names of many companies and agencies that used improper recyclers after their e-waste was discovered dumped in China.

POLLUTION INSURANCE

Does the vendor carry pollution liability insurance coverage? As further security for its customers, a recycler with operational and financial depth will maintain a substantial pollution liability insurance policy. Many so-called recyclers do not have such coverage. While following best environmental practices and all environmental laws is a requirement, carrying pollution insurance coverage is an added layer of protection for liability-conscious customers.

ON-SITE DISASSEMBLY AND DE-MANUFACTURING

Does the vendor have a full service on-site processing facility including a manual tear down line for the breakdown of materials? Inadequate space and personnel could be a sign that collected electronics are not being processed on-site, but instead are being brokered to unknown parties.

ON-SITE EQUIPMENT – SHREDDER

The ability to process materials on a large scale requires a significant investment in high-tech capital equipment. Manual tear down plays a useful role, but it is not enough to sustain a long-term commitment to efficient, environmentally sound and customer-affordable end-of-life electronics recycling services. Choosing a vendor that owns and operates a sophisticated electronics shredding system that complies with environmental best practices is always preferable. It enables the vendor to process large quantities of material into segregated refinable commodities. It also enables the vendor to perform shredding services on-site as demanded by many customers. This means that sensitive materials can be shredded without dependence on third parties and without moving the sensitive material off the vendor's premises.

PROPRIETARY HARD DRIVE DATA

Does the vendor permanently destroy proprietary data contained on hard drives in your equipment? Most vendors say they do this. But they don't. They may disassemble computers, for example, and ship detached hard drives as a commodity for refining. The hard drives, while intended for melt down in the refining process, contain proprietary data. So the customer risks loss of this data when the "commodity" is shipped. The vendor you select should wipe all hard drives to ensure no loss of its customer's proprietary data. In addition, many vendors claim to "degraus" or "clean" hard drives. Today, that is not enough. Computer forensics allows for the recovery of data on wiped hard drives. Most vendors are not equipped to

wipe hard drives permanently clean. Investigate all of the vendor's equipment for this purpose. Good and effective equipment is expensive and involves far more than a technician plugging in one hard drive at a time and wiping it with a computer program. State of the art equipment is needed to clean hard drives to military specifications so that customer information is completely and permanently deleted.

EXPERIENCE WITH SENSITIVE MATERIAL

Promising to protect your sensitive data is easy. Doing so can be hard and requires expensive systems and well thought out procedures. The vendor must be experienced in handling sensitive materials and must have an acceptable model in place to protect customer data. The vendor must use total destruction protection in order to protect sensitive material.

REFINING OF MATERIALS

Does the vendor sell processed materials such as printed circuit boards to other parties for refining; or does the vendor itself arrange for refining? If a potential vendor has direct large quantity supply contracts with a major refinery, it is able to offer a better pricing structure. Such a vendor does not need to subcontract materials refining. It can process customer material start to finish and can assure customers of proper environmental handling throughout the process.

END-MARKETS

Will the vendor disclose to you all of its end-markets for processed materials? Obtaining this information is essential, but getting it in writing may not be enough. Ask for contact information for off-site down-line processors, and telephone them to obtain assurances that materials are in fact shipped to them by the vendor. By way of example, some recyclers offer so-called "glass-to-glass" recycling of screen-burned cathode ray tubes. In reality, they may ship such materials to overseas destinations since doing so is less costly. While the "recycler" pays less to have the material processed, the customer remains at risk since the shipped materials are not generally recycled as they should be. A qualified recycler should be able to furnish you with documentation of end-markets and references; and should have a closed loop hazardous waste tracking system.

LICENSING

Is the vendor properly licensed, including licenses to handle batteries and mercury containing devices? No vendor should be considered unless it is fully licensed and complies with all federal and state laws governing the disposition of end-of-life electronics.

LOCATIONS

Where is the vendor located? Can it efficiently handle

material originating from your facilities? Does the vendor claim to own other facilities, but really only have an informal “arrangement” with them? Check ownership carefully. Transportation logistics plays a major role in cost efficient collection and handling of material. Choose a vendor with a transportation manager who can work with you to efficiently direct material to the optimal destination.

INSPECTION OF FACILITIES/OPERATIONS

Does the vendor allow for an inspection of its facilities? An inspection is essential. An inspection without prior notice of arrival is ideal. Look closely for signs of the vendor’s level of commitment to the environment and to worker health and safety. Are OSHA requirements being met (hard hats, gloves, eyewear, etc.)? Are hazardous materials stored properly? Do the employees appear to be properly trained and working in a secure safe setting? Are there ample safety stations? Are unsafe materials stored on-site? Watch the flow of materials, observe carefully and ask questions.

INFRASTRUCTURE

What is the vendor’s infrastructure like? Does the vendor have one truck or many? Fifteen employees or fifty? A management team with depth of experience and expertise? A transportation and logistics manager? Working with a professional organization with an adequate and well-trained staff means your materials are likely to be picked up timely, processed timely, recycled correctly and reported to you accurately.

SECURE FACILITY

Having a secure facility to process end-of-life electronics is essential to protecting customer loss of proprietary data and to safeguard proper material handling through the end of the recycling process. Does the vendor have a secure facility? Having a fence and an alarm system is not adequate. The use of a digital surveillance system and double gates is optimal. The vendor should also have a program for routinely subjecting its employees to random drug testing. In addition, ask if the vendor offers a walk-in trade for buyers and sellers of reusable components and materials. If it does, your material may not be fully secure and close scrutiny of the facility and its material flow is warranted.

CERTIFICATION OF RECYCLING

Many recyclers offer to provide their customers with a “Certificate of Recycling” to evidence recycling of customer materials. Such certificates, while potentially useful, do not alleviate generator liability. They are only meaningful if the company that offers them is a true recycler of electronics. Companies that do not handle material correctly will likely not hesitate to issue a Certificate of Recycling suggesting that they have indeed acted properly. The

vendor must stand behind its Certificates of Recycling by utilizing environmentally friendly processes and best practices in the industry, by enabling customers to track materials to their grave, and by demonstrating the financial and operational depth needed to address unforeseen problems. A detailed post-audit program should be available to all customers.

CLAIMS REGARDING CERTIFICATION

Some recyclers claim to be EPA certified. If a recycler makes this claim or advertises this on its web site, beware. The EPA does not have a certification program for electronics recyclers. Verify all claims regarding certifications and memberships in associations by proper due diligence and by requesting complete documentation from the vendor. A qualified vendor is generally a member of many industry associations and will gladly furnish you with evidence of its licenses and its ISO Certification.

CUSTOMIZATION OF SERVICES

Does the vendor offer customized services to meet your needs? Select a vendor that can customize its services to meet the unique needs of any customer. This includes on-site documented shredding of specific materials, customer-specific reporting and detailed pricing reports. A qualified vendor has a work history serving many types of customers in private industry and government and will tailor its services to your exact needs.

CONTRACT

Does your vendor have a detailed and professional form of contract that clearly states your rights as a customer? Choose a vendor that offers contract-based services and stands behind its promises in writing.

The electronics recycling industry is largely unregulated and made up of a diverse collection of service providers with varying methods and motives. It is incumbent upon potential customers to protect their interests through proper due diligence. Using the factors noted above, you can assess the desirability of using a potential electronics recycling vendor. By investing time and resources in making the right vendor choice, you can steer your company away from costly contingent liabilities, embarrassment in the communities in which you operate and the need to devote future time and resources to fixing problems caused by an unqualified or unscrupulous vendor. ◆

MICHAEL GOLUB is Managing Director of Global Investment Recovery, Inc. Global is a full-service end-of-life electronics recycling and asset recovery and management company. It serves government and commercial customers throughout the United States with east and west coast locations. Global is ISO 14001 certified and follows industry best practices using state of the art technology.