Waste Management, Inc. (WMI), the nation’s largest and least law-abiding waste hauler, reportedly raised the stakes last week for citizens who oppose their operations. According to the TIMES-PICAYUNE, the largest newspaper in New Orleans, Louisiana, representatives of Waste Management told two high-level New Orleans city employees that they would “wear cement boots” and would “meet their maker” if they continued to investigate alleged overcharging of the city by the waste hauler.

According to the TIMES-PICAYUNE Oct. 7, 1988, pg. B1, the New Orleans Superintendent of the Department of Sanitation, Cecil McFarland, and his supervisor, Sanitation Director Pat Koloski, reported the gangster-style death threats to the City Council at a public meeting Oct. 6.

HWN interviewed City Councilperson Peggy Wilson, who confirmed that she had heard Mr. McFarland make the charges: ‘I said to him, ‘Are you saying Waste Management threatened your life?’ and Mr. McFarland said, ‘Yes, that’s what I’m saying.’’ According to TIMES-PICAYUNE writer Frank Donze, who covered the City Council meeting Oct. 6, ‘Koloski confirmed that the threats were made but neither he nor McFarland would discuss who made them.’

HWN interviewed Cecil McFarland, a man in his mid-30s, at his city office in New Orleans Oct. 7, and asked him who in Waste Management had made the death threats. Mr. McFarland told us he had just finished testifying before a federal grand jury an hour before we met with him, and he said he was under orders not to speak about the matter. Mr. McFarland appeared nervous and shaken during our interview. He politely but firmly declined to answer any questions related to the death threats. He did confirm that the city had been dumping its garbage at a landfill owned by Waste Management since 1976.

According to the TIMES-PICAYUNE, Mr. Koloski, and Mr. McFarland had been holding a series of meetings with representatives of Waste Management to discuss alleged overcharging of the city by the waste hauler. A report issued by the office of New Orleans Mayor Sidney Barthélémy earlier this year alleged that Waste Management had overcharged the city in at least the following ways:

charging the city for disposal or garbage from other parishes;

billing the city twice for some loads of trash;

weighing truck drivers and their helpers along with the trash; the city pays for trash disposal by weight.

According to the TIMES-PICAYUNE, Charles Dees III, Waste Management’s regional vice-president, said his company had cooperated throughout the inquiry, and he said there is no evidence to support Mr. Koloski’s and Mr. McFarland’s charges.

According to Sanitation Director Koloski, the overcharging may have amounted to as much as $2 million over the 12-year period since 1976, when the city began dumping its garbage at the Recovery 1 landfill, owned and operated by Waste Management.

During the past two years, the city has privatized garbage collection and American Waste and Pollution Control has won the contract to provide pickup throughout the city. American Waste is a subsidiary of Waste Management.

Mr. McFarland was appearing before the Council Oct. 6 partly to protest the city’s failure to investigate fully Mr. Koloski’s earlier charges that WMI had overcharged the city during a 12-year period. The city had asked a certified public accountant, Deloit, Haskins and Sells, to investigate one year’s worth of dealings between the city and WMI. The accounting firm reported finding only $2,800 in erroneous charges. The city’s chief administrative officer, Kurt Steiner, said he had ordered an investigation of only one year’s dealings with WMI because WMI had only been picking up city garbage for that long. He said, “We had to start somewhere and we do intend to review transactions in prior years.”

Sanitation Director Pat Koloski appeared before city council recently to request review of 12 years of records, which he said would show that WMI had overcharged the city by as much as $2 million. The TIMES-PICAYUNE reported that immediately after Mr. Koloski made his charges, the FBI subpoenaed city records dating back to 1976 and ordered delivery of the records to the grand jury Oct. 7, the day Mr. McFarland appeared before the grand jury. Robert Boitman, an attorney on the staff of John Volz, federal district attorney in New Orleans, would not confirm or deny for HWN that a grand jury is investigating Waste Management and/or the alleged death threats against city employees. City councilperson Peggy Wilson told us that the matter was out of Council’s jurisdiction now that criminal charges might be involved, and she said she believed the federal district attorney’s office would be investigating the death threats.

Waste Management has recently pleaded guilty or no contest in other jurisdictions to charges of illegal price-fixing and bid-rigging. In Fort Lauderdale, Florida, on January 15, 1988, WMI was fined $1 million after pleading no contest to a federal charge that it illegally controlled competition among garbage haulers in Broward County, FL, the Ft. Lauderdale SUN-SENTINEL reported Jan. 16, pg. 1A. Justice Department attorney James Griffin said the company and other unnamed haulers drove up prices of garbage collection by refusing to bid against each other for contracts. The practice cost consumers “millions of dollars,” according to court records. Three days earlier the waste giant was fined $725,000 in a Florida court for damages and penalties stemming from separate charges that it fixed prices and rigged bids in Dade County, Florida, according to the SUN-SENTINEL Jan. 13, 1988, pg. 3B. Both cases involved a wholly-owned subsidiary called Waste Management of Florida. Waste Management, Inc., has itself organized into at least 772 subsidiary corporations to minimize the parent company’s liability.

The SUN-SENTINEL on Jan. 13, 1988, quoted Jerome Hoffman, who heads the antitrust division within the office of Florida’s attorney general, Robert Butterworth, saying that Waste Management and other garbage haulers had been charged with price-fixing in a civil suit by a group of south Florida businesses dating back to 1976 and ordered delivery of the records to the grand jury.

The FBI investigated the death threats. According to TIMES-PICAYUNE Oct. 7, 1988, pg. B1, the New Orleans Superintendent of the Department of Sanitation, Cecil McFarland, and his supervisor, Sanitation Director Pat Koloski, reported the gangster-style death threats to the City Council at a public meeting Oct. 6.

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