



Columbus Fraud Resident Agency
US Army Criminal Investigation Command
200 N. High St., Room 112, PO Box 151076
Columbus, Ohio 43215

0049-05-CID532-10613

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AGENT'S INVESTIGATION REPORT

Information received from KY OIG:

About 0800, 6 Mar 06, SA [REDACTED] received an e-mail from Ms. [REDACTED] KY OIG in which she detailed the following information she received from Mr. [REDACTED] KDEP:

"There was a release of between 5-10 gallons of pinkwater from the TNT washout facility on 12/12/05. This pinkwater overflowed a 2500 gal. sump in the floor and over the parking lot into a drainage ditch at the rear of the facility. I responded to this release and as a result, I recommended sampling along the ditch where areas were suspected to be contaminated. BGAD stated that they removed the contaminated water and ran it back through the washout system, and excavated some soil and treated it at the demolition grounds. 5 soil samples and 2 water samples were collected during a sampling event on 1/11/2006, per the sampling plan that BGAD developed and I along with the corrective action section approved. We split samples with BGAD and our values are significantly different from theirs. (I can go into this further if you are interested). In a nutshell, the levels of TNT found after the area was supposedly cleaned up were greater than 40x what the EPA Region IX PRG's (preliminary remediation goals) for industrial sites are. Corrective Action along with myself will be requiring clean-up of this area within the near future.

More recently however, on 2/13/06, there was another release of pinkwater from the same sump into the same area. The actual amount of the release is unknown, but the operator who first found the spill estimates between 50-75 gallons were released total, with all except for 25 gallons being recovered. I responded to the second release yesterday, and requested that the remaining pinkwater be collected and handled accordingly. I also collected 3 additional soil samples further "downstream" of the previous samples to obtain a better characterization of additional soil that may have to be removed. Again, these 3 samples were split and results are due in about 2 weeks. The analytes tested are/were TNT, RDX, HMX & Perchlorate.

Also, there is currently a GB leaker from one of the chemical weapon storage igloos at BGAD. This incident began on the 6th of February and is currently ongoing. I have been periodically evaluating the progress of the leaker isolation and we are receiving reports of the levels that are found during the course of the leaker."

About 1330, 7 Mar 06, SA [REDACTED] received an e-mail from Ms. [REDACTED] in which she detailed BGAD had the following permits:

Non-Chemical Hazardous Waste Storage Permit: 8/04
Chemical Hazardous Waste Storage Modification: 10/05

Preparing Special Agent:
[REDACTED]

Date: 6 Mar 06

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Acronyms

BGAD – Bluegrass Army Depot
BCMA – Bluegrass Chemical Munitions Activity
AUSA – Assistant United States Attorney
DOJ – Department of Justice
U.S. EPA-CID – U.S. Environmental Protection Agency-Criminal Investigation Division
KY OIG – Kentucky Office of the Inspector General
DCIS – Defense Criminal Investigative Service
KDEP – Kentucky Department of Environmental Protection
DOL – Department of Labor
OSHA - Occupational Safety and Health Administration
DAIG – Department of the Army Inspector General
CMA – Chemical Materials Agency
AMC – Army Materiel Command
JMC – Joint Munitions Center
ECBC – Edgewood Chemical Biological Command
GS – General Schedule
WG – Wage Grade
BS – Bachelor of Science
VX - O-Ethyl S-Diisopropylaminomethyl Methylphosphonothiolate, Chemical Nerve Agent
GB – Sarin
ppm - Parts per million
RTAP – Real Time Analytical Platform
SOP – Standard Operating Procedure
MASPEC –
RCRA – Resource Conservation and Recovery Act
RAC – Resident Agent-in-Charge
GJS – Grand Jury Subpoena
CEA – Civilian Executive Assistant
CASARM – Chemical Standard Analytical Reference Material
SRI – Southern Research Institute

Meeting with Kentucky Department of Environmental Protection:

About 1000, 6 Apr 06, SA [REDACTED] and Ms. [REDACTED] Investigator, KY OIG, Frankfort, KY met with Mr. [REDACTED] Environmental Inspector; Mr. [REDACTED]

Preparing Special Agent:
[REDACTED]

Date: 6 Apr 06

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Geologist; Mr. [REDACTED] Environmental Engineer Assistant; and Mr. [REDACTED] Geologist, all KDEP, Frankfort, KY to discuss the TNT Washout Facility and pink water ponds located on BGAD.

There are four pink water sites located on BGAD: the New TNT Washout Facility, the Old TNT Washout Facility, the New Pink Water Lagoon, and the Old Pink Water Lagoon. KDEP is unsure if there are any outstanding requirements for the clean-up of the Old TNT and Old Lagoon sites, but stated they would check on the status. However, the New TNT and Lagoon sites had some problems arise recently.

The process for the TNT Washout Facility is as follows: The munitions come into the facility, are opened and placed onto a metal square tray. The tray, along with the munitions, is then placed into a hot water bath. Hot water is then pumped at a 45 degree angle to a settling tank (decanting tank) in which the settling sludge water goes back into the tank and the 'heavies' (settles out of explosives) go down into trays in the drying room. The water goes through the sump into the filter press and then the slinky filters. Water continues to go through the closed loop system. Excess water goes through the carbon filters into an outside holding tank. The water is then tested and released to the pink water pond. The heavies go through the sludge press and then into the drying room to be dried thoroughly. Once the sludge is dried, it is then placed on the flaker belt in which the sludge is heated, dried, and flattened. Some point prior to the sludge being packaged it is tested to determine the explosive grade.

AGENT'S COMMENT: The sump is inside the building toward the very back of the facility. All water on the floor goes into a trough that goes directly to the sump.

In December 2005, BGAD notified KDEP of a 5-10 gallon pink water release at the New TNT Washout Facility, which KDEP believed was BGAD's first release ever reported for this site. This release was due to the fact that BGAD was tasked to dispose of tank mines after 9/11. The TNT operation was operating at a high capacity and the sump pump could not handle all of the water going through the sump and overflowed.

In February 2006, a second release occurred at the TNT facility. This release was caused by the Process Supply Water valve not being completely shut off over a weekend, causing the sump pump to overflow again. The release was approximately 50-75 gallons of pink water. However, when KDEP and BGAD conducted soil samples, the samples indicated the soil was not contaminated. KDEP provided BGAD with a verbal notice for not being in compliance and failing

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to prevent the spill from occurring. KDEP related this fell under a section of the permit in which BGAD is required to properly operate and maintain their equipment at all times.

Another possible release occurred when BGAD released water into the New Pink Water Lagoon. BGAD informed KDEP that some water was released into the lagoon that tested negative for TNT/RDX; however, had a pink tint. Mr. [REDACTED] Environmental Division, BGAD, informed KDEP BGAD did not report the incident as he did not consider the incident a release. KDEP only considers a pink water release a violation when is it is not reported, reported within the 24 hour reporting requirement, or the entity fails to mitigate the release.

According to KDEP, BGAD has begun implementing controls in the New TNT Washout Facility. One control implemented was the placement of a lock on the holding tank release valve so that only a supervisor could release the water into the lagoon. This control was put in place after the last spill.

Another problem around the TNT facility is soil contamination from employees walking in and out of the facility. KDEP believes the ground contamination is caused from the equipment/boots being worn by employees. The TNT adheres to the equipment/boots from inside the facility and is then tracked outside. Over a long period of time this causes the ground to become contaminated. BGAD does not have a system in place for employees to decontaminate themselves prior to leaving the building, thus causing the soil contamination. Each individual working in the facility has red stained skin and hair from working inside the facility. This is because the TNT is dyed red to make it detectable.

BGAD has submitted a Work Plan for Soil Investigation at the New TNT Washout Facility to KDEP for approval. The purpose of this plan is to "outline the technical approaches and describe the soil investigation procedures to be conducted" at the facility.

KDEP feels comfortable with BGAD's efforts to clean up the TNT Washout Facility. However, KDEP has concerns about the facility's RCRA empty containers and the re-treatment of Hazardous Waste.

Approximately two weeks ago, KDEP became aware of a 2004 EPA clarification that states if you are subsequently managing residue and it produces a new hazardous waste, then it is treatment of hazardous waste. KDEP believes this guidance may make the TNT Washout Facility a RCRA Hazardous Waste Treatment Facility.

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Once the munitions are cleaned in the TNT Washout Facility, BGAD takes the RCRA empty containers (containers that have less than one inch liquid or 3% of the volume) and places them in huge piles on the ground. This concerns KDEP because of the leakage to the ground and possible ground contamination caused by the huge piles of RCRA empty containers. These containers stay on the ground for a long time. When KDEP asked BGAD why the containers stay on the ground for so long, Mr. [REDACTED] informed them that it was the Defense Reutilization Marketing Office's (DRMO) job to demilitarize the RCRA empty containers. However, BGAD has an Army Regulation (AR), AR 200-1, which states they must flash the munitions prior to disposing of the containers. KDEP also mentioned that recyclers will not take RCRA empty containers unless they have been flashed.

The flash procedure is used on RCRA empty containers. The car body puts mines/munitions on two metal trays. The trays then go into a fuel oil furnace for 15 minutes at 1000 degrees. Once the sludge leaves the furnace it is then considered a hazardous waste. KDEP stated that once you treat a hazardous waste, the whole facility is considered a Hazardous Waste Treatment Facility.

BGAD classifies the sludge from the TNT facility into three explosive grades: Weapons, Mining, and Donor. The donor material is an area of concern for KDEP, as anything BGAD cannot sale is called donor material. At one point BGAD sent approximately 100 plus drums (with 700 still placed in storage on BGAD) to the Anniston, AL depot for use as donor material. Anniston kept a couple of drums and informed BGAD that the rest of the material was not suitable for donor material. However, BGAD believes that these drums are still suitable for donor material.

KDEP is attempting to determine if the material BGAD keeps as donor material is actually donor material or a hazardous waste. However, it is BGAD's opinion that the donor material is always donor material and not a hazardous waste.

The donor material is used when BGAD explodes munitions in their Open Burn/Open Detonation Area. The definition of donor material being that the munitions could not explode without the assistance of the donor material. When BGAD uses the Open Detonation process they generally do 30 pits at one time with 100lbs per pit. Donor material is poured on top of the explosives and all pits are wired together to explode at one time.

BGAD is still under an interim status permit for Open Detonation as KDEP is still reviewing BGAD's policy. KDEP believes that BGAD may insist the material is donor material

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as a way to get rid of the donor material without processing it as a hazardous waste, but would have to conduct some experiments to determine whether this was an accurate assumption.

The Contaminated Waste Processing (CWP) end product is a hazardous waste. However, BGAD indicates that the material is always 'in-process,' meaning they can reprocess it again and again and is never an end product.

KDEP feels BGAD is making progress in a lot of areas for the following reasons. BGAD has monitoring wells located at certain locations that are inspected semi-annually. A quarterly meeting is held between BGAD and KDEP, and KDEP visits them on an almost daily basis.

Even though BGAD is making progress, KDEP still feels there are two major areas of concern: determining whether the donor material is a hazardous waste and the RCRA empty containers. If the donor material is a hazardous waste, then BGAD is processing hazardous waste without a permit.

//////////////////////////////////////LAST ENTRY//////////////////////////////////////

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