



Environmental Crimes Case Bulletin

U.S. Environmental Protection Agency
Office of Criminal Enforcement, Forensics and Training

This bulletin summarizes publicized investigative activity and adjudicated cases conducted by OCEFT Criminal Investigation Division special agents, forensic specialists, and legal support staff. To subscribe to this monthly bulletin you may [sign up for email alerts](#) on our publications page. Unless otherwise noted, all photos are provided by EPA-CID.

August 2019—September 2019

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Defendant Summary

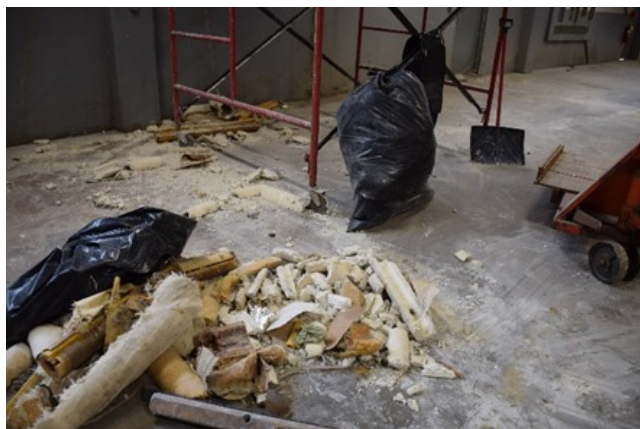
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Illegal Asbestos Removal at Connecticut Commercial Property gets Fine, Probation and Community Service for Owners

John H. Durham, United States Attorney for the District of Connecticut, and Tyler C. Amon, Special Agent in Charge of EPA's Criminal Investigation Division in New England, announced that Aleks Rakaj, 46, of Trumbull, was sentenced on August 14, 2019 to one year of probation and a \$9,500 fine for illegally removing asbestos at a New Haven property.

According to court documents and statements made in court, Aleks Rakaj and his two cousins purchased a commercial property located at 206-220 Wallace Street in New Haven. Prior to purchasing the property, the realtor informed Rakaj and his cousins that the property contained asbestos. Shortly after the purchase was completed, Rakaj and his cousins failed to abide by laws and regulations concerning asbestos removal, resulting in exposure of those who were at the site to the negative health effects of asbestos.

On November 20, 2015, inspectors from the City of New Haven Health Department, conducting an unannounced inspection, discovered the illegal asbestos removal project at 206-220 Wallace Street. The inspection revealed multiple instances of illegal removal of asbestos-containing "air cell" pipe wrap and asbestos-containing "mag block" tank and boiler insulation. The workers failed to abide by legally required safety measures, failed to perform necessary wetting and failed to dispose of the asbestos-containing waste material at appropriate disposal sites. Inspectors also observed and photographed 100-150 standard garbage bags filled with unlabeled, unwetted asbestos-containing material.



On May 22, 2019, Rakaj pleaded guilty to one count of illegal asbestos removal in violation of the Clean Air Act.

Rakaj's cousins, Rezart Rakaj, of Ansonia, and Kliton Rakaj, of Monroe, previously pleaded guilty to the same offense. On April 1, 2019, they were each sentenced to one year of probation, a fine of \$9,500, and 50 hours of community service.



"The illegal removal of asbestos insulation and the associated removal of scrap pipe and boilers from old buildings continues to be a problem throughout the Northeast," said EPA-CID Special Agent in Charge Amon. "Inhalation of asbestos fibers can result in lung cancer and it therefore poses significant health risks to all exposed. EPA will continue to hold accountable those who commit such offenses."

This investigation was conducted by EPA's Criminal Investigation Division, with the assistance of the City of New Haven Health Department and U.S. Department of Labor, Occupational Safety and Health Administration. The case was prosecuted by a DOJ litigation team.

\$3M Fine for Tankship Owner and Operator - Senior Officers Convicted of Violations for Air Pollution

On August 26, 2019, U.S. Attorney Gretchen Shappert for the District of the Virgin Islands announced that Ionian Shipping & Trading Corp., Lily Shipping, LTD., Stamatios Alekidis, Athanasios Pittas and Rey Espulgar were convicted and sentenced for various pollution, recordkeeping, and obstruction of justice crimes on the Motor Tanker (“M/T”) Ocean Princess in St. Croix, U.S.V.I. The defendants’ conduct included using fuel that exceeded the maximum allowable sulfur concentration in the U.S. Caribbean Emission Control Area (“U.S. Caribbean ECA”) and efforts to deceive U.S. Coast Guard inspectors about the source of the fuel being used aboard the M/T Ocean Princess.

The M/T Ocean Princess was owned by Lily Shipping LTD and operated by Ionian Shipping & Trading Corp., both Greece-domiciled companies. The vessel was engaged in transporting petroleum products throughout the Caribbean including from Limetree Terminals, St. Croix, U.S.V.I. The commercial manager of the vessel would authorize the Master of the vessel, Stamatios Alekidis, to transfer petroleum cargo from the cargo tanks into the vessel’s fuel tanks, known as bunker tanks. As the owner and operator of the vessel, Lily Shipping LTD and Ionian Shipping & Trading Corp were further responsible for ensuring the vessel used fuel that complied with the U.S. Caribbean ECA standards.



While vessels are operating within the U.S. Caribbean ECA, they must not use fuel that exceeds 0.10% sulfur by weight in order to help protect air quality. Between

January 3, 2017, and July 10, 2018, the M/T Ocean Princess entered into, and operated within, the U.S. Caribbean ECA using fuel that contained excessive sulfur on twenty-six separate occasions. The fuel was petroleum cargo that had been transferred to the fuel tanks as authorized by the vessel’s commercial manager. Once notification was received from Master Stamatios Alekidis, Chief Officer Rey Espulgar coordinated with Chief Engineer Athanasios Pittas to make the transfers from the cargo tanks to the bunker tanks. Rey Espulgar then falsified the Oil Record Book, Part II, by failing to record that cargo had been transferred to the bunker tanks. Athanasios Pittas also falsified the Oil Record Book, Part I, by falsely recording that the fuel in the bunker tank originated from a shore-side company in St. Martin, F.W.I. Additionally, Athanasios Pittas created fictitious Bunker Delivery Notes that claimed the fuel in the bunkers came from the same shore-side company in St. Martin, F.W.I. Between March 2, 2016, and February 6, 2018, nineteen separate fictitious Bunker

Delivery Notes were created on and kept aboard the vessel.

U.S. Coast Guard inspectors boarded the M/T Ocean Princess on July 10, 2018, to conduct an inspection. During the inspection, the U.S. Coast Guard discovered that the vessel was using fuel with an excessive sulfur content. Chief Officer Rey Espulgar instructed some of the lower-ranking crewmembers to lie to the U.S. Coast Guard inspectors about where the fuel came from and to say the ship took on fuel in St. Martin, F.W.I., when in fact it did not.

“Protection of our unique environment and air quality are important priorities of federal law enforcement and prosecutors in the U.S. Virgin Islands,” said U.S. Attorney Shappert. “These convictions underscore our commitment to holding violators accountable while defending precious natural resources. I am deeply grateful for the way that the federal partners worked together during this investigation to ensure that Justice is served.”

“Ocean going vessels emit hazardous air pollutants or air toxics that are associated with adverse health effects impacting populations living near ports and coastlines,” said Tyler Amon, Special Agent in Charge of EPA’s criminal enforcement program in the Virgin Islands. “EPA, along with its law enforcement partners are committed to ensuring the shipping industry continues to comply with laws designed to protect air quality.”

“The results announced send a strong message to anyone who seeks to take shortcuts and intentionally pollute our environment, and I couldn’t be prouder of the Coast Guard’s Resident Inspection Office in St. Croix and Sector San Juan marine inspectors who first identified the issue as well as our Coast Guard Investigative Service agents who worked closely with the Environmental Protection Agency in San Juan to investigate this case,” said Rear Adm. Peter Brown, Commander Coast Guard District Seven. “We will continue to work with our Department of Justice and environmental protection partners to hold accountable any who put profit above the protection of our waters, beaches, and the air above them for future generations.”

Ionian Shipping & Trading Corp. and Lily Shipping LTD will each pay a fine of \$1,500,000.00, be placed on four years of probation, and implement an Environmental Compliance Plan. Alekidis, Pittas and Espulgar were sentenced to three years of probation and ordered not to return to the United States on a ship during that time. Espulgar was also fined \$3,000.00.

The U.S. Coast Guard Investigative Service and the U.S. Environmental Protection Agency-Criminal Investigation Division conducted the investigation. Assistant U.S. Attorney Kim Chisholm and Department of Justice, Environmental Crimes Section Senior Trial Attorney Kenneth Nelson prosecuted the case.

Painting Contractor Sentenced To 46 Months' Imprisonment In Connection With George Wade Bridge Project in Pennsylvania

The United States Attorney's Office for the Middle District of Pennsylvania announced that the painting contractor on the George Wade Bridge Project, Andrew Manganas, age 61, of Canonsburg, Pennsylvania and Panthera Painting, Inc., headquartered in Canonsburg, was sentenced on August 14, 2019, to 46 months' imprisonment followed by five years' on supervised release, by United States District Court Judge Sylvia H. Rambo for theft from union plans, wire fraud, and discharge of pollutants into the Susquehanna River. Judge Rambo also fined Manganas \$20,000 and Panthera Painting, Inc. \$200,000.

According to United States Attorney David J. Freed, Manganas and his company, Panthera Painting, Inc. were charged in a 46-count indictment for crimes related to Panthera's role as a subcontractor on the multi-year George Wade Bridge restoration project. In September 2009, PennDOT awarded a contract for rehabilitation work on the George Wade Bridge to J.D. Eckman as the prime contractor. The George Wade Bridge spans the Susquehanna River on Interstate 81 in Cumberland and Dauphin Counties, Pennsylvania. The Wade Bridge Project was a federal oversight project, meaning that the Federal Highway



Administration of the U.S. Department of Transportation conducted reviews and approvals during the project's design and construction phases. The contract amount was \$42,480,434.05 with the FHWA's federal-aid programs reimbursing 90 percent of that cost. The Wade Bridge Project was scheduled to be completed on May 25, 2012, but was extended to September 27, 2013. In October 2009, Panthera was awarded a \$9,875,000 subcontract by Eckman; that contract amount was increased to more than \$10 million. The subcontract awarded to Panthera covered the blasting, resurfacing, and painting of the structural steel on the George Wade Bridge.

The federal oversight and funding of the contract required each contractor and subcontractor to submit Certified Payroll Reports for every worker and every pay period to certify that the appropriate prevailing wage was being paid to each worker. Manganas and Panthera pleaded guilty in January 2018, to submitting false payroll reports that did not accurately reflect the amount workers were being paid. Manganas paid only partial wages in a wage check that did not include overtime pay. He then paid overtime in a separate "per diem" check that did not properly deduct taxes and remittances, some of which were owed to the unions of which the workers were members. By under-reporting wages paid, Manganas defrauded the federal agencies paying for the bridge work. By failing to properly remit wages to the unions, Manganas effectively stole money from the workers and the union. Moreover, Manganas and Panthera pled guilty to knowingly discharging pollutants into the Susquehanna River over the course of three painting seasons of the Project. The contract and environmental laws prohibit the discharge of pollutants without a permit. Panthera and Manganas were

supposed to utilize various methods to ensure that pollutants did not enter the Susquehanna River, including construction of “containment” to cover bridge areas being blasted clean and repainted. Containment involved using ropes, cables, fabric, metal pans and waste collection and recycling systems on segments of the bridge being blasted and repainted to prevent pollutants from being discharged into the River. Manganas knew he did not have a permit to discharge pollutants into the River, but Panthera workers, at Manganas’ direction and with his knowledge, utilized a variety of methods and equipment to discharge pollutants, including abrasive paint blasting materials, waste paint, and metal, into the Susquehanna River rather than collect them for recycling or disposal as hazardous waste.

“Judge Rambo’s significant sentence in this case recognizes the fraudulent conduct of the defendants, causing financial harm to the taxpayers, and the serious harm caused to our environment by the discharge of hazardous waste into the Susquehanna River, the lifeblood of the Chesapeake Bay,” said U.S. Attorney Freed. “This result sends a strong message to government contractors everywhere that fraudulent acts will be vigorously and aggressively investigated and charged. I commend our partners at the FBI, EPA, Department of Labor and Department of Transportation for their dedication and cooperation throughout this investigation.”

“Andrew Manganas enriched himself by cheating his workers and their unions, and defrauding the U.S. government,” said Michael T. Harpster, Special Agent in Charge of the FBI’s Philadelphia Division. “The FBI and our partners will continue to investigate and bring to justice those playing fast and loose with federal funds.”

“Clean, fresh water is one of Pennsylvania’s greatest resources,” said Jennifer Lynn, Special Agent in Charge of EPA’s criminal enforcement program in the Middle Atlantic States. “The sentences in this case show that federal contractors will be called to account if they ignore laws aimed at protecting human health and the environment.”

“Andrew Manganas submitted fraudulent certified payrolls to the U.S. Department of Labor (DOL) stating employees were paid the required prevailing wages when, in fact, the employees were paid less in violation of the Davis-Bacon Act and Related Acts. We will continue to work with our law enforcement partners to protect the integrity of DOL programs and to ensure workers are paid proper wages for the work they perform,” said Marc Walker, Acting Special Agent-in-Charge, Philadelphia Region, U.S. Department of Labor Office of Inspector General.

“The sentencing of Andrew Manganas and Panthera Painting, Inc., for wire fraud, theft from union plans, and discharge of pollutants into the waterways sends a strong message that such activity will not be tolerated,” said Douglas Shoemaker, US DOT-OIG Regional Special Agent-in-Charge. “Together with our law enforcement and prosecutorial colleagues, we remain steadfast in our commitment to ensure the integrity of Federal-aid programs and protect the public and the environment from illegally discharged pollutants.”

The case was investigated by the U.S. Department of Labor, Office of Inspector General, the U.S. Department of Transportation, Office of Inspector General, EPA’s Criminal Investigation Division, and the FBI. The case was prosecuted by a DOJ litigation team.

West Virginia Man Sentenced for Clean Water Act violations

On August 5, 2019, Timothy Peer, of Springfield, West Virginia, was sentenced to five years of probation and fined \$24,000 for violating permits and discharging untreated sewage from his sewage treatment plant.

Peer, age 56, was the owner of Mountainaire Village Utility, LLC, a sewage water treatment plant serving the residents of Mountainaire Village near Ridgeley, West Virginia. Peer owned and operated this business from early 2008 to July 2016. Peer pled guilty to one count of “Knowing Violation of Permit Conditions” and one count of “False Statements on Discharge Monitoring Reports” in April 2019.

From 2014 to 2016, Peer admitted to failing to maintain the treatment plant, resulting in untreated and undertreated sewage being discharged into the North Branch of the Potomac River, violating the Clean Water Act and his permit. Peer also admitted to falsely reporting quarterly testing on the wastewater from the plant.

The case was prosecuted by a DOJ litigation team and investigated by EPA’s Criminal Investigation Division and the West Virginia Department of Environment Protection.



Theft of Historic Bridge Results in 2-Year Prison Sentence and \$54,000 Restitution Payment for Indiana Man

On September 6, 2019, Kenneth Morrison, age 69, of Whiting, Indiana, was sentenced to 24 months imprisonment, 2 years supervised release, and ordered to pay over \$54,000 in restitution to the City of Hammond.

Morrison was found guilty of interstate transportation of stolen property. According to documents and testimony in this case, Morrison was convicted of stealing the Monon Bridge, located in Hammond, Indiana, and transporting the stolen metal parts across state lines to sell them for his personal benefit. The former bridge had spanned the Grand Calumet River. Morrison's sentence was enhanced due to the eligibility of the bridge for the National Register of Historic Places.

The case was the result of an investigation by EPA's Criminal Investigation Division and EPA's Office of Inspector General, the U.S Coast Guard Criminal Investigative Service, the Indiana Department of Natural Resources, and the Indiana Department of Environmental Management. This case was prosecuted by a DOJ litigation team.



Crete Pet Food Industry Supplier Fined \$100,000 for Clean Water Act Violation

On September 6, 2019, Crete Core Ingredients LLC was sentenced to pay a fine of \$100,000 following the company's misdemeanor conviction for violating the federal Clean Water Act. Crete Core Ingredients., a Crete, Nebraska-based company, specializes in processing animal materials and byproducts for the pet food industry.

On June 19, 2013, Crete Core Ingredients was issued a wastewater discharge permit by the Nebraska Department of Environmental Quality. The permit authorized the discharge of wastewater from the Crete Core Ingredients facility to the City of Crete's publicly owned water treatment facility. The permit set forth limits on the amount of certain pollutants that were allowed to enter the water treatment facility. The permit further provided that in the event of a permit violation, Crete Core Ingredients was subject to penalties and sanctions as provided by the federal Clean Water Act.

On or about August 5, 2014, Crete Core Ingredients exceeded its wastewater discharge permit, thus violating the federal Clean Water Act. On August 5, 2014, wastewater flow data from Crete Core Ingredients to the City of Crete's publicly owned water treatment facility showed a discharge of certain pollutants over twice the daily maximum that was permitted under the permit issued.

This case was investigated by EPA's Criminal Investigation Division.

Santa Clara Waste Water Company and Green Compass Environmental Solutions Sentenced for Explosion and Possession of Unreported Chemicals

On August 23, 2019, Santa Clara Waste Water Company and Green Compass Environmental Solutions, LLC (corporate defendants) were sentenced for their roles in a November 2014 explosion at 815 Mission Rock Road in Santa Paula that injured numerous employees and first responders, and for the subsequent storage of undisclosed hazardous chemicals on site uncovered by police in 2015.

On November 18, 2014, at approximately 3:45 a.m., an explosion occurred at 815 Mission Rock Road, Santa Paula, a wastewater treatment facility owned and operated by the corporate defendants. The investigation revealed the blast was caused by the mixing and disposal of hazardous chemicals into a 5,040-gallon vacuum truck not rated to hold nor transport such chemicals. Numerous employees of the corporate defendants as well as firefighters and paramedics who responded to the scene and rendered aid were injured either by the initial explosion or by inhaling toxic vapors which developed on site shortly afterwards from the chemicals that exploded out of the vacuum truck.

In November 2015, a search warrant was served at the corporate defendants' facility in Santa Paula which led to the discovery of approximately 5,500 gallons of sodium hydroxide, also known as Petromax, stored within a locked shipping container. These chemicals were required by law to be reported into the California Environmental Reporting System (CERS), yet the corporate defendants' officials had not reported their possession of Petromax since 2013.



At sentencing, each company was placed on three years formal probation and ordered to pay victim restitution in the amount of \$2,647,621.35. Each corporate defendant is prohibited from engaging in any business activity in Ventura County in which it: (1) oversees employee occupational safety; (2) is responsible for filing documentation pertaining to meeting regulatory compliance standards; (3) is responsible for implementing

Hazardous Materials Response Plans; (4) is required to collect samples from waste streams for the purpose of waste classification; (5) supervises employees whose duties include handling hazardous materials and waste; (6) is responsible for establishing compliance with an industrial wastewater discharge permit, (7) is involved in the transportation of hazardous waste requiring the completion of a hazardous waste manifest; or (8) interacts with any local, state or federal regulatory agency representative for the purpose of onsite compliance inspections.

To date, \$950,000 in restitution has been collected and distributed to the victims. This amount, combined with the \$2,647,621.35 the corporate defendants were ordered to pay in restitution, results in a total amount of court-ordered restitution of \$3,597,621.35. Eight other charged individual co-defendants have entered pleas for their respective roles in the 2014 explosion and 2015 conspiracy to hide chemicals from regulatory inspectors. The investigation and prosecution of this case is the result of a joint effort by the California Attorney General's Office; the Ventura County District Attorney's Office; EPA's Criminal Investigation Division; the United States Department of Transportation (USDOT); the State Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA); and the Ventura County Environmental Health Division.

North Dakota Oilfield Company Sentenced in Worker Death Case—Ordered to Pay \$2.1 Million Fine and Restitution, Enters Probation

An oilfield services company pleaded guilty and was sentenced on August 28, 2019 in federal court in Bismarck, North Dakota, on charges related to the death of an oilfield worker.

The victim, Dustin Payne, worked for Nabors Completion and Production Services (NCPS) at its Williston, North Dakota facility. On Oct. 3, 2014, Payne welded on an uncleaned tanker trailer that had previously carried “production water” or “saltwater,” a liquid waste generated by oil wells that contains flammable chemicals. The tank exploded and Payne was fatally injured. A Marine Corps veteran of campaigns in Iraq and Afghanistan, Payne had recently moved to North Dakota to work in the booming oil industry. He was 28 years old.

Federal law makes it illegal to weld on tanks or other containers that have not been thoroughly cleaned to remove all flammable materials and explosion hazards.

The defendant, C&J Well Services, is the corporate successor to NCPS. NCPS knew that it was against the law to weld on uncleaned tanks and had written policies prohibiting the practice. NCPS policies mandated special training for welders and internal auditing procedures to make sure that welding rules were actually being followed. However, NCPS did not provide welding-specific training to Payne or other welders at the Williston facility, did not effectively supervise the work of the Williston welders, did not require the welders to obtain hot work permits prior to welding and did not follow internal auditing procedures. As a result, Payne and other welders repeatedly welded on uncleaned tanks that contained flammable hydrocarbon residue.

C&J pleaded guilty to a willful violation of the standard requiring that tanks be cleaned before welding. U.S. District Judge Daniel L. Hovland sentenced C&J to pay a \$500,000 fine, \$1.6 million in restitution to the victim’s estate, and a three-year term of probation, during which C&J must allow the Occupational Safety and Health Administration (OSHA) to inspect its facilities and equipment across the country without a warrant, without advance notice and without a specified inspection reason.

“Company safety policies and compliance monitoring programs that are not implemented, existing only as theoretical paper tigers, do not in fact protect workers,” said Assistant Attorney General Jeffrey Bossert Clark for the Justice Department’s Environment and Natural Resources Division. “Employers that willfully fail to follow workplace safety laws will be prosecuted to the fullest extent of the law.”

“The North Dakota oil industry attracts thousands of workers from across the country for the prospect of well-paying jobs, and many of those workers initially lack significant oilfield experience,” said U.S. Attorney Drew H. Wrigley for the District of North Dakota. “Companies have an obligation to educate North Dakota workers and when they fail to meet those obligations, we will hold them accountable.”

“Federal law has long prohibited welding on uncleaned tanks and employers must comply with these standards to protect their workers,” said Loren Sweatt, Principal Deputy Assistant Secretary of Labor for Occupational Safety and Health at the U.S. Department of Labor. “OSHA vigorously enforces these standards and, when necessary, will make criminal referrals to the Justice Department to prevent future injuries and fatalities.”

“On behalf of the Inspector General, I offer our deepest condolences to the family and friends of Dustin Payne whose tragic death resulted from the willful violation of a Federal safety standard designed to safeguard against dangerous conditions and incidents such as this,” said Andrea M. Kropf, Regional Special Agent-in-Charge at the Department of Transportation Office of Inspector General. “Together with our law enforcement and prosecutorial partners, we are committed to pursuing companies who put the lives of those working in the transportation industry and the public at large at risk.”

The case was prosecuted by Senior Trial Attorney Christopher Costantini and Trial Attorney Samuel Charles Lord of the Justice Department’s Environmental Crimes Section, and Assistant U.S. Attorney Gary Delorme of the District of North Dakota. The case was investigated by the OSHA, EPA’s Criminal Investigation Division and the U.S. Department of Transportation Office of the Inspector General, with additional support from the Bureau of Alcohol, Tobacco, Firearms, and Explosives.

Former Asbestos Abatement Contractor Sentenced to 12 Years for Violating Clean Air Act

Lloyd Robl, 49, New Richmond, Wisconsin, was sentenced on September 12, 2019 to 12 years in prison, and three years of supervised release.

On June 20, 2019, Robl pleaded guilty to wire fraud and a Clean Air Act violation. Judge Conley imposed a 72-month sentence on each count to run consecutive to each other. The court also ordered the federal sentence to run consecutive to Robl's current state prison sentence of 30 months for felony possession of methamphetamine.

Robl worked as a self-employed asbestos abatement contractor in Minnesota and Wisconsin. He performed asbestos removal and disposal services for residential and commercial clients in Minnesota and Wisconsin. Robl engaged in a scheme to defraud his clients by: (1) falsely advertising on Craigslist he was licensed, insured and bonded to do asbestos abatements; (2) failing to tell his clients that his Minnesota license had been revoked in July 2001 and he was permanently enjoined by the State of Minnesota from providing asbestos abatement services; and (3) providing his clients with falsified records including falsified insurance policy documents, falsified Minnesota asbestos abatement licenses, falsified air sampling results, and falsified asbestos waste manifests.

In addition, Robl violated the Clean Air Act by knowingly releasing asbestos into the ambient air which placed others in imminent danger of death and serious bodily harm. Robl improperly disposed of asbestos-laden waste by: (1) burning the materials in burn piles or in 55-gallon drums at his home; and (2) spreading the ashes collected in the 55-gallon burn barrels along the tree line and in the farm field behind his home.

At sentencing, nine victims testified against Robl, including four individuals who were methamphetamine addicts hired by Robl to do asbestos removal jobs with Robl. These victims explained that Robl paid them with methamphetamine, and failed to properly train them or equip them with respirators, suits, or cleaning materials. Two customers testified that Robl provided them with licenses purporting to show he was licensed by the State of Minnesota to remove asbestos. Finally, two fire fighters with the New Richmond Fire Department testified about fires they put out at Robl's home that involved out-of-control fires in burn pits and in 55-gallon drums. The fire fighters were never told there was asbestos waste in these fires.

Judge Conley noted at the sentencing that Robl "has a lack of any moral compass," and that while Robl may have been a victim to his own methamphetamine addiction, "the gravity of his ways, and his use of other addicts, shows a depth of conduct not typically seen by other persons acting under the influence of drugs." Judge Conley added that Robl exposed people to a cancer-causing substance without their knowledge or consent. "His willful conduct caused harm to society and the environment, and countless others who will never be known."

After the sentencing, U.S. Attorney Blader said, "My office is committed to holding accountable those who endanger their fellow citizens by degrading the environment for their own selfish financial gains."

Special Agent in Charge Jennifer Lynn of EPA's Criminal Investigation Division added, "The defendant improperly handled asbestos, presenting a serious health threat to workers and the general public, and then tried to conceal evidence of the illegal acts. The sentencing shows EPA's commitment to prosecute those who try to



undermine environmental laws and the protection of human health and the environment.”

The case was investigated by EPA’s Criminal Investigation Division, the St. Croix County Sheriff’s Office, and the Wisconsin Department of Natural Resources Bureau of Law Enforcement. The prosecution of this case was handled by DOJ.



Sixth Pennsylvania Man Pleads Guilty to Conspiring to Defraud the United States and Violate the Clean Air Act

On August 21, 2019, Brian Mellott, a former inventory and logistics analyst at Rockwater Northeast, LLC (Rockwater), pled guilty in U.S. District Court, Williamsport, Pennsylvania, to conspiracy to defraud the United States by obstructing the lawful function of the Federal Government, and to conspiracy to violate the Clean Air Act. In August 2018, Mellott was indicted on conspiracy charges related to a scheme to defraud the Environmental Protection Agency (EPA), which implements and enforces emissions standards for air pollutants for diesel vehicles under the Clean Air Act, and FMCSA, which implements and enforces annual inspection standards for commercial motor vehicles (CMV).

Previously, five individuals—Gavin Rexer, Dennis Paulhamus, Timothy Sweitzer, John Joseph and Joseph Powell—had been charged and pleaded guilty in Federal court to charges stemming from their roles in the conspiracy. Rexer, Powell, and Joseph worked for Rockwater, which transported water and wastewater for Pennsylvania’s hydraulic fracturing industry. Paulhamus owned DJ Paulhamus Trucking, and Sweitzer owned Sweitzer’s Garage, LLC, both based in Jersey Shore, Pennsylvania.



The indictment alleged that between August 2013 and June 2014, Mellott and others conspired to illicitly disable the emissions control devices in Rockwater’s CMVs. Specifically, they removed the CMVs’ stock exhaust systems and replaced them with straight pipes, or hollowed out the emissions exhaust components by removing environmental filters and elements. The co-conspirators also disabled and manipulated the CMVs’ onboard diagnostics with high-tech “defeat” devices obtained from Paulhamus and Sweitzer. They concealed these purchases in Rockwater’s books and records by mislabeling them as “complete replacement exhaust systems.” They then falsely indicated that the modified CMVs had passed vehicle inspections at Sweitzer’s Garage, an inspection station certified by the Pennsylvania Department of Transportation.

DOT-OIG conducted the investigation with EPA’s Criminal Investigation Division. FMCSA, the Pennsylvania State Police (PSP) Bureau of Patrol and PSP Commercial Vehicle Safety Division provided substantial assistance.

Truck Driver Pleads Guilty to Unlawfully Dumping 3,000 Gallons Of Diesel Fuel, Prompting Evacuation Of Elementary School in Georgia

The driver of a diesel fuel truck who dumped thousands of gallons of diesel fuel onto land draining into a Thomasville, Georgia creek in 2018, shutting down a school and causing a federally-led clean-up, entered a guilty plea for his crime in federal court on September 10, 2019, announced Charles “Charlie” Peeler, the United States Attorney for the Middle District of Georgia. Jaron Coleman, 40, of Oakville, Georgia, pleaded guilty to one count of Unauthorized Discharge of Oil in the Waters of the United States on Tuesday, September 10, 2019 before U.S. District Judge Louis Sands. Mr. Coleman’s sentencing date has not been scheduled.

According to the Statement of Fact entered in Court, on April 19, 2018, Mr. Coleman admitted that he dumped approximately 3,000 gallons of fuel on the ground near a gas station in Thomasville, Georgia after he realized he had loaded the wrong product for a delivery in Pelham, Georgia. Mr. Coleman, who was working for Eco Energy, did not have any permit or authorization to discharge the diesel fuel. The diesel fuel dumped on the ground migrated into an adjacent storm water drainage system that flows directly into a creek. The unnamed creek is a tributary of Good Water Creek which flows into Oquina Creek and then into



the Ochlockonee River, a traditionally navigable water of the United States, and protected by the Clean Water Act. Under the Clean Water Act, diesel fuel is considered “oil” and the amount discharged was a harmful quantity. The discharge caused the Environmental Protection Agency (EPA) to engage in a costly clean-up and caused the evacuation of Garrison Pilcher Elementary School in Thomasville, Georgia on the same day as the incident, after school officials discovered a large amount of diesel fuel had swelled in ditches around the school.

“Illegal dumping into our waterways damages one of our most precious resources. Its harmful repercussions flow well beyond the confines of the initial dump site,” said Charlie Peeler, the U.S. Attorney. “We want the public to know that dumping is illegal and can carry serious consequences, including federal prosecution. I want to thank the EPA for its efforts to quickly respond to, investigate and clean up this mess.”

“The illegal discharge of fuel can threaten human health and damage the environment,” said Andy Castro, Special Agent in Charge of EPA’s criminal enforcement program in Georgia. “EPA and our law enforcement partners are committed to enforcing environmental laws to protect our communities.”

The case was investigated by EPA’s Criminal Investigation Division and prosecuted by a DOJ litigation team.

Former Kansas Water Operator Pleads Guilty to Making False Report

The former operator of the water system in Garden Plain, Kan., pleaded guilty on September 16, 2019, to falsifying a report on the quality of the city's drinking water, U.S. Attorney Stephen McAllister said.

Arthur Wolfe, 64, Norwich, Kan., pleaded guilty to one count of a making a false statement in a report to the Kansas Department of Health and Environment that is required by the Environmental Protection Agency. Wolfe certified a bacteriological report in falsely represented water samples taken at the water treatment plant as samples taken at other locations.

Sentencing is set for Dec. 2. Wolfe faces a penalty of up to a year in federal prison and a fine up to \$100,000. The U.S. Attorney commended the Environmental Protection Agency and Assistant U.S. Attorney Alan Metzger for their work on the case.

Oregon Engineering Firm Worker Pleads Guilty to Clean Water Act Violation for Discharging Oil Into Willamette River

Robert La Rue Webb, II pleaded guilty on August 5, 2019 in federal court for violating the Clean Water Act by negligently discharging harmful quantities of oil into the Willamette River in Portland.

According to court documents and disclosures at the hearing, on January 22, 2018, Webb, an employee of the engineering firm Mott MacDonald, was pumping oil into a 10,000-gallon used-oil tank at the Union Pacific Albina Railyard in Portland. While operating the pump, Webb walked away to make a phone call and was still distracted by his cell phone as the tank overflowed. More than 1,000 gallons of oil entered a storm water drain and were discharged into the Willamette River, resulting in a sheen and discoloration of the river's surface.

Webb faces a maximum sentence of one year in prison, a \$25,000 per day fine and one year of supervised release. He will be sentenced on October 28, 2019 before U.S. District Court Judge Michael W. Mosman.

The case was investigated by the EPA's Criminal Investigation Division. It is being prosecuted by a DOJ litigation team and criminal enforcement counsel for EPA Region 10.

Jury convicts former Custom Carbon Processing President of Clean Air Act Violations Stemming from Explosion of Wibaux Oil Processing Plant

On September 27, 2019, after a five day trial, a jury convicted the former president and director of Custom Carbon Processing, Inc. of multiple violations of the federal Clean Air Act after a 2012 explosion at the company's oil processing plant in Wibaux injured three employees and caused extensive damage to the plant, U.S. Attorney Kurt Alme said.

The jury found Peter Margiotta, 62, of Edmonton, Alberta, Canada, guilty of all three counts in an indictment, including conspiracy, Clean Air Act—general duty and Clean Air Act-knowing endangerment. Margiotta faces a maximum 15 years in prison, a \$250,000 fine for an individual, a \$1 million fine for an organization and three years of supervised release on the knowing endangerment crime.

The jury trial began on Sept. 23.

U.S. District Judge Susan P. Watters did not immediately set a sentencing date and continued Margiotta's release.

"Cutting corners in the construction and operation of the oil processing plant violated the Clean Air Act, compromised the safety of employees and resulted in an explosion that injured three workers. Mr. Margiotta's conviction should send the message that compliance with environmental regulations is required and that we will prosecute violators," U.S. Attorney Alme

said. "I also want to thank Assistant U.S. Attorney Bryan Dake, Special Assistant U.S. Attorney Eric E. Nelson, the Environmental Protection Agency and the U.S. Department of Transportation Office of Inspector General for their work in prosecuting and investigating this case."

"We believe this conviction sends a strong message to those responsible for properly handling hazardous material," said Jeffrey Dubsick, Regional Special Agent in Charge for the U.S. Department of Transportation Office of Inspector General. "Working with our law enforcement and prosecutorial partners, we will continue our vigorous efforts to protect against those who would risk the safety of the public and the environment for personal gain."

"The defendant ignored warnings and knowingly put his employees and the public at risk by constructing and operating his facility without appropriate safeguards," said Jeff Martinez, Special Agent in Charge of the Environmental Protection Agency's criminal enforcement program. "This case highlights the importance of a risk management program that protects public health and the safety of our communities," Martinez said.

The prosecution presented evidence at trial of the following:

Margiotta was president and director of Custom Carbon Processing, Inc., a Wyoming company, which constructed the Michels Disposal Well and Oil Reclamation Facility in Wibaux in 2012. The construction was done



in ways that allowed hydrocarbon vapors, extremely hazardous substances and hazardous air pollutants to be released into the air.

On July 4, 2012, Margiotta directed the opening of the plant before the implementation of appropriate electrical wiring, ventilation and other safety measures. On that date, the project manager emailed Margiotta, “The control panels must be moved asap with the explosion proof wiring. We also run the risk of killing someone, not only our operators but also customers.”

Margiotta also directed employees to accept shipments of highly volatile and flammable “natural gas condensate” or “drip gas” into the operations in a purported effort to help thin and process the slop oil at the plant.

Beginning in October 2012, Margiotta disregarded repeated warnings from the plant’s foreman that the natural gas condensate was not effective in thinning the slop oil and instead was creating a dangerous situation because of its highly volatile and flammable nature.

On Dec. 29, 2012, the plant accepted a delivery of natural gas condensate. During the offloading of the material at the plant, hazardous and flammable vapors from the natural gas condensate filled the plant building and spread out the open bay doors where the truck delivering the condensate was located. The vapors reached an ignition source, causing an explosion that injured three employees and extensive damage to the plant, the truck and trailer involved in the delivery.

AUSA Bryan Dake and SAUSA Eric Nelson prosecuted the case, which was investigated by EPA’s Criminal Investigation Division and the U.S. Department of Transportation Office of Inspector General.

Senior Manager at Fiat Chrysler Automobiles Charged in Connection with Conspiracy to Mislead Regulators and the Public about Diesel Vehicle Emissions

A senior manager of diesel drivability and emissions at Fiat Chrysler Automobiles (FCA) was charged in an indictment unsealed on September 24, 2019 for his alleged role in a conspiracy to mislead U.S. regulators, customers and the public by making false and misleading statements about the emissions control software used in more than 100,000 FCA diesel vehicles in order to increase the vehicles' emissions when they were not running on federal emissions test cycles.

Emanuele Palma, 40, an Italian citizen and resident of Bloomfield Hills, Michigan, is charged with one count of conspiracy to defraud the United States, to violate the Clean Air Act and to commit wire fraud. Palma is also charged with six counts of violating the Clean Air Act, four counts of wire fraud and two counts of making false statements to representatives of the FBI and the U.S. Environmental Protection Agency's Criminal Investigation Division (EPA-CID).

"Cheating government regulators, customers, and the public for increased sales and compensation will be prosecuted by the Department of Justice to the fullest extent of the law," said Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division. "The indictment demonstrates that the Criminal Division is committed to investigating and prosecuting sophisticated criminal schemes and corporate crimes that violate the Clean Air Act and other federal laws."

"Emanuele Palma is alleged to have lied to the EPA, impeding its mission," said U.S. Attorney Matthew Schneider of the Eastern District of Michigan. "The charges announced are serious ones, and reflect my office's commitment to preserving the integrity of the American regulatory system."

"The defendant is alleged to have knowingly misled EPA regulators to cover up illegal emissions control software installed in certain Fiat Chrysler diesel vehicles," said Susan Bodine, EPA Assistant Administrator for Enforcement and Compliance Assurance. "We are prepared to use our criminal authorities when faced with allegations of lying and cheating to evade U.S. emissions standards."

"The indictment in this case should signal to corporations and individuals working for them that there are significant consequences for attempting to bypass US emissions tests and defraud the American people," said Special Agent in Charge Steven M. D'Antuono of the FBI's Detroit Field Office. "The FBI is committed to working alongside our US and international partners to investigate these corporate crimes and to hold those who are alleged to violate environmental regulations accountable for their actions."

As alleged in the indictment, Palma led a team of engineers in the United States responsible for developing and calibrating the 3.0-liter diesel engine used in certain FCA diesel vehicles. Palma supervised the calibration of several software features in the vehicles' emissions control systems to meet emissions standards for nitrogen oxides (NOx), a family of poisonous gases that are formed when diesel fuels are burned at high temperatures.

The indictment alleges that Palma and his co-conspirators purposefully calibrated the emissions control functions to produce lower NOx emissions under conditions when the subject vehicles would be undergoing testing on the federal test procedures or driving "cycles," and higher NOx emissions under conditions when

the subject vehicles would be driven in the real world.

Palma and his co-conspirators allegedly referred to the manner in which they manipulated one method of emissions control as “cycle detection.” The indictment alleges that by calibrating the emissions control functions on the subject vehicles to produce lower NOx emissions while the vehicles were on the driving “cycle,” and higher NOx emissions when the vehicles were off the driving “cycle,” or “off cycle,” Palma and his co-conspirators purposefully misled FCA’s regulators by making it appear that the subject vehicles were producing less NOx emissions than they were in real world driving conditions. Palma and his co-conspirators allegedly calibrated the subject vehicles’ emission control systems to make them more attractive to FCA’s potential customers, *i.e.*, by increasing fuel economy and reducing the frequency of a required emissions control system service interval, rather than to maximize the reduction of NOx emissions.

As further alleged in the indictment, Palma and his co-conspirators made and caused others to make false and misleading representations to FCA’s regulators about the emissions control functions of the subject vehicles in order to ensure that FCA obtained regulatory approval to sell the subject vehicles in the United States.

The case was investigated by the FBI and EPA’s Criminal Investigation Division. DOJ’s Securities and Financial Fraud Unit Deputy Chief Henry P. Van Dyck and Trial Attorneys Kyle W. Maurer and Jason M. Covert of the Criminal Division’s Fraud Section, Senior Trial Attorney Todd W. Gleason of the Environment and Natural Resources Division’s Environmental Crime Section and Assistant U.S. Attorney Timothy J. Wyse of the U.S. Attorney’s Office for the Eastern District of Michigan are prosecuting the case. The Criminal Division’s Office of International Affairs also assisted in the case.

An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Puerto Rico Exterminating Company Owner and Company Indicted For Violation Of The Federal Insecticide, Fungicide And Rodenticide Act (FIFRA)

On Thursday, August 16, 2019, a federal grand jury returned an eight-count indictment charging Tower & Son Exterminating, Corp. and its owner Wilson Javier Torres-Rivera for violations of FIFRA, announced Rosa Emilia Rodríguez-Vélez, United States Attorney for the District of Puerto Rico. The Puerto Rico Department of Agriculture and the Environmental Protection Agency are in charge of the investigation.

Tower & Son Exterminating, Corp. is a Puerto Rico corporation that provided pest control services. According to the allegations in the indictment, Tower & Son Exterminating, Corp., and Wilson Javier Torres-Rivera, in the District of Puerto Rico and within the jurisdiction of this Court, acting as a commercial applicator, did knowingly apply the restricted-use pesticide Meth-O-Gas Q, containing methyl bromide, at the locations listed below, for the purpose of exterminating household pests, a use not in accordance with its registration and labeling:

1. August 19, 2014 at Cangrejos Yacht Club Carolina, PR
2. October 1, 2014 at Carr. 176 Km Camino Armando Marrero, PR
3. October 3, 2014 at Calle Estrella Del Mar, Dorado, PR
4. November 19, 2014 at Los Sueños Ciudad Jardín, Gurabo, PR
5. December 4, 2014 at Road 829 Km 6.2, Bayamón, PR
6. December 10, 2014 at Los Robles, Las Cumbres, San Juan, PR
7. January 12, 2015 at Los Robles, Las Cumbres, San Juan, PR
8. February 19, 2015 at Tejas Ward, Los Velázquez, Las Piedras, PR

All in violation of Title 7, United States Code, Sections 136j(a)(2)(G) and 136l(b)(1)(B).

Methyl bromide is acutely toxic and could be used only as a commodity fumigant for quarantine/regulatory use. According to its labeling, methyl bromide exposure could be fatal or cause acute illness or delayed lung or nervous system injury. Methyl bromide is odorless and nonirritating to skin and eyes during exposure. Early symptoms of overexposure are dizziness, headache, nausea, and vomiting. Lung edema may develop in 2 to 48 hours after exposure, accompanied by cardiac irregularities; these effects are the usual cause of death. Exposure to toxic levels of methyl bromide could occur without warning or detection.

“The highly dangerous actions of the defendant exposed both workers and the public to hazardous materials,” said U.S. Attorney Rosa Emilia Rodríguez-Vélez. “The indictment underscores the importance of industry’s compliance with the law to ensure the protection of human health and the environment for the benefit of the people.”

The case is being prosecuted by Senior Litigation Counsel from the Environmental Crimes Section, Howard P. Stewart and Assistant United States Attorney Carmen M. Marquez.

An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Drum Reconditioning Company Owner Indicted on Violations Related to Improperly Operating an Incinerator

On September 18, 2019, Anthony Gray, 63, was indicted in federal court on one count of conspiracy to defraud the United States for violations related to improperly operating an incinerator.

According to the indictment:

Gray was the co-owner of Lomack Drum Company (LDC), also known as L. Gray Barrel & Drum and Gray Container LLC. The company was located in Cleveland and reconditioned metal drums.

Gray served as operations manager and sales manager, while another person, identified in court documents as Owner 2, served as environmental manager and maintenance manager.

Some drums were passed through an incinerator at the facility as part of the reconditioning process. The contents of the drums were burned out as they passed through the incinerator. The incinerator had to be operated above a certain temperature, otherwise incomplete combustion would occur, producing dioxins and furans.

A temporary restraining order was issued in 2009 ordering LDC to cease operations of the incinerator at its facility. Gray and Owner 2 agreed to several new conditions with the operation of the incinerator, including testing the incinerator in the presence of an inspector demonstrating it could operate about 1,600 degrees Fahrenheit, according to indictment.

Gray and Owner 2 scheduled compliance demonstrations with inspectors but the incinerator did not maintain the required operating temperature. To date, LDC has not demonstrated the incinerator can be operated according to its permit.

Gray and Owner 2 directed and were aware the incinerator operated at night, concealing violations of the facility's permit. Gray and Owner 2 also lied to authorities about operating the incinerator, according to the indictment.

Gray and Owner 2, as well as LDC employees, operated the incinerator after dark and at night numerous times in 2013 and 2014. This included placing drums containing paints and solvents onto the conveyor belt going through the incinerator.

This resulted in the burning of several hundred drums to be burned every night the incinerator burned, causing flaming drums visible from several hundred feet away and at times emitted an offensive odor, according to the indictment, according to the indictment.

If convicted, the defendant's sentence will be determined by the Court after review of factors unique to this case, including the defendant's prior criminal record, if any, the defendant's role in the offense and the characteristics of the violation. In all cases, the sentence will not exceed the statutory maximum and, in most cases, it will be less than the maximum.

This case is being prosecuted by Assistant U.S. Attorney Brad J. Beeson following an investigation by U.S. EPA



Criminal Investigation Division, Ohio Bureau of Criminal Investigation, and the Ohio EPA - Special Investigations Unit, with assistance from the Cleveland Division of Police, Cleveland Fire Department, and Cleveland Division of Air Pollution Control.

An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

California Landlord and Las Vegas Contractor Indicted For Clean Air Act Violations

On September 18, 2019, a federal grand jury returned an indictment against a California-based landlord who buys, sells and rents buildings in Las Vegas, and the Las Vegas-based contractor who was working for the landlord. The criminal indictment charges the two men with violating the Clean Air Act by failing to remediate and remove asbestos from a downtown Las Vegas apartment complex before renovating it, endangering the health and welfare of the tenants living there at the time.

California real estate owner Bobby Babak Khalili, 52, and the Las Vegas contractor were charged with six-counts of Clean Air Act violations. Khalili, who is known by a number of aliases, was arrested in Los Angeles and arraigned on the indictment in U.S. District Court in the Central District of California on September 19, 2019. He was released on a \$50,000 bond.

“Landlords must maintain their rental properties in a habitable condition and provide a safe place for tenants to reside—free from dangerous environmental toxins,” said United States Attorney Nicholas A. Trutanich for the District of Nevada. “The indictment demonstrates our office’s commitment to protecting the health and well-being of the environment in vulnerable communities in Las Vegas and throughout Nevada.”

“Exposure to asbestos is associated with lung cancer and other serious respiratory diseases,” said Special Agent in Charge Jay Green of EPA’s Criminal Investigation Division. “The indictment sends a clear signal that EPA and its law enforcement partners are committed to enforcing environmental laws that help protect our communities from illegal asbestos abatement.”

The Clean Air Act authorized the EPA to establish “work practice standards” that must be followed to ensure the safe and proper handling and removal of asbestos during renovations. Asbestos is a group of naturally occurring minerals made up of microscopic bundles of fibers. Asbestos can cause life-threatening illnesses, and has been defined by Congress as a hazardous air pollutant.

In 2016, Khalili and his family owned the 16-unit “11th & Bonneville Apartments” in downtown Las Vegas. On March 30, 2016, air quality specialists with the Clark County Department of Air Quality saw a 40-cubic yard dumpster containing regulated asbestos-containing material (RACM) at the apartment building. They documented RACM debris and residue in the dumpster, in several apartment units, and in common areas. From March 2016 through April 11, 2016, the defendants failed to inspect the apartments and failed to remove and remediate RACM prior to starting renovation. During the renovation, half of the building’s 16 units were occupied. The indictment alleges that the defendants failed to provide written notice to EPA and Clark County Department of Air Quality before starting removal and renovation work. After removal of the RACM, they failed to properly handle the RACM.

The maximum penalty the defendants face on each count is five years of imprisonment and a fine of \$250,000. The case was investigated by EPA’s Criminal Investigation Division.

An indictment is merely a charge and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt in a court of law.

