

1  
2  
3 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

4 In Re Application of

5 KLEEN ENVIRONMENTAL  
6 TECHNOLOGIES, INC.

Docket No.:

TG-040248

DECLARATION OF ROBERT OLSON

7  
8 I, Robert Olson, declare under penalty of perjury of the laws of the state of Washington,  
9 that the following is true and correct to the best of my knowledge:

10 1. I had no knowledge of Allen McCloskey's likely false testimony in this  
11 proceeding until after his testimony on October 26, 2004, when Stericycle of Washington, Inc.  
12 presented the Declaration of Lansing Birdinground and copies of the web pages for McCloskey  
13 Enterprises, Inc..

14 2. By the afternoon of August 29, 2004, I became concerned that Mr. McCloskey  
15 was going to avoid further contact with Kleen Environmental Technologies, Inc. ("Kleen"). He  
16 had removed most of his files from our office. Only a few papers were left. Our computers also  
17 crashed shortly thereafter, leaving us to believe it may have been caused by Mr. McCloskey  
18 through email.

19 3. We had no reason not to trust Mr. McCloskey, at least until his aborted testimony  
20 on October 26, 2004. Until then, we had many reasons to trust him, including the following:

21 a. Mr. McCloskey did good work for us on a project with the University of  
22 Washington before we filed the application in this hearing.

b. Mr. McCloskey visited with many generators and disposal facilities to find out  
what was needed and brought back a great deal of information that was used in these hearings.  
Mr. McCloskey was responsible for arranging for the witnesses to testify at the hearings in  
support of our application. Those people had legitimate interests in seeing Kleen compete with  
Stericycle.

1 c. Mr. McCloskey was always honest when dealing with Kleen and its employees,  
2 including expense reports and paying for his share of personal expenses.

3 4. I met with Mr. McCloskey regularly and discussed his progress in obtaining  
4 information about the services to be provided and support for this hearing. I never had any  
5 reason to doubt his credibility, although sometimes I had to direct him to talk with people to get  
6 their support or find out what it was that they needed. It now appears however, that he may  
7 have been less than truthful to me in some of those meetings during the hearings about the  
8 challenges to the evidence we presented; specifically the rates for use of the Hydroclave facility,  
9 the availability of a backup facility and the Birdinground letter.

10 5. We relied on Mr. McCloskey to present honest testimony about the use of the  
11 Hydroclave facility for treatment and disposal of medical waste. Mr. McCloskey visited the  
12 Hydroclave site and spoke with representatives there. We intended to be able to use the  
13 Hydroclave facility at some point, with the long range possibility of having a facility built in  
14 Washington.

15 6. We relied on Mr. McCloskey to present honest testimony about the availability  
16 of the incinerator in Spokane as a viable alternative to the one at Covanta. In my conversations  
17 with Mr. McCloskey about his investigation of the Spokane facility, he always said it was  
18 available. He even had me submit an application for credit account which I signed on October  
19 3, 2004. A copy of the application is attached as Exhibit "A".

20 7. We relied on Mr. McCloskey to determine what services were needed and able to  
21 be provided under the permit sought in this application, including the use of reusable tubs.  
22 During the hearings when it became clear that it was unlikely we would be able to offer reusable  
tubs, we authorized Mr. McCloskey to revise the tariff to eliminate that option.


8. We intended to provide an online generator profile system, but it would have  
taken time to develop, and likely would not have been available in the first year of operations.

9. We relied on Mr. McCloskey to present honest testimony about the availability  
of certificates of destruction from the Covanta facility. Russ Johnston of the Covanta facility  
attended a meeting of generators we organized earlier this year that I attended and stated that he  
thought it was feasible to come up with a certificate of destruction to satisfy their needs. Since

1 then, Mr. Johnston told me that he and Mr. McCloskey discussed being able to work out a  
2 system where Kleen's manifests and Covanta's weight receipts could be used together to allow a  
3 representative from Covanta to sign the manifest with wording to certify that the material listed  
4 in the manifest that matched the weight receipt had been destroyed. Unfortunately, despite  
5 initially telling me that he would provide me with a letter explaining this to use in this  
6 proceeding, Mr. Johnston has now informed me that he has been advised not to participate. See  
7 attached Exhibit "B".

8 10. Not only has Kleen's application been dismissed, but Kleen has paid \$47,696.37  
9 in legal fees seeking the application, in addition to Mr. McCloskey's consulting fees.

10 **DATED** this 13<sup>TH</sup> day of December, 2004, at Seattle, Washington.

11   
12 \_\_\_\_\_  
13 Robert Olson

14  
15  
16  
17  
18  
19  
20  
21  
22

UTILITIES BILLINGS  
CITY OF SPOKANE

First Floor, City Hall  
808 W Spokane Blvd  
Spokane, WA 99201-3333

Phone: (509)625-6006 -- Fax: (509) 625-6181

EXHIBIT "A"

APPLICATION FOR SERVICE -- UNSECURED UTILITIES ACCOUNT

- 1. Name of Business: KLEEN ENVIRONMENTAL TECHNOLOGIES, INC.
- 2. Spokane Business Address: SAME AS ABOVE
- 3. Business Mailing Address: 754 GARFIELD STREET SEATTLE, WA 98109
- 4. Person Responsible for Payment CFO KENNETH LEE Phone: 206 285 8010
- 5. E-mail address qaqc@kleenenvironmental.com
- 6. Name/names of owners (Officers of Corporation): Fax: 206 285 9646  
 Name: ROBERT OLSON Title: PRESIDENT Phone: 206 285 8010  
 Address: 754 GARFIELD STREET SEATTLE, WA zip: 98109  
 Name: DARIN PERROLIAZ Title: VP Phone: 206 285 8010  
 Address: 754 GARFIELD STREET SEATTLE WA zip: 98109
- 7. Organization type: Sole Proprietor  Partnership  Corporation  (what state) WA
- 8. Complete for all locations within City and County of Spokane: (use back of form for others)

Business Name	Location Address

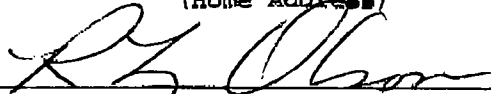
9. Do you own/buying the property to which this account will be attached?  Yes  No

Address of property: \_\_\_\_\_

10. I certify under penalty of perjury that the information above is correct and complete to the best of my knowledge and belief.

Owner, Partner, or Officer ROBERT OLSON (Name) Bus. Phone: 206 285 8010

2035 WAVERLY PLACE N. SEATTLE WA 98109 (Home Address) Home Phone: 206 284 4858

Signature:  Title: PRESIDENT

Date: 10/03/04 Fed Tax ID # 911659115

OFFICE USE ONLY

Account No. \_\_\_\_\_ Waste-to-Energy  Dumpster

Service Address: \_\_\_\_\_ Remarks: \_\_\_\_\_

Deposit Required:  Yes  No 9500 Amount \_\_\_\_\_

Deposit Received: \_\_\_\_\_ Date \_\_\_\_\_

Dec.10. 2004 1:11PM

503 393 9714 ODGEN MARTIN SYSTEM

No.6699

P. 1/1

EXHIBIT "B"

Covanta Marion, Inc.  
4850 Brooklake Road NE  
PO Box 9126  
Brooks, OR 97305  
Tel (503) 393-0890  
Fax (503) 393-9714



FAX  
TRANSMITTAL

TO: ROBERT OLSEN

DATE: 12/10/04

TIME: 12:10 PM

No. of Pages: 1

(Including Cover Page)

FAX No.: (206) 285-9646

FROM: RUSS TOWNSON

MESSAGE: BOB, AFTER OUR REVIEW OF THE PREVIOUS PROCEEDINGS I  
HAVE BEEN ADVISED NOT TO PARTICIPATE.

RUSS