



Department of Justice

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MAN SENTENCED FOR VIOLATING THE CLEAN AIR ACT AND FILING FALSE TAX RETURNS

BUFFALO, N.Y.—U.S. Attorney William J. Hochul, Jr. announced today that Daniel Black, 57, of Bemus Point, NY, who was convicted of failure to conduct an inspection before commencement of asbestos removal and filing a false tax return on October 22, 2010, was sentenced to 12 months and 1 day of imprisonment, a fine of \$30,000, and 2 years supervised release by U.S. District Court Judge Richard J. Arcara.

Assistant U.S. Attorney Aaron J. Mango, who handled the case, stated that in July 2008, the defendant – president of Blackstone Business Enterprises, Inc. (BBEI) - authorized the cleanup of a four story building in Jamestown, NY. Using an employment agency, Black hired four temporary workers to complete the project. The work included the removal of steam pipes on three floors over a 2 ½ day time span, which were later found to contain asbestos insulation during an inspection by the New York State Department of Labor, Asbestos Control Bureau (NYS- DOL) and the Occupational Safety and Health Administration (OSHA). Prior to commencing the renovation activity, Black failed to conduct a thorough inspection of the building for the presence of asbestos.

Regarding the income tax offense, for the calendar year 2007, Black failed to report \$279,217.76 of reportable income he received from BBEI, which in turn resulted in a tax loss to the Government of \$99,681. Black also failed to report \$70,589.89 of BBEI income for 2005 and another \$186,390.57 for 2006. The tax loss for those years totaled \$91,988. The tax loss is accordingly \$191,669.

In addition to the criminal charges, pursuant to Black’s guilty plea, he has paid penalties of \$205,000 to OSHA to resolve the citations issued during the agency’s inspection of the project, \$25,000 to NYS-DOL to resolve the notice of violations issued during its inspection and \$191,669 in back taxes plus penalties and interest, to the IRS with regard to the false tax return.

“Employees in the remediation and renovation business have the expectation that their health and safety will be protected on the job,” said U.S. Attorney Hochul. “The residents of a community which borders one of these projects also have the right to insist that the environmental laws and regulations which govern the process will be followed. My office will not hesitate to prosecute any who knowingly ignore the country’s laws in these respects.”

“Asbestos can cause cancer and other fatal diseases. That is why all the legal requirements regarding the removal of asbestos must be followed completely and without cutting corners,” said

William V. Lometti, Special Agent in Charge of EPA's Criminal Enforcement Program in New York. "Violators who knowingly break the law and put the public at risk will be prosecuted."

"Those Americans who file accurate, honest and timely returns can be assured that the government will hold accountable those who don't," said Special Agent in Charge Charles R. Pine for IRS-Criminal Investigation, New York Field Office.

"Employers who blatantly endanger the health and safety of workers should know that OSHA will pursue them and hold them accountable to the fullest extent of the law," said Robert Kulick, OSHA Regional Administrator in New York City. "Furthermore, as in this case, OSHA will assist in criminal prosecutions when necessary."

The conviction is the culmination of an investigation on the part of Special Agents of the U.S. Environmental Protection Agency - Criminal Investigation Division, under the direction of Special Agent-In-Charge, William Lometti, and the Internal Revenue Service - Criminal Investigation Division, under the direction of Charles Pine, Special Agent in Charge.

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