

Ashland Inc. pleads guilty to charges related to fire: Company agrees to pay out \$11 million in penalties

By Chris Graves

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Ashland Inc. pleaded guilty Monday to federal misdemeanor charges, admitting it violated environmental regulations that contributed to an explosion and fire at its St. Paul Park petroleum refinery five years ago.

The company, in a detailed plea agreement, agreed to pay more than \$11 million in fines, restitution to five employees who were injured, and costs to upgrade equipment at the facility, now owned by Marathon Ashland Petroleum.

One employee, Randy Danielson, 43, will receive \$3.5 million in restitution. Severely burned in the fire, Danielson alerted environmental authorities to criminal violations at the refinery.

“He single-handedly pursued this,” said Danielson’s lawyer, Bob Hajek. “It was an explosion that afterwards no one paid attention to except for the fellow who had his face blown off.”

Danielson, who was out of state and unavailable for comment, altered officials at the Environmental Protection Agency and the Minnesota Pollution Control Agency, who then began an investigation, Hajek said.

In court Monday, Glenn Hammer, vice president of environmental, health and safety for Ashland Inc., admitted that the

company violated a section of the Clean Air Act by negligently releasing a hazardous pollutant in the air.

On behalf of the company, Hammer also pleaded guilty to submitting false documents to the MPCA.

On May 16, 1997, workers were pumping hydrocarbons into the refinery’s sewer system, which is required to have tightly sealed manhole covers. One of the manhole covers was propped open, allowing hazardous vapors to escape. The vapors ignited into a fireball.

Refinery employees, also trained to fight fires, put out the fire and were cleaning the area when a second explosion and fire erupted out of the open manhole, injuring Danielson and four of his coworkers.

Danielson, who is on extended medical leave from his job, suffered severe burns to his face, neck, back and eyes, and damage to his hearing, and has had many surgeries to reconstruct his facial features, Hajek said.

As part of the plea, the company also agreed to set up an annuity for medical insurance for Danielson and his family to continue to pay Danielson’s medical bills related to the injuries he suffered in the fire.

As part of the agreement, Hammer acknowledged to U.S. District Judge the refinery in violation of another section of the Clean Air Act. The U.S. attorney’s office agreed to defer prosecuting the Covington, Ky., company on that charge as long as it

completes upgrades to sewers, junction boxes and drains at the refinery within four years.

Rosenbaum called the deferred prosecution “a hammer” over the company’s head to make sure it brings its systems into compliance with federal regulations.