

Three Sentenced in Kickback Scheme

On July 19, 2006, Ronald Check, Jr., James Vagra, and Gary Sanders were sentenced in U.S. District Court for the Eastern District of Pennsylvania on a conspiracy charge. Check, Jr., the President of Grace Industries, Inc. (Grace), was sentenced to 60 months of probation, the first 6 months to be served under house arrest, and was ordered to pay a \$5,000 fine and a special assessment of \$200. Vagra, a former Project Manager for Grace, was sentenced to 6 months in prison followed by 3 years supervised release, and was ordered to pay a \$32,382 fine and a \$200 special assessment. Sanders, a former site foreman for Grace, was sentenced to 60 months of probation and was ordered to pay a \$32,382 fine and a \$200 special assessment.

In 1996, Tetra Tech Nus, Inc. (Tetra Tech), was awarded a contract by the EPA to serve as the prime contractor in the cleanup of the Berkley Products Superfund site in Denver, Pennsylvania. In 2000, Tetra Tech awarded a subcontract to Grace to construct a landfill cap at the Berkley Products site. James Risner, the Project Manager for Tetra Tech, was responsible for overseeing the work performed by Grace. Risner solicited kickbacks in the amount of approximately \$129,531 from Check, Jr., in exchange for certifying that the work performed by Grace was completed in a satisfactory manner. Risner, in turn, kicked back approximately half of all money he received to Vagra. Vagra, in turn, provided half of that money to Sanders. Vagra and Sanders each received \$32,382 of the kickback money. Risner provided Grace with phony invoices in the amount of the kickbacks to disguise the illegal payments.

On February 16, 2006, Risner, Check, Jr., and Sanders each pled guilty to one count of conspiracy to violate the anti-kickback statute and one count of conspiracy to defraud the Internal Revenue Service (IRS). Vagra pled guilty to the same charges on March 1, 2006. In addition to the sentences imposed above, Grace paid \$113,711 to the IRS, which represented amounts due because Grace had previously deducted the kickback payments as business expenses. Vagra paid \$12,177 to the IRS because he failed to report the income he had received from the kickback payments. Sanders also paid \$21,527 to the IRS for having underreported his income. Risner is scheduled to be sentenced in November 2006.

(Case Cost: \$64,268)