

Southern District of Florida

Press Release

INTERNATIONAL PRODUCT SUPPORT COMPANY CONVICTED AND SENTENCED FOR THE ILLEGAL PURCHASE AND SALE OF SMUGGLED OZONE-DEPLETING REFRIGERANT GAS

March 19, 2010

FOR IMMEDIATE RELEASE

Jeffrey H. Sloman, United States Attorney for the Southern District of Florida, Maureen O'Mara, Special Agent in Charge, U.S. Environmental Protection Agency (EPA), Criminal Investigation Division, Atlanta Area Office, and Anthony V. Mangione, Special Agent in Charge, U.S. Immigration and Customs Enforcement (ICE), Office of Investigations, announced that defendant **Mar-Cone Appliance Parts Co. (Marcone)**, a Missouri corporation with its headquarters in St. Louis, was convicted and sentenced today in connection with the illegal receipt, purchase, and sale of ozone-depleting refrigerant gas that had been smuggled into the United States contrary to the Clean Air Act, in violation of Title 18, United States Code, Section 545.

Marcone pled guilty before U.S. District Court Judge Alan S. Gold this afternoon to a one count Information, charging it knowingly receiving, buying, selling and facilitating the transportation, concealment, and sale of approximately 100,898 kilograms of the ozone-depleting substance hydrochlorofluorocarbon - 22 ("HCFC-22"), which had been illegally smuggled into the United States contrary to the Clean Air Act. HCFC-22 is a widely used refrigerant for residential heat pump and air-conditioning systems.

Immediately following the guilty plea, Marcone was sentenced to five years of probation and ordered to pay a \$500,000 criminal fine. Marcone was also ordered to perform community service by making a \$400,000 payment to the Southern Environmental Enforcement Training Fund, a not-for-profit training organization. In addition, as a special condition of probation, Marcone was ordered to implement and enforce a comprehensive Environmental Compliance Plan. Finally, Marcone was ordered to forfeit to the United States \$190,534.70, which represents proceeds received as a result of the crime.

The Federal Clean Air Act regulates air pollutants, including ozone-depleting substances such as HCFC-22. The Clean Air Act and its implementing regulations established a schedule to phase out the production and importation of ozone-depleting substances beginning in 2002, with a complete ban starting in 2030. To meet its obligations under an international treaty to reduce its consumption of ozone-depleting substances, the United States issued baseline allowances for the production and importation of HCFC-22 to individuals and companies. In order to legally import HCFC-22, you must hold an unexpended consumption allowance. This matter, as well as others involving the smuggling and distribution of ozone-depleting substances, are being investigated through a multi-agency initiative known as Operation Catch-22, following in the footsteps of Operation Cool Breeze, which targeted illegal trafficking of CFC-12 in the mid-1990's.

According to court records, Marcone is a product support company serving customers throughout the United States and 117 countries worldwide. The investigation determined that between July 2007 and April 2009, Marcone engaged in a pattern of conduct to purchase and sell black market HCFC-22. Over the years, a Senior Vice-President of the Heating and Cooling Division, working within the scope of his employment, would routinely negotiate for the purchase of HCFC-22 from various suppliers that was not legally imported. Marcone then distributed the product throughout the United States. In this way, Marcone purchased HCFC-22 from various importers, who did not hold the required unexpended consumption allowances, totaling approximately 100,898 kilograms, or 7,419 cylinders, of restricted HCFC-22, with a fair market value of approximately \$843,291.00.

U.S. Attorney Jeffrey Sloman stated, "The defendant jeopardized the global effort to protect the ozone layer for its own financial benefit. Such conduct is short-sighted and inexcusable. We will continue to aggressively

enforce federal laws that seek to protect our environment.”

EPA Special Agent in Charge Maureen O'Mara said, “HCFC’s deplete the stratospheric ozone layer, which is critical to life on earth and protecting people from the harmful effects of ultraviolet radiation, including cancer. EPA is committed to working with ICE and other agencies to combat such criminal conduct and preventing flagrant violations of our Nation’s environmental laws. Those who jeopardize public safety to make illegal profits will be vigorously prosecuted and punished.”

“This HCFC enforcement case under existing EPA regulations demonstrates our serious domestic and global commitment to protecting the ozone layer,” said Drusilla Hufford, Director of EPA’s Stratospheric Protection Division.

“The unlawful importation of goods pose a triple threat to the national security, public safety, and economic well-being of the United States,” said Anthony V. Mangione, Special Agent in Charge of ICE’s Office of Investigations in Miami. “This case demonstrates ICE’s partnership and aggressive approach with the U.S. Attorney’s Office and EPA to protect the American public from inferior and unsafe products that illegally enter the United States and combat those who exploit our commerce system and compromise the safety of our citizens.”

Mr. Sloman commended the investigative efforts of the EPA, ICE’s Office of Investigations in Miami, the Florida Department of Environmental Protection, Criminal Investigation Bureau, and the Miami-Dade Police Department, Environmental Investigation Unit. The case was prosecuted by Special Assistant U. S. Attorney Jodi A. Mazer.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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