



# He's all BUSINESS

» WINSTON CHOI-SCHAGRIN

Scott Wagner says he'd run Pennsylvania like a corporation if elected governor. So how does he run his flagship company?

**I**n July, three vehicles swung into Dave Brown's driveway and pulled up next to his 18-year-old Subaru Legacy. Two sheriff's deputies and two employees from the waste-hauling company Penn Waste had come to see Brown, a recent widower and father of five, to settle an unpaid debt.

Brown's troubles with Penn Waste started 15 years earlier when he inherited a small plot of land in Winterstown, a borough in southern York County. The borough had hired the company to be its exclusive trash hauler. Brown said that, according to the terms of the borough's contract, the owner of every plot in Winterstown needed to pay for service.

For years, Brown paid for the service. Though he still lived in York, he would drive the 10 miles to Winterstown just to throw things out — sometimes even items he wouldn't have tossed otherwise just so he could feel like he was getting his money's worth.

But three years ago, Brown decided it was "ludicrous" that he was paying for a service he didn't use.

So he stopped.

Thus began Brown's long legal ordeal with Penn Waste. Each August since, the company has sued

Brown in the magisterial district court for the \$186 he owed in unpaid trash bills.

Penn Waste is owned by Republican gubernatorial nominee Scott Wagner, who has said repeatedly on the campaign trail that, if elected on Nov. 6, he would run Pennsylvania like a corporation and treat Pennsylvanians like customers. But his company, one of the largest waste haulers in the state, has aggressively used Pennsylvania's courts to sue customers who are behind on their bills. Since 2003, the year after Penn Waste's trucks first hit the roads, the company has been involved in more than 15,200 suits in magisterial district courts across Cumberland, Dauphin, Lancaster and York counties. In nearly all of those cases, the company sued customers for unpaid debts.

A Caucus analysis of court records shows that the scale at which the company has used civil lawsuits and sheriff's sales to collect on debt is unparalleled among its competitors. In the overwhelm-



Dave Brown, center, talks with a York County Sheriff's deputy as his car is loaded onto a tow truck. Scott Wagner's business, Penn Waste, took the car to settle Brown's debt. RICHARD HERTZLER | FOR THE CAUCUS



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**“I’d tried to talk to them, but they don’t want to work it out with you. Their attitude was, ‘We need our money.’”**

**DAVE BROWN,**  
PICTURED ABOVE, WHO WAS SUED FOR NONPAYMENT BY PENN WASTE

ing majority of cases, Penn Waste sued customers — including the estates of deceased former customers — for relatively small sums; the average bill was less than \$200.

Earlier this year, Penn Waste pursued one York couple in the county Court of Common Pleas for an unpaid debt of \$24.98.

Wagner has strongly defended his company’s practices, most notably in a video he posted to Facebook earlier this month in which he threatened to “stomp all over” the face of his opponent, Democratic Gov. Tom’s Wolf, with golf spikes.

Lost in much of the media coverage of Wagner’s comments was the source of the candidate’s anger: a billboard stating “Scott Wagner’s Penn Waste sued 6,979 Pennsylvanians.”

The episode brought renewed attention not only to Wagner’s temper — as a Senator he spoke of carrying a baseball bat, presumably to keep his fellow senators in line, and stepping on Wolf’s throat — but also to his firm’s use of the court system to collect from customers. Consumer law advocates have criticized the practice as abusive.

“It smacks of legal bullying,” said Louis Rulli, a professor at the University of Pennsylvania Law School who has worked in public-interest law for more than 40 years.

Wagner and his campaign defended the company’s actions.

“If you have a company and you render a service, you want to get paid for that service,” Wagner said in the Facebook video, which he has since removed from his social media accounts. He then addressed the governor, who ran his family’s kitchen cabinet business before assuming office. “Governor Wolf, did you ever have a customer not pay you when you were such a sharp business guy?”

Wagner did not respond to numerous

requests for interviews. His campaign, however, provided a similarly supportive statement: “Scott has always said that government should never spend more money than it takes in, and that’s how his business runs as well,” said Andrew Romeo, the campaign’s communications director.

Brown soon learned this firsthand. He told The Caucus that he tried to resolve the issue with the company directly. He called the Penn Waste customer service line numerous times, asking if they would let him negotiate a reduced rate, anything less than the contract rate, because he wasn’t even putting out a trash bin.

But after Penn Waste initiated legal proceedings, Brown did not dispute the claims or deal with the lawsuits directly. “I’d tried to talk to them, but they don’t want to work it out with you,” he said. “Their attitude was, ‘We need our money.’”

#### IN COURT

Consumer-debt experts say Penn Waste’s aggressive use of the legal system for such small sums is uncommon.

“A civil suit is typically a last resort,” according to Donna Nicholson Stief, executive director of the Credit Bureau of Lancaster County. Nicholson Stief, who has worked with creditors for more than 20 years, said most consumers and companies try to avoid lawsuits. “They want to come up with an amicable, mutually agreed-upon payment plan that avoids any need for a civil suit.”

Indeed, court records show that Penn Waste’s main competitors in the region, Phoenix-based Republic Services and Houston-based Waste Management, filed far fewer lawsuits over the same time period. In the instances when they did go to court, it was in pursuit of

significantly higher sums.

Republic Services filed about 100 lawsuits statewide, and Waste Management, which services 192 municipalities, filed about 500. (Penn Waste has 75 municipal contracts.) The majority of their cases were against corporations — not individuals — and usually for judgments in the high hundreds and thousands of dollars. Rarely did they file suit for less than \$500.

Advocates worry when companies sue consumers over small amounts.

Joanna Darcus, an attorney with the National Consumer Law Center, said the practice is legal but that it can coerce someone to pay what they either can’t afford or don’t believe they owe. It is unlikely that someone who is sued for so small an amount would be able to find an attorney, and without counsel they are more likely to be intimidated.

“Suing people to try to collect small sums can amount essentially to harassment,” she said.

Penn Waste’s communications director, Amanda Davidson, who also is employed by the Wagner campaign, did not respond to repeated requests for comment.

#### THE LEVY

In many of the cases Penn Waste initiated, the company sought execution orders against customers, according to dockets reviewed by The Caucus. Once granted by a district judge, these execution orders instruct a local sheriff’s deputy or constable to go into the customer’s home and inventory everything inside — from large items such as cars, TVs and sofas, to small personal possessions such as mixing bowls and cookbooks — which can be auctioned off to pay the customer’s debt and court fees. “It’s a lawful order signed by a judge,”

#### WAGNER SILENT

Caucus reporters made numerous attempts to speak to Republican gubernatorial nominee Scott Wagner about his business practices. Those attempts include eight written requests for comment and two trips to the campaign’s headquarters in Harrisburg. The campaign provided written responses but did not make Wagner available for an interview. Here are details of this newspaper’s attempts to speak to him for this story.

» **Aug. 27:** Wagner invited Caucus reporters to join him on a campaign stop following a Pennsylvania Press Club luncheon. The journalists followed Wagner to his vehicle but were denied access by Wagner’s communications director. A Caucus reporter emailed Wagner’s campaign team asking for an interview with the candidate. The reporter received no response.

» **Aug. 29:** A Caucus reporter emailed Wagner’s campaign team asking for an interview with the candidate. The campaign said it would try to arrange for an interview.

» **Sept. 19:** The Caucus followed up with the campaign requesting an interview. Caucus reporters later visited Wagner’s campaign headquarters and requested an interview with the candidate.

» **Sept. 24:** Wagner’s communications director, Andrew Romeo, told a Caucus reporter she could attend an event at which the candidate was appearing. The reporter was unable to attend the event and requested another opportunity to interview Wagner. Wagner’s campaign did not respond.

» **Oct. 9:** A Caucus reporter emailed the Wagner campaign a list of questions about the candidate’s business practices and proposed policies. In addition, the reporter emailed and called Penn Waste’s communications director, Amanda Davidson, who also is employed by the campaign, to ask about the candidate’s businesses. She received no response.

» **Oct. 11:** The Wagner campaign provided written responses to questions but did not make Wagner available to answer further inquiries.

» **Oct. 15:** A Caucus reporter visited Wagner’s campaign headquarters, asking for an interview with the candidate and seeking clarification about the statements provided by the communications team. The Caucus followed this with an email request to the campaign manager and the communications director requesting the clarifications, as well as an interview with Wagner. The Caucus called and emailed the communications director of Penn Waste about Penn Waste’s business practices.

» **Oct. 16:** The Caucus called and emailed Davidson. The Caucus also emailed Andrew Romeo and Jason High, Wagner’s campaign manager, requesting more clarification. The campaign sent an email stating it would provide no further comments to The Caucus.

said John Weiser, the president of the Commonwealth Constables Association. “If you enter into a contractual agreement, you made a promise to pay.”

Other companies and municipalities use the practice, but consumer law experts with whom The Caucus shared its research said Penn Waste’s frequent use of levies for such small sums could merit further scrutiny from consumer protection agencies, including the state Attorney General’s Bureau of Consumer Services.

“Levying is an awful lot of power for nonpayment of trash collection,” said Ira Rheingold, the executive director of the Washington, D.C.-based National Association of Consumer Advocates. “The idea that if you don’t pay a bill, a sheriff will come into your home, levy and enforce a private debt? From a national perspective, that doesn’t sound right.”

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But garbage removal is unlike other services where debt is commonly incurred — such as credit cards or mortgages. Garbage removal is a quasi-utility, and many trash companies operate as monopolies for the duration of their municipal contracts.

Other public utilities, such as water or electricity providers, are regulated by the Public Utility Commission, which requires them to guarantee special protections for low- and moderate-income customers and allows customers to suspend or withdraw service.

Each municipality determines the scope of its trash hauler's contract as well as its tolerance level for debt collection, according to the Pennsylvania Municipal League. For that reason, when legal action is extreme and harms residents, "the local government has an obligation to take action which can involve renegotiation of the contract," Rulli said. "Waste removal is an essential government function that in this case has been contracted away to the private sector without placing appropriate limitations on collection practices."

Defenders of Wagner's business practices point out that some municipalities collect debt in a similar way, by placing liens on people's homes for unpaid bills. For example, in Camp Hill, Cumberland County, the borough serves as a liaison between Penn Waste and residents, including arranging for payment. If residents do not pay their bills, the borough — not the trash hauler — is allowed to take legal action.

In York County, Penn Waste has filed 247 such writs and orders for levy. In most cases, the defendants settle before the sale actually takes place, according to the York County Sheriff's Office.

But Dave Brown didn't want to settle.

Since the ordeal with Penn Waste began, he had lost his wife to illness and his job at an electrical-equipment manufacturer. He and his four kids, who were still at home, were living "week to week," but this wasn't about the money, he said.

"To me, it's the principle. I tried to talk with them," he said, "but they didn't want to work it out."

## THE SALE

Brown's levy reveals a picture of his domestic life: the bedrooms of his four children, the loveseat, the shelf of cookbooks, his garage filled with hand tools, his table saw, circular saw, chop-saw and his 2000 Subaru Legacy that had 185,000 miles and that one of the kids learned to drive in.

Brown said that after he reached out to Penn Waste, he turned to the Winterstown Borough officials to try and come to a resolution. He told The Caucus that he went to their homes to talk with them about the terms of the contract, but that they deferred responsibility. As he understood it, the people in power down there "didn't want no trouble."

So on the day of the sheriff's sale, at the appointed hour, Brown, quiet and mild-mannered, walked down the stairs of his back porch and over to the matte-black Subaru Legacy.

As the sheriff's deputies and Penn Waste employees looked on, he unscrewed the license plates and checked the car for any remaining belongings, taking the umbrella from the side door and the tool kit from the trunk.

"All yours," he muttered to the two Penn Waste employees looking on.

Brown had offered up the car to Penn Waste to satisfy the debt. It was his only vehicle, he said, but everything inside the house had belonged to his late wife and she wanted her belongings to go to their children.

One of the sheriff's deputies told The Caucus that with the additional court and administrative fees, Brown owed about \$700. (A Kelley Blue Book estimate for a car of Brown's make, model and mileage was \$1,174. Consumer advocates say that it is common for property to be valued below the "goodwill price" during a sheriff's sale.)

The bill was \$500 more than the original value of his unpaid trash bill. Small debts often balloon once the court fees, Penn Waste's attorneys' fees and the sheriffs' costs are tacked on.

Brown watched as his 18-year-old Subaru was loaded onto the tow truck Penn Waste had called. Their jobs done, the deputies got back into their SUVs, the Penn Waste staff into their black Lexus, and they all drove off, leaving behind an empty driveway. 🚗