

# Congress of the United States

Washington, DC 20510

February 15, 2017

The Honorable Michael S. Piwowar  
Acting Chairman, Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Acting Chairman Piwowar:

We write to inquire as to the status of an investigation of whistleblower allegations of violations of federal securities laws by Greif, Inc. and its subsidiaries, including Mid-America Steel Drum Company, Inc., which operates in Milwaukee, St. Francis and Oak Creek, Wisconsin. The whistleblower allegations filed in June 2016, as well as reporting done by the Milwaukee Journal Sentinel, indicate that Greif, Inc., a publicly traded company, intentionally misled investors and deliberately omitted or understated disclosures of risk of liability for environmental violations. This situation merits your immediate attention and we are calling on you to pursue these allegations to determine whether the company violated any federal securities laws.

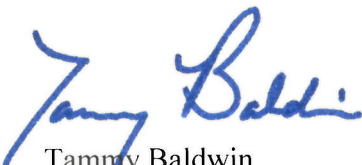
First, reports allege that Greif made false and misleading statements related to potential risks to investors upon entering the trade of reconditioning of hazardous waste containers, a highly regulated practice because of the toxicity of the chemicals and potential for grave harm. Moreover, whistleblower accounts describe significant increases in workers' compensation claims and property insurance costs since Greif, Inc. began reconditioning metal and plastic containers used for shipping hazardous materials. These vast increases in costs to the company have not been shared with investors.


In addition, reports indicate the company burned hazardous chemicals and released toxic emissions into the air, in violation of Clean Air Act requirements and threatening the health of workers and residents in the area near the facility. Other reports describe hazardous chemicals mixed without regard to chemical reactions, and hazardous chemicals poured down drains directly into the local sewer system, in a violation of the Clean Water Act. In addition to the serious allegations that Greif falsified tests and reports to regulators, the liability and financial risk for violating the Clean Air Act and Clean Water Act, a financial penalty that is typically well into six figures, was not accurately disclosed to investors. Rather, Greif executives indicated to shareholders that the company was structured in a way that protected investors from liabilities by 'contractual arrangements.'

Again, we ask that you provide an update on the status of the SEC's investigation of alleged patterns of willful violations of federal securities and disclosure laws. In addition to the impact to public and environmental health, skirting essential securities laws is unfair to investors and companies that play by the rules.

Thank you in advance for your prompt attention to this matter. We look forward to your response.

Sincerely,

  
Tammy Baldwin  
United States Senator

  
Gwen Moore  
Member of Congress