

April 21, 2022

ATTORNEY GENERAL ANNOUNCES CONSENT ORDERS THAT CONCLUDE PROLONGED LEGAL BATTLE OVER PILLSBURY MILLS SITE

Consent Orders Prohibit Defendants from Future Operations at Former Manufacturing Site

Chicago — Attorney General Kwame Raoul today announced consent orders that bring to a conclusion litigation the Attorney General’s office initiated against the previous owners and operators of the former Pillsbury Mills manufacturing facility in Springfield.

The Attorney General’s office filed a lawsuit in 2015 alleging that the facility owner at that time, P. Mills LLC and contractor Midwest Demolition and Scrap Inc., along with P. Mills co-manager Joseph J. Chernis III, violated the Illinois Environmental Protection Act and federal regulations aimed at preventing asbestos pollution. The Attorney General’s office subsequently added Joseph J. Chernis IV and Keith A. Crain as additional defendants. Upon filing the lawsuit, the Attorney General’s office obtained an order requiring the defendants to immediately cease all demolition activities, post asbestos warning signs, secure all facility entrances and debris, and take steps to determine and report the extent of the asbestos contamination. However, the defendants’ continued failures to comply resulted in multiple enforcement actions by the Attorney General’s office. Attorney General Raoul’s consent orders formally conclude the matter.

“This action brings to an end litigation that has spanned years and even predates my time as Attorney General. I hope this filing marks the start of a new chapter in which the facility again benefits the community,” Raoul said. “These consent orders are one example of the work my office will continue to do to address environmental justice issues and pollution in vulnerable communities around Illinois.”

The Attorney General’s lawsuit was based on a referral by the Illinois Environmental Protection Agency after inspectors found asbestos-containing material (ACM) stored in trash bags, open trash cans and boxes, as well as debris scattered around the facility.

“The actions of the defendants resulted in extensive environmental contamination on the Pillsbury Mills site that will require millions of dollars in remediation. These Consent Orders are a significant milestone for the site and will prevent any future involvement from the defendants,” said Illinois EPA Director John J. Kim. “This property has a long history here in Springfield and still faces significant environmental challenges, but today’s orders will allow the current property owners to proceed with plans for redevelopment.”

The former Pillsbury Mills facility is an approximately 18-acre site consisting of more than two dozen structures, which is located in a residential area of Springfield, Illinois. [Raoul's consent orders](#), prohibit the defendants from conducting further operations of any kind at the facility. In addition, the defendants are required to cease and desist from any further violations of state environmental laws and regulations. Further, [Raoul's consent orders](#), requires payment of a \$30,000 civil penalty. The orders are part of Attorney General Raoul’s work to address environmental justice issues throughout Illinois by enhancing enforcement actions in areas that are disproportionately impacted by pollution.

Violations by the defendants, including their failure to secure the facility and post proper warnings, required the Attorney General’s office to take additional enforcement action. In 2017, the U.S. Environmental Protection Agency (USEPA) undertook a nine-month, multimillion dollar cleanup at the facility. According to the USEPA, it removed nearly 2,200 tons of contaminated debris, 1,160 cubic yards of contaminated pipe wrap and boiler insulation, nine 275-gallon totes of waste and fuel oil, three 55-gallon drums of antifreeze,

3,700 fluorescent lightbulbs, and 12 pounds of mercury. In litigating the lawsuit, the Attorney General's office demanded that defendants divest themselves of the facility or face civil penalties reflecting the millions of taxpayer dollars spent remediating the asbestos violations. The facility was purchased for \$1 in March by Pillsbury Project LLC, which has said it plans to redevelop the site.

Proper ACM disposal includes wetting ACM during removal and ensuring the material remains wet until it is collected and contained, or treated prior to going to a disposal site. According to the USEPA, exposure to asbestos can lead to cancer, mesothelioma and asbestosis. There is no known safe exposure level to asbestos.

The Attorney General's office enforces Illinois' environmental protection laws. Attorney General Raoul's Environmental Enforcement Division, which enforces civil environmental laws, has recovered millions of dollars from polluters and required companies to undertake environmental improvement projects in communities impacted by pollution. Raoul encourages residents to report environmental justice and other environmental concerns to his office by emailing ej@ilag.gov.


Bureau Chief Andrew Armstrong and Assistant Attorney General Christina Nannini handled the case for Raoul's Environmental Bureau.

FILED

IN THE CIRCUIT COURT FOR THE SEVENTH JUDICIAL CIRCUIT
SANGAMON COUNTY, ILLINOIS

APR 21 2022

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 Clerk of the
Circuit Court

PEOPLE OF THE STATE OF ILLINOIS,)
ex rel. KWAME RAOUL, Attorney General)
of the State of Illinois,)

Plaintiff,)

v.)

No. 15-CH-308

P. MILLS, LLC,)
MIDWEST DEMOLITION & SCRAP, INC.,)
JOSEPH J. CHERNIS, III,)
JOSEPH J. CHERNIS, IV, and)
KEITH A. CRAIN,)

Defendants.)

CONSENT ORDER

Plaintiff, PEOPLE OF THE STATE OF ILLINOIS, *ex rel.* KWAME RAOUL, Attorney General of the State of Illinois, the Illinois Environmental Protection Agency (“Illinois EPA”), and Defendant KEITH A. CRAIN (“Crain”), (collectively, Parties to the Consent Order”) have agreed to the making of this Consent Order and submit it to this Court for approval.

I. INTRODUCTION

This stipulation of facts is made and agreed upon for purposes of settlement only and as a factual basis for the Court’s entry of the Consent Order and issuance of any injunctive relief. None of the facts stipulated herein shall be introduced into evidence in any other proceeding regarding the violations of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/1 *et seq.* (2020), and the Illinois Pollution Control Board (“Board”) Regulations alleged in the First Amended

Verified Complaint except as otherwise provided herein. It is the intent of the Parties to the Consent Order that it be a final judgment on the merits of this matter.

A. Parties

1. On August 12, 2015, a Verified Complaint was filed against Defendants P. Mills, LLC, Midwest Demolition & Scrap, Inc., and Joseph J. Chernis, IV on behalf of the People of the State of Illinois by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Sections 42(d) and (e) and 43 of the Act, 415 ILCS 5/42(d), (e) and 43 (2020).

2. On January 8, 2016, a First Amended Verified Complaint was filed against Defendants on behalf of the People of the State of Illinois by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Sections 42(d) and (e) and 43 of the Act, 415 ILCS 5/42(d), (e) and 43 (2020).

3. The Illinois EPA is an administrative agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2020).

4. Defendant P. Mills, LLC is a dissolved Illinois limited liability company that at all times relevant to the First Amended Verified Complaint until March 22, 2022 owned the former Pillsbury Mills manufacturing facility located at 1525 East Phillips Street, Springfield, Sangamon County, Illinois ("Facility").

5. Defendant Midwest Demolition & Scrap, Inc. is an Illinois corporation that conducted demolition activities at the Facility.

6. Defendants Joseph J. Chernis, III (deceased), Joseph J. Chernis, IV, and Keith A. Crain are Illinois residents who conducted demolition activities at the Facility.

B. Allegations of Non-Compliance

Plaintiff contends that the Defendants have violated the following provisions of the Act and Board Regulations:

- Count I: Substantial Endangerment of the Environmental and Public Health and Welfare – Section 43(a) of the Act, 415 ILCS 5/43(a)
- Count II: Air Pollution – Section 9(a) of the Act, 415 ILCS 5/9(a), and Section 201.141 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.141
- Count III: Improper Removal, Handling, and Deposition of Asbestos – Section 9.1(d)(1) of the Act, 415 ILCS 5/9.1(d)(1), and Sections 61.145(c)(3), (6)(i), (8), and 61.150(b) of the Asbestos National Emission Standards for Hazardous Air Pollutants (“NESHAP”), 40 C.F.R. §§ 61.145(c)(3), (6)(i), (8), and 61.150(b)
- Count IV: Failure to Notify of Asbestos Demolition and Renovation – Sections 9.1(d) and 9.13(a) of the Act, 415 ILCS 5/9.1(d) and 9.13(a)

C. Non-Admission of Violations

Crain represents that he has entered into this Consent Order for the purposes of settling and compromising disputed claims without having to incur the expense of contested litigation. By entering into this Consent Order and complying with its terms, Crain does not affirmatively admit the allegations within the Complaint and referenced above, and nothing in this Consent Order shall be interpreted as including such admission.

II. APPLICABILITY

This Consent Order shall apply to and be binding upon the Party to the Consent Order. Crain waives as a defense to any enforcement action taken pursuant to this Consent Order the failure of any of his agents, employees or successors or assigns to take such action as shall be required to comply with the provisions of this Consent Order. This Consent Order may be used against the Crain in any subsequent enforcement action or permit proceeding as proof of a past adjudication of violation of the Act and the Board Regulations for all violations alleged in the

Complaint in this matter, for purposes of Sections 39 and 42 of the Act, 415 ILCS 5/39 and 42 (2020).

III. JUDGMENT ORDER

This Court has jurisdiction of the subject matter herein and of the Parties to the Consent Order and, having considered the stipulated facts and being advised in the premises, finds the following relief appropriate:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

A. Future Compliance

1. Defendant P. Mills, LLC has transferred ownership of the Facility to a third party. Crain shall not conduct any further business or activity of any kind at the Facility without express permission of the Facility's owner.

2. This Consent Order in no way affects the responsibilities of Crain to comply with any other federal, state or local laws or regulations, including but not limited to the Act, Board Regulations, and Asbestos NESHAP.

3. Crain shall cease and desist from future violations of the Act, Board Regulations, and Asbestos NESHAP that were the subject matter of the Complaint.

B. Release from Liability

In consideration of Crain's commitment to cease and desist from future violations as contained in Section III.C.3, above, the Plaintiff releases, waives and discharges Crain from any further liability or penalties for the violations of the Act and Board Regulations that were the subject matter of the Complaint herein. The release set forth above does not extend to any matters other than those expressly specified in Plaintiff's First Amended Verified Complaint. The Plaintiff

reserves, and this Consent Order is without prejudice to, all rights of the State of Illinois against Crain with respect to all other matters, including but not limited to the following:

- a. criminal liability;
- b. liability for future violations;
- c. liability for natural resources damage arising out of the alleged violations; and
- d. Crain's failure to satisfy the requirements of this Consent Order.

Nothing in this Consent Order is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the State of Illinois may have against any person, as defined by Section 3.315 of the Act, 415 ILCS 5/3.315, other than the Defendants.

C. Execution and Entry of Consent Order

This Order shall become effective only when executed by all Parties to the Consent Order and the Court. This Order may be executed by the parties in one or more counterparts, all of which taken together shall constitute one and the same instrument. The undersigned representatives for each party certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this Consent Order and to legally bind them to it.

WHEREFORE, the parties, by their representatives, enter into this Consent Order and submit it to this Court that it may be approved and entered.

AGREED:

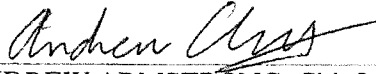
FOR THE PLAINTIFF:


PEOPLE OF THE STATE OF ILLINOIS
ex rel. KWAME RAOUL
Attorney General of the
State of Illinois

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

JOHN J. KIM, Director
Illinois Environmental Protection Agency

BY: 
ANDREW ARMSTRONG, Chief
Assistant Attorney General
Environmental Bureau

BY: 
CHARLES W. GUNNARSON
Chief Legal Counsel

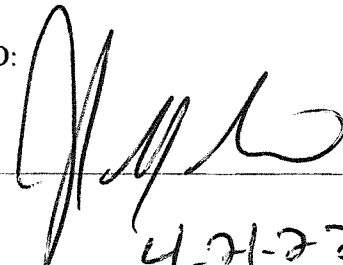
DATE: 04/15/2022

DATE: 4/6/22

FOR THE DEFENDANT:

BY: 

DATE: 3-24-2022

ENTERED: 
JUDGE
DATE: 4-21-22