

Electronic Recyclers International, Inc.
Aaron Phanco, Director of Human Resources
Maximizing Federal Funds for Human Services
Informational Hearing
March 9, 2010

Electronic Recyclers International, Inc (ERI) is the largest electronics recycler in North America, with 7 facilities in 6 different states, employing over 350 people.

ERI specializes in the environmentally safe and socially responsible dismantling of electronic waste (E-waste). ERI was founded in Fresno, CA in 2005 to capture the electronic materials that were destined for the waste pile and convert those materials back into the raw commodities that are required to create new products. All materials sent to ERI are 100% recycled into 3 main commodities: metals, plastic and glass. None of the electronics are placed in landfills and nothing is illegally exported to other nations.

E-waste constitutes as much as 5% of the U.S. municipal solid waste stream and continues to grow 5 times faster than all other waste streams.

Electronic Recycling is equivalent to Urban Mining at a low cost. By commoditizing all E-waste, ERI is able to help protect the environment, create jobs and save energy that would have been needed to mine and process the original raw materials.

In 2005, ERI processed 10,000 pounds of E-Waste per month. Today, we process 11 million pounds a month. Our growth has been achieved because we have invested in People, Service and Technology.

At ERI our core business is recycling E-waste; but a major component of our mission is to recycle lives. Currently over 50 of our 350 employees come from second chance programs, which includes: former addicts; previously incarcerated; and welfare to work participants. Our CEO believes we should all remember how fragile life can be and that everyone deserves a second chance. The CEO frequently says, "Although as a business venture we are so proud that we at Electronic Recyclers International have built a great brand that leads the nation in recycling electronics, we are truly honored and maybe even more humbled by the fact that our company also leads the nation in recycling lives."

I am a by-product of ERI's commitment to give people a second chance.

If you would have told me 3 years ago, that my family and I would be receiving welfare benefits and would rely on the state of California to provide for our daily needs, I would have called you crazy. At the time, I was making a six figure income, I owned several real estate properties, I drove a BMW 745, I was living in a million dollar home, just 2 miles from the beach, my children were attending a private school and I was feeling secure in my financial future.

Then, I was rocked by two major financial catastrophes;

1. I was the victim of fraud, to the tune of \$500,000 on a real estate transaction,
2. The nationwide real estate meltdown.

I was financially bankrupt. I was devastated. There was nowhere to turn, or so it seemed...

My pride kept me from seeking help. However, my wife courageously applied for welfare; subsequently stabilizing our financial situation.

It was through the welfare to work (WTW) program that I came upon the opportunity to meet and apply for a position with ERI. Because of the possibility of reimbursement for training afforded to employers who hire participants in the WTW program, I got my foot in the door to meet John Shegerian, CEO of ERI. The program was the boost I needed to put my application ahead of the many other applicants that were equally qualified to hold the position.

Although my salary isn't included in the WTW reimbursement for training program, in my position as HR director, I am instrumental in the decision making process to create positions and hire participants in the WTW program.

To date, ERI has created positions for 14 WTW participants. These include many front line jobs that are important to the success of our company.

- 3 employees dismantle electronic products encased in wood (very low commodity value)
- 2 employees dismantle material that can't be processed in our shredder
- 8 employees dismantle TV's and Monitors that contain CRTs (Cathode Ray Tubes)
- 1 employee is in our management training program
- 1 employee is training for a career in human resources

As ERI looks ahead to meet the increasing demand for processing E-Waste responsibly, we continue to create new positions and hire quality candidates. The WTW program can make this goal a reality.

This program changes lives. It has changed my life forever.

These employees will help ERI grow, and ERI will help individuals and families get back on their feet financially.

Please help ERI to continue to help the participants in the WTW program get a hand up, not a hand out, by continuing this program into 2011.

Thank you for providing the funds necessary to support this valuable program. Thank you for allowing me to represent ERI at this important hearing.