

Site Index

Conspiracies

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## Clark County - PEPCON Explosion



Ten years ago, the PEPCON explosion changed many lives and the face of Clark C

Of the 1.2 million people now living in the Las Vegas Valley, roughly 500,000 remember w  
noon one day shy of 10 years ago.

Steve Catalanotto was making sandwiches in his Henderson deli. Joe Hedrick was working  
was riding in a car with a friend on Lake Mead Drive. Loretta Wittig was in the recovery room c  
Hospital, having given birth four hours earlier.

At that moment, near a marshmallow plant on a patch of Clark County land, explosions be  
rocket fuel plant, twisting 6-inch-thick metal beams like angel hair pasta.

Workers streamed into the desert, dodging football-size burning shrapnel and trying to outrun  
piled into cars, windows blowing out by the second.

Students at nearby schools ducked under desks as ceiling tiles collapsed around them. Pe  
wept uncontrollably. Green Valley residents watched their garage doors buckle and their cars

blocking the streets.

Twenty miles away, near Sunrise Mountain, residents stood atop their homes watching a t begin to waft into the air. They wondered if the Russians, for some reason, had bombed the ci

It was 11:50 a.m., May 4, 1988. PEPCON had blown up, taking with it two lives, any linger residents had of living securely in the shadow of heavy industry, and the state's laissez faire at manufacturing plants.

Catalanotto, now retired from the delicatessen business, said recently he knew it was a ma something bad happened at Pacific Engineering & Production Co. of Nevada, located between Mead Drive.

There was a tower between PEPCON and the Kidd & Co. marshmallow factory, its neares it was always oozing stuff. I always knew something was gonna happen with that stuff."

The stuff was ammonium perchlorate, an oxidizer used in National Aeronautics and Space shuttle and the defense industry's Titan missile programs. At the time of the blasts, nearly 9 m chemical that PEPCON workers referred to as "AP" or "product" was consumed by flames or e

A few minutes before that, a fire had started inside the plant's batch house -- one that work control. The first explosion was the smallest, but employees knew early to get out.

Company comptroller Roy Westerfield was on the phone reporting the emergency, explain situation. "We've had a big explosion and everything's on fire," he told a dispatcher. A few sec 'em all out here," quite possibly his last words.

Bruce Halker, who was PEPCON's other casualty, was ushering co-workers from the facili men would be eulogized as captains who went down with their ships. More than 300 were inju

Former Henderson firefighter Jim Blackford was driving a city firetruck to the scene when t one everyone remembers" -- shattered the vehicle's windows.

"It actually picked the truck up and moved it over two lanes. I looked over at my captain an covered with blood," he recalled from his home last week.

"I had about 10 customers in the store, and we went out to see what happened," Catalanot roll of dust going across the desert.

"It was a good thing we did," he said. "The second explosion blew out my windows and the ceiling. Then it started snowing."

Henderson resident Joe Hedrick was on PEPCON's loading dock when a thick cloud bega facility.

"Everyone was curious as to what it was," Hedrick said, adding he remembered the event "We didn't see any flames. In the past when we had a fire, it was handled."

At that moment, Hedrick's wife, 6-year-old daughter and brother-in-law were nearing the pl lunch.

"There was a stream of people coming out of the administration building and then there wa ducked in a little corner," he said. "After that I took off in the truck. I picked up a department su gentleman and the only thought going through my mind was, 'Don't get stuck.' "

The second explosion sent a shock wave across the terrain that sucked in the side of Hedi supervisor, bleeding from the wrist, was courteous enough to try to prevent his blood from stai there was an odd silence. Hedrick said he really wasn't sure whether he was still alive.

"Then the final explosion went off and it (PEPCON) basically disappeared. Boulder Highwa There was glass everywhere and very few people were out. When I got to the hospital I saw m been caved in, and that's when I lost it."

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PEPCON as an idea began in November 1955. The firm's successful research on perchlor build its manufacturing plant and go on line in December 1958. A decade later two companies McGee Chemical Corp. -- had a corner on the ammonium perchlorate market. Both were encc federal aid as the space shuttle program geared up in the early 1980s.

The companies chose to locate on the island of county land surrounded by the city of Henderson. The area had inexpensive hydropower from nearby Hoover Dam and the dry climate permitting easier handling of the product.

Four years before the blasts PEPCON was honored by the U.S. Department of Commerce as the most productive company in the world in 1984.

What the department didn't know was that the factory had been cited numerous times during the 1980s for safety violations that resulted in about \$1,300 in fines. In 1980, there was a small explosion that went with little notice.

After the 1988 explosions, evidence surfaced that county and state officials knew of the potential for a major blast as early as 1983. Inspectors determined that unsafe levels of hydrogen peroxide were present in the room. A team hired by the United Steelworkers union had predicted a major blast was imminent unless the unsafe conditions were corrected.

The Clark County Fire Department concluded the explosions were caused when sparks from a welder's torch combined with cramped storage of materials and messy conditions -- started a fire and a chair overturned. Property damage to surrounding businesses and homes was put at \$74 million.

Of Henderson's schools, Basic High School took the brunt of the blasts, though serious damage was done to McDoniel Elementary, Burkholder Middle School and Southern Nevada Vocational-Technical College. A teacher Michael Neighbors was in the teachers' lounge when the windows blew out in the school.

"We thought someone was out there with a shotgun," Neighbors said. "Like fools, we went outside."

"We literally pushed the kids out of the building. It was like an air pocket. The back of my head was against the wall. Students were injured at Basic, despite the mad dash outside.

Most Henderson schools did not resume classes for two weeks.

"I think everybody was just glad to get back to work, get back to school and get the year over with," Neighbors said. "Counselors were brought in, but the students, recalled then-Superintendent Robert Wentz said."

"The kids were great," he said.

As massive as the destruction was, Clark County residents found a number of things to be thankful for. For example, the blast occurred on payday for both PEPCON and Kidd workers, a generally crowded area. But on this day, only about half of the two companies' 230 employees were on the sites at 11:30 a.m. Many employees picked up their checks.

At the Kidd factory, an assistant manager was able to get on the intercom quickly and warn employees before a fireball from PEPCON consumed the marshmallow plant. At the time, the Kidd product was being produced. Had it been working, employees might not have heard the warning so clearly.

The 20 mph to 35 mph winds -- more common in early spring than early May -- also were a factor. "If there was some 'snow,' the winds kept much of the chemical from settling in the valley. Health officials couldn't estimate the effects on the area had there been no wind, but they predicted that lives would have been lost."

It may be hard to put a positive spin on an event that wreaked such havoc, but John Gibson, PEPCON president and chief executive officer, sees a few silver linings.

"It certainly helped us build a plant we think is world-class and is as safe as you can make it."

That plant -- renamed Western Electrochemical Co. -- is in Iron County, Utah, 14 miles north of Henderson. American Pacific, PEPCON's parent company, began moving its operation there three months after the blasts. The facility was levelled.

Gibson said the event marked a frustrating time not only because of the destruction but also because the company had thought we had been a positive part of the community."

After the blasts, Kerr-McGee moved storage of its perchlorate product out of the valley 17 miles away. Although it continued to manufacture the more stable liquid form of the chemical on site, American Pacific finalized a deal with Kerr-McGee, buying out its ammonium perchlorate contracts, which essentially ended future production to Utah.

Both Gibson and his nephew, Henderson Mayor and American Pacific attorney Jim Gibson, are involved in the area's current development.

The family still retains interest in surrounding land, now home of the Gibson Business Park.

where the PEPCON plant was located is still a patch of dirt, nearby property is home to light in residential development.

"The spinoff is that we have very strong companies in the area and strong and talented local community services," Jim Gibson said. "I don't know whether they would have moved in (had I destroyed) because the property was not available at the time. At some point, there began to be that area."

While Hendersonians were forgiving enough to elect a PEPCON attorney mayor, most PEPCON was under heavy criticism following the explosions. Workers complained they were left out in the cold as PEPCON pursued a sweetheart deal in Utah.

Shortly after the blast, senior company official Fred Gibson Jr. said a ruptured gas line caused the explosion, which conflicted with the observations of workers closest to the scene. It was a statement seen as an attempt to shift blame onto an innocent corporation, Southwest Gas.

"They had no choice," Las Vegas attorney Dan Polsenberg recalled of PEPCON's decision to sue Southwest Gas, represented during post-explosion litigation. "There was \$150 million in broken windows and fire damage. They picked Southwest Gas because it was handy and because it had deep pockets. Southwest Gas is a component used in rocket engines, having only \$1 million in coverage is bad business planning."

Three days after the blast, PEPCON attorney Keith Rooker made a statement astonishing to those familiar with ammonium perchlorate. It does not burn. It is not flammable." Chemists disagreed with the attorney's statement, calling it "unstable and highly flammable."

Still, some Nevada officials wanted PEPCON to remain in state. The plant, after all, did provide jobs and contributed to the tax base.

But swift salesmanship, financial breaks and the feeling of being wanted lured PEPCON to Nevada. John Gibson said the critical factor in the move was the timing.

"You go back to that period and the Cold War wasn't over and the defence effort was extremely important," he said. "NASA's space effort was very important. Our overriding concern was getting the plant operational as soon as possible."

The Iron County location, he noted, also happened to be remote, surrounded by federal BLM land, Bureau of Land Management and range land.

Jim Gibson disputes the contentions that some workers weren't taken care of.

"I know that in every case we tried to work out a relocation agreement," he said. "The company was not willing because it wanted to. There was no choice. There were a large number of shareholders, and we had to provide value for the shareholders."

"We don't want to diminish the effect of the tragedy on the individuals, but it was a tragedy for the company. We lost two of our most valued employees."

Following the 1989 Legislature, the story of PEPCON shifted into the courtrooms. More than 100 lawsuits represented the dozens of insurance companies and corporations at one another's throats. They cost millions of dollars in attorney fees and produced 1 million pages of depositions.

"In my 24 years, it was some of the most acrimonious dealings I've ever had in court," said Jim Gibson, who represented Southwest Gas. "The scientific methodology employed by our adversaries made the lawsuits very complicated proceedings. No one could believe it."

But in August 1992, a near global \$71 million settlement was reached. The insurance companies that had reimbursed some 17,000 claimants had received nearly 100 cents on the dollar. A trial could have lasted years.

The county agreed to pay \$3.8 million to insurance companies as a result of allegations that the explosions were conducted at the plant. Southwest Gas also agreed to settle, but Cobee said that was because of the uncertainty of what a jury might do at trial.

A few months later, his client actually found out what a jury thought of the gas leak theory. PEPCON's insurance company argued that gas, which is lighter than air, had leaked from a pipe that ran horizontally underground toward the plant 670 feet away. The gas was then to have made a 90-degree turn and ignited with an unknown source.

After final arguments, attorneys hadn't even reached their offices when they got the news. It took less than a half-hour for the contention to be laughed out of court.

"We figured they had to deliberate about 20 seconds," Polsenberg recalled. "They spent the time with a foreman."

District Judge Donald Mosley, who presided over the trial, said Thursday he "very much expected it to be early, early on because of the science involved. From what little I know, it didn't seem feasible that the accident could have caused it."

But Jim Gibson said last week the trial didn't settle the issue, in part because the insurance company presented different evidence than the company would have brought.

"I remain convinced to this day that PEPCON's defences weren't pulled out of thin air," he said. "It's difficult to know" whether a jury would have rejected the case that PEPCON might have put on.

Receiving the largest individual settlement was Henderson resident Pat Rose, the most severely injured. Rose was left permanently disabled when a 4 1/2-pound rock smashed through a car window and burrowed into his skull, lacerating his brain. Ten years later, he is reluctant to do an interview.

Rose's attorney, Elizabeth Foley, said her client's injuries will be with him the rest of his life. "He's doing pretty good, all things considered," she said of Rose, now 28. "He's able to enjoy life but he's not able to work. He has hobbies. He gets involved in four-wheel driving. Most of his life is in his hands and speech."

In 1993, American Pacific was hit with several investor-related lawsuits. Those went to trial. The company's \$30 stock had dropped to \$6, a group of 25,000 shareholders had alleged the company inflated earnings and misled investors.

A jury ruled in the company's favor. Something finally had gone right.

During the next two years, PEPCON was out of the news, the blast becoming a fading memory.

But in July at the Utah plant, a supervisor used a shovel to unplug a filter clogged with a rock. It started a fire and a resulting explosion.

The supervisor was killed. Another man was severely injured. A state safety report listed significant safety and inadequate training.

"This was a freakish accident," John Gibson said then. Freakish or not, there might have been a way to prevent it. At the time of the accident, the plant had only been inspected once.

The Clark County Commission currently is encouraging Henderson, which is now an independent city, to annex the remaining island of county land that is home to four industrial properties. The area was annexed by Henderson in 1994.

"There is no reason the county should have jurisdiction over a place that is completely surrounded by Henderson," said Commissioner Bruce Woodbury.

Jim Gibson agrees. The only impediment, he said, is the environmental work going on in the area. Both the city and Kerr-McGee are trying to pinpoint sources of perchlorate contamination.

He said it was ultimately the company's responsibility "to see that everyone who suffered could have had the opportunity to make themselves as whole as they could be made under the circumstances.

"I personally felt we did everything in our power to make that happen and we succeeded," he said.

Former PEPCON dock worker Hedrick since has gone to work at one of the area's other industrial plants. He is bothered by the memories, but he obligingly rattles off his own personal diary, one of the last entries of which describes the Las Vegas Valley generated May 4, 1988.

He remembers being told how his mother had fainted in the middle of the street while searching for a friend who had biked to the family's home but instead rode in circles in the street, unable to bring himself home because of the possibility of bad news; how his brother-in-law had to peer through a fragment of prescription glasses to see where he was going; how he had a tearful reunion with his family after his dash through the desert; how his young daughter took a piece of glass to the face and cheerfully said she was growing up knowing that their lives could be over in an instant; how the family scaled back Fourth of July celebrations because of the fireworks; and how PEPCON employees, once a tight-knit family, had tried to c

anniversary remembrances.

Those plans came to naught, Hedrick said. His friends and co-workers went their own way

"It was a mass separation of a small family. If there was anything I would like back, it would be people day in and day out," he said. "Everybody's life took a turn within a matter of seconds. Your life laid out like the chapters of a book, but you turn this page and there's no chapter there. You start from scratch."

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