



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.

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Defendant Summary

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Owner of Environmental Training Company Admits to Falsely Certifying Lead Abatement Course Completion

On August 3, 2017, Stephen Craig, of Essex, pleaded guilty in Hartford federal court to one count of making a false statement to the federal government.

According to court documents and statements made in court, Stephen Craig owned Boston Lead Company LLC (BLC), a Connecticut corporation that provided industrial hygiene and safety services. Doing business as Environmental Training and Assessment (ETA), BLC offered a variety of training courses to individuals working with lead paint and asbestos. STEPHEN CRAIG was the training manager and a primary instructor for those courses, and his son, Matthew Craig, provided hands-on instruction and assisted with course administration, including the grading of examinations.

ETA's lead and asbestos training courses were subject to regulation under the training provider accreditation requirements of the federal Toxic Substances Control Act (TSCA). TSCA allowed states to obtain U.S. Environmental Protection Agency (EPA) authorization to administer and enforce the standards, regulations and other requirements of the TSCA's lead and asbestos programs, including the approval of training courses. The State of Connecticut received such authorization for all lead and asbestos programs except the lead program that covered renovations, repairs and painting. Individuals in Connecticut who perform lead abatement activities must be certified by the Connecticut Department of Public Health (CT DPH). To obtain certification, an individual must successfully complete an approved 32-hour lead abatement worker initial training course. ETA applied for and received approval from CT DPH to offer a wide range of lead and asbestos training courses, including lead abatement worker initial and refresher courses.

Craig completed questions that the (under cover) agent had left blank and corrected a sufficient number of incorrectly answered questions to bring the examination grade to a passing grade of 80 percent.

In August 2011, ETA offered a lead abatement training course at its Middletown facility. STEPHEN CRAIG was the training manager and primary course instructor, and Matthew Craig provided the hands-on training and graded the exams. An undercover EPA agent attended the course under the fictitious identity, seeking a lead abatement worker initial course completion certificate. The agent skipped the first two days of the course, and was two hours late on the third day. Thereafter, the agent attended the course for a total of approximately 15 hours, including approximately three hours of hands-on training. Stephen Craig was aware that the agent did not attend the full training course.

At the conclusion of the course, the agent paid Stephen Craig \$525 in cash and was allowed to sit for the lead abatement worker examination, which was proctored and graded by Matthew Craig. The agent intentionally failed the examination. Although Matthew Craig knew that the agent had failed the examination, Matthew Craig completed questions that the agent had left blank and corrected a sufficient number of incorrectly answered questions to bring the examination grade to a passing grade of 80 percent.

On August 12, 2011, ETA issued a false Certificate of Completion to the agent that stated that the agent had successfully completed a 32-hour lead abatement worker initial training course and passed an examination in accordance with CT DPH standards.

“Asbestos and Lead removal training providers, like Stephen Craig’s businesses, are entrusted with keeping safe the supervisors, workers and the public that hire them,” stated Special Agent in Charge Amon. “Sham trainers will continue to be a focus for EPA enforcement since they pose too great a risk to the public health.”

Stephen Craig is scheduled to be sentenced on November 2, 2017, at which time he faces a maximum term of imprisonment of five years and a fine of up to \$250,000.

Matthew Craig previously pleaded guilty to one count of making a false statement and, on March 14, 2013, was sentenced to two years of probation and ordered to perform 100 hours of community service.

The case was investigated by EPA’s Criminal Investigation Division, and is being prosecuted by a DOJ Assistant U.S. Attorney.

Construction Company Sentenced for Clean Air Act Violations in Puerto Rico

AIREKO Construction Company was sentenced on August 18, 2017 to a fine of \$1.5 million dollars and three years of probation for violating the Clean Air Act.

AIREKO failed to comply with the asbestos National Emission Standards for Hazardous Air Pollutants during the illegal removal of asbestos containing materials from the Minillas North Tower in May 2012, according to court documents. As part of a plea agreement with the government, AIREKO was also ordered to pay \$172,020 to cover a baseline medical examination and follow up medical examination for victims exposed to asbestos fibers in the aftermath of the illegal activity.

AIREKO did the work 'on the cheap', willfully putting workers and others at risk. We will not allow businesses to cut corners on environmental protection at the expense of people's health."

-SAIC T. Amon

"This prosecution reflects the commitment of the Department of Justice to enforce federal clean air laws," said Acting Assistant Attorney General Jeffrey H. Wood of the Justice Department's Environment and Natural Resources Division. "We will continue to hold companies such as AIREKO Construction accountable in order to protect the lives and safety of the public."

"The Clean Air Act requires that construction companies follow specific protocols designed to safely remove asbestos prior to any renovation or demolition activity, so as not to expose anyone to the risk of deadly respiratory diseases; and AIREKO Construction Company failed to do so by exposing those who worked at Minillas to asbestos materials," said Rosa Emilia Rodríguez-Vélez, US Attorney for the District of Puerto Rico. "The US Attorney's Office will continue to

work with all victims who were exposed to the asbestos."

"Asbestos exposure can cause cancer, lung disease and other serious respiratory diseases," said Special Agent-in-Charge Tyler Amon for the Environmental Protection Agency's Criminal Investigation Division in New York. "In this case, AIREKO Construction avoided hiring trained and certified asbestos abatement professionals.

AIREKO did the work 'on the cheap', willfully putting workers and others at risk. We will not allow businesses to cut corners on environmental protection at the expense of people's health."

Over the weekend of Saturday, May 11, 2012, to Sunday, May 13, 2012, a sub-contractor of AIREKO removed asbestos containing material from the ceiling of the 9th floor of Minillas North Tower. The asbestos containing material was removed without following any of the Asbestos Work Practice Standards required by federal regulation. A significant portion of the asbestos containing material was taken from the 9th floor and was placed in the trash area behind the building. Approximately 550 square feet of asbestos-containing stucco ceiling material was removed from the 9th floor. The sub-contractor was hired to do general



Minillas North Tower

demolition and on Saturday, May 12, 2012, and Sunday, May 13, 2012, were working within the scope of their employment and at least, in part, for the benefit of Defendant AIREKO.

The asbestos containing material was discovered by AIREKO employees on Monday May 14, 2012, and AIREKO failed to immediately report the release of the asbestos to the National Response Center (NRC) as required by law. The EPA initiated an investigation into the release and received sampling results later that week showing asbestos throughout the building and the agency issued a notice to the Puerto Rico Building Authority that then closed the building. Clean-up of the Minillas North Tower took approximately one year.

Congress has found that medical science has determined that there is no minimal level of exposure to asbestos which is safe for unprotected persons. The government identified approximately 450 persons who were exposed to asbestos fibers between the illegal removal and the order by the Public Building Authority to close the building.

AIREKO Vice President Edgardo Albino previously pleaded guilty to failing to notify immediately the NRC of the release of asbestos. Mr. Albino was sentenced to pay a fine and serve a six month term of probation.

The investigation was conducted by the EPA's Criminal Investigation Division in New York. The cases were prosecuted by DOJ's Assistant US Attorney and Senior Litigation Counsel.

Volkswagen Engineer Sentenced for His Role in Conspiracy to Cheat U.S. Emissions Tests

A Volkswagen engineer was sentenced on August 25, 2017 by U.S. District Judge Sean F. Cox of the Eastern District of Michigan to 40 months in federal prison, and two years of supervised release, for his role in a nearly 10-year conspiracy to defraud U.S. regulators and Volkswagen customers by implementing software specifically designed to cheat emissions tests in hundreds of thousands of Volkswagen “clean diesel” vehicles sold in the U.S., the Justice Department announced today. During the hearing, the Court noted that the sentence took into consideration the defendant’s cooperation in the investigation and prosecution of the company and others.

Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department’s Criminal Division, Deputy Assistant Attorney General Jean E. Williams of the Justice Department’s Environment and Natural Resources Division, and Acting U.S. Attorney Daniel L. Lemisch of the Eastern District of Michigan made the announcement.

James Robert Liang, 63, of Newbury Park, Calif., pleaded guilty last year to one count of conspiracy to defraud the U.S., commit wire fraud and violate the Clean Air Act.



In connection with his guilty plea, the defendant admitted that he was employed by Volkswagen AG (VW) from 1983 until May 2008, working in its diesel development department in Wolfsburg, Germany. Beginning in about 2006, he and his co-conspirators began to design a new “EA 189” diesel engine for sale in the U.S. When Liang and his co-conspirators realized that they could not design a diesel engine that would meet the stricter U.S. emissions standards, they designed and implemented software to recognize whether a vehicle was undergoing standard U.S. emissions testing on a dynamometer, versus being driven on the road under normal driving conditions (the defeat device), in order to cheat U.S. emissions tests. VW tasked Liang with making the defeat device work by calibrating it to recognize specific U.S. emissions tests’ drive cycles. In

May 2008, Liang moved to the U.S. to assist in the launch of VW’s new “clean diesel” vehicles in the U.S. market. While working at VW’s testing facility in Oxnard, California, he held the title of Leader of Diesel Competence.

Liang further admitted that, for over eight years, employees of VW and its U.S. subsidiary met with the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) to seek the certifications required to sell each model year of its vehicles to U.S. customers. During these meetings, some of which Liang personally attended, Liang’s co-conspirators lied to the regulators by telling them that the VW diesel vehicles complied with U.S. emissions standards. Instead, these diesel vehicles were cheating the U.S. emissions test through use of the defeat device.

Liang admitted that for each new model year from 2009 through 2016, Liang’s co-conspirators continued to falsely and fraudulently certify to EPA and CARB that VW diesel vehicles met U.S. emissions standards and complied with the Clean Air Act. Liang further admitted that he and his co-conspirators knew that VW falsely

marketed VW diesel vehicles as “clean diesel” and environmentally-friendly, while, at the same time, promoting the vehicles’ increased fuel economy, a result achieved by using the defeat device. At the same time, Liang and his co-conspirators also continued to improve and refine the defeat device to better recognize when the VW diesel vehicles were being tested versus being driven on the road.

Liang also admitted that he helped his co-conspirators continue to lie to the EPA, CARB and VW customers even after the regulatory agencies started raising questions about the vehicles’ on-road performance following an independent study commissioned by the International Council on Clean Transportation, which showed that the diesel vehicles’ emissions on the road were more than 30 times higher than shown on the dynamometer.

The FBI’s Detroit Office and EPA’s Criminal Investigation Division are investigating the case. DOJ’s litigation team is prosecuting the case.

Black Elk Energy Offshore Operations LLC. Convicted of Worker Safety and Clean Water Act Violations in Connection to Offshore Explosion

Black Elk Energy Offshore Operations LLC (BEE), a privately held limited liability company headquartered in Houston, Texas, was sentenced on August 31, 2017 on eight felony violations of the Outer Continental Shelf Lands Act (OCSLA) and one misdemeanor count of violating the Clean Water Act before the Honorable U.S. District Judge Jane Triche Milazzo, announced Acting Assistant Attorney General Jeffrey H. Wood of the Justice Department's Environment and Natural Resources Division and Acting U.S. Attorney Duane A. Evans for the Eastern District of Louisiana.

The charges stemmed from events causing an explosion in November 2012 on an offshore oil production platform that resulted in the deaths of three workers and injuries to several others. This case is also related to the recent conviction of Wood Group PSN in the Western District of Louisiana for their role in operations on the platform.

In accordance with a plea agreement, the Court ordered BEE to pay a \$4.2 million monetary penalty.

However, due to BEE's bankruptcy, the \$4.2 million agreed monetary penalty will be a general unsecured



Black Elk Energy offshore oil production platform fire/explosion

claim against BEE's bankruptcy estate entitled to a pro rata distribution from the trust with other allowed unsecured claims against BEE. On Aug. 11, 2015, four of BEE's creditors filed an involuntary chapter 7 bankruptcy case against BEE in the U.S. Bankruptcy Court for the Southern District of Texas. The case converted to a voluntary chapter 11 case shortly thereafter. Under a Chapter 11 plan of liquidation confirmed on July 13, 2016, BEE's assets were transferred into two trusts, and a trustee will administer distributions to creditors from funds in one of the trusts.

According to the court documents, beginning on Nov. 3, 2012, after pipeline repairs, BEE undertook platform repairs to include replacing equipment and installing a divert valve on the platform's Lease Automatic Custody Transfer (LACT) unit and tying it into the sump line piping. The LACT system was the last point in the production process prior to the oil leaving West Delta 32 and entering the sales transmission pipeline.

Some of the construction projects on West Delta 32 required "hot work," or welding, grinding, and/or any other activity that may produce a spark. Hot work on an oil production facility is a hazardous activity capable of causing injury or death. Title 30 of the Code of Federal Regulations requires that written permission, commonly referred to as a "hot work permit," be issued by the welding supervisor or designated person in charge (PIC) before any hot work on a production platform begin. At a maximum, a hot work permit is valid for 12 hours. Once a hot work permit expires, all the precautionary steps should be complete before a new

hot work permit is issued.

Starting on or about Nov. 8, 2012, Christopher Srubar, a co-defendant and Wood Group PSN employee and West Delta 32 PIC, issued hot work permits for the construction work related to the West Delta 32 projects. However, Srubar stopped issuing hot work permits and conducting all-hands safety meetings and instead delegated the permitting to the Wood Group PSN “C” operator. Neither Srubar nor the “C” operator conducted a daily pre-work inspection with the construction crew, staffed by Grand Isle Shipyards (GIS), nor did they designate a fire watch for the hot work areas.

On or about Nov. 15, 2012, hot work commenced on the LACT unit with the knowledge of co-defendants Don Moss and Curtis Dantin. Moss and Dantin did not ask Srubar if he completed a safety check of the area. In addition, they did not complete a pre-work inspection or issue a warning to the GIS crews to stop welding on the sump line piping. Instead, Dantin instructed some of the crew to begin the welding of the sump line piping for the LACT unit upgrade. The single hot work permit the “C” operator issued for Nov. 16 did not state that the LACT unit or sump line piping as areas that were safe for hot work.

Workers started to make cuts to the sump line piping leading to the Wet Oil Tank, causing liquid to spill from the piping. At approximately 9:00 a.m., hydrocarbon vapors that escaped from the Wet Oil Tank ignited, causing a series of explosions in the three oil tanks on the platform. The fire and explosions resulted in the deaths of GIS employees Avelino Tajonera, Elroy Corporal, and Jerome Malagapo. Other workers were seriously burned and physically injured.

BEE admitted that its employees and agents were negligent in the manner in which they planned and executed the hot work on West Delta 32 platform, and that the acts of their agents and employees violated the regulations in 30 C.F.R. § 250.113 promulgated under the OCSLA.

Co-defendant GIS faces manslaughter charges, and Dantin, Srubar, and Moss face criminal violations of the Clean Water Act in the Eastern District of Louisiana. The OCSLA charges against GIS, Moss, Srubar, and Dantin, were dismissed by the district court and are pending an interlocutory appeal by the government to the U.S. Fifth Circuit Court of Appeals, argued on May 1, 2017.

The U.S. Department of the Interior-Office of Inspector General and EPA’s Criminal Investigation Division conducted the investigations. DOJ’s Assistant US Attorneys and Senior Trial Attorney prosecuted the case.

Eastern Iowa Businessman Sentenced to Prison for Failing to Pay Employment Taxes and Violating Clean Water Act

An Eastern Iowa businessman who failed to pay over employment taxes and violated the Clean Water Act by causing ethanol to be discharged into a tributary of the Maquoketa River, was sentenced on August 30, 2017 in federal court in Cedar Rapids to 15 months in federal prison, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and Acting U.S. Attorney Sean R. Berry of the Northern District of Iowa.

Randy Less, from Delaware County, Iowa, received the prison term after a June 14, 2016 guilty plea to one count of willfully failing to account for and pay over employment taxes and one count of a Clean Water Act violation. At his guilty plea hearing, Less admitted he was the majority owner, a general partner, and the general manager of Permeate Refining, Inc., in Hopkinton, Iowa. In those roles, Less had the responsibility to collect, truthfully account for, and pay over to the Internal Revenue Service (IRS) federal employment, Social Security, and Medicare taxes withheld from his employees' wages. At the sentencing hearing, the district court found Less was responsible for \$654,921 in tax loss to the government because he did not account for and pay over employment taxes for Permeate during 2009 through 2012. Less also admitted that, in July 2013, he knowingly discharged or caused to be discharged ethanol into a water of the United States without a permit to do so.

"Mr. Less's failure to pay over employment taxes for years was an attempt to dodge his obligations to his employees and to the United States. Our system and our citizens depend upon employers like Mr. Less to be honest and pay what they owe in employment taxes," said Acting U.S. Attorney Berry. "Additionally, his pollution of an Iowa waterway is a serious matter and this prosecution demonstrates our commitment to protecting our state's environment."

"Those who violate their legal obligation to pay over employee withholdings are stealing from the U.S. Treasury and taking advantage of law-abiding businesses," said Acting Deputy Assistant Attorney General Goldberg. "Employment tax enforcement will continue to be a top priority for the Tax Division."

"There are often multiple victims associated with employment tax fraud to include the government and the employees," said Karl Stiften, Special Agent in Charge of IRS Criminal Investigation. "Employers have a responsibility to withhold the proper amount of taxes and pay those taxes over to the IRS."

"Illegal discharges of unpermitted wastewater into rivers and streams threaten public health, wildlife and water quality," said Justin Oesterreich, Assistant Special Agent in Charge of EPA's criminal enforcement program in Iowa. "Enforcing the laws that protect our waters from pollution is an important way EPA safeguards the health of communities nationwide and ensures a level playing field for businesses that follow the rules."

Acting Deputy Assistant Attorney General Goldberg and Acting U.S. Attorney Berry commended special agents of IRS Criminal Investigation, the FBI, the U.S. Postal Inspection Service, and the U.S. Environmental Protection Agency, who investigated the case, and Assistant U.S. Attorney Tim Vavricek of the Northern District of Iowa and Trial Attorney Matthew Hoffman of the Tax Division, who prosecuted the case.

In addition to the term of prison imposed, Chief U.S. District Court Judge Leonard T. Strand ordered Less to

serve two years of supervised release, fined Less \$10,000, imposed a \$200 special assessment, and ordered Less to pay \$8,673.30 in costs of prosecution. There is no parole in the federal system. Less was released on the bond previously set and is to surrender to the Bureau of Prisons in the near future.

New York Man Pleads Guilty to Multi-State Biodiesel Fraud Scheme

Andre Bernard, of Mount Kisco, New York, pleaded guilty on August 2, 2017 for his participation in a multi-state scheme to defraud biodiesel buyers and U.S. taxpayers by fraudulently selling biodiesel credits and fraudulently claiming tax credits, announced Acting Assistant Attorney General Jeffrey H. Wood of the Justice Department's Environment and Natural Resources Division and Acting U.S. Attorney W. Stephen Muldrow of the Middle District of Florida.

RINs Fraud

According to his plea, Bernard conspired with Thomas Davanzo, of Estero, Florida, Robert Fedyna, of Naples, Florida, and Scott Johnson of Pasco, Washington in a scheme to defraud biodiesel credit (known as "RIN" credits) buyers and U.S. taxpayers. The conspiracy involved having Gen-X Energy Group (Gen-X), headquartered in Pasco, Washington, and its subsidiary, Southern Resources and Commodities (SRC), located in Dublin, Georgia, generate fraudulent RINs and tax credits multiple times on the same material.

Bernard and his co-conspirators operated several shell companies that claimed to purchase and sell the renewable fuel. The co-conspirators also cycled the funds through these shell companies' bank accounts to perpetuate the fraud scheme and conceal its proceeds.

From March 2013 to March 2014, the co-conspirators generated at least 60 million RINs that were based on fuel that was either never produced or was merely re-processed at the Gen-X or SRC facilities. The co-conspirators received at least \$42 million from the sale of these fraudulent RINs to third parties. In addition, Gen-X received approximately \$4,360,724.50 in false tax credits for this fuel.

This case was investigated by the U.S. Secret Service, EPA's Criminal Investigation Division, and the IRS Criminal Investigations Section. It was prosecuted by DOJ's Assistant U.S. Attorney of the Middle District of Florida, and Environment and Natural Resources Division Trial Attorney

Volkswagen Senior Manager Pleads Guilty in Connection with Conspiracy to Cheat U.S. Emissions Tests

The former general manager of Volkswagen AG's (VW) U.S. Environment and Engineering Office, who was a senior aide to VW's head of engine development, pleaded guilty today for his role in violating the Clean Air Act in connection with VW's sales of "clean diesel" vehicles in the U.S.

Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department's Criminal Division, Deputy Assistant Attorney General Jean E. Williams of the Justice Department's Environment and Natural Resources Division, and Acting U.S. Attorney Daniel L. Lemisch of the Eastern District of Michigan made the announcement.

Oliver Schmidt, 48, a citizen and resident of Germany, pleaded guilty to one count of conspiracy to defraud the U.S., to commit wire fraud and to violate the Clean Air Act; and to one count of violating the Clean Air Act. He was indicted by a federal grand jury on January 11, along with five other VW executives and employees. The case is assigned to U.S. District Judge Sean F. Cox of the Eastern District of Michigan, who accepted Schmidt's plea today. Sentencing has been scheduled for December 6.

Schmidt was told of the existence of cheating software in certain VW diesel vehicles that had been in place for years that would cause the vehicles to emit substantially higher amounts of NOx when the software detected that the car was not being tested, he admitted.

"Today's guilty plea by a VW senior manager follows the successful prosecution of the company earlier this year and of another VW engineer in 2016," said Acting Assistant Attorney General Blanco. "The Criminal Division is committed to holding both corporations and individuals accountable to the rule of law, and to protecting U.S. consumers and the environment. This case is a great example of this important commitment."

"Schmidt participated in a fraudulent VW scam that prioritized corporate sales at the expense of the honesty of emissions tests and trust of the American purchasers," said Deputy Assistant Attorney General Williams. "Schmidt along with each and every official involved in this emissions scandal will be held fully accountable for their actions by the Department of Justice as this investigation continues."

"We hope this prosecution sends a message of the importance the U.S. Attorney's Office places on protecting the environment," said Acting U.S. Attorney Lemisch. "Where criminal charges are appropriate, we will prosecute both corporations and individual employees who pollute and illegally evade our clean air laws."

As part of his guilty plea, Schmidt admitted that he agreed with other VW employees to mislead and defraud the U.S. and domestic customers who purchased diesel vehicles, and to violate the Clean Air Act. In the spring of 2014, a non-governmental organization in the U.S. published results of a study that showed substantial discrepancies in nitrogen oxide (NOx) emissions from certain VW vehicles when measured on the road compared to standard drive cycle tests. During the summer of 2015, Schmidt was told of the existence of cheating software in certain VW diesel vehicles that had been in place for years that would cause the vehi-

cles to emit substantially higher amounts of NO_x when the software detected that the car was not being tested, he admitted.

Schmidt admitted that he participated in discussions with other VW employees in the summer of 2015 to determine how to respond to questions from U.S. regulators about VW's diesel vehicles without revealing the defeat device. After a meeting with VW management in July 2015, VW management instructed Schmidt to seek a meeting with a senior employee of the California Air Resources Board (CARB) and to obtain approval from CARB for the sale of additional VW diesel vehicles in the U.S. without disclosing the fact that VW was cheating on emissions tests. Schmidt admitted following VW management's instructions. During two meetings in August 2015, Schmidt attempted to obtain approval for the sale of additional VW diesel vehicles by responding to questions from CARB without revealing what he knew was the truth – that the real cause for the vehicles' substantially higher emissions on the road was that VW had intentionally installed software designed to cheat and evade emissions testing, he admitted.

Schmidt further admitted that he knew that in August 2015 VW employees submitted to the U.S. Environmental Protection Agency (EPA) two reports pursuant to the Clean Air Act that were fraudulent and misleading. Moreover, Schmidt knew that VW was falsely marketing diesel vehicles to the U.S. public as being environmentally friendly and compliant with U.S. environmental regulations, including by promoting increased fuel economy, he admitted.

As part of his guilty plea, Schmidt agreed that during his participation in the scheme, he and his co-conspirators caused losses to victims of more than \$150 million and that he obstructed justice.

The case is being investigated by the FBI's Detroit Field Office and the EPA's Criminal Investigation Division, with assistance from Homeland Security Investigations. DOJ's Securities and Financial Fraud Unit, Environmental Crimes Section and Environment and Natural Resources Division are prosecuting the case.

Louisiana Company Pleads Guilty To Transporting and Dumping Hazardous Waste in Savannah Neighborhood

Boasso America, Inc. (Boasso), headquartered in New Orleans, Louisiana, and with a facility in Garden City, Georgia, entered a guilty plea on August 25, 2017 before Senior U. S. District Court Judge William T. Moore, Jr. for the illegal transportation and dumping of hazardous waste. Boasso pled guilty to a felony violation of the Resource Conservation and Recovery Act (RCRA), a law regulating the storage and transportation of hazardous waste. Boasso's guilty plea follows the convictions of two of its former employees, Ray Mitchell, 52, of Pooler, Georgia, and Maurice Miller, 40, of Savannah, for their individual roles in the illegal transportation and dumping of hazardous waste. Earlier this year, Miller was sentenced to 28 months in federal prison. Mitchell was sentenced to 20 months in federal prison.

According to evidence presented during multiple guilty plea hearings, Boasso provides transportation services for tank containers containing hazardous wastes. Boasso's Garden City facility stored and transported its customers' tanks containing hazardous waste. In 2015, rather than properly transporting and

Rather than properly transporting and safely disposing of drums... that contained the hazardous chemical naphthalene, Boasso employees Mitchell and Miller illegally transported and dumped a significant amount of naphthalene into the ground of a nearby Savannah neighborhood

safely disposing of drums and totes at its Garden City facility that contained the hazardous chemical naphthalene, Boasso employees Mitchell and Miller illegally transported and dumped a significant amount of naphthalene into the ground of a nearby Savannah neighborhood. Exposure to amounts of naphthalene, a main ingredient found in mothballs, can cause serious health issues. Once discovered, law enforcement and environmental officials quickly removed the hazardous waste before it caused any health concerns. Further investigation by law enforcement officials uncovered that Boasso employees fabricated invoices in an effort to hide their illegal dumping of hazardous waste.

As part of its plea agreement, Boasso has agreed to pay full restitution, including cleanup costs; has agreed to pay the maximum criminal fine penalty of \$500,000; and has agreed to

establish, implement, and enforce an effective environmental compliance plan, so that future dumping incidents do not happen.

Acting United States Attorney James Durham said, "This company and some of its employees callously dumped hazardous waste into a local community, all to save a little time and money. Because of their dangerous decisions, the company will be paying a significant amount of money and their employees are spending a lot of time in a federal prison. I want to thank the EPA, Georgia's DNR, SCMPD and the Savannah Fire Department for quickly investigating this case, and for ensuring Boasso's hazardous waste was properly removed before anyone was injured."

"This corporate defendant and some of its employees knowingly allowed hazardous waste to be illegally dumped without regard for the potential dangers that its release could pose to public health," said Andy Castro, Special Agent in Charge of EPA's criminal enforcement program for Georgia. "These corporate and

individual convictions show that those who put public health and the environment at risk by violating the law will be held to account.”

The investigation was led by the EPA’s Criminal Investigation Division, with assistance from the Georgia Department of Natural Resources (DNR), the Savannah-Chatham Metropolitan Police Department (SCMPD), and Savannah Fire Department’s Haz-Mat team. DOJ’s Assistant U.S. Attorneys prosecuted the case.

Idaho Man Pleads Guilty to Violating the Clean Water Act

On August 28, 2017, James Findlay, former owner and operator of Sawtooth Fusion, LLC (Sawtooth), Meridian, Idaho, pleaded guilty in U.S. District Court, Boise, Idaho, to violations of the Clean Water Act. Sawtooth was a medical research company that Findlay operated out of his apartment.



EPA Mobile Command Post Outside of Findlay's Apartment

Between 2012 and 2014, Findlay obtained and stored quantities of depleted uranium and uranium powder. He purchased and transported depleted uranium from an aircraft salvage company in large blocks, with a combined weight of approximately 50 pounds. He chemically extracted uranium through a process that included soaking it in muriatic acid. At the end of the chemical process, Findlay discharged some of the materials into a sink in his apartment and into the Boise sewer system. At no time did Boise Public Works authorize, permit, or approve Findlay's discharge of the materials into the sewer system.

DOT-OIG conducted this investigation jointly with EPA's Criminal Investigation Division and the Nuclear Regulatory Commission's Office of Investigations.

Man Who Illegally Disposed of Radioactive Waste Added to EPA's List of Criminal Fugitives

On August 15, 2017, James Kenneth Ward was added to EPA's list of criminal fugitives. Ward, 55, was indicted on April 5, 2017, in federal district court in Montana and escaped custody of local officials during a prison transport in Wyoming in March 2013. Ward is wanted on federal fraud charges connected with illegal disposal of radioactive waste in several North Dakota locations.

Ward should be considered violent and dangerous. Anyone who sees Ward should not attempt to apprehend him, but should report the sighting through the [EPA fugitive website](#) or contact the EPA criminal investigation division at (303) 312-6458.

In 2011, Ward entered into a contract with a company called Zenith Produced Water to properly dispose of filter bags or "filter socks," which can contain pollutants and radioactive substances resulting from the drilling and development of oil. These pollutants and radioactive substances can be damaging to the environment and public health if discharged to ground water, surface water or on land. During the period of the contract with Zenith, Ward did not legally and properly dispose of the filter socks, but instead left the filter socks at a former gas station located in Noonan, North Dakota.



James Kenneth Ward arrest photo

Ward was already a fugitive, returned to the U.S. from Mexico to face state larceny charges when he escaped.