



United States Attorney's Office  
Eastern District of New York

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FOR IMMEDIATE RELEASE

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**PRESS RELEASE**

**QUEENS-BASED RESIDENTIAL COOPERATIVE AND PROPERTY MANAGER  
CHARGED WITH CRIMINAL DISPOSAL OF ASBESTOS**

**Residential Cooperative Agrees to Pay \$490,000 to the Environmental Protection  
Agency for Search and Remediation Action in the Fall of 2006**

A complaint was unsealed in federal court in Brooklyn, New York, this morning charging PARKWAY VILLAGE EQUITY CORP. ("PARKWAY VILLAGE"), a Queens-based residential cooperative, and its former property manager, GEORGE HALPIN, with conspiring to violate the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), for their involvement in the illegal removal and disposal of asbestos at the property. In addition, PARKWAY VILLAGE's former Superintendent, LAYTON CERVANTES, has been separately charged in a misdemeanor information with conspiring to violate the Toxic Substances Control Act.

The charges contained in the complaint and misdemeanor information are merely allegations, and the defendants are presumed innocent unless and until proven guilty.

PARKWAY VILLAGE and HALPIN are scheduled to appear this afternoon before United States Magistrate Judge Ramon E. Reyes, at the U.S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York. The case against CERVANTES has been assigned to United States Magistrate Judge Viktor V. Pohorelsky.

The charges were announced by Benton J. Campbell, United States Attorney for the Eastern District of New York, Alan J. Steinberg, Regional Administrator, Environmental Protection Agency, New York, and Mark J. Mershon, Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Division.

PARKWAY VILLAGE, located at 81-26 150th Street, Queens, New York, is a cooperative residential community comprising 109 residential buildings built between 1946 and 1948 as housing for the members of the United Nations. The buildings were heated by a series of asbestos-insulated underground steam pipes that were connected to a central boiler plant. PARKWAY VILLAGE employed a number of handymen, who were supervised at relevant times by a superintendent, CERVANTES, and a property manager, HALPIN. As alleged in the pleadings and other court filings, from approximately 2002 through 2006, PARKWAY VILLAGE, HALPIN, CERVANTES, and others improperly removed and disposed of the underground steam pipe insulation. Specifically, the government alleges that PARKWAY VILLAGE employees, who were not licensed to handle and abate asbestos and were not provided with protective equipment, periodically removed the asbestos with their bare hands and simply buried it on the grounds of PARKWAY VILLAGE.

According to the complaint, the defendants' scheme was revealed in September 2006 when two former PARKWAY VILLAGE handymen provided information regarding the illegal asbestos removals to federal authorities. Shortly thereafter, in October 2006, the government obtained a search warrant for PARKWAY VILLAGE authorizing the excavation of five separate locations to search for illegally-buried asbestos containing material, or "ACM." The EPA and FBI conducted a four-week search and environmental remediation at PARKWAY VILLAGE. During the search, EPA experts and chemists discovered ACM at several locations within PARKWAY VILLAGE, including ACM buried in plastic bags, loose ACM buried in the soil, and pieces of ACM on the surface of the soil near residential buildings.

The EPA designated asbestos as a hazardous air pollutant in 1971. According to the complaint, there is well-established scientific data documenting the harmful effects of asbestos exposure, which may include a debilitating lung disease called asbestosis, a rare cancer of the chest and abdominal lining called mesothelioma, and various other cancers. Accordingly, the United States Congress has concluded that medical science has not established any level of human exposure to asbestos fibers that is considered to be safe.

As part of today's court proceedings, the government moved to place the criminal complaint against PARKWAY VILLAGE in abeyance pursuant to a deferred prosecution agreement reached with the cooperative. Pursuant to that agreement, PARKWAY VILLAGE accepted a number of conditions, including removal of asbestos from multiple areas within the cooperative, future compliance with all relevant environmental laws, and the payment of \$490,612 to the EPA to cover the cost of the 2006 environmental remediation. If PARKWAY VILLAGE complies with the terms

and provisions of the deferred prosecution agreement, the government has agreed to move to dismiss the criminal complaint in three years.

“This case is another example of our continued commitment to protecting the public and our environment,” stated United States Attorney Campbell. “Those who seek to cut corners by illegally polluting our environment will be thoroughly investigated and prosecuted.” Mr. Campbell thanked the U.S. Department of Labor for its cooperation and assistance in the investigation.

“The improper handling and disposal of harmful substances like asbestos are serious and important matters,” said EPA Regional Administrator Steinberg. “This case demonstrates that EPA and its partner agencies remain vigilant about pursuing those who violate our most critical environmental laws.”

FBI Assistant Director-in-Charge Mershon stated, “Our country’s environmental laws are important because they protect us from dangerous substances, and from the dangerous conduct of people who willfully mishandle those substances.”

If convicted of conspiracy to violate CERCLA, HALPIN faces a maximum sentence of five years’ imprisonment and PARKWAY VILLAGE faces a maximum fine of the greater of \$500,000 or the monetary gain that resulted from the offense. If convicted of conspiracy to violate the Toxic Substances Control Act, CERVANTES faces a maximum sentence of one year of imprisonment.

The government’s cases are being prosecuted by Assistant United States Attorneys Taryn A. Merkl, Andrew E. Goldsmith, and Sandra Levy.

In July 2008, United States Attorney Campbell announced the formation of a district-wide task force comprised of federal, state, and local law enforcement agencies to bring renewed focus to the prosecution of environmental crimes.

**The Defendants:**

PARKWAY VILLAGE EQUITY CORP.  
81-26 150th Street, Queens, NY

LAYTON CERVANTES  
Age: 39

GEORGE HALPIN  
Age: 66