



# 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.

October 2019 - November 2019

#### In This Edition:

- Collegiate Entrepreneurs, Inc – Region 1
- Gary Hallinan – Region 2
- John Lee – Region 4
- Michael Greene – Region 4
- Electro-Plating Services Inc (EPS) – Region 5
- Chandra Yarlagadda (Alpha Bioenergy LLC) – Region 5
- MGP Products, Inc. – Region 7
- Max Hurst – Region 8
- Martin Fields – Region 8
- Monsanto – Region 9
- Marlene Faltemier – Region 9

#### Quick Links

[Defendant Summary](#)

[Sentencings](#)

[Plea Agreements](#)

[Trials & Settlements](#)

[Indictments/  
Informations](#)

# Defendant Summary

Region	Defendants	Case Type/Status
1	Collegiate Entrepreneurs, Inc.	Sentencing
2	Gary Hallinan	Sentencing
4	John Lee	Indictment
4	Michael Greene	Sentencing
5	Electro-Plating Services Inc (EPS)	Sentencing
5	Chandra Yarlagadda (Alpha Bioenergy	Plea Agreement
7	MGP Products, Inc.	Plea Agreement
8	Max Hurst	Sentencing
8	Martin Fields	Trial
9	Monsanto	Plea Agreement
9	Marlene Faltemier	Sentencing

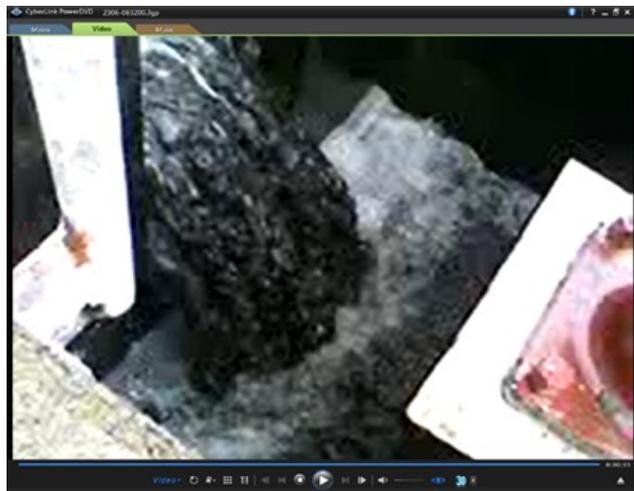
## Former Wastewater Treatment Plant Superintendent Knowingly Allowed Solid Sewage Discharges into Lake Ontario

Gary Hallinan, 61, of Oswego, New York, was sentenced on October 2, 2019 to 2 years of probation and a \$1,000 fine after previously pleading guilty in federal court in Syracuse to negligently discharging wastewater from the City of Oswego Wastewater Treatment Plant into Lake Ontario in violation of the Clean Water Act on three dates between March 2015 and June 2015, announced Grant C. Jaquith, United States Attorney; Tyler Amon, Special Agent in Charge of the U.S. Environmental Protection Agency's Criminal Investigation Division (EPA-CID) in New York; and Bernard Rivers, Director of Law Enforcement, New York State Department of Environmental Conservation (DEC).

Hallinan admitted when he pled guilty that in December 2014, while he was the Superintendent of the Oswego Wastewater Treatment Plant, the plant's centrifuge, an essential piece of equipment to process wastewater and remove untreated or improperly treated sewage, stopped operating. As a result, the plant could no longer properly remove sewage from its wastewater. Over the next five months, Hallinan, as the superintendent of the plant, failed to take action to remove sewage from the plant's wastewater or to report the broken centrifuge to the New York State Department of Environmental Conservation. As a result of the defendant's negligence, the Oswego Wastewater Treatment Plant discharged wastewater containing solid sewage in violation of its permit under the Clean Water Act. These discharges took place on March 1, 2015; June 19, 2015; and June 23, 2015. The concentration of solid matter in the water discharged into Lake Ontario on June 23, 2015, was approximately 60 times higher than allowed by the plant's permit.

United States Magistrate Judge David E. Peebles imposed the sentence, which included an order directing Hallinan to perform 200 hours of community service.

This case was investigated by the United States EPA-CID, the New York State DEC, Division of Law Enforcement and Bureau of Environmental Crimes Investigation Unit (BECI), and it was prosecuted by Assistant United States Attorney Michael F. Perry.



Video Frame/Still Image: Illegal discharge of untreated wastewater/raw sewage at the Oswego Eastside WWTP effluent outfall

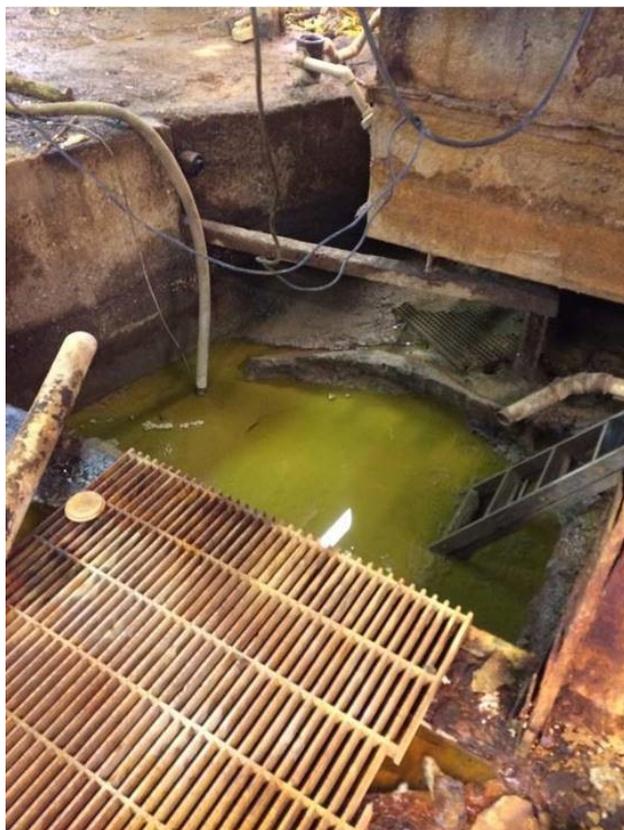
## Michigan Electro-Plating Company and Owner Sentenced for Illegally Storing Hazardous Waste

Electro-Plating Services Inc. (EPS), located in Madison Heights, Michigan, was sentenced in federal court in Detroit on November 6, 2019 to five years of probation, and was ordered to pay restitution of \$1,449,963.94 joint and several with Gary Sayers to the U.S. Environmental Protection Agency. Sayers, EPS's owner, was sentenced to one year in prison followed by three years of supervised release. EPS and Sayers pleaded guilty on Feb. 14, 2018 to violating the Resource Conservation and Recovery Act (RCRA).

The crime related to Sayers's operation of EPS, which used chemicals such as cyanide, chromium, nickel, chloride, trichloroethylene, and various acids and bases, as part of the plating process. After these chemicals no longer served their intended purpose, they became hazardous wastes, which required handling in compliance with RCRA. Rather than having EPS's hazardous wastes legally transported to a licensed hazardous waste facility, Sayers stored the hazardous waste in numerous drums and other containers, including a pit dug into the ground in the lower level of the EPS building in Madison Heights. For years, Sayers stonewalled state efforts to get him to legally manage the hazardous wastes. Ultimately, the EPA's Superfund program spent \$1,449,963.94 to clean up and dispose of the hazardous wastes.

"This case shows that anyone who chooses to do business with dangerous materials must obey federal laws that protect our fellow Americans and the environment. These defendants' knowing, illegal storage of waste cyanide, highly corrosive wastes, toxic chromium waste, and reactive wastes posed a significant danger and threat to nearby communities and the environment," said Assistant Attorney General Jeffrey Bossert Clark for the Justice Department's Environment and Natural Resources Division. "They disregarded the law and numerous warnings and requests by state authorities to comply with their legal obligations. The Department of Justice will act to protect public health and safety."

"The improper storage of hazardous waste presents a significant danger to our communities," said U.S. Attorney Matthew Schneider of the Eastern District of Michigan. "EPS blatantly disregarded the safety of our community and environment. We hope this case will serve as notice to other businesses that law enforcement will take all necessary action to ensure compliance with our environmental laws and protect the people of Michigan."



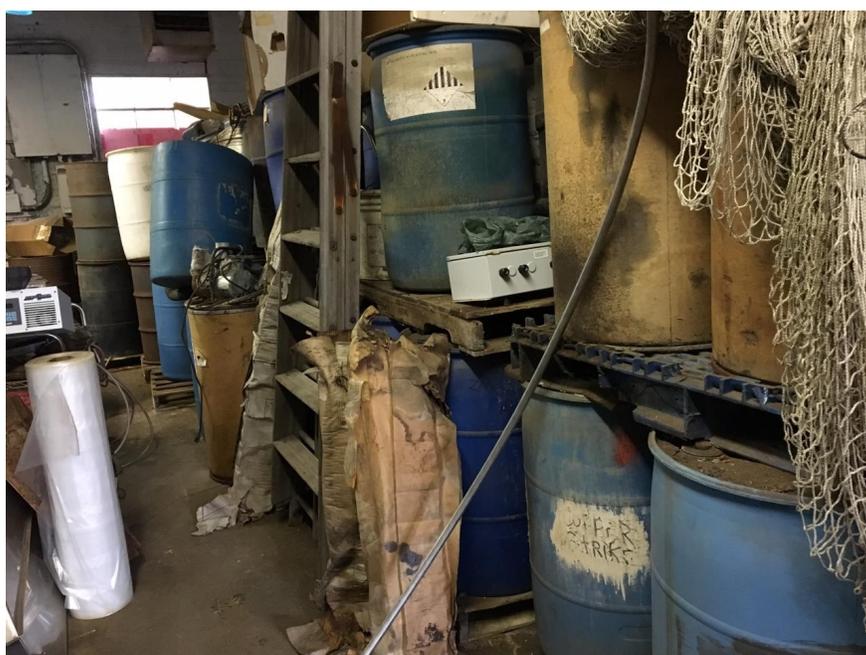
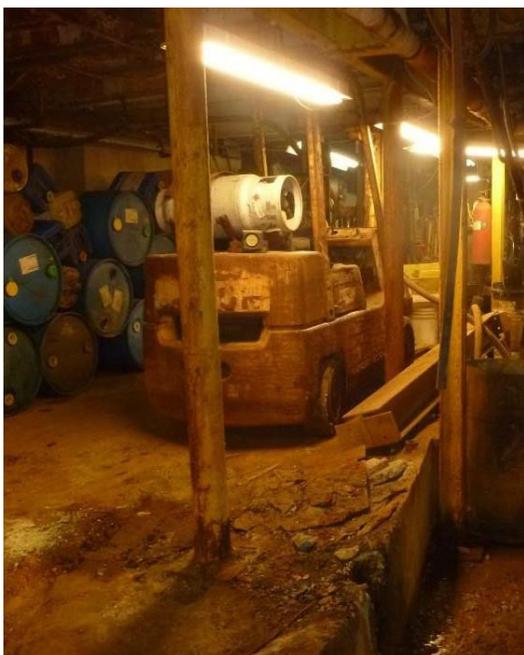
"Hazardous wastes pose serious risks to the health of entire communities, so it's imperative they be handled and disposed of safely and legally," said Special Agent in Charge Jennifer Lynn of the EPA's criminal enforcement program in Michigan. "Today's sentencing sends a clear signal that EPA and its law enforcement partners are committed to the protection of public health and will continue to pursue those who blatantly under-

mine those efforts.”

According to court records, Sayers—who owned and was the President of EPS—knew that such storage was illegal and had managed the company’s former Detroit facility where he kept hazardous wastes illegally. Starting in 1996, the Michigan Department of Environmental Quality (MDEQ) repeatedly sent him warnings about his illegal handling of hazardous waste. In 2005, Sayers was charged with and pleaded guilty to illegally transporting hazardous wastes in state court. During the ensuing years, the MDEQ attempted to get Sayers and EPS to properly manage the amounts of hazardous wastes piling up at the Madison Heights location. The MDEQ issued numerous letters of warning and violation notices to the company regarding its hazardous wastes.

In 2016, the MDEQ identified over 5,000 containers of liquid and solid wastes at the Madison Heights location. That same year, the city of Madison Heights revoked the company’s occupancy permit. In January 2017, the EPA initiated a Superfund removal action, after determining that nature and threats posed by the stored hazardous waste required a time-critical response. The cleanup was completed in January 2018.

The case was investigated by EPA’s Criminal Investigation Division, the Michigan Department of Natural Resources-Environmental Investigation Section, the Michigan Department of Environment, Great Lakes, and Energy (EGLE, formerly the MDEQ) and the Coast Guard Investigative Service. The case was prosecuted by a DOJ litigation team.



## Environmental Company Transporter Sentenced after Dumping Hazardous Waste into Leesburg Branch Creek

Michael Greene, age 45, of Columbia, South Carolina was sentenced on October 3, 2019 to 90 days in federal prison and fined \$25,000, after pleading guilty to violating the Clean Water Act. Facts presented to the court showed Greene worked for an environmental company offering hazardous waste disposal services. Greene's job was to transport the liquid runoff from solid waste at an Eastover landfill to the Florence Wastewater Management Facility. Instead, he illegally dumped the liquid runoff, or 'leachate,' into the Leesburg Branch Creek on multiple occasions in mid-2017.

**H**e would back up a tanker truck and dump polluted water containing chemicals such as mercury and lead. Greene said he was just "trying to save time."

*ABC 15 News Oct 4, 2109*

The case was investigated by EPA's Criminal Investigation Division, South Carolina Department of Health and Environmental Control (DHEC), and the South Carolina Department of Natural Resources (DNR). The case was prosecuted by a DOJ litigation team.

## Ex-Manager of Montana Oil Processing Plant that Exploded Sentenced for Clean Air Act Violation – Testified Against Company President

The former project manager of an oil processing plant that exploded in Wibaux, Montana in 2012, injuring three employees and extensively damaging the facility, was sentenced on October 3, 2019 to two years of probation and fined \$5,000. Mark Hurst, 44, of Edmonton, Alberta, Canada, pleaded guilty on Feb. 27 to Clean Air Act-negligent endangerment.

On Sept. 27, a jury convicted co-defendant Peter Margiotta, 62, of Edmonton, Alberta, Canada, of all three counts related to the plant explosion. The jury found Margiotta guilty of conspiracy, Clean Air Act-general duty and Clean Air Act-knowing endangerment. Margiotta was president and director of Custom Carbon Processing, Inc., a Wyoming company that constructed the Michels Disposal Well and Oil Processing facility in Wibaux in 2012. Hurst testified against Margiotta at trial.

“As project manager, the defendant was aware of the danger to the employees and the public at the facility, notified management, and yet the plant continued to operate. Today’s sentence holds the defendant accountable for his actions.

Compliance with environmental regulations is required and violators will be prosecuted,”

U.S. Attorney Alme said. “I want to thank Assistant U.S. Attorney Bryan Dake, Special Assistant U.S. Attorney Eric E. Nelson, the

Environmental Protection Agency and the U.S. Department of Transportation Office of Inspector General for their work in prosecuting and investigating this case.”



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

“By knowingly operating an oil processing facility without appropriate safeguards, the defendant endangered workers and the public,” said Jeff Martinez, Special Agent in Charge of the Environmental Protection Agency’s criminal enforcement program. “Today’s sentencing reflects the egregious nature of the defendant’s actions.”

At Margiotta’s trial, the prosecution presented evidence that Custom Carbon constructed the plant in ways that allowed hydrocarbon vapors, extremely hazardous substances and hazardous air pollutants to be released into the air. The plant opened on July 4, 2012 before appropriate electrical wiring, ventilation and other safety measures were installed.

The prosecution in court documents presented evidence that Hurst, who was the project manager, was

aware of the ventilation and electrical problems. In a July 4, 2012 email from Hurst to Margiotta, Hurst noted the risks posed at the plant because of its design and construction. Referring to the electrical panels, Hurst wrote, “We also run the risk of killing someone, not only our operators but also customers.”

In a November 2012 email Hurst sent to Custom Carbon management, he again noted “outstanding deficiencies” at the Wibaux plant, including issues with venting, and wrote, “I wanted all things venting into the building to be vented out the building.” Hurst continued to work at the plant as its project manager and the plant remained open.

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

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

## Former Santa Clara Waste Water Company Human Resources Manager Sentenced for Her Role in 2014 California Explosion

Former Santa Clara Waste Water Company Human Resources Manager Marlene Faltemier was sentenced on October 10, 2019 for her role in a November 2014 explosion at 815 Mission Rock Road in Santa Paula, California that injured numerous employees and first responders, and for the subsequent storage of undisclosed hazardous chemicals on site in 2015.

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

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



Petromax since 2013. The investigation revealed Faltemier exchanged text messages with convicted co-defendant David Wirsing, detailing company efforts to hide chemicals from environmental inspectors before inspections were completed in November 2014. After the November 2014 explosion, law enforcement confirmed Faltemier was personally aware of the presence of over 5,000 gallons of a chemical named "Petromax" being on site, yet she failed to report the presence of these chemicals in the California Environmental Reporting System as required by law.

During the sentencing hearing, the court imposed and stayed a two-year jail sentence and placed Faltemier on formal probation for five years. Faltemier was also ordered to pay victim restitution in the amount of \$2,647,621.35.

The case was investigated by EPA's Criminal Investigation Division, the US Department of Transportation, the State Department of Industrial Relations, the Ventura County Environmental Health Division and the Division of Occupational Safety and Health (Cal/OSHA). Prosecution was handled by the California Attorney General's Office and the Ventura County District Attorney's Office.

## Connecticut— House Painting Company Pleads Guilty to Federal Charges Related to Illegal Removal of Lead Paint

John H. Durham, United States Attorney for the District of Connecticut, and Tyler C. Amon, Special Agent in Charge of EPA's Criminal Investigation Division in New England, announced that Collegiate Entrepreneurs, Inc., a Massachusetts-based house painting company, pleaded guilty on November 19, 2019 in Connecticut federal court to violating the Toxic Substances Control Act and subsequently falsifying records.

According to court documents and statements made in court, Collegiate Entrepreneurs, Inc., LLC, of Braintree, Massachusetts, provides house-painting services in Connecticut and other New England states. Some of the houses painted by Collegiate Entrepreneurs in 2015 contained lead-based paint. For those jobs, the company was subject to the lead-based paint requirements of the Toxic Substances Control Act and the Environmental Protection Agency's (EPA) Renovation, Repair and Painting (RRP) Rule.

Under the RRP Rule, Collegiate Entrepreneurs was required to ensure that its certified renovators complied with provisions governing training and supervision of painters, post-renovation cleaning, physical presence on-site, and preparation of required records. The company was also responsible for ensuring that all renovation activities were performed in compliance with RRP Rule work practice standards governing occupant protection, containment of the work area, prohibited and restricted practices, waste from renovations, cleanup of the work area, and post-renovation cleaning verification. Collegiate Entrepreneurs knowingly failed to ensure such compliance by its renovators during the 2015 painting season.

On October 13, 2015, in response to a federal grand jury subpoena, an employee of Collegiate Entrepreneurs produced records for 12 painting jobs in Connecticut that involved lead-based paint. Included in the production were records that appeared to have been prepared and signed by certified renovators to document that RRP Rule work practice standards and training requirements had been met at each lead paint job. Records for at least 10 of the 12 jobs were false. The signatures of the certified renovators were forged and the records falsely represented that the jobs were performed in compliance with the RRP Rule.

Collegiate Entrepreneurs pleaded guilty to one count of falsification of records, which carries a maximum penalty of a \$500,000 fine and five years of probation, and one count of violating the Toxic Substances Control Act, which carries a maximum penalty of a \$200,000 fine and five years of probation.



# Plea Agreements

Sentencing is scheduled for February 5, 2020, before U.S. District Judge Robert N. Chatigny.

As part of the plea agreement, Collegiate Entrepreneurs and the government have agreed that a fine of \$50,000 and a term of probation of five years is reasonable in this case.

Collegiate Entrepreneurs also will pay \$30,000 in restitution to a victim homeowner in West Hartford, Connecticut, and will pay restitution to any other Connecticut victims with legally sufficient claims related to the improper removal of lead paint from their homes.

Collegiate Entrepreneurs has represented to the government that it is no longer engaged, and will not engage, in projects that involve the remediation of lead paint and are subject to the RRP Rule.



### Michigan Biodiesel Dealer Claimed \$14.2 Million in Fraudulent Biodiesel Fuel Credits - Pleads Guilty to Tax Fraud

Chandra Yarlagadda, 54, a Bloomfield, Michigan biodiesel fuel dealer pleaded guilty on October 22, 2019 to filing a false income tax return. According to plea documents, Yarlagadda owned and operated Alpha Bioenergy LLC (Alpha), formerly known as Naturol Bioenergy LLC, which purchased and sold biodiesel fuel. Companies that purchase and sell biodiesel fuel are required to purchase Renewable Identification Numbers (RINs) for any volume of renewable fuel bought or sold. RINs are credits that obligate parties under the Clean Air Act, such as Alpha, to demonstrate compliance with annual standards set forth by the Environmental Protection Agency.

Yarlagadda reported income and expenses associated with Alpha on Schedules C attached to his personal income tax returns. Yarlagadda admitted as part of his plea that on the Schedules C attached to his 2009, 2010, and 2011 tax returns, he substantially overstated expenses associated with the purchase of RINs. For these three years, Yarlagadda falsely reported RIN expenses totaling more than \$14.2 million, when, in fact, he was only entitled to claim approximately \$80,000 in RIN expenses for those years. By claiming these inflated deductions, Yarlagadda avoided paying an additional \$2.3 million in federal income taxes that was due.

Sentencing is scheduled for March 19, 2020. Yarlagadda faces a maximum term of imprisonment of three years, as well as a term of supervised release and a fine. As part of his plea agreement, Yarlagadda agreed to pay restitution to the Internal Revenue Service (IRS) in the amount of \$2,310,948.

The case was investigated by EPA's Criminal Investigation Division and Department of Homeland Security Investigations. Prosecution is being handled by a DOJ litigation team.

## Kansas— MGP Products Agrees to Pay \$1 Million For Violating Clean Air Act

An Atchison, Kansas company, MGP Products, Inc., pleaded guilty to violating the federal Clean Air Act on November 16, 2018 and is expected to pay a \$1 million fine.

MGP pleaded guilty to a misdemeanor offense of negligently violating the Clean Air Act. In its plea, the company admitted that on Oct. 21, 2016, a greenish-yellow chlorine gas cloud formed when 4,000 gallons of sulfuric acid were mistakenly combined with 5,800 gallons of sodium hypochlorite. The Atchison County Department of Emergency Management ordered community members to shelter in place and to evacuate in some areas. Approximately 140 individuals including members of the public, first responders, employees of MGP Ingredients and Harcos Chemicals sought medical attention.

Sentencing is set for Feb. 24. The company could be sentenced to a term of probation up to five years.

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



### **Monsanto Agrees to Plead Guilty to Illegally Spraying Banned Pesticide at Maui, Hawaii Facility—Company also Enters into Deferred Prosecution Agreement that Calls for \$10 Million Payment Related to Storage of Banned Pesticide on Maui and Molokai**

Monsanto Company agreed to plead guilty to illegally using a banned pesticide known as Penncap-M on research crops at one of its facilities on the Hawaiian island of Maui.

In court documents filed on November 21, 2019 in United States District Court in Honolulu, Monsanto agreed to plead guilty to a misdemeanor offense of unlawfully spraying a banned pesticide – specifically methyl parathion, the active ingredient in Penncap-M –which the company used on corn seed and research crops at its Valley Farm facility in Kihei, Hawaii in 2014.

Monsanto admitted in the court documents that it used Penncap-M, even though the company knew its use was prohibited after 2013 pursuant to a cancellation order issued by the Environmental Protection Agency. The company further admitted that, after the 2014 spraying, it told employees to re-enter the sprayed fields seven days later – even though Monsanto knew that workers should have been prohibited from entering the area for 31 days.

The documents filed on November 21 also include a deferred prosecution agreement related to two felony counts of unlawfully storing an acute hazardous waste. Pursuant to the agreement, Monsanto will pay \$10 million – a \$6 million criminal fine and \$4 million in community service payments to Hawaiian government entities. The government agreed to dismiss the felony charges in two years if Monsanto abides by the agreement, which includes paying a total of \$10.2 million, successfully completing a two-year period of compliance with the agreement’s terms, and maintaining a comprehensive environmental compliance program at all of its facilities in Hawaii to ensure compliance with all federal environmental laws.

“The illegal conduct in this case posed a threat to the environment, surrounding communities and Monsanto workers,” said United States Attorney Nick Hanna. “Federal laws and regulations impose a clear duty on every user of regulated and dangerous chemicals to ensure the products are safely stored, transported and used.”

In a statement of facts filed in court, Monsanto admitted that it knowingly used, transported and stored Penncap-M in violation of federal law. The pesticide “had to be managed as an acute hazardous waste in compliance with the Resource Conservation and Recovery Act (RCRA),” which prohibited the storage or transportation of the pesticide without a permit after 2013.

From March 2013 through August 2014, even though the pesticide was on the company’s lists of chemicals that needed disposal, Monsanto stored 160 pounds of Penncap-M hazardous waste at its Molokai facility, which under RCRA made Monsanto a “Large Quantity Generator” of hazardous waste.

In addition to spraying the banned pesticide at one of its three facilities on Maui, Monsanto also stored a total of 111 gallons of Penncap-M at Valley Farm and sites known as Maalaea and Piilani. Just like on Molokai, the storage of Penncap-M at the three Maui sites made Monsanto a “Large Quantity Generator” of acute hazardous waste at the three locations, according to court documents. Furthermore, when it transported Penncap-M to its Valley Farm site in 2014, the company violated federal law when it failed to use

## Plea Agreements

a proper shipping manifest to identify the hazardous material and when it failed to obtain a permit to accept hazardous waste at that site.

“To protect human health and the environment, pesticides must be properly applied and stored,” said Special Agent-in-Charge Jay M. Green of EPA’s criminal enforcement program in Hawaii. “EPA will continue to work in close partnership with our state and local counterparts to bring cases against those who knowingly threaten the health and safety of Hawaiian communities.”

In addition to \$6 million criminal fine, Monsanto has agreed to make a total of \$4 million in community service payments. The five Hawaiian agencies that each will receive \$800,000 are: the Hawaii Department of Agriculture, to create and fund a Pesticide Disposal Program and for training and education purposes; the Hawaii Department of Land and Natural Resources, Maui Division of Aquatic Resources, for use in its marine programs; the Hawaii Department of Health, Hazardous Waste Branch, for use in its training and education programs; the Hawaii Department of Health, Environmental Management Division, for water quality monitoring, water quality improvements, and training and education purposes; and the Kahoolawe Island Reserve Commission, for use in the clean-up of the island of Kahoolawe.

In relation to the criminal count to which Monsanto has agreed to plead guilty, the company has agreed to be on probation for two years and to pay the maximum possible fine of \$200,000.

This case is the result of an investigation by EPA’s Criminal Investigation Division.

This matter is being prosecuted by special attorneys appointed by the Attorney General. The United States Attorney’s Office for the District of Hawaii was recused from the investigation.

## Colorado Owner of Fake Business Convicted in \$7 Million Biodiesel Tax Credit Fraud Scheme

On November 20, 2019, a federal jury in Denver, Colorado found Martin Fields guilty of conspiracy to defraud the United States, conspiracy to commit money laundering, making false claims against the United States, and money laundering.

According to the evidence presented at trial, Fields, along with Matthew Taylor, Calvin Glover, and others, filed false claims for tax credits under a federal program that encourages the production and use of renewable fuels. To accomplish the scheme, Fields and his co-conspirators created a fake company, Shintan Inc., that purported to be in the business of creating renewable biodiesel fuel. From 2010 to 2013, Fields and his coconspirators filed documents with the Internal Revenue Service (IRS) claiming more than \$7.2 million in tax credits for production of renewable fuel. In fact, however, Shintan produced no qualifying renewable fuel, and the documents filed with the IRS were false. To avoid detection, Fields and his co-conspirators laundered the fraudulently obtained funds through bank accounts belonging to Shintan and other shell companies. As a result of the scheme, Fields personally received at least \$1.8 million.

Fields's co-conspirators, Taylor and Glover, previously pleaded guilty – Taylor to money laundering and money laundering conspiracy and Glover to conspiracy to defraud the IRS.

Sentencing is scheduled for Feb. 7, 2020. Fields faces a maximum sentence of five years in prison for conspiracy to defraud the government and for each false claim count, and 10 years in prison for money laundering conspiracy and each money laundering count. He also faces a period of supervised release, restitution and monetary penalties.

The case was investigated by EPA's Criminal Investigation Division and IRS Criminal Investigation Division. DOJ Tax Division Trial Attorneys are prosecuting the case.

## Georgia— Former Hyundai Lawyer Indicted for Perjury and Obstructing Justice

John Lee, an attorney who once represented Hyundai Construction Equipment Americas LLC, was arraigned Nov. 21, 2019 on an indictment issued on Oct. 8, for knowingly making false statements while testifying under oath before a federal grand jury and for obstructing justice.

The indictment relates to Lee's work for Hyundai, which entered a guilty plea and was sentenced to pay a criminal fine for violating the Clean Air Act and conspiring to defraud the United States on Nov. 14, 2018. Hyundai has satisfied its liability in that matter.

The case against Lee is about testimony he gave under oath and pursuant to a privilege waiver issued by Hyundai. The indictment includes three perjury charges and one obstruction of justice charge. It alleges that during his testimony before a grand jury, Lee denied giving Hyundai employees advice about submitting a "TPEM" report that contained false information to the U.S. Environmental Protection Agency (EPA) regarding Hyundai's compliance with Clean Air Act regulations.

The indictment goes on to allege that this was a false statement because Lee both received the TPEM report by electronic mail and approved its filing. Lee is also charged with falsely denying that he directed Hyundai employees to use their personal email accounts—rather than work accounts—to discuss Hyundai's regulatory issues, and falsely denying that he received emails about the regulatory issues on his own personal email account.

Lastly, the indictment alleges that Lee knowingly failed to produce relevant emails in response to a grand jury subpoena, in an effort to impede the grand jury investigation.

"Lying to the grand jury, concealing information, and obstructing a federal investigation undermines the public's trust in the criminal justice system and will not be tolerated," said Assistant Attorney General Jeffrey Bossert Clark of the Environment and Natural Resources Division. "The Department of Justice will aggressively investigate and prosecute those who seek to cover up or obstruct a federal investigation."

"In order to safeguard the environment, it is essential that governments receive accurate and honest information," said Susan P. Bodine, EPA Assistant Administrator for the Office of Enforcement and Compliance Assurance. "This indictment sends a clear message that EPA and its law enforcement partners will continue to hold companies and their employees fully accountable for illegal conduct that jeopardizes environmental protection."

The case was investigated by EPA's Criminal Investigation Division. Senior Counsel Krishna S. Dighe of the Department of Justice, Environmental Crimes Section, and Assistant U.S. Attorney Nathan Kitchens of the Northern District of Georgia are prosecuting the case.

*An indictment is merely a formal charging document and is not evidence of guilt. Every defendant is presumed innocent unless and until proven guilty.*