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Tesla to Pay \$1.5 Million to Settle Environmental Case for Illegally Disposing of Hazardous Waste

San Diego District Attorney <u>Summer Stephan</u>, along with 24 other District Attorneys throughout California, announced today that a judge has ordered Tesla, Inc. to pay \$1.5 million as part of a settlement of a civil environmental prosecution alleging the electric car company mishandled hazardous waste at its car service centers, energy centers, and its factory in Fremont, California.

Tesla, Inc., a Delaware Corporation, currently owns and operates approximately 57 car service centers, including three in San Diego County, and 18 solar energy facilities related to its solar business throughout California. It also manufactures electric vehicles at its Fremont factory. In the complaint filed in San Joaquin County, prosecutors accused Tesla, Inc. of illegally disposing of hazardous waste generated during its servicing and manufacturing of its electric vehicles, and of violating laws related to the storage and management of this hazardous waste.

"Our Environmental Unit continues to hold companies accountable when they don't follow laws that are in place to keep our environment clean and safe," DA Stephan said. "Cooperation and coordination with District Attorney offices up and down the state has again resulted in a judgment that will not only stop these illegal practices but also stop it from happening again in the future."

The investigation, initiated by the San Francisco District Attorney's Office Environmental Division, began in 2018 when San Francisco District Attorney investigators conducted undercover inspections of Tesla, Inc.'s trash containers at its car service centers, which revealed the illegal disposal of hazardous used lubricating oils, brake cleaners, used lead acid batteries and other batteries, used aerosols, used antifreeze, waste solvents and other cleaners, electronic waste, waste paint, and contaminated debris.

District Attorney investigators from Alameda, Monterey, Orange, Placer, Riverside, San Diego, and San Joaquin counties then conducted additional inspections at Tesla, Inc.'s car service centers throughout California, and found similar unlawful disposals. Alameda County District Attorney investigators also conducted waste inspections of trash containers at the Fremont Factory and found the unlawful disposal of additional hazardous waste, including weld spatter



waste (which at times contains copper) produced in the course of welding metal car panels, waste paint mix cups produced during paint repair operations, and used wipes contaminated with primer coat generated by wiping the surfaces of coated vehicles.

As part of the settlement, Tesla, Inc. is ordered to pay \$1.3 million in civil penalties, and \$200,000 in costs of investigation. Among compliance measures such as training of employees, the settlement also requires Tesla, Inc. to hire a third-party to conduct annual waste audits of its trash containers at ten percent of its facilities. These audits will occur each year for five years and auditors will examine trash containers for hazardous waste.

The case was brought by the San Diego District Attorney's Office and 24 other California District Attorneys 'Offices where Tesla, Inc.'s factory, car service centers, and energy locations are located. Tesla, Inc. cooperated with the District Attorneys 'investigation and took steps to improve its compliance with the environmental protection laws brought to its attention by the prosecutors. One of the compliance steps taken by Tesla, Inc. after it was contacted by the District Attorneys was the quarantining and screening of trash containers for hazardous waste at all of its service centers before trash was brought to the landfill.

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About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.

