



Department of Justice

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FORMER SUBCONTRACTOR REPRESENTATIVE PLEADS GUILTY TO INDICTMENT INVOLVING CONSPIRACY AT NEW JERSEY SUPERFUND SITE

WASHINGTON — A former New Jersey subcontractor representative pleaded guilty today to charges contained in an indictment involving his role in kickback and fraud conspiracy at a U.S. Environmental Protection Agency (EPA) Superfund site in New Jersey, announced the Department of Justice.

James E. Haas Jr., a former representative of a subcontractor that provides common backfill, a type of soil material used to refill an excavation, pleaded guilty in the U.S. District Court of New Jersey, to charges that he engaged in a kickback and fraud conspiracy at the Federal Creosote Superfund site in Manville, N.J. Haas admitted to paying kickbacks to former employees of a prime contractor at Federal Creosote in exchange for the award of a subcontract. He also admitted to inflating prices for the subcontract to include the amount of the kickbacks paid to his co-conspirators. Haas also pleaded guilty to committing fraud against the United States. The indictment was filed on Aug. 31, 2009. Sentencing is set for Feb. 8, 2010. The remaining individuals charged in the indictment, John A. Bennett, the former chief executive officer of subcontractor Bennett Environmental Inc. (BEI), and Gordon D. McDonald, a former project manager for a prime contractor, await trial, which is set for Jan. 5, 2010.

Separately, Frederick Landgraber of Bridgewater, N.J., the president and co-owner of a Martinsville, N.J., landscaping company was sentenced today to serve five months in jail, five months of home detention and to pay a \$5,000 criminal fine for his role in a related kickback and fraud conspiracy at Federal Creosote. Landgraber was also ordered to pay \$35,000 in restitution to the EPA, jointly and severally with his co-conspirators. Landgraber originally pleaded guilty on June 25, 2009, in the U.S. District Court of New Jersey, to conspiring to defraud the EPA from approximately March 2002 until approximately June 2005.

The clean-up at the Federal Creosote site is partly funded by the EPA. Under an interagency agreement between the EPA and the Army Corps of Engineers, prime contractors oversaw the removal, treatment and disposal of contaminated soil, as well as other operations at the Federal Creosote site.

Today's plea and sentencing are the result of an ongoing federal antitrust investigation being conducted by the Antitrust Division's New York Field Office, the EPA Office of Inspector General and the Internal Revenue Service Criminal Investigation. To date, a total of three companies and eight individuals have pleaded guilty as a part of the investigation. BEI was sentenced on Dec. 15, 2008, to pay criminal fines and restitution totaling more than \$2.66 million. Christopher Tranchina was sentenced on July 13, 2009, to serve 20 months in jail and to pay restitution totaling \$154,597. The other individuals and companies are awaiting sentencing.

Today's proceedings reflect the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, prosecution, and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

Anyone with information concerning bid rigging, kickbacks or fraud relating to subcontracts awarded at the Federal Creosote Superfund site or the Diamond Alkali Superfund site should contact the New York Field Office of the Antitrust Division at 212-264-9308.

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