



**Environmental
Protection Agency**

John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

CERTIFIED MAIL

March 7, 2011

**RE: AMG Vanadium, Inc.
U.S. EPA ID No.: OHD042319244
Guernsey County**

Mr. Hoy E. Frakes, Jr., President
AMG Vanadium, Inc.
60790 Southgate Road
Cambridge, Ohio 43725

Dear Mr. Frakes:

I want to bring to your attention the serious concerns I have regarding the operation of AMG Vanadium, Inc. (AMG), located at 60790 Southgate Road, Cambridge, as it relates to the management of hazardous waste.

On April 22, 2010, Ohio EPA's Division of Hazardous Waste Management conducted a compliance evaluation inspection at AMG to determine compliance with Ohio's hazardous waste laws. I was informed that it was necessary to perform the inspection of the Chemical Plant building at the AMG facility with the use of flashlights since the power to the building had been lost over eight months prior. In the Chemical Plant building, Ohio EPA observed several different wastes streams in various states of mismanagement. At the time of the inspection, AMG representatives were unable to provide information regarding the various waste streams in the Chemical Plant building. A few months later, AMG provided information demonstrating that some of the wastes in the Chemical Plant building were hazardous wastes. The wastes which were determined to be hazardous wastes became hazardous wastes, at a minimum, when AMG abandoned them by ceasing operations in the Chemical Plant building on March 19, 2009. Due to the length of storage of the hazardous waste in the Chemical Plant building, Ohio EPA determined that AMG established and operated a hazardous waste storage facility without a hazardous waste installation and operation permit, in violation of Ohio Revised Code (ORC) § 3734.02(E) and (F). Furthermore, AMG failed to comply with other generator rules, including but not limited to, failing to make a hazardous waste determination, in violation of Ohio Administrative Code rule 3745-52-11.

I understand AMG has now shipped all hazardous waste off-site from the Chemical Plant building to a permitted treatment, storage and disposal facility as well as returned to compliance with regard to the other generator violations.

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I understand AMG has now shipped all hazardous waste off-site from the Chemical Plant building to a permitted treatment, storage and disposal facility as well as returned to compliance with regard to the other generator violations.

While I am concerned with the violations discussed in this letter, I am encouraged by the actions taken by AMG. These actions demonstrate that AMG takes seriously its responsibility to operate in compliance with Ohio's hazardous waste rules and laws and I trust that you will take all appropriate actions to ensure that the violations are not repeated. Should AMG fail to maintain compliance with Ohio's hazardous waste laws, Ohio EPA will consider other available enforcement options, including civil penalties.

Lastly, please be informed that due to the AMG's unlawful storage of hazardous waste without a permit, in violation of ORC§ 3734.02(E) and (F), AMG is subject to closure of the hazardous waste storage area located in the Chemical Plant building and future site wide corrective action. Although no further action is required at this time to abate the violations, Ohio EPA reserves its rights to exercise its lawful authority to require AMG to perform closure as well as corrective action at some time in the future, pursuant to ORC Chapter 3734. or any other applicable law.

Should you have any questions please contact Donna Goodman with Ohio EPA's Southeast District Office at (740) 380-5293.

Sincerely,



Scott J. Nally, Director
Ohio Environmental Protection Agency

cc: Mr. Richard Caldwell, AMG Vanadium, Inc.
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