



# 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.

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## Boston Man Sentenced for COVID-19 Fraud Related Offense

A Quincy, Boston man was sentenced on April 28, 2021 in federal court in Boston in connection with selling lanyards that falsely claimed to protect against viruses.

Jiule Lin, 38, was sentenced by U.S. District Court Magistrate Judge Jennifer C. Boal to one year of probation and a fine of \$1,500. In December 2020, Lin pleaded guilty to one count of distribution and sale of an unregistered pesticide.

Beginning in March 2020, Lin listed for sale on eBay an unregistered pesticide, “Toamit Virus Shut Out,” to buyers across the United States. Based on Lin’s eBay listing, the pesticide took the form of a card-shaped device to be worn as a lanyard around the user’s neck. The eBay listing depicted the removal of germs or viruses through the wearing of the device. Other online listings for the same product included the explicit claim that the product would protect the buyer or wearer of the product from viruses or bacteria, stating that the product’s main ingredient was chlorine dioxide and showed images of the device’s purported removal of bacteria, germs and viruses.



Under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), the EPA regulates the production, sale, distribution and use of pesticides in the United States. A pesticide is any substance intended for preventing, destroying, repelling, or mitigating any pest, including viruses. Pesticides must be registered with the EPA. Toamit Virus Shut Out was not registered, and it is illegal to distribute or sell unregistered pesticides.

Consumers can help protect themselves by visiting [epa.gov/coronavirus](https://www.epa.gov/coronavirus) for a list of EPA-approved disinfectant products.

The investigation was conducted by EPA’s Criminal Investigation Division, the U.S. Postal Inspection Service and the FDA’s Office of Criminal Investigation. Prosecution was handled by a DOJ Litigation Team.

## Pennsylvania Water Management Company Sentenced To Pay \$2 Million In Fines For Clean Air Act Violations

The United States Attorney's Office for the Middle District of Pennsylvania announced that on April 20, 2021, United States District Judge Matthew W. Brann sentenced Rockwater Northeast LLC to pay \$2 million in fines and \$12,400 in special assessments for violating the Clean Air Act.

According to Acting United States Attorney Bruce D. Brandler, Rockwater Northeast LLC, a Pennsylvania-based company that provides water management services to companies in the oil and gas industry, pleaded guilty to an information charging 31 counts of violating the Clean Air Act. The information charged Rockwater Northeast LLC with tampering with the emissions systems on 31 heavy-duty diesel trucks owned by the company, and installing "defeat devices" that disabled emissions diagnostic systems on the trucks. Rockwater Northeast LLC also is alleged to have caused the trucks to pass annual vehicle safety inspections by the Department of Transportation (DOT), despite the modified emissions systems.

Separately, Select Energy Services, Inc., a Texas-based company and the successor in interest to Rockwater Energy Solutions, Inc., parent company of Rockwater Northeast LLC, entered a three-year non-prosecution agreement with the United States. The agreement resolves Clean Air Act violations for modified emissions systems on 29 additional heavy-duty diesel trucks that were owned by Rockwater Energy Solutions, Inc. Select Energy Services, Inc. paid an additional \$2.3 million in monetary penalties pursuant to the terms of a non-prosecution agreement.



Select Energy Services, Inc. has cooperated with the investigation since its acquisition of Rockwater Energy Solutions, Inc. in 2017. Under the terms of the non-prosecution agreement, Select Energy Services, Inc. agreed to continue cooperating with the government, and implemented an environmental compliance program designed to prevent future Clean Air Act violations. Select Energy Services, Inc. also commenced conducting annual audits during the three-year term of the agreement, to ensure Clean Air Act compliance.

Six individuals have been prosecuted in connection with this investigation; four of whom are current or former employees of Rockwater Northeast LLC, and two of whom are former third-party vendors of Rockwater Northeast LLC. All six individuals pleaded guilty to conspiring to impede the lawful functions of the Environmental Protection Agency (EPA) and DOT, and to violate the Clean Air Act:

Brian Mellot, of Cumberland, Maryland, was sentenced to six months' imprisonment and one year of supervised release;

- Gavin Rexer of Jersey Shore, Pennsylvania, pleaded guilty
- Dennis Paulhamus of Jersey Shore, Pennsylvania, pleaded guilty
- Joseph Powell of Hickory, Pennsylvania, pleaded guilty

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- John Joseph of Canonsburg, Pennsylvania, pleaded guilty
- Timothy Sweitzer of Jersey Shore, Pennsylvania, pleaded guilty

The matter was investigated by the EPA's Criminal Investigations Division and the DOT's Office of the Inspector General, with the assistance of the Pennsylvania State Police and other law enforcement agencies. The case was prosecuted by a DOJ litigation team.



## Owner of Oil Chem Inc. Sentenced to Prison for Clean Water Act Violation

The president and owner of Oil Chem Inc. was sentenced on May 14, 2021 to 12 months in prison for violating the Clean Water Act stemming from illegal discharges of landfill leachate — totaling more than 47 million gallons — into the city of Flint sanitary sewer system over an eight and a half year period.

Robert J. Massey, 70, of Brighton, Michigan, pleaded guilty on Jan. 14, 2021 to a criminal charge of violating the Clean Water Act. According to court records, Oil Chem, located in Flint, Michigan, processed and discharged industrial wastewaters to Flint's sewer system. The company held a Clean Water Act permit issued by the city of Flint, which allowed it to discharge certain industrial wastes within permit limitations. The city's sanitary sewers flow to its municipal wastewater treatment plant, where treatment takes place before the wastewater is discharged to the Flint River. The treatment plant's discharge point for the treated wastewater was downstream of the location where drinking water was taken from the Flint River in 2014 to 2015.



According to the plea agreement filed in federal court, Oil Chem's permit prohibited the discharge of landfill leachate waste. Landfill leachate is formed when water filters downward through a landfill, picking up dissolved materials from decomposing trash. Massey signed and certified Oil Chem's 2008 permit application and did not disclose that his company had been and planned to continue to receive landfill leachate, which it discharged to the sewers untreated. Nor did Massey disclose to the city when Oil Chem started to discharge this new waste stream, which the permit also required. Massey directed

employees of Oil Chem to begin discharging the leachate at the close of business each day, which allowed the waste to flow from a storage tank to the sanitary sewer overnight.

From January 2007 through October 2015, Massey arranged for Oil Chem to receive 47,824,293 gallons of landfill leachate from eight different landfills located in Michigan. One of the landfills was found to have polychlorinated biphenyls (PCBs) in its leachate. PCBs are known to be hazardous to human health and the environment.

The case was investigated by EPA's Criminal Investigation Division, the Michigan Department of Natural Resources-Law Enforcement Division-Environmental Investigations Section and Coast Guard Investigative Service. The case was prosecuted by a DOJ litigation team.



## Former Louisiana Asbestos Contractor Sentenced for Theft of Federal Program Funds

On June 23, 2021, Marc A. Victoriano, age 46, of Covington, Louisiana, was sentenced before United States District Court Judge Lance M. Africk to five years probation with 8 months of home confinement for theft from a program receiving federal funds. He was also ordered to pay a mandatory \$100 special assessment fee and \$212,618.00 in restitution to the victim, Terrebonne Parish School Board.

According to court records, from 2015 to 2017, Victoriano and his company, Professional Safety Consultants, LLC, ("PSC") provided asbestos inspections for the Terrebonne Parish School Board ("TPSB") as mandated by the Asbestos Hazard Emergency Response Act ("AHERA"). Victoriano submitted 56 invoices to TPSB with fraudulent asbestos laboratory reports including false air monitoring and false asbestos testing reports. Victoriano also submitted nine invoices to TPSB for AHERA reports with forged signatures and accreditation information. As a result, TPSB paid Victoriano approximately \$212,618.26 to which he was not entitled, in violation of Title 18, United States Code, Section 666(a)(1)(A).

"Financial Crime is a despicable felony that impacts many citizens, said U.S. Attorney Duane A. Evans. "However, this scheme to defraud Terrebonne Parish Schools, that placed students and staff in a potentially dangerous situation and financially victimized taxpayers, exponentially aggravated this crime. Our office commits to continue our local, state and federal partnerships to seek justice for our community, especially our most vulnerable populations."

"The defendant was responsible for the safe and legal removal of material containing asbestos," said Special Agent in Charge Christopher Brooks of EPA's criminal enforcement program in Louisiana. "The defendant knowingly ignored regulations on the safe management of asbestos, putting workers, the general public, and most alarmingly school children, at risk. This resulted in the Terrebonne Parish (Louisiana) School Board being defrauded out of \$212,618."

The case was investigated by EPA's Criminal Investigation Division, the Louisiana State Police, the Louisiana Department of Environmental Quality, Criminal Investigation Section and the Louisiana Environmental Crimes Task Force. The case was prosecuted by a DOJ litigation team.

## Oklahoma Resident Sentenced After Illegally Discharging 129 Barrels of Crude Oil from Tank

On April 8, 2021, Dakota Brennan Gray, of Carmen, Oklahoma, pleaded guilty to a single-count Information charging him with negligently discharging oil into a water of the United States, in violation of the Clean Water Act.

On December 2, 2020, Gray was charged by Information with violating the Clean Water Act. The Clean Water Act was enacted by Congress to restore and maintain the chemical, physical, and biological quality of the Nation's waters. In addition, the Clean Water Act was enacted to prevent, reduce and eliminate water pollution in the United States and to conserve the waters of the United States for the protection and propagation of fish and aquatic life and wildlife, for recreational purposes, and for the use of such waters for public drinking water, agricultural, and industrial purposes. Among other offenses, the Clean Water Act prohibits the negligent discharge of oil or a hazardous substance in harmful quantities into a water of the United States.

Gray pleaded guilty to discharging crude oil into the Cottonwood Creek in Major County, Oklahoma. At the hearing, Gray admitted that he opened the valves on a tank battery that contained approximately 129 barrels of crude oil. Gray discharged the crude oil onto the ground and most of the oil eventually spilled into Cottonwood Creek, which is a tributary stream that flows approximately 22 miles from its headwaters in Major County northeast to its confluence with the Cimarron River near Orienta, Oklahoma. The Cimarron River flows to the Arkansas River, the Mississippi River, and ultimately the Gulf of Mexico.

A response team from the Environmental Protection Agency (EPA), along with the tank battery's owners, participated in the cleanup and recovery operation. Response actions included the placement of rigid booms, sorbent pads, and an underflow dam to recover and remove the crude oil from Cottonwood Creek and the accompanying shoreline. Due to the prompt response and cleanup efforts, inspectors did not observe any permanent contamination of the affected area during follow-up inspections.

At the combined plea and sentencing hearing, U.S. Magistrate Judge Suzanne Mitchell accepted Gray's guilty plea and sentenced him to serve three years of probation.

"Enforcement of the Clean Water Act protects public health and the environment," said Acting U.S. Attorney Troester. "I commend the dedicated efforts of the U.S. Environmental Protection Agency for their investigative efforts and rapid response to mitigate the impact of the pollution."

"Our nation's environmental laws are designed to protect our communities and our natural resources," said Special Agent in Charge Christopher Brooks of EPA's Southwest Area Office. "EPA will continue to hold individuals responsible for their environmental crimes and the resulting harm."

The case was investigated by EPA's Criminal Investigation Division. Prosecution was handled by DOJ.

## Man Sentenced for COVID-Related EPA Fraud Violation

Acting United States Attorney Jan Sharp announced that Brandon Weber, age 47, of Lincoln, was sentenced May 20, 2021 by United States Magistrate Judge Cheryl R. Zwart to one year of probation for the Unlawful Sale of an Unregistered Pesticide. Weber was ordered to pay a \$300 fine.

The Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), 7 U.S.C. § 136 *et seq.*, regulates the distribution, sale, and use of all pesticides in the United States, including antimicrobial pesticides. Antimicrobial pesticides are substances used to destroy or suppress the growth of harmful microorganisms – such as the coronavirus that causes COVID-19 – on inanimate objects and surfaces. All pesticides distributed or sold in the United States must be registered by the Environmental Protection Agency (“EPA”). Registrants of antimicrobial pesticide products that claim to control microbes that pose a threat to public health must additionally submit efficacy data to support these public health claims.

On April 5, 2020, Weber posted an advertisement on Craigslist for a product he advertised as “Ionic Colloidal Silver.” The April 5, 2020, advertisement’s title was “Disinfectant to help with Homemade Mask - \$15.” On April 6, 2020, Weber posted a second advertisement titled “Disinfectant\*-Antibacterial – Ionic Colloidal Silver – 20ppm - \$15.” Both advertisements were made for the geographic location of the Lincoln, Nebraska area. The listings claimed the ionic colloidal silver product could “be sprayed on your homemade mask material and when the germs come in contact with the ionic silver particles, the silver destroys their DNA structure and kills them.” The ads further stated, “[t]he added benefit of using this type of disinfectant is that the microscopic silver ions remain on the material to kill future germs when contact is made. Just respray as you feel necessary.” Additionally, the listings referenced a document titled “EPA-Registered Ionic Silver Disinfectant Effective Against 2009 H1N1 Flu Strain.”



On April 16, 2020, an undercover agent with the EPA contacted Weber to set up a controlled purchase of the “Ionic Colloidal Silver” product. The undercover agent met with Weber on April 17, 2020, to purchase five one-gallon bottles of the ionic colloidal silver product at a cost of \$40 per gallon for a total of \$200. During this meeting, Weber told the undercover agent he was producing this product at his home and could produce five to ten gallons per day. Weber instructed the undercover agent to spray the product directly onto cloth masks or clothes and that the product could be used as a hand sanitizer. Weber gave the undercover agent documentation and a list of reference materials. The documents included one study, entitled “Antibacterial activity of silver-killed bacteria: the ‘zombies’ effect” and a compilation of various product advertisements with the title “This article is provided for reference [sic] use only to explain how ionic silver works as a [sic] antibacterial.” That same day, Weber delivered a one-quart sample of the “Ionic Colloidal Silver” to the Nebraska State Patrol along with reference materials about the product. Weber knew this product was not registered with the EPA.

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On April 22, 2020, a search warrant was executed at Weber's residence in Lincoln, Nebraska. During the execution of the search warrant, law enforcement located a machine to manufacture the "Ionic Colloidal Silver" product and other products associated with the manufacture of the product. Weber was interviewed and admitted to posting the advertisements to sell the "Ionic Colloidal Silver," selling the "Ionic Colloidal Silver" to the undercover agent and distributing a sample to the Nebraska State Patrol.

The "Ionic Colloidal Silver" product that was sold by Weber to the undercover agent was submitted to the EPA's National Enforcement Investigations Center (NEIC) for testing. The NEIC found that the concentration of silver was greater than the 20ppm of total silver that Weber represented.

"The defendant in this case put personal profit above the safety of consumers by marketing and selling an unregistered disinfectant over the Internet," said Lance Ehrig, Special Agent in Charge of EPA's Criminal Investigation Division in Nebraska. "EPA and our law enforcement partners will continue to focus efforts on stopping the sale of these illegal products. Consumers can help protect themselves by visiting [epa.gov/coronavirus](https://www.epa.gov/coronavirus) for a list of EPA approved disinfectant products."

This case was investigated by EPA's Criminal Investigation Division with assistance FBI's Homeland Security Investigations, and the Internal Revenue. Prosecution was handled by DOJ.

## Federal Prison for Former Sioux City Iowa Wastewater Treatment Plant Superintendent - Rigged Environmental Testing for Years

The former Superintendent of the Sioux City Wastewater Treatment Plant, who conspired to cheat on environmental testing at the plant, was sentenced on April 1, 2021, to three months in federal prison.

Jay Earnest Niday, age 63, from Sergeant Bluff, Iowa, received the prison term after a October 6, 2020 guilty plea to one count of conspiracy and one count of knowingly falsifying, tampering with, and rendering inaccurate a monitoring device or method required to be maintained under the Clean Water Act.

The evidence at Niday's guilty plea and sentencing hearings showed that Niday was employed as the Superintendent of the Sioux City Wastewater Treatment Plant (WWTP). The WWTP is a large regional sewage treatment plant for wastewater from industrial, commercial, and residential sources throughout Siouxland, including Sergeant Bluff, Iowa, South Sioux City, Nebraska, North Sioux City, South Dakota, and Dakota Dunes, South Dakota. The WWTP's more than 20 industrial users produce a large volume of high-strength wastewater. Under a Clean Water Act (CWA) permit, the WWTP was required to treat wastewater before discharging it into the Missouri River, which has heavy local recreational use. Between March 15 and November 15 each year, when public use of the Missouri River was at its highest levels, the WWTP was also required to disinfect its wastewater to remove potentially dangerous human pathogens, including fecal coliform bacteria or *E. coli*.

The WWTP treated its wastewater with liquid chlorine, which kills bacteria but is potentially toxic to aquatic life. The WWTP's permit required the WWTP to periodically test its wastewater not only for the presence of fecal coliform bacteria or *E. coli*, but also total residual chlorine (TRC) levels, to ensure that the Missouri River was not polluted.

Beginning no later than 2011, and continuing until at least June 2015, Niday and others knowingly withheld from the Iowa Department of Natural Resources (IDNR) serious problems with the WWTP's new treatment process, known as "the MLE process." Niday and others concealed this fundamental problem with the MLE process from the IDNR.

Niday and others knew that the WWTP did not work properly and could not consistently disinfect the millions of gallons of wastewater that the WWTP was discharging into the Missouri River each day. In March 2013, an engineering firm prepared a "draft master plan" contemplated under a \$1 million contract with the City and provided it to Niday and another person. The draft master plan discussed the disinfection problems at the WWTP at length and concluded the WWTP's treatment process could not provide adequate disinfection of the WWTP's influent given the apparently high toxicity in its significant industrial users' effluent. Instead of following the recommendations in the draft master plan, Niday instructed the engineering firm to not finalize the report.

Niday and his coconspirators employed a fraudulent testing procedure that ensured the WWTP would always pass its effluent tests for fecal coliform, *E. coli*, and TRC. Specifically, early in the morning on testing days for bacteria, Niday and a subordinate manager, Shift Supervisor Patrick Schwarte, instructed first-shift operators at the WWTP to increase the rate of liquid chlorine supplied to the wastewater. After an hour or two passed, and an artificially high level of chlorine was fully mixed into wastewater, they ordered the WWTP's first-shift

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operators to use hand-held colorimeters to gauge the levels of chlorine. Only when the colorimeter “maxed out” would the Superintendent take a sample for fecal coliform or *E. coli*. This fraudulent procedure allowed for the chlorine in the wastewater to reach sufficient concentrations to avoid showing elevated levels of fecal coliform or *E. coli*, which would violate the WWTP’s CWA permits. The WWTP never reported any exceedances of its CWA permit limits for bacteria or residual chlorine after July 2012.

The liquid chlorine rate was increased from about 2.5 gallons per hour, to somewhere between 70 to 120 gallons per hour, for up to two hours. On non-testing days, WWTP employees maintained the chlorine feed rate at minimal levels, well below the designed feed rate of the WWTP and at a rate clearly insufficient to ensure the WWTP consistently and adequately disinfected its wastewater, as the WWTP’s CWA permits required. Then, in the afternoon on fecal coliform or *E. coli* testing days, well after the high amounts of chlorine had dissipated from the WWTP’s chlorine contact basin, and when an insufficiently low rate of liquid chlorine was supplied to the basin, Niday and Schwarte would test again for TRC. In the afternoon, they were certain the TRC would pass, because only a minimal rate of liquid chlorine was supplied to the chlorine contact basin at that time. Again, this minimal rate was clearly insufficient to ensure the WWTP consistently and adequately disinfected its wastewater, as required.

Niday was sentenced in Sioux City by United States District Court Chief Judge Leonard T. Strand. Niday was sentenced to three months’ imprisonment and fined \$6,000. He must also repay \$2,500 in court-appointed attorney fees and serve a two-year term of supervised release after the prison term. There is no parole in the federal system.

“Jay Niday deliberately worked with others to cheat on environmental tests, knowing he was polluting the Missouri River,” said Acting United States Attorney Sean R. Berry. “His actions not only put recreational users of the river at risk, but also endangered the river’s aquatic life. Niday’s blatant disregard for the law, the safety of the community, and his reprehensible treatment of a vital waterway was outrageous.”

“By intentionally tampering with the disinfection processes at the Sioux City Wastewater Treatment Plant, Jay Niday placed the community and its natural resources in jeopardy of sustaining significant environmental damage,” said Special Agent in Charge Lance Ehrig of EPA’s Criminal Investigation Division for Iowa. “The sentencing demonstrates that such violations will be vigorously prosecuted.”

“Jay Niday knowingly manipulated data at a wastewater treatment plant that received millions of dollars in U.S. Environmental Protection Agency state revolving funds,” said Daniel Hawthorne, Special Agent in Charge of the EPA Office of Inspector General’s Western Region Field Office. “This sentencing fulfills the

OIG’s commitment with our law enforcement partners to ensure that falsifying data and undermining the integrity of taxpayer dollars will not be tolerated.”

Niday was released on the bond previously set and is to surrender to the Bureau of Prisons on a date yet to be set.

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





## Pesticide Smuggler Sentenced to 90 Days in Custody - Ordered to Pay \$10,000

Felix Gutierrez Valencia of Perris, California, was sentenced in federal court on June 18, 2021 to 90 days in custody for attempting to smuggle pesticides into the United States. In addition, Gutierrez was ordered to pay a fine of \$2,500 and restitution of \$8,807 for the cost of disposal of the pesticides, and perform 100 hours of community service during three years of supervised release.

In pleading guilty, Gutierrez admitted that, on April 16, 2020, he entered the United States at the Otay Mesa Port of Entry, where 48 containers of undeclared Mexican pesticides were discovered in his truck. Gutierrez had concealed some of the containers of pesticides in cereal and cookie boxes. The pesticides included Furadan, Monitor, Bayfolan, Biomec, Ridomil Gold, Kanemite and Rodentox. Gutierrez later acknowledged that, after his arrest in April, he offered to pay another individual to smuggle pesticides into the United States. However, that person was also caught at the border with 37 containers of Furadan, Biomec, Biozyme and Tetrasan.

...exposure to these pesticides during eradication efforts has caused law enforcement officers to be hospitalized, has polluted soils and streams, and has killed wildlife. Cannabis users are also at risk. In one study, the pesticide transfer rate into the blood stream of a cannabis smoker using a glass pipe was as high as 70 percent.

Two of the pesticides smuggled by Gutierrez contain active ingredients that are cancelled in the United States, and thus are not permitted to be imported or sold. Furadan contains the cancelled pesticide carbofuran, which is a highly toxic insecticide that affects the central nervous systems by the same mechanism as chemical warfare nerve agents. It is highly toxic to birds, fish and mammals and is classified by the EPA as Toxicity Category I, the highest category, based upon its lethal potency. Monitor contains the cancelled pesticide methamidophos, which is one of the most acutely toxic organophosphate pesticides, also related to chemical warfare nerve agents. Rodentox contains zinc phosphide, an extremely toxic rodenticide. Ingestion of 7 drops to one teaspoons of zinc phosphide would likely kill a 150-pound person.

According to the sentencing documents, all of the chemicals smuggled by the defendant are commonly found at locations where marijuana is illegally cultivated. Exposure to these pesticides during eradication efforts has caused law enforcement officers to be hospitalized, has polluted soils and streams, and has killed wildlife. Cannabis users are also at risk. In one study, the pesticide transfer rate into the blood stream of a cannabis smoker using a glass pipe was as high as 70 percent.

“Trafficking in illegal pesticides is big business, and we are aggressively prosecuting many of these smuggling cases in order to protect the public,” said Acting U.S. Attorney Randy Grossman. “The toxic chemicals are extremely dangerous, with the power to poison people, wildlife, water sources and soil. Smugglers like this defendant are attempting to sneak banned pesticides across the border as if they are illicit narcotics, and they are getting caught and going to prison. That’s how serious these offenses are.” Grossman praised Assistant U.S. Attorney Melanie Pierson for her excellent work prosecuting environmental crimes, and he also commended agents from Homeland Security Investigations and the U.S. Environmental Protection Agency, Criminal Investigation Division.



“There’s a reason the federal government prohibits the importation of certain types of pesticides,” said Cardell T. Morant, Special Agent in Charge of U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) San Diego. “Some of the chemicals may be toxic and exposure can be dangerous or fatal to both humans and wildlife. This individual not only disregarded the hazards associated with improperly handling these types of chemicals, he attempted to smuggle the chemicals into the U.S., which is a very serious crime. HSI and its partner organizations will continue to pursue, arrest, and bring to justice, anyone who tries to smuggle these highly toxic chemicals into the U.S.”

“The pesticides involved in this case pose serious public health and environmental dangers,” said Special Agent in Charge Scot Adair of EPA’s Criminal Investigation Division in California. “The sentence in this case demonstrates that individuals who intentionally violate smuggling and environmental protection laws will be held responsible for their crimes.”

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

## Apple Valley California Resident Sentenced to 60 Days in Custody and Ordered to Pay \$1,200 for Smuggling Pesticides

Saul Flores Banuelos of Apple Valley, California, was sentenced to 60 days in custody and ordered to pay \$1,200 restitution for smuggling illegal pesticides across the border on April 21, 2020. The order of restitution was to cover the cost of disposal of the pesticides.

In pleading guilty in September of 2020, Flores Banuelos admitted that he entered the United States at the San Ysidro Port of Entry driving a GMC Yukon. After he advised the primary inspector he was not bringing anything from Mexico, inspectors found eight one-liter bottles of the Mexican pesticide Qufuran, three bottles of alcohol and four kilograms of various medications that had not been declared. According to sentencing documents, a subsequent search of Flores Banuelos's vehicle uncovered receipts for two previous purchases approximately six months earlier of 15 bottles of Qufuran.

The pesticides imported by Flores Banuelos were labeled in Spanish and did not bear any EPA registration number, as required by law for pesticides intended for use in the United States. Pesticides with the active ingredient found in the Qufuran imported by Flores Banuelos may not be legally imported, sold, or distributed in the United States. In addition, the lawful importation of pesticides requires a Notice of Arrival to be provided to U.S. Customs pursuant to 19 CFR § 12.112. Flores Banuelos provided no such Notice of Arrival for the pesticides in question.

According to the Environmental Protection Agency, the pesticides involved were acutely toxic. Carbofuran, the active ingredient in Qufuran, is classified by EPA as Toxicity Category I, the highest toxicity category, based upon its lethal potency from absorption by ingestion, contact with skin, and inhalation. The use of these chemicals pose a danger to humans and wildlife that might come in contact with them, as well as cannabis users who ingest products treated with them. Moreover, these chemicals are known to have injured law enforcement officers engaged in the eradication of illegal marijuana cultivation sites in California.

"Illegal pesticides are extremely toxic and harmful," said Acting U.S. Attorney Randy Grossman. "We will continue to enforce smuggling laws to protect people, animals and the environment from these harmful chemicals." Grossman praised Assistant U.S. Attorney Melanie Pierson, DOJ trial attorney Stephen Da Ponte and agents from Homeland Security Investigations and U.S. Environmental Protection Agency, Criminal Investigation Division for their excellent work on this case.

"The pesticides involved in this case pose serious public health and environmental dangers," said Special Agent in Charge Scot Adair of EPA's Criminal Investigation Division in California. "The sentence in this case demonstrates that individuals who intentionally violate smuggling and environmental protection laws will be held responsible for their crimes."

"Illegal pesticides contain very dangerous and toxic chemicals, and their use jeopardizes public safety, pollutes the environment, and puts people's health at risk," said Cardell T. Morant, Special Agent in Charge of Homeland Security Investigations (HSI). "These unregistered substances can be very harmful, and HSI and our partners at EPA-Criminal Investigation Division, the California Department of Toxic Substances Control, Customs and Border Protection, and the U.S. Attorney's Office are committed to working together to stop these deadly pesticides from entering the United States."



Flores Banuelos was ordered to begin serving his sentence on July 26, 2021.

The case was investigated by EPA's Criminal Investigation Division and Homeland Security Investigations. The case is was prosecuted by a DOJ litigation team.

## New York Project Monitor and Abatement Supervisor Plead Guilty to Conspiring to Violate Asbestos Regulations

Two individuals pleaded guilty on June 8, 2021 to conspiring to violate federal and New York State regulations intended to prevent human exposure to asbestos.

According to court documents, between 2015 and 2016, Kristofer Landell, 36, and Madeline Alonge, 27, both allowed, and in some cases directed, abatement workers to use illegal methods to remove asbestos from a former IBM site in Kingston, now known as TechCity. The facility in question contained over 400,000 square feet of regulated asbestos-containing material (RACM), as well as an additional 6,000 linear feet of RACM pipe wrap. Alonge, then a supervisor for the asbestos abatement company operating on the TechCity site, oversaw multiple crews of abatement workers who were illegally removing asbestos. Landell held a New York license to work as a person responsible for ensuring compliance with federal and state asbestos regulations and had been hired as the “project monitor” on site. Landell was also responsible for conducting air monitoring to ensure that asbestos fibers were not released into the surrounding environment.

According to court documents, Alonge and Landell failed to fulfill their responsibilities. As a result, New York State issued numerous notices of violation (NOVs). Notwithstanding those NOVs, A2 owner Stephanie Laskin, as well as abatement supervisors Alonge and Gunay Yakup, instructed workers to remove asbestos illegally. For example, they removed RACM dry, produced visible emissions of asbestos, and directed work to proceed in areas that were not properly sealed off with “critical barriers,” which are designed to prevent asbestos emissions outside a work area. Their co-conspirator Landell not only permitted such practices to continue, but also failed to conduct requisite air monitoring, falsified compliance records, and failed to properly conduct “final air clearances,” as required by New York regulations. Final air clearances are intended to ensure areas are safe to be reinhabited following abatement activities. All of the defendants charged as co-conspirators had received training in proper asbestos removal and regulatory requirements.



“The pleas entered are especially important because they address not only criminal violations of the Clean Air Act, but also the criminal circumvention of the third party project and air monitor systems designed to ensure compliance,” said Acting Assistant Attorney General Jean E. Williams for the Justice Department’s Environment and Natural Resources Division (ENRD). “I would like to take this opportunity to thank New York State inspectors for their support of this prosecution.”

“The plea agreements again reflect the serious consequences of the failure of these defendants to comply with EPA’s regulations that protect public health from asbestos, a dangerous human carcinogen,” said Special Agent in Charge Tyler Amon of the Environmental Protection Agency’s (EPA) Criminal Investigation Division. “These criminal acts endanger workers and the community and cost the taxpayers substantial monies in

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cleanup costs. EPA commends the Justice Department prosecutors for vigorously prosecuting this environmental crime case.”

Because of the defendants’ and others’ actions, asbestos was released into the surrounding environment, as admitted by co-defendant Roger Osterhoudt. Although not charged with conspiracy, Osterhoudt took responsibility last month for his criminal negligence in re-hiring A2 Environmental Services after having been made aware of numerous NOVs and other evidence of illegal practices. According to Osterhoudt’s plea, his negligence caused a release of asbestos into the environment that placed others at an increased risk of death or serious bodily injury. Asbestos has been determined to cause lung cancer, asbestosis, and mesothelioma, an invariably fatal disease. The EPA has determined that there is no safe level of exposure to asbestos.

Landell and Alonge entered guilty pleas to violating the federal conspiracy statute before Hon. Judge McAvoy in Binghamton, New York. Both individuals face up to five years in prison, three years supervised release, a \$250,000 criminal fine, and may be held liable for providing restitution to any victims.

These charges are related to conspiracy pleas previously entered by Laskin, who owned A2 Environmental Solutions, and Yakup, who — like Alonge — worked for Laskin as an abatement supervisor.

The case was investigated by EPA’s Criminal Investigation Division and the New York Department of Labor and Environmental Conservation. Prosecution was handled by a DOJ Litigation Team

## West Virginia Publicly Owned Treatment Works Manager Pleads Guilty to Falsifying Reports

On April 26, 2021, Christopher Hall, 43, of Pikeville, Kentucky, pleaded guilty to violating the Clean Water Act.

According to court documents, Hall managed the town of Matewan, West Virginia's Publicly Owned Treatment Works (POTW), a facility designed to collect and remove domestic sewage sludge from wastewater and then properly treat the wastewater. After the water is treated and tested, the water can be safely discharged into the Tug Fork River. The removed sludge is to be dried and then properly disposed in a landfill designated to receive dried sewage sludge. It is a requirement of the Clean Water Act that the sludge removal process and disposal must be reported every month to the West Virginia Department of Environmental Protection to ensure proper operation of the treatment facility. As manager of the POTW, Hall was responsible for monitoring the sludge removal and accurately reporting its monthly removal to a landfill.

On August 20, 2018, Hall falsely reported in a sludge management report that five tons of sludge had been removed from the Matewan POTW, properly dried, and then disposed at a permitted landfill. In fact, no sludge had been removed from the facility. Hall admitted to submitting a total of ten false sludge management reports indicating that a total of 55 tons of sludge had been removed from the facility and disposed in the landfill from July 2017 to June 2018. Hall further admitted that he knew all ten reports were false and that no sludge was disposed of at a landfill when he submitted the false reports.

Hall pleaded guilty to making a false statement on a sludge management report and faces a maximum possible sentence of two years in prison, a \$250,000 fine, one year of supervised release, and an order of restitution when he is sentenced on July 22, 2021.

Acting United States Attorney Lisa G. Johnston made the announcement and commended the investigative work of EPA's Criminal Investigations Division, the FBI and the West Virginia Department of Environmental Protection. The case was prosecuted by a joint DOJ-EPA litigation team.

## Cannabis Processing Firm and Managers Plead Guilty to the Illegal Transportation of Hazardous Waste in California

WellgreensCA, Inc., a San Diego company engaged in extracting oils from cannabis, along with the owner and a manager, pleaded guilty in federal court on June 3, 2021 to offenses related to the dumping of hazardous waste in San Diego County in early 2018.

In pleading guilty, WellgreensCA, Inc. and owner Lunar Loussia admitted that, as a company engaged in the business of extracting oils from cannabis, Wellgreens generated various wastes, including 55-gallon drums of waste ethanol. The waste ethanol generated by Wellgreens was a federally-regulated hazardous waste that exhibited the characteristic of ignitability, because it had a flashpoint of less than 140 degrees Fahrenheit.

Loussia admitted that he agreed with R.U., a contractor, and others to dispose of the drums of waste ethanol generated by Wellgreens, knowing that the ethanol in the drums given to R.U. for disposal was a waste that had the potential or substantial potential to be harmful to others or to the environment.



The defendants acknowledged that as a large-quantity generator of hazardous waste, Wellgreens was required to transport all hazardous waste, including the waste ethanol, from their site accompanied by a uniform hazardous waste manifest. Loussia admitted that on February 7, 2018, he caused R.U. to pick up three full drums of waste ethanol for disposal from the Wellgreens facility on Trade Street, knowing that no hazardous waste manifest was prepared or provided to R.U., as required by law, to track the shipment. The defendants acknowledged that R.U. disposed of the drums of waste ethanol behind a business located at 1350 Hill Street in El Cajon.

Nadia Malloian further admitted that on May 17, 2018, employees of Wellgreens caused R.U. to pick up four full 55-gallon drums of waste ethanol from the Wellgreens facility on Trade Street for disposal. Those employees were aware at the time that no uniform hazardous waste manifest was prepared or provided to R.U. to accompany the waste ethanol during transportation.

The drums transported by R.U. from Wellgreens were abandoned at 1201 Avocado Avenue in El Cajon, near a Vons supermarket, along with paperwork associated with Wellgreens, including laboratory reports. An employee of Vons contacted the El Cajon police, and the San Diego County Department of Environmental Health Services (DEH). Both agencies responded and DEH conducted sampling and took photographs. The employee of Vons also contacted the laboratory named on the paperwork to attempt to learn the identity of the owner of the drums, sending photographs of the drums and associated paperwork in an email.

The laboratory forwarded the message from the employee at Vons to defendant Malloian on May 22, 2018. Malloian admitted that on May 23, 2018, after learning that agents of WellgreensCA, Inc. had knowingly transported the drums of waste ethanol to the location on Avocado Avenue in El Cajon without a manifest, as required by law, she assisted them with the specific purpose of hindering their apprehension by helping to arrange the removal of the drums from the location on Avocado Avenue in El Cajon.



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As part of the plea agreement, the company agreed to pay a \$45,000 fine and restitution of \$26,482 for the costs of emergency response and restoration of the sites where the hazardous waste was abandoned.

“Crimes against the environment are crimes against all of us,” said Acting U.S. Attorney Randy Grossman. “We will not allow our communities to become dumping grounds for harmful chemicals because companies refuse to follow the rules.” Grossman praised prosecutor Melanie Pierson for her dogged commitment to protect the environment and EPA investigators for their hard work on this case and others like it.

“The defendants knowingly ignored legal requirements for the proper transportation and disposal of hazardous waste, putting local communities in the San Diego area at risk,” said Special Agent in Charge Scot Adair of EPA’s criminal enforcement program in California. “This case demonstrates that EPA will hold accountable those who intentionally violate laws that endanger human health.”

The case was investigated by EPA’s Criminal Investigation Division. The case is being prosecuted by a DOJ litigation Team.

### Tanker Truck Repair Company Owner Pleads Guilty to Violating Safety Standards - Explosion Severely Injures Employee in Idaho

Loren Kim Jacobson, 65, of Pocatello, and owner of a tanker testing and repair company, KCCS Inc., pleaded guilty to making an illegal repair to a cargo tanker in violation of the Hazardous Materials Transportation Act (HMTA) and lying to the Occupational Safety and Health Administration (OSHA), Acting U.S. Attorney Rafael M. Gonzalez, Jr. announced. The case arose from an explosion that occurred at KCCS during a cargo tanker repair on August 14, 2018, severely injuring a KCCS employee.



According to the plea agreement, the KCCS employee's welder flame pierced the skin of the tanker, which contained residual flammable material, resulting in the tanker exploding. After the explosion, an OSHA investigator interviewed Jacobson about the circumstances surrounding the accident, as part of an investigation into whether Jacobson had violated OSHA safety standards for cargo tanker repair work. Jacobson made a materially false statement to the OSHA investigator during that interview, namely that his employee was merely an "observer," not an employee, and that KCCS did not have any employees. This was an important point because OSHA requirements

only apply to "employers." Jacobson lied about not having employees to evade legal repercussions and penalties for his violation of various Occupational Safety and Health Act safety standards during the repair that resulted in the explosion.

"The terrible injuries involved in this case are a stark reminder of the need for workplace safety requirements and enforcement," said Gonzalez. "I commend the investigators at OSHA, the Department of Transportation, and the Environmental Protection Agency for uncovering the evidence in this case. Working with our partners, our office will continue to hold employers accountable for criminally endangering their employees."

Jacobson also admits in the plea agreement that he did not possess the necessary certification to conduct cargo tanker repairs that he regularly conducted. Under the HMTA, all repairs to the skin of a cargo tanker require that the repairperson hold an "R-stamp," which can be obtained only after meeting extensive training requirements. The purpose of this requirement is to ensure that those conducting repairs on cargo tankers (which often haul flammable materials) have adequate training and expertise to do so safely. Jacobson admitted that he had a regular practice of making repairs requiring an R-stamp, despite knowing he did not have one, and that he would send employees into the cargo tankers to weld patches from the inside of the tanker so that the illegal repairs would not be visible from the outside. Jacobson did not follow OSHA safety standards for protecting employees from such dangerous "confined space entries." According to the plea agreement, Jacobson directed his employee to conduct a hidden repair of this type on the tanker that subsequently exploded, in violation of both OSHA safety standards and the R-stamp requirement.

"The Environmental Crimes Section's Worker Safety Initiative is designed to make sure that employers like

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Loren Jacobson, who shirk safety requirements and put their employees, customers, and the public at risk, are held accountable for their actions,” said Acting Assistant Attorney General Jean Williams for the Justice Department’s Environment and Natural Resources Division. “We are committed to protecting the lives and health of those who do the important work of keeping safe cargo vehicles on the road. This prosecution makes clear to others who might be tempted to ignore these certification and safety programs that they will face felony consequences for putting their employees and the public in danger. Our thanks go out to the investigators from OSHA, the Environmental Protection Agency, and the Department of Transportation who worked diligently to bring these violations to light. And our thoughts are with the victim of this horrible accident.”

“Loren Jacobson lied to Occupational Safety and Health Administration Investigators to cover up the extreme risks he had been taking with his employees,” said Special Agent in Charge Quentin Heiden of the U.S. Department of Labor - Office of Inspector General, Los Angeles. “The Department of Labor’s Office of Inspector General will continue to work with our law enforcement partners to ensure the safety of American workers.”

“The guilty plea is a sober reminder that endangering the health and safety of commercial industry workers and the public by violating federal hazardous materials transportation requirements will not be tolerated,” said Special Agent in Charge Cissy Tubbs of the Department of Transportation Office of Inspector General - Western Region Office of Investigations. “We offer our sincerest condolences to the victim of the August 2018 explosion and remain steadfast in our commitment to working with our law enforcement and prosecutorial partners to hold accountable those who flaunt federal requirements to place financial gain above public safety.”

“OSHA’s mission is to ensure that every American comes home safe and sound after the day’s work,” said Boise OSHA Director David Kearns. “When an employer lies to OSHA, he passes the buck, leaving the door open to more workplace injuries and deaths. No one should be killed or injured for a paycheck. Dishonesty is not a means to protect workers. OSHA was pleased to work with our investigative partners and the Department of Justice to hold this employer criminally liable for his deceit.”

Both the HMTA violation and the false statement offenses that Jacobson pleaded guilty to are punishable by up to five years in prison, up to three years of supervised release, and a fine of up to \$250,000.

The case was investigated by OSHA, the Department of Transportation and EPA’s Criminal Investigation Division. The case was prosecuted by a DOJ litigation team.

## California Woman Convicted of Smuggling Illegal Pesticides into U.S. from Mexico

On May 27, 2021, Selene Barraza of Visalia, California, was convicted by a federal jury of smuggling illegal pesticides into the United States from Mexico.

The jury found that Barraza smuggled 25 containers of pesticides and fertilizer concealed under the seats of her vehicle into the United States at the San Ysidro Port of Entry on February 26, 2020. The pesticides included 12 bottles of Metaldane and six bottles of Furadan. The active ingredient of Metaldane is methamidophos, and the active ingredient of Furadan is carbofuran. Both methamidophos and carbofuran are cancelled pesticides, which may not be legally imported, sold, distributed or applied in the United States.



According to trial testimony, Barraza purchased the pesticides at a store in Tijuana, where she was told that it was illegal to cross them into the United States but that if the pesticides were discovered, they would simply be seized. The amount of Metaldane alone purchased by Barraza would have lasted 100 to 200 years if applied to her property, according to the directions on the label. Barraza told agents she intended to use the pesticides and resell them.

“These chemicals are banned in the United States because they are toxic and dangerous,” said Acting U.S. Attorney Randy Grossman. “This verdict is an important reminder that there are serious consequences for those who attempt to smuggle illegal pesticides into the U.S. with no regard for public safety.”

Grossman praised Assistant U.S. Attorney Melanie Pierson, Department of Justice Trial Attorney Stephen Da Ponte and agents with Homeland Security Investigations and the U.S. Environmental Protection Agency, Criminal Investigation Division for their excellent work to protect the public.

“The jury’s verdict sends a clear message to individuals that knowingly put people at risk” said Scot Adair, the Special Agent in Charge of EPA’s criminal enforcement program in California. “With our partner agencies, EPA’s job is to protect the American people from highly toxic pesticides like the ones illegally smuggled into this country by the defendant.”

“The jury’s verdict confirms the seriousness of preventing these toxic chemicals from polluting the environment and putting people’s health at risk,” said Cardell T. Morant, Special Agent in Charge of Homeland Security Investigations (HSI). “HSI and our partners at Environmental Protection Agency – Criminal Investigation Division, U.S. Customs and Border Protection, and the U.S. Attorney’s Office are committed to working together to stop these deadly pesticides from entering the United States.”

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



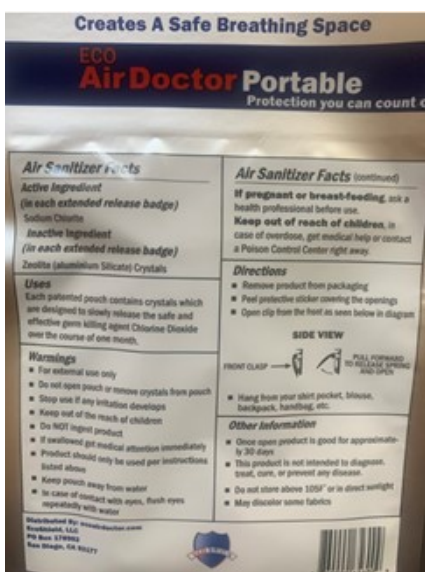
## California Business and Owner Plead Guilty to Illegal Importation, Sale and Mailing of Badges Marketed as “COVID-19 Killer”

A San Diego firm and its owner pleaded guilty in federal court on May 25, 2021 to charges relating to the unlawful importation, sale and mailing of an unregistered pesticide product from Japan marketed as a killer of airborne viruses such as COVID-19.

The product, known as EcoAirDoctor, was a small badge represented to emit a gas that would kill viruses within a certain distance. Such products are required to be registered as pesticides in the United States; no such registration was obtained.

Samir Haj, owner of EcoShield, LLC, admitted that he negotiated an agreement on behalf of the company with a foreign exporter that allowed him to import the product for a cost of \$6.25 per unit. When he imported 125,000 units into the United States on June 10, 2019, he falsely declared the value to be approximately \$2.07 per unit, resulting in an underpayment of Customs duty of \$33,919.

The product was falsely described as an air purifier rather than a pesticide. The defendants shipped the product to individuals who purchased from their website via U.S. Mail, including a shipment to an undercover mailbox in Arizona in May of 2020. The product, as noted on the label, contains sodium chlorite, which is an item declared to be unmailable under U.S. Postal rules and regulations. Sodium chlorite was deemed unmailable because of its propensity to cause a fire or explosion.



As part of the plea agreements, the defendants agreed to forfeit \$427,689, the proceeds from the sale of the illegal product, and to pay restitution of \$86,754 for the unpaid duty and the cost of disposing of the product that was not sold. In addition, the company agreed to pay a fine of \$42,000, for a total financial penalty of \$556,443.

“This defendant took advantage of COVID-19 fears to market an illegal product,” said Acting U.S. Attorney Randy Grossman. “We are aggressively pursuing opportunists who exploit the pandemic to make money.” Grossman praised Assistant U.S. Attorney Melanie Pierson; trial attorney Stephen DaPonte of the Department of Justice’s Environmental Crimes Section; and agents with the U.S. Environmental Protection Agency, Criminal Investigations Division; Homeland Security Investigations; and the U.S. Postal Inspection Service for their exceptional work on this case.

“Profiting from the illegal import, sale, and shipment of an unregistered, untested, and potentially dangerous pesticide, especially at a time when the public had legitimate safety concerns about the transmission of COVID-19, is egregious criminal conduct that must be stopped,” said Acting Assistant Attorney General Jean Williams of the Justice Department’s Environment and Natural Resources Division. “We will work with our partners at U.S. Attorneys’ Offices and law enforcement agencies in prosecuting such conduct to the fullest extent of the law.”

“Unregistered pesticide products pose serious public health dangers,” said Special Agent in Charge Scot Adair

of EPA's criminal enforcement program in California. "The guilty plea demonstrates that EPA and our law enforcement partners are committed to protecting the American people from products that make fraudulent – and potentially harmful - COVID-19 protection claims."

"Whenever someone uses the U.S. Mail to send dangerous, illegal or improper items, Postal Inspectors will find them and bring them to justice," said Eric Shen, Acting Postal Inspector in Charge, Los Angeles Division of the U.S. Postal Inspection Service. "We remain committed to keeping the mail safe for our customers and our employees."

"This individual violated several federal laws and jeopardized public safety by marketing and selling an unproven device," said Cardell T. Morant, Special Agent in Charge of Homeland Security Investigations (HSI). "It's despicable that he preyed upon people's fear of COVID-19 to turn a profit. HSI will continue to work with our partners at Environmental Protection Agency -Criminal Investigation Division, California Department of Toxic Substances Control, U.S. Postal Inspection Service, Customs and Border Protection, and the U.S. Attorney's Office to ensure public safety during this pandemic."

The case was investigated by EPA's Criminal Investigation Division, Homeland Security Investigations and the U.S. Postal Service. The case is being prosecuted by a DOJ litigation team.

### **Buffalo, New York Property Owner And Manager Charged With Failing To Properly Notify Tenants About Lead Hazards**

On June 4, 2021, Angel Elliot Dalfin, 57, of Baltimore, Maryland, and Paul Richard Heil, 51, of Buffalo, New York, were charged by criminal complaint with conspiracy to commit wire fraud and conspiracy to make false documents. The charges carry a maximum penalty of five years in prison and a \$250,000 fine.

“Lead-based paint can create major environmental health risks, and the actions taken by the defendants as alleged in the complaint created unnecessary risk to unsuspecting renters and purchasers,” said U.S. Attorney Kennedy. “My office will not allow dangerous disregard for the rule of law to go unchecked, and we will continue to work with our partners to protect the health of our community.”

Assistant U.S. Attorney Aaron J. Mango, who is handling the case, stated that in February 2018, the Environmental Protection Agency (EPA) received a referral from the Department of Housing and Urban Development (HUD), Lead Programs Enforcement Division, Office of Lead Hazard Control and Healthy Homes, involving multiple properties owned and/or managed by the defendants. Those properties were previously cited by the Erie County Health Department with numerous violations for lead paint hazards. The health department had also received several reports of children with elevated blood lead levels residing at the properties.

According to the complaint, between 2010 and 2018, approximately 50-60% of tenants living in properties owned/operated by Dalfin and Heil did not receive lead disclosure notices required by federal law. The approximately 40-50% of tenants who did receive lead disclosure notices were tenants receiving Section 8 financial housing assistance. Those tenants received disclosures under the direction of the public housing agencies that work directly with low-income tenants and their landlords to administer the Section 8 program. However, even when tenants were provided lead disclosure forms, the disclosures repeatedly contained false statements concealing hazardous conditions and the existence of reports pertaining to lead paint hazards in the properties.

In addition to providing false lead disclosures to renters, the defendants also provided false lead disclosure statements to buyers of numerous properties they owned/operated. Many of those properties had an extensive history of lead paint violations documented by the health department.

The complaint further states that the properties owned/operated by the Dalfin and Heil have a long-documented history of lead-based paint violations and reports of children with elevated blood lead levels. Between 2013 and 2020, at least 54 of the properties identified as being owned or managed by the defendants have been cited for lead hazards or conditions conducive to lead poisoning by the health department. For example, between 2013 and 2019, at least 23 children had an elevated blood lead level while residing at these properties, and seven of those properties had multiple child elevated blood lead level referrals.

The defendants received notification from the health department of the lead-based paint violations. In correspondence with potential investors, the defendants misrepresented that the health department violations had been addressed. Dalfin And Heil were well aware of potential lead-based paint hazards but continued to sell properties with false lead disclosures.



The complaint is the result of an investigation by EPA's Criminal Investigation Division, and the Department of Housing and Urban Development, Office of Inspector General, under the direction of Additional assistance was provided by the New York State Attorney General's Office.

*Indictments are merely an accusation. Defendants are presumed innocent unless and until proven guilty.*

### Former Pittsburgh Water and Sewer Authority Supervisor Charged with Violating the Clean Water Act

A former supervisor for the Pittsburgh Water and Sewer Authority was charged in federal court on June 4, 2021 with conspiring to violate the Clean Water Act, Acting United States Attorney Stephen R. Kaufman announced.

According to the Information, James Paprocki was a supervisor at the Pittsburgh Water and Sewer Authority's (PWSA) drinking water plant located in Aspinwall, Pennsylvania. At various points between 2010 and 2017, Paprocki and another supervisor at the plant directed PWSA employees to discharge clarifier sludge into the Allegheny in violation of PWSA's National Pollution Discharge Elimination (NPDES) permit. Clarifier sludge is generated when raw water is converted into potable drinking water. Under the terms of the NPDES permit, the sludge had to be sent to ALCOSAN's treatment facility. In 2015, PWSA obtained an Industrial User permit. Under the terms of the Industrial User permit, PWSA was authorized to send up to one million gallons of clarifier sludge per day to ALCOSAN's waste treatment facility. PWSA was also required to report the daily volume of sludge and install flow meters at various locations in the Aspinwall Plant to monitor the amount of sludge. These amounts had to be included in reports that PWSA was required to file with ALCOSAN. A number of the flow meters became inoperable and Paprocki and others employed at the plant began to estimate the amount sludge sent to ALCOSAN.

"Directing the discharge of pollutants into western Pennsylvania's rivers is unacceptable and violates federal environmental law," said Acting U.S. Attorney Kaufman. "Our office will continue to work with EPA and other state and local environmental regulators to hold offenders accountable and protect the environment."

"The filing of these new charges in this investigation shows that EPA will hold responsible those who violate environmental regulations designed to ensure that our communities have safe drinking water," said Jennifer Lynn, Special Agent in Charge of EPA's Criminal Enforcement Program in Pennsylvania.

The law provides for a maximum total sentence of five years in prison, a fine of \$250,000 or both. Under the Federal Sentencing Guidelines, the actual sentence imposed would be based upon the seriousness of the offense and the prior criminal history, if any, of the defendant.

Assistant United States Attorney Michael Leo Ivory and Martin Harrell, Associate Regional Counsel for Criminal Enforcement, EPA Region 3, are prosecuting this case on behalf of the government.

The Environmental Protection Agency conducted the investigation leading to the filing of charges in this case.

*A criminal Information is an accusation. Defendants are presumed innocent unless and until proven guilty. The filing of an Information generally indicates that the defendant intends to enter a guilty plea.*

### Two Senior Managers for Fiat Chrysler in Italy Charged with Conspiracy to Cheat U.S. Emissions Tests and Defraud U.S. Consumers

An indictment was unsealed on April 20, 2021 in the Eastern District of Michigan charging two Italian nationals, along with a previously charged co-conspirator, for their alleged role in a conspiracy to defraud U.S. regulators and customers by making false and misleading statements about the emissions controls and fuel efficiency of more than 100,000 diesel vehicles sold in the United States by FCA US LLC.

According to court documents, Sergio Pasini, 43, of Ferrera, Italy, and Gianluca Sabbioni, 55, of Sala Bolognese, Italy, two senior diesel managers at Fiat Chrysler Automobiles Italy S.p.A. (FCA Italy), a wholly owned subsidiary of Stellantis N.V. — along with a previously charged co-conspirator, Emanuele Palma, 42, of Bloomfield Hills, Michigan — were responsible for developing and calibrating the 3.0-liter diesel engine used in certain FCA diesel vehicles. Their responsibilities included calibrating 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, while also achieving best-in-class fuel efficiency targets set by FCA US LLC.

The superseding indictment alleges that Palma, Pasini, Sabbioni, and their co-conspirators, purposely 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, Pasini, Sabbioni, and their co-conspirators allegedly referred to the manner in which they manipulated one method of emissions control as "cycle beating." As alleged, 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," the three defendants purposely misled FCA's regulators by making it appear that the subject vehicles were producing less NOx emissions than they were, i.e., in real world driving conditions. Palma, Pasini, and Sabbioni also allegedly 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 superseding indictment also alleges that Palma, Pasini, and Sabbioni employed "cycle beating" to achieve best-in-class fuel efficiency and make the subject vehicles 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. The superseding indictment alleges that the co-conspirators understood their "cycle beating" calibration would harm consumers who purchased the vehicle, leading them to acknowledge that "there will always be the unlucky customer who will have the misfortune of using our loser cal[ibration]."

Pasini and Sabbioni are each charged with one count of conspiracy to defraud the United States and to violate the Clean Air Act, one count of conspiracy to commit wire fraud, and six counts of violating the Clean Air Act. If convicted, Pasini and Sabbioni each face up to five years in prison on the conspiracy count to defraud the United States and to violate the Clean Air Act, up to 20 years in prison on the conspiracy count to commit wire fraud, and up to two years in prison for each count of violating the Clean Air Act. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory fac-

tors.

Palma is charged with one count of conspiracy to defraud the United States and to violate the Clean Air Act, one count of conspiracy to commit wire fraud, six counts of violating the Clean Air Act, 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). If convicted, Palma faces up to five years in prison on the conspiracy count to defraud the United States and to violate the Clean Air Act, up to 20 years in prison on the conspiracy count to commit wire fraud, up to two years in prison for each count of violating the Clean Air Act, and up to five years in prison for each count of making false statements. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The investigation is being conducted by EPA's Criminal Investigation Division. Prosecution is being handled by a DOJ litigation team

*An indictment is merely an accusation. All defendants are presumed innocent unless and until proven guilty.*

### **Great Lakes Dredge and Dock Company, LLC Charged with Causing 2016 Oil Spill in Louisiana**

On April 22, 2021, Great Lakes Dredge and Dock Company, LLC , a Texas company, was charged in Federal District Court in New Orleans with violating the Clean Water Act in connection with an oil spill in 2016.

According to the Bill of Information, Great Lakes negligently discharged and caused to be discharged a harmful quantity of oil into a navigable water of the United States, upon adjoining shorelines, and affecting the United States' natural resources. The spill took place on September 5, 2016, on the edge of Bay Long near the Chenier Ronquille barrier island, which is east of Grand Isle, Louisiana

If convicted, Great Lakes faces a possible term of probation and a fine of up to \$200,000 or twice the gross gain to the defendant or twice the gross loss to any victim. A bill of information is merely a charge, and the guilt of the defendant must be proven beyond a reasonable doubt.

The case was investigated by the Environmental Protection Agency's Criminal Investigation Division, the Department of Transportation's Office of Inspector General, and the Department of Commerce's Office of Inspector General. Assistant U.S. Attorney Nicholas D. Moses is in charge of the prosecution.

*An indictment is merely an accusation. All defendants are presumed innocent unless and until proven guilty.*

### **Turkish Businessman Arrested in Austria on Charges that He Allegedly Laundered Over \$133 Million in Proceeds Related to Biofuels Fraud**

A Turkish businessman was arrested in Austria on June 19, at the request of the U.S. Department of Justice. This arrest followed a superseding indictment returned by a federal grand jury in Salt Lake City, Utah, on April 28, which was unsealed. The superseding indictment charged Sezgin Baran Korkmaz with one count of conspiring to commit money laundering, 10 counts of wire fraud, and one count of obstruction of an official proceeding.

According to the superseding indictment, Korkmaz laundered over \$133 million in fraud proceeds through bank accounts that he controlled in Turkey and Luxembourg. The proceeds allegedly related to a scheme by Jacob Kingston, Isaiah Kingston, and Levon Termendzhyan to defraud the U.S. Treasury by filing false claims for over \$1 billion in refundable renewable fuel tax credits for the production and sale of biodiesel by their company, Washakie Renewable Energy LLC, in Plymouth, Utah.

Korkmaz and his co-conspirators allegedly used proceeds from the fraud to acquire the Turkish airline Bora-jet, hotels in Turkey and Switzerland, a yacht named the Queen Anne, and a villa and apartment on the Bosphorus strait in Istanbul.

The indictment further charges Korkmaz with 10 counts of wire fraud. As alleged, Korkmaz devised a scheme to defraud Jacob Kingston and Isaiah Kingston by falsely representing that he could provide them with protection, through unnamed government officials, from a federal grand jury investigation and civil lawsuits.

The United States will seek to extradite Korkmaz to the United States so that he can appear before U.S. District Judge Jill Parrish of the District of Utah to face these charges. If convicted, Korkmaz faces a maximum penalty of 20 years in prison for the money laundering conspiracy count, 20 years in prison for each of the wire fraud counts, and five years in prison for the obstruction count. Judge Parrish will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and Acting U.S. Attorney Andrea T. Martinez for the District of Utah made the announcement.

IRS Criminal Investigation, the Environmental Protection Agency Criminal Investigation Division, and the Department of Defense DCIS are investigating the case. The Justice Department's Office of International Affairs is providing significant assistance.

Trial Attorneys Richard Rolwing and Arthur Ewencyk, and Senior Litigation Counsel John Sullivan of the Justice Department's Tax Division are prosecuting the case.

*An indictment is merely an allegation and the defendant is presumed innocent unless and until proven guilty.*



### Former Owner of Orange County California Wastewater Treatment Company Indicted on Federal Environmental Criminal Charges

The former owner of a wastewater treatment facility in Orange County, California was indicted by a grand jury that accused him and his company – Klean Waters, Inc. – in a scheme that discharged untreated industrial wastes into an Orange County sewer system, among other violations of federal environmental laws.

Tim Miller, 64, of Wexford, Pennsylvania, along with Klean Waters, were named in a two-count indictment filed late Wednesday that charges both defendants with participating in a conspiracy and discharging without a permit into a publicly owned treatment works operated by the Orange County Sanitation District (OCSD).

Miller and Klean Waters will be summonsed to appear for arraignments in United States District Court on May 3.

In the scheme dating back to the establishment of Klean Waters in 2012 and continuing for several years, Miller and his company allegedly discharged wastewater that was not pretreated according to federal standards, failed to perform self-monitoring and prepare accurate reports, made false statements about their discharges, tampered with monitoring devices put in place by the OCSD, discharged untreated wastewater without a permit, and prevented inspectors from reviewing company documents or collecting samples from the company's facility, according to the conspiracy charge in the indictment.

Klean Waters allegedly discharged untreated wastewater that contained pollutants – including firefighting foam and various metals – or that simply never had been tested after being brought to the facility for treatment.

If convicted of the two charges in the indictment, Miller would face a statutory maximum penalty of eight years in federal prison. Klean Waters could be sentenced to pay fines of up to \$300,000.

The case was investigated by EPA's Criminal Investigation Division and the FBI. Prosecution is being handled by a DOJ litigation team.

*An indictment is merely an accusation. Every defendant is presumed innocent until and unless proven guilty in court.*



### **Auto Shop Owners and Manager Indicted for Conspiracy to Violate the Clean Air Act—Key Pollution Control Devices Removed on Hundreds of Diesel Pick-up Trucks in Washington**

A federal grand jury charged three southwest Washington residents and two corporations with a conspiracy that involved removing federally-required pollution control hardware from diesel pick-up trucks and tampering with the trucks' emissions monitoring systems, announced Acting U.S. Attorney Tessa M. Gorman. The owners and general manager of Racing Performance Maintenance Northwest and a related Woodland, Washington, company, RPM Motors and Sales NW, will appear in U.S. District Court in Tacoma on May 25, 2020.

The indictment charges company owners Sean Coiteux, 47, and his wife, Tracy Coiteux, 43, the service manager, Nick Akerill, 41, and the corporate entities they controlled with conspiracy to violate the Clean Air Act and eleven specific violations of the Clean Air Act for tampering with the emissions-monitoring system on vehicles when removing pollution control equipment between January 2018 and November 2020.

“By removing required pollution control devices, the defendants caused their customers' diesel trucks to spew pollutants into the air at a rate of up to 300 times the pollution caused by compliant trucks,” said Acting U.S. Attorney Gorman. “These defendants increased toxins in our environment that are linked to cancer, as well as pulmonary, neurological, cardiovascular, and immune system damage. And they collected hundreds of thousands of dollars in fees for doing so.”

According to the indictment, between January 2018 and January 2021, the defendants charged their customers fees of about \$2,000 per truck to remove emissions control systems required by federal law. They then modified legally-required software that works to ensure the vehicle's pollution remains within legal limits. RPM Motors and Sales sometimes offered, as part of the sale of a truck, to remove the emissions control system after the customer purchased a truck. Email and other electronic records document the conspirators' purchase of equipment and software kits to remove the pollution control and reprogram the monitoring systems. These modifications, which are known as “tunes” and “deletes,” are marketed to truck owners as improving vehicle power and performance.

Over the three years described in the indictment, the defendants took in more than \$500,000 for the modifications that violate the Clean Air Act.

“The defendants intentionally violated the Clean Air Act by installing emissions defeat equipment in passenger vehicles, resulting in increased air pollution,” said Special Agent in Charge Scot Adair of EPA's Criminal Investigation Division in the Pacific Northwest. “EPA and our law enforcement partners will continue to focus efforts on stopping the sale of these illegal devices.”

Conspiracy is punishable by up to five years in prison. Each violation of the Clean Air Act is punishable by up to two years in prison and a \$250,000 fine.

The case is being investigated by Environmental Protection Agency's Criminal Investigation Division. The case is being prosecuted by a DOJ litigation team.

*An indictment is merely an accusation. All defendants are presumed innocent unless and until proven guilty.*

