



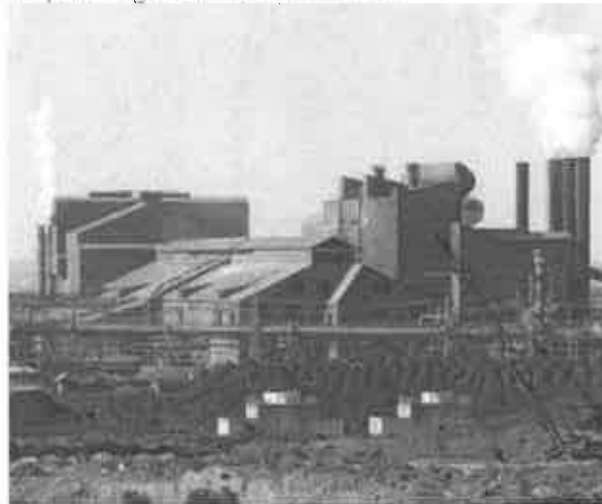
Furor at steel tycoon Rennert's bankruptcy 'ploy'

By **CHUCK BENNETT**

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AP

The bankruptcy of New York billionaire Ira Rennert's steel mill has environmental groups hotter than a blast furnace.

"His company is ducking out of any kind of responsibility again," fumed Russell Donnelly, an environmentalist in Sparrows Point, Md., the town where the old Bethlehem Steel facility Rennert owns has gone belly up.

"It became too hot to handle, and his company is moving

on," he said. "This is the track record. His company has done this all over the planet."

It is the latest salvo by activists that contend the reclusive Rennert, a Brooklyn-born industrialist whose \$185 million, 66,000-square-foot compound in Sagaponack is the nation's largest mansion, uses bankruptcies to evade his environmental liabilities.

For instance, Rennert's Utah magnesium mine, MagCorp, declared bankruptcy in 2001 after it was hit with a \$900 million fine from the Environmental Protection Agency for allegedly dumping chromium, PCBs and other toxins into the Great Salt Lake.

After bankruptcy, the company reorganized exempt from previous legal liability but still ultimately owned by Rennert's holding company, Renco.

In 2006, the federal Pension Benefit Guaranty Corp. feared it would be stuck with \$189 million in pension liabilities, so it threatened to confiscate Rennert's mansion through foreclosure.

Renco's South American La Oroya lead mine in Peru has also been subject to numerous environmental criticisms, although the company says it has invested substantially to clean up pollution there.

More recently, Rennert's company RG Steel declared bankruptcy May 31, which environmentalists warn will leave the cleanup of the Sparrows Point site in eastern Maryland in doubt.

Renert, 77, a fixture of the Manhattan charity gala circuit with wife Ingeborg, bought the 123-year-old steel facility last year through the holding company Renco and renamed it RG Steel.

His firm, worth an estimated \$5.5 billion, assumed some \$650 million in environmental liabilities, which include ongoing treatment of contaminated groundwater to meet guidelines set by the EPA.

The grounds surrounding the facility have been found to be contaminated with benzene and naphthalene, both considered carcinogens.

"What is amazing is that Renco committed fraud on the bankruptcy court by stating in its bankruptcy petition that there were no environmental problems," said Bart Fisher, an attorney for Sparrows Point Action, an environmental group. "Part of the reasoning for the bankruptcy was, no doubt, to avoid certain environmental claims."

But David Pryzbylski, the chief administrative officer for RG Steel, said it was poor market conditions alone that led to bankruptcy filing. He said all environmental obligations will be honored.

"Even though we are in Chapter 11, we continue all environmental compliance," he said.

"I don't think Sparrow Point poses any immediate threat to public health or safety," he added. "We are in full compliance with all environmental commitments."

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