

**UNITED STATES ATTORNEY'S OFFICE
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NEWS RELEASE

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For Immediate Release

**WENTZVILLE DEVELOPER SENTENCED ON CLEAN WATER ACT VIOLATIONS AND
BANK FRAUD**

St. Louis, MO: Eric Johnson was sentenced to 15 months in prison and ordered to pay \$100,000 restitution for violating the Clean Water Act associated with his Wentzville subdivision, United States Attorney Catherine L. Hanaway announced today.

"Mr. Johnson failed to maintain runoff controls at his building site, resulting in storm water run-off into Dry Branch Creek," said Hanaway. "Additionally, he used his building escrow money to pay other obligations, resulting in the foreclosure and losses to his partner and the lender."

Johnson was the owner and operator of a construction site known as Providence on Peine and Providence Meadows developments located at 1324 Peine Road in Wentzville, Missouri. Johnson obtained construction storm water permits from the Missouri Department of Natural Resources, which govern storm water discharges associated with construction and land disturbance activities. In August 2004, inspectors with the Environmental Protection Agency observed numerous permit violations at both Providence sites, including lack of inspections and failure to evaluate, maintain and implement runoff controls, resulting in off-site migration of a significant amount of sediment and accumulation of sediment in Dry Branch Creek.

"It's bad enough that storm water violations can pollute rivers, lakes and streams, but the defendant also tried to cover up his crime," said Special Agent Mike Burnett of EPA's criminal investigations program in Kansas City. "His significant jail sentence demonstrates that those who harm our nation's waterways will be vigorously prosecuted."

From 2003 to 2006, Eric L. Johnson was in the business of developing and building residential subdivisions in both St. Charles and Lincoln counties. Johnson had a loan with First Service Bank, now known as Stifel Bank and Trust, for \$2.6 million to develop a residential subdivision known as Woodsmill Estates. An escrow account was set up at Commonwealth Land Title Insurance Company to pay subcontractors of the development. However, during the time of this loan Johnson used the escrow money to pay subcontractors and other bills for other projects.

The bank ultimately discovered this practice and foreclosed on the loan, which resulted in a loss to the bank in excess of \$100,000. Additionally, Johnson's business partner who co-signed on the loan is presently at a loss between \$400,000 and \$500,000.

ERIC L. JOHNSON, Springfield, Illinois, pled guilty last December to one count of violating the Clean Water Act and one felony count of bank fraud. He appeared today for sentencing

before United States District Judge Rodney Sippel.

Hanaway commended the work performed on the case by the Missouri Department of Natural Resources, the U.S. Environmental Protection Agency, the Federal Bureau of Investigation, U.S. Department of Labor Office of Inspector General and Assistant United States Attorney Michael W. Reap and Special Assistant United States Attorney Anne Rauch, who handled the case for the U.S. Attorney's Office.