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MADIGAN: PHENOL UNIT AT ALSIP PLANT CLOSED UNTIL CAUSE OF CHEMICAL RELEASE AND FIRE DETECTED

Chicago — Attorney General Lisa Madigan has reached an agreement that requires an Alsip chemical firm to keep a phenol manufacturing unit shut down until experts can determine how apparent equipment failures caused a recent chemical release and fire at the facility.

Madigan said the settlement requires Blue Island Phenol LLC to retain an Illinois-licensed engineering firm to submit an analysis of the cause of the accident and recommend repairs and modifications to the phenol unit before it is allowed to resume production. The phenol unit cannot resume production until all approved plans and repairs have been accomplished. The company must also investigate the extent of soil and groundwater contamination caused by the runoff of water used to extinguish a fire that broke out at the plant located at 3350 W. 131st St.

"Before this area of the plant can resume operations, we must review an extensive expert analysis so that we can understand the conditions that created this dangerous situation and ensure that Blue Island Phenol implements provisions to prevent it in the future," Madigan said.

According to the settlement, Blue Island Phenol must cordon off all areas of the plant that contain asbestos containing material affected by the incident and must ensure that the asbestos containing material is properly disposed of by a licensed abatement contractor. Blue Island Phenol also must submit reports to Madigan's office on the extent of the environmental damage and plans to prevent the further spread of contaminants released from the facility into ponds located on property adjacent to the facility. Additionally, under the court order, Blue Island Phenol must develop and implement a plan to remedy any contamination of soil, water or groundwater that occurred as a result of the incident.

Company officials claim that a lightening strike on the evening of August 23, 2008, caused a power outage at Blue Island Phenol, which manufactures acetone and phenol, an ingredient used to manufacture certain herbicides, cosmetics and pharmaceuticals. Plant officials say that because there was no back-up power supply to the facility, cooling and circulation systems in the phenol unit failed, causing the temperature and pressure inside the phenol unit's oxidizers to increase and leading to the release from the oxidizers of chemical vapors that caught on fire.

An estimated one million gallons of water used at the scene were apparently contaminated by the released chemicals and caused fish to die in nearby ponds. Madigan filed a complaint against Blue Island Phenol in Cook County Circuit Court on September 17, 2008, alleging air and water pollution, substantial danger to the environment and failure to operate the facility in a manner that minimizes the release of hazardous substances. The lawsuit is ongoing.

Cook County Judge LeRoy K. Martin, Jr., set December 16, 2008, for a status hearing on the case. Assistant Attorney General Richard A. Perry is handling the case for Madigan's Environmental Bureau.

-30-

[Return to November 2008 Press Releases](#)