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**DATE:** January 24, 2020

**TO:** Depot Network

**RE:** **Out of Province Compacted Material**

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The Beverage Container Management Board (“BCMB”) has noted a recent increase in compacted, out of province material attempting to enter our system through Depots (especially in the Edmonton area). Typically, the material is pre-sorted so each bag will contain one specific material stream and size. However, we have also seen bags where material streams are mixed (PET and Other Plastics but all compacted), and occasionally there are attempts to try to mix it with a small amount of legitimate material. Although we have seen compacted material showing up from various material streams and sizes; PET, Other Plastics, HDPE, Gable Top and Aluminum are the most common.

If this material is being accepted and shipped through Depots, it becomes a financial risk to Alberta’s deposit return system and undermines the integrity of our program. The result of this activity puts the beverage container recycling industry at risk and creates questions regarding the viability of a program where fraud can so easily occur. We want to thank the Depots that have been diligent in quarantining suspicious material and sending in Container Validation Request (CVR) tickets through QMS. There have been instances in the past few months where we have been able to successfully deter potential fraud and prevent illegitimate material from entering the system.

Going forward, we want to encourage everyone to be aware of what this material looks like and to assist in deterring those who commit fraud and take advantage of this system. We have included images below of material that has been attempted to be returned, as well as a list of identifying characteristics, for your reference. Please take some time to review CVR procedures and these images with your staff. In order to assist the BCMB in investigating where/who this material is coming from, we ask that you follow these steps:

1. *Complete a CVR*
  - a. *Request that the customer complete or provide information for a CVR*
  - b. *Ask where the material came from, why is it in that condition? (ie. compacted)*
  - c. *Create and submit a CVR ticket in QMS with as much detail as possible, including pictures of the material*
2. *Quarantine the material*





- 3. If you have security footage, save images of the customer. In lieu of security footage, ensure that you write down a detailed description of the individual and their vehicle. If you can do so, without putting yourself in danger, take images of the vehicles and persons involved.*

Should the customer refuse to complete a CVR or leave with the material, please ensure that you still notify the BCMB. Provide as much detail as you can and include security images if possible.

It is important to note that if any Depot is found to be knowingly accepting and processing this material, without following CVR processes, they could find themselves subject to investigation by the BCMB. This could eventually lead to a hearing where a review of their operating permit may result in suspension or cancellation of said permit.

The BCMB takes fraud and the knowing acceptance of illegitimate material seriously. The risk posed to the system has the potential to affect everyone, from Depot Operators to Stakeholders, the public and Industry Partners. Without the support and cooperation of Depots, those who attempt to commit fraud and undermine the system will continue to do so unpunished. It is important to remember that with public perception, it can only take the actions of one Depot to tarnish the reputation of the whole industry.

Should you have any questions or information please contact Mark Emsden at [memsden@bcmb.ab.ca](mailto:memsden@bcmb.ab.ca) or 780-424-3193 ext.233.

Or should you wish to make an anonymous report, send your email to [fraudtip@bcmb.ab.ca](mailto:fraudtip@bcmb.ab.ca)



Characteristics of Compacted, Out of Province Material:

- *Material is pre-sorted or they are bringing in only one or two material streams (not consistent with a typical customer order)*
- *Out of province brands or unregistered material*
- *Signs of industrial compaction:*
  - *Containers are completely flattened*
  - *Containers are folded and compacted onto themselves*
  - *Containers are fused to other containers*
  - *Containers are shredded or worn as though pulled apart from a bale*
  - *Necks of plastics bottles are flat/crushed*
- *Presence of non-beverage material or garbage stuck to containers*

Images:

















