



# 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.

June 2015

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Region	Defendants	Case Type/Status
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**Indiana Manufacturer Sentenced in Connection with CAA False Statement Violations** -- On June 26, 2015, **CALUMITE COMPANY LLC**, a manufacturer of an additive used in the production of glass, was sentenced in federal district court for the Northern District of Indiana in connection with its September 2014 plea of guilty to two Clean Air Act false statement violations. The company was sentenced to pay a \$325,000 fine, serve a two year term of probation and implement an environmental compliance plan that includes an annual environmental compliance training program.



*Calumite Company LLC*

Calumite, located near the shores of Lake Michigan in Portage, Indiana, manufactures and sells a powdery substance of the same name to various glass manufacturers. The company collects slag, a waste product of the steel industry, dries it in a hot gas oven, crushes it into a fine powder and then ships it off-site to glass manufacturers, who use it as an additive to lower the temperature at which glass can be produced. Calumite's Portage facility was subject to a Title V Clean Air Act Operating Permit issued by the Indiana Department of Environmental Management (IDEM). Among other things, the permit required that Calumite operate, maintain and monitor several “baghouses” on site that are used to control and minimize emissions of a fine particulates. One of the baghouses, known as the loadout baghouse, was used to collect emissions of particulate that occurred during the loading of product onto tractor trailers and rail cars for shipment to customers.

A differential pressure gauge (DP gauge) attached to each baghouse continuously monitored and measured the efficiency and effectiveness of the baghouses, to determine whether they were operating properly. Calumite's Clean Air Act permit required that DP gauges on the baghouses be read daily, while the baghouses were operating and that the results be recorded on daily maintenance log sheets. The company also was required to submit quarterly reports to IDEM that stated whether the company was in compliance with permit requirements.

From Dec. 5, 2008, through late July 2009, Calumite did not maintain the loadout baghouse in operating condition and the DP gauge was broken. Nevertheless, during this same time period, employees continued to load tractor trailers and rail cars with product for shipment off-site. Calumite employees also knowingly continued to routinely fill out daily logs that falsely reflected DP gauge monitoring readings that were within the range allowed by the permit and caused false information to be submitted to IDEM in the company's quarterly reports.

The Clean Air Act makes it a crime to knowingly make a material false statement or omit material information from a document that is required to be filed or maintained under the statute. Both the daily maintenance logs and the quarterly reports were required by Calumite's permit and the Clean Air Act.

The case was investigated by EPA's Criminal Investigation Division, the Northern District of Indiana Environmental Crimes Task Force, and the Indiana Department of Environmental Management's Office of Criminal Investigations. The case was prosecuted by the U.S. Attorney's Office for the Northern District of Indiana and the Environmental Crimes Section of the Justice Department's Environment and Natural Resources Division.

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**German Shipping Company Sentenced to Pay \$750,000 For Dumping Oil** -- On June 3, 2015, **HERM. DAUELSBERG GMBH & CO. KG**, a German company, was sentenced in federal district court for the District of Alaska to pay a total of \$750,000 in fines and community service payments for violating the Act to Prevent Pollution from Ships by intentionally discharging 1,780 gallons of oily water into the sea off the coast of Alaska and then presenting false records to the U.S. Coast Guard.

Herm. Dauelsberg was also ordered to implement a comprehensive Environmental Compliance Plan and was placed on probation for three years. During the term of probation, Herm. Dauelsberg will be subject to a heightened level of scrutiny, including warrantless searches of its vessels and places of business based upon a reasonable suspicion that it is violating the law. Of the total payment, Herm. Dauelsberg will pay \$600,000 in criminal fines and \$150,000 in community restitution. The community restitution payment will go to the National Fish and Wildlife Foundation to be used for research, projects, and education designed to study and/or benefit the marine environment within the Exclusive Economic Zone of the United States off the coast of Alaska and/or the natural resources or wildlife contained therein near Alaska.



*M/V Lindavia*

Defendant Herm. Dauelsberg is the operator of the Motor Vessel Lindavia. The M/V Lindavia is a cargo container ship, built in 1996, that operates under the flag of the Republic of Liberia. It is a vessel of 23,825 gross tons, has a displacement of 40,932 metric tons, and is 617 feet long. On February 11, 2015, the vessel arrived in Dutch Harbor, Alaska and was boarded by the United States Coast Guard on February 12, 2015.

Between January 27, 2015 and February 11, 2015, the M/V Lindavia travelled from South Korea, to China, and thereafter travelled through the Exclusive Economic Zone of the United States off the coast of Alaska arriving in Dutch Harbor, Alaska the night of February 11, 2015. As the operator of the M/V Lindavia, Herm. Dauelsberg was responsible for operating the Oil Water Separator (OWS) and maintaining an accurate Oil Record Book (ORB).

During the transit from China to Dutch Harbor, Alaska between January 31, 2015 and February 6, 2015, on at least five separate days, Herm. Dauelsberg knowingly discharged at least 1,430 gallons of oily water directly overboard. Crewmembers used a pump system with hoses fed down through an overboard discharge point to illegally discharge oily water directly overboard. Crewmembers pumped oily water from a cargo hold into 55-gallon drums on the main deck and then pumped the oily water from the 55-gallon drums through the hoses directly overboard. On February 11, 2015, while the vessel was approximately 100 miles

## Sentencings

off the coast of Dutch Harbor, Alaska, crewmembers operated the fixed hydraulic bilge system for the bilge under the cargo hold and knowingly discharged at least 350 gallons of oily water directly into the sea. This illegal discharge occurred within the United States' Exclusive Economic Zone off the coast of Alaska into the Bering Sea.

Herm. Dauelsberg knowingly failed to record the discharges of oil into the sea in the M/V Lindavia's ORB. Herm. Dauelsberg knowingly failed to maintain an accurate ORB as required by the Act to Prevent Pollution from Ships (APPS), and knowingly presented the false and fictitious ORB to the United States Coast Guard and had it available for inspection by the United States Coast Guard when the M/V Lindavia arrived in Dutch Harbor, Alaska on February 11, 2015. Herm. Dauelsberg knew that its use of the pump and hose system, its use of the cargo hold bilge system to discharge oil, and its failure to records the transfers and discharges of oil were illegal.

Herm. Dauelsberg was on probation at the time of these offenses. On April 4, 2014, Herm. Dauelsberg pled guilty in the Central District of California to Failing to Maintain an Accurate Oil Record Book, in violation of the Act to Prevent Pollution from Ships, and Failing to Report a Hazardous Condition Aboard a Vessel in violation of the Ports and Waterways Safety Act, related to Herm. Dauelsberg's operation of the M/V Bellavia between August 2013 and October 2013. On April 28, 2014, Herm. Dauelsberg was sentenced to three years' probation, a fine of \$1,000,000, a community service payment of \$250,000, and a special assessment of \$800.

In federal court, Herm. Dauelsberg also admitted that it violated a condition of its probation in the Central District of California case by committing a new violation of the law. Herm. Dauelsberg's probation in that case has been revoked and a new three year term of probation has been imposed with a special condition that it fund and implement an Environmental Compliance Plan.

The case was investigated by EPA's Criminal Investigation Division and the U.S. Coast Guard Investigative Service. The M/V Lindavia was initially inspected and detained in Dutch Harbor, Alaska by the United States Coast Guard marine inspectors.

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## **Illinois Barge Captain Sentenced for Fatal 2005 Explosion in Chicago Canal; Marine Company Ordered to Pay Over \$5.3 million in Restitution**

-- On June 26, 2015, **DENNIS MICHAEL EGAN**, the captain of a petroleum barge that exploded in 2005 resulting in the death of a crew member, was sentenced in federal district court for the Northern District of Illinois to six months in federal prison after being convicted of felony maritime negligence and causing thousands of gallons of oil to pollute the Chicago Sanitary and Ship Canal. **EGAN MARINE CORP.**, the corporate barge owner, convicted of the same offenses, was sentenced to three years of supervised release and ordered to make restitution in excess of \$5.3 million to the National Pollution Funds Center for the monies it paid out as a result of the spill. Egan and Egan Marine Corp., were found guilty in June 2014 following a bench trial.

Egan, Topeka, Ill., and formerly of Lemont, and Egan Marine Corp., of Lemont, were each convicted of one count of negligent manslaughter of a seaman and one count of negligently discharging oil pollution to a navigable waterway. The verdict was delivered in an oral

ruling from the bench by U.S. District Judge James Zagel in June 2014. In addition to the prison sentence, Judge Zagel also ordered Dennis Egan to one year of supervised release.

According to the evidence at trial and court records, on January 19, 2005, a fully-loaded Egan Marine Corp. tank barge, known as the EMC-423, being pushed by the tow boat Lisa E, was transporting approximately 600,000 gallons of clarified slurry oil (CSO) from the ExxonMobil Oil Corp. refinery near Joliet to the Ameropan Oil Corp. facility near the canal and California Avenue in Chicago. CSO is a byproduct of petroleum refining that can also be used as fuel, among other uses. Egan Marine Corp. employee Dennis Michael Egan was the pilot of the Lisa E and Captain of the vessels. As captain, Egan was responsible for the actions of his three-man crew and the safe operation of the vessels. About 4:40 p.m., just after clearing the Cicero Avenue Bridge and heading northeast parallel to the I-55 Stevenson Expressway, a large explosion, originating in one of the EMC-423's four cargo tanks, occurred aboard the barge. As a result, the EMC-423 sank, discharging thousands of gallons of CSO and other oils into the canal. Immediately after the blast, crewman Alexander Oliva, 29, who had been aboard the barge, was determined to be missing. His body was recovered from the canal near Laramie Avenue on February 4, 2005.

In finding both defendants guilty following trial, the judge ruled that the explosion occurred when the open flame from a propane fueled torch, which Alex Oliva was using to heat the barge's cargo pump in preparation for offloading, came into contact with ignitable CSO vapors being vented from a storage tank headspace to the deck of the barge within mere inches of the cargo pump. The use of any open flame on a



***Chicago Fire Department fighting fire on Egan Marine tank barge EMC-423***

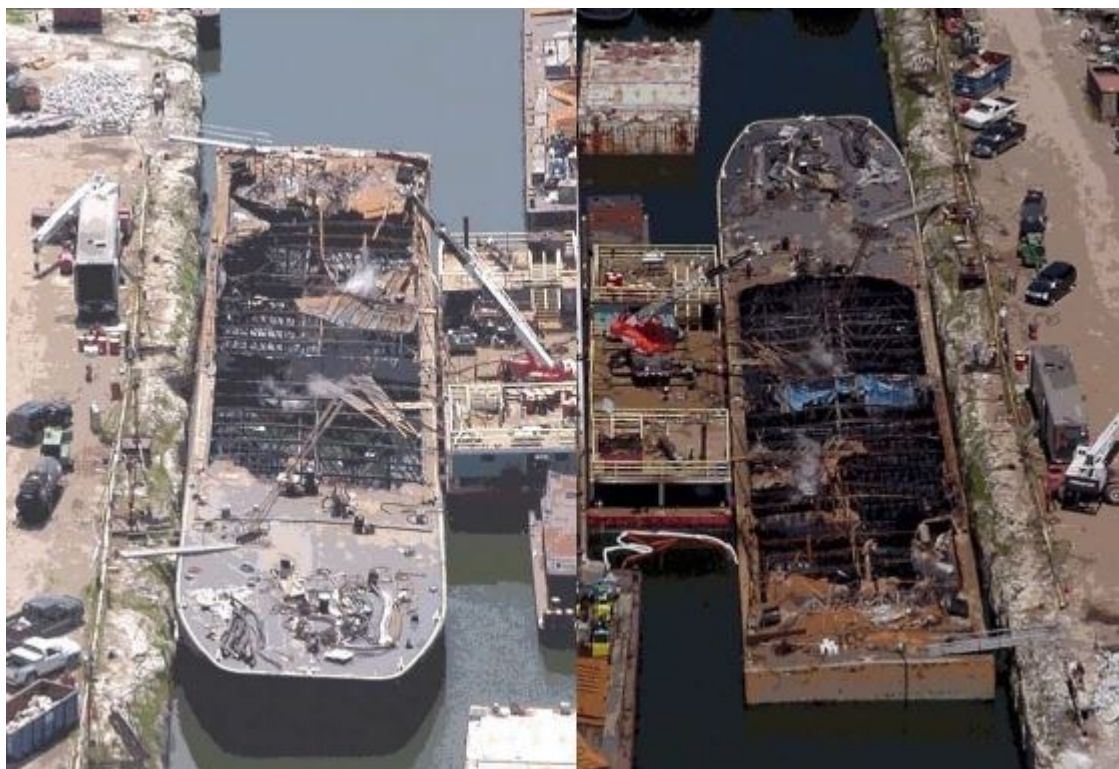
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loaded petroleum barge is a violation of Coast Guard regulations and safe industry practice. The barge did have a lawful onboard heating system, but it was disconnected from the cargo pump, thereby requiring the crew to use an alternative means of heating the cargo pump for offloading. The judge concluded that the defendants were negligent because they knew that the crew occasionally used an open flame to heat the cargo pump but nonetheless permitted the crew to engage in the illegal and unsafe practice. As a result, the defendants were found guilty of negligently causing the death of Alex Oliva and negligently violating the Clean Water Act by discharging thousands of gallons of oil into the Canal, in violation of the Clean Water Act.

The total cleanup and other costs from the spill exceeded \$12 million, more than \$5.3 million of which was paid by the National Pollution Funds Center from a federal trust fund used to pay the costs of mitigating oil spill incidents, as well as legitimate damage claims of affected third parties. The fund was established by the Oil Pollution Act of 1990 following the Exxon Valdez spill in Alaska.

The case was investigated by EPA's Criminal Investigation Division and the U.S. Coast Guard Investigative Service, Central Region in Cleveland. It was prosecuted by Assistant U.S. Attorneys Timothy Chapman and Matthew Hiller and Special Assistant U.S. Attorney Crissy Pellegrin, of the U.S. EPA's Office of Regional Counsel for Region 5 in Chicago.

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*EMC-423 post explosion*



## **South Dakota Camp Ground Owner and California Man Sentenced for CWA Violations** --On June 29, 2015, **GLENCOE CAMPRESORT II L.L.C.** of rural Meade County, South Dakota, and **SEAN CLARK**, from Hacienda Heights, California, pled guilty in federal district court for the District of South Dakota and were sentenced for Clean Water Act violations.



Clark pled guilty to knowing discharge of a pollutant from a point source into a water of the United States. Glencoe CampResort II, L.L.C., through its managing partner Devorah Lopez, pled guilty to negligent discharge of a pollutant from a point source into a water of the United States. In accordance with the terms of the negotiated plea agreement, Clark and Glencoe CampResort II were each sentenced to four years of probation, with terms to include complying with an Administrative Order of Consent with the U.S. EPA, preparing and following an Environmental Compliance plan, and a fine and community service payment of \$250,000. Clark will also be required to perform 100 hours of

***Photograph showing the Glencoe Campresort before and after the dirt dam had been constructed across the creek. Images retrieved from Google Earth.***

community service in South Dakota.

The fine and community service are to be paid jointly and severally between the two defendants. Of the \$250,000, \$83,000 was ordered to Meade County to be used for environmental purposes, \$83,000 was ordered to the South Dakota Department of Environment and Natural Resources (DENR), and \$84,000 was ordered to the United States.

Clark and Lopez purchased Glencoe CampResort II, L.L.C. in January 2009. Bear Butte Creek runs through Glencoe and is a designated cold water fishery by the State of South Dakota. The creek has been designated as a navigable water of the United States by the United States Army Corps of Engineers. During the Sturgis Motorcycle Rally, the creek is used by campers at Glencoe for recreational purposes. The creek is also used by other downstream property owners for watering livestock on their properties.

In July 2012, concerned citizens called the DENR Water Rights program and the United States Army Corps of Engineers to complain about the lack of water in the creek. As a result, a DENR representative made a site visit to Glencoe, and observed that a dirt dam had been constructed across the creek impounding water.

It was determined that the dam at the campground was approximately 75 feet across, 20 feet



***Filling in the beach and creek. Image obtained from Glencoe camp resort website.***

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wide, and 6 feet high, and that approximately 500 cubic yards of material was used to construct the dam, and that the impounded water created a pool approximately 500 feet upstream. Due to the illegal construction of the dam without valid permits, both DENR and the Corps of Engineers issued a Notice of Order to Discontinue Illegal Use of Water and Notice of Violation and Cease and Desist letter to Glencoe. The dam at Glencoe was not removed as ordered, and litigation ensued.

The case was investigated by EPA's Criminal Investigation Division Meade County State's Attorney's office, Meade County Sheriff's Office, DENR, U.S. Army Corps of Engineers, and the South Dakota Attorney General's Office. It was prosecuted by Assistant U.S. Attorney Meghan N. Dilges.

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**Photographs from the South Dakota DENR showing the damage caused as a result of the illegal filling activities.**



**A fish kill photographed by a witness in the case. The fish died as a result of a lack of water in the creek.**

# Plea Agreements

**Tennessee Based Grease Hauling Company and Its President Plead Guilty to Violating CWA** -- On June 9, 2015, **SOUTHERN GREASE COMPANY**, a grease hauling company based in Dickson, Tennessee, and its president, **GEORGE BUTTERWORTH**, of Dickson, pleaded guilty in federal district court for the Middle District of Tennessee to charges arising from the illegal disposal of waste grease into municipal sewer systems.

Specifically, Southern Grease and Butterworth pleaded guilty to violating the Clean Water Act, conspiring to violate the Clean Water Act, and making false statements to EPA agents. Southern Grease Company also pleaded guilty to one count of mail fraud, arising from its fraudulent promises to customers and municipalities regarding the disposal of waste grease.



***Surveillance showing the illegal dumping of waste grease into a grease interceptor causing it to overflow into the POTW sewer lines. The company is identified in the wording on the truck.***

At a court hearing, the defendants acknowledged the following: Southern Grease contracted with restaurants and other customers in Tennessee and Kentucky to collect and dispose of the customers' waste grease, otherwise known as FOG (Fats, Oils and Grease) waste. From approximately September 2011 through December 2013, Southern Grease, at the direction of Butterworth, charged its customers for the collection and proper disposal of waste grease, but failed to dispose of the collected grease at an appropriate facility as promised. Instead, Southern Grease illegally discharged waste grease into grease interceptors that were connected to the municipal sewer systems. This illegal dumping of grease caused damage to municipal sewer systems, including by blocking pipes and by clogging the operation of pump stations. For example, the defendants admitted that, in December 2013, it dumped waste grease into a grease interceptor in Clarksville, Tennessee, which resulted in the obstruction of pipes within the Clarksville sewer system and damage to a Clarksville pumping station, the operation of which was interrupted for cleaning and repairs. The defendants also admitted providing

false information to municipalities and making false statements to EPA agents regarding the final disposal location of the waste grease collected by Southern Grease. In December 2014, federal agents seized more than \$391,000 that had been involved in or derived from federal criminal offenses relating to the illegal dumping of waste grease by Southern Grease.

In May, George McGee, of Dickson, also pleaded guilty to violating the Clean Water Act, to conspiring to violate the Clean Water Act, and to making false statements to EPA agents. McGee had previously served as Operations Manager for Southern Grease. Butterworth and McGee each face up to five years in prison

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for each count of conviction, as well as a criminal fine. Southern Grease faces criminal forfeiture as well as maximum criminal fines of up to \$250,000 on three counts of conviction and up to \$50,000 per day of violation of the Clean Water Act. The defendants will also be sentenced to pay restitution to the City of Clarksville and Dickson County. All will be sentenced by Judge Trauger on September 14, 2015.

The case was investigated by EPA's Criminal Investigation Division with assistance from the Federal Bureau of Investigation. It is being prosecuted by Assistant U.S. Attorney William F. Abely.

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*Pumping stations clogged with the illegally disposed waste grease causing significant damage to the pump stations.*



*An interceptor effluent line clogged with the illegally disposed waste grease.*

## **Biodiesel Fuel Company Owner Pleads Guilty to Fraud and CAA Crimes Connected to Renewable Fuels**

**Scheme** -- On June 16, 2015, **PHILIP JOSEPH RIVKIN**, a.k.a. Felipe Poitan Arriaga, pleaded guilty to a Clean Air Act false statement and mail fraud as part of his role in a scheme to defraud EPA by falsely representing that he was producing millions of gallons of biodiesel fuel. According to the terms of the plea agreement, Rivkin faces more than 10 years in prison and will be responsible for \$51 million in restitution to help reimburse victims. In the plea agreement, Rivkin admitted that from July 2010 to July 2011, he devised the biodiesel fraud scheme as his business operation falsely generated renewable fuel credits, known as renewable identification numbers (RINs), and sold them to oil companies and brokers for more than \$29 million.

On April 30, 2012, EPA issued Green Diesel, LLC a Notice of Violation (NOV). The NOV alleged the company generated more than 60 million invalid biomass-based diesel RINs without producing any qualifying renewable fuel, and transferred the majority of these invalid RINs to others. On June 18, 2014, two U.S. Secret Service Agents arrested Rivkin in Houston after he was expelled from Guatemala, which had expelled him for having fraudulently secured Guatemalan citizenship.

The next day, a 68-count indictment was returned against Rivkin for charges including Clean Air Act false statements, wire fraud, mail fraud, and for engaging in monetary transactions in property derived from unlawful activity. The indictment included a notice of forfeiture to include: cash in excess of \$29 million; three vehicles including a Lamborghini, Maserati, and a Bentley; a Canadair LTD airplane; and millions of dollars' worth of artwork that was previously seized from Rivkin in 2012 and was included in a civil action for forfeiture.

The Clean Air Act requires EPA to set annual volume targets for four categories of biofuels to ensure that transportation fuel sold in the United States contains a minimum volume of renewable fuel. By displacing fossil fuels, biofuels help reduce greenhouse gas emissions and help strengthen energy security.

The case was investigated by EPA's Criminal Investigation Division, U.S. Secret Service, IRS-Criminal Investigation, with assistance from the Houston Area Fraud Task Force, Houston Ship Channel Initiative and Texas Environmental Crimes Task Force. It was prosecuted by Leslie Lehnert, Trial Attorney, U.S. Department of Justice-Environmental Crimes Section, with assistance from J.T. Morgan, Attorney, U.S. EPA-Legal Counsel Division.



*Canadair LTD plane owned by Rivkin*

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**Washington State Oyster Processing Company and Its President Plead Guilty to CWA Violation** -- On June 19, 2015, **WIEGARDT BROTHERS, INC.** (WBI), an oyster processing company located in Willapa Bay, Washington, and its president and majority owner **FREDERIC “FRITZ” WIEGARDT**, pleaded guilty in federal district court for the Western District of Washington to violating the Clean Water Act, as it pertains to its permit to discharge effluent into the Willapa Bay. The company admits that from at least 2012 to 2014 it violated the permit and that Wiegardt knew that the company’s general manager was not properly performing the required monthly effluent sampling as required by the permit.

As part of its guilty plea Wiegardt Brothers agreed to pay a \$100,000 fine, make a \$75,000 community service payment, implement an EPA approved environmental management system to insure future compliance, and publish a public apology in the Pacific Coast Shellfish Growers Association’s quarterly newsletter. As part of his plea agreement, Wiegardt is jointly responsible for payment of the \$100,000 criminal fine and must complete 75 hours of community service.

According to the plea agreement the oyster processing company has a National Pollution Discharge Elimination System (NPDES) permit which requires monthly testing to ensure the wastewater discharged from the plant does not have harmful levels of pollutants such as fecal coliform. The water samples are to be taken from the discharge pipe with the lab analysis and data submitted to the Washington State Department of Ecology. At some point before 2012, Wiegardt became aware that the general manager at the plant was not taking the samples from the discharge pipe because some of the equipment was not working properly. In 2012, Wiegardt was informed by the general manager that the samples were being taken from the “bubbler,” a water and air based cleaning system. Sampling from this location is not representative of the facility’s waste stream and is not authorized by the facility’s NPDES permit. Indeed, sampling from the bubbler – the location where shucked oysters are cleaned – failed to account for the vast majority of wastewater components that were discharged from the facility during hours of operation.

After being notified about the improper sampling and reporting, Wiegardt took no action for more than a year. On August 22, 2014 the company reported the violations of the NPDES permit to the Department of Ecology and has been working with environmental regulators on a remediation plan. Given the company’s practices, regulators were unable to assess whether the violations resulted in any environmental harm.

The case was investigated by EPA’s Criminal Investigation Division. It is being prosecuted by Assistant United States Attorney James Oesterle and Special Assistant United States Attorney Karla Perrin.

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**California Man Admits Dumping Sewage on Marine Corps Base** -- On June 23, 2015, **VICTOR AMEZCUA**, a resident of Winchester, California, pleaded guilty in federal district court for the Southern District of California to dumping raw sewage on Camp Pendleton. According to his plea agreement, Amezcua admitted that on at least four occasions during 2013 and 2014, while he was employed at a firm which had a contract to dispose of porta-potty waste from Marine Corps Base Camp Pendleton, he pumped the sewage into a ravine in area 53 on the base.

Amezcua acknowledged that he was employed as the driver of a vacuum truck and was supposed to collect the sewage from the porta-potties and dispose of it in large holding tanks located on the base, which would be later pumped out and their contents disposed of at the sewage treatment plants on base. Instead, Amezcua admitted that he knowingly pumped the contents of his vacuum truck into a ravine in Area 53, without testing the sewage or notifying anyone at the base, as required by federal regulations. He is scheduled to be sentenced on September 28.

The case was investigated by EPA's Criminal Investigation Division and the Naval Criminal Investigative Service.

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*Trucks owned by the company at which Amezcua was employed as a vacuum truck driver. Amezcua discharged sewage from trucks such as the ones shown above.*

**Idaho Man Found Guilty of Illegally Storing and Disposing of Hazardous Waste** -- On June 9, 2015, **MAX SPATIG**, of Rexburg, Idaho, the owner of MS Enterprises, was convicted in federal district court for the District of Idaho following a two-week jury trial of the felony of knowingly storing and disposing of hazardous



waste on a property off the Archer-Lyman Highway near Rexburg. Spatig's sentencing is scheduled for August 24, 2015.

On July 8, 2010, a total of 3,478 containers of hazardous waste materials were found on the property outside of Rexburg. Many of the containers were labeled as containing hazardous materials and many were corroded. They had been left outdoors for years. Samples taken from some of the containers confirmed that the contents were hazardous waste due to ignitability and corrosivity characteristics. Ignitable materials catch fire at relatively low temperatures and present a dangerous fire hazard. Corrosive materials cause other materials to dissolve on

*Hazardous waste materials illegally stored and disposed of by Max Spatig.*

contact. The contents of the containers were shipped to a hazardous waste disposal facility, incurring a cost to the federal government of \$498,652. Neither MS Enterprises nor Spatig had any permits from EPA or the Idaho Department of Environmental Quality (DEQ) that would have covered the operation of a hazardous waste dump.

Spatig had engaged in similar conduct before. In 2005, the state of Idaho cleaned up hazardous waste from another property belonging to Spatig near Menan in Jefferson County, Idaho. The cost of that cleanup was \$188,000. Previous to 2005, Spatig engaged in similar conduct in Kaysville, Utah.

The conviction for storing and disposing of hazardous waste without a permit carries a penalty up to five years in prison, a maximum fine of \$250,000, and up to three years of supervised release. Because of multiple violations of court-orders prior to trial and offenses committed while on pre-trial release, Spatig has been held in custody since September 11, 2014.

The case was investigated by EPA's Criminal Investigation Division, the Idaho Department of Environmental Quality, and the Madison County Sheriff's office. It was prosecuted jointly by the U.S. Attorney's Office and the Environmental Crimes Section of the U.S. Department of Justice.

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**Former Illinois City Certified Water Operator Charged with Falsifying Drinking Water Sampling Data** -- On June 11, 2015, **PHILIP KRAUS**, of Thornton, Illinois, a former Dolton, Illinois, certified water operator, was indicted in federal district court for the Northern District of Illinois on charges that, for several years, he routinely falsified paperwork to make it appear that Dolton was properly sampling its drinking water for microbiological contaminants. Dolton purchases its drinking water from the city of Chicago, which treats Lake Michigan water. However, Dolton is still required to test its drinking water for the presence of coliform bacteria in order to ensure that it has not become contaminated locally.

According to the six count indictment, between January 2008 and continuing through August 2013, Kraus falsified records in order to conceal the fact that he was not sampling Dolton's water system in accordance with the Safe Drinking Water Act and the U.S. EPA regulations that implement the Safe Drinking Water Act. Kraus will appear before for an arraignment at a later date determined by U.S. District Court. Each of the six counts against Kraus carries a maximum penalty of five years in prison and a \$250,000 fine. If convicted, the court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

Each month, Dolton was required to collect 25-30 samples of its drinking water from various points representative of the entire drinking water distribution system and thereafter to take those samples to a certified laboratory for testing. The samples were to be tested for the presence or absence of coliform bacteria – the presence of coliform bacteria in the drinking water may indicate that the drinking water is contaminated with microbiological contaminants. The indictment alleges that, contrary to the required sampling protocol, Kraus routinely collected multiple drinking water samples each month from only one or a few locations but falsely represented on Dolton paperwork and on forms submitted to Dolton's contract laboratory that the samples were taken from representative locations throughout Dolton. The laboratory then transmitted the test results and the false sample site data to the Illinois EPA, which implements the federal Safe Drinking Water Act in Illinois. IEPA and U.S. EPA rely upon the test results and sample site data to ensure that Dolton was distributing to its residents and businesses drinking water free of microbiological contaminants. The contract laboratory is not accused of any wrongdoing.

The indictment charges Kraus with one count of engaging in a multi-year scheme between January 2008 and August 2013 to submit material false statements and five additional counts, each of which charges Kraus with causing the submission of a false statement to IEPA on a particular date in 2013. The indictment alleges that all of the test results from the samples submitted to the contract laboratory were negative for the presence of coliform bacteria. The government does not possess information indicating that any person was harmed as a result of the alleged offenses.

The case was investigated by EPA's Criminal Investigation Division. It is being prosecuted by Assistant United States Attorney Timothy J. Chapman.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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**Norwegian Shipping Company and Engineering Officers Charged in Second Indictment with Environmental Crimes and Obstruction of Justice** -- On June 12, 2015, **DET STAVANGRSKE DAMPSKIBSSELSKAB AS** (DSD Shipping) and four employees were charged by a Western District of Louisiana federal grand jury in a three-count indictment with violating the Act to Prevent Pollution from Ships (APPS) and obstruction of justice in connection with the illegal discharge of contaminated waste-water directly into the sea. DSD Shipping is a Norwegian-based shipping company that operates the oil tanker M/T Stavanger Blossom, a vessel engaged in the international transportation of crude oil. Also indicted were four engineering officers employed by DSD Shipping to work aboard the vessel: **DANIEL PAUL DAMCU**, of Romania; **BO GAO**, of China; **XIAOBING CHEN**, of China; and **XIN ZHONG**, of China.

The operation of marine vessels, like the M/T Stavanger Blossom, generates large quantities of waste oil and oil-contaminated waste water. International and U.S. law requires that these vessels use pollution prevention equipment to preclude the discharge of these materials. Should any overboard discharges occur, they must be documented in an oil record book, a log that is regularly inspected by the U.S. Coast Guard.

According to the indictment, in 2014, DSD Shipping and its employees discharged oil-contaminated waste water generated aboard the M/T Stavanger Blossom directly into the sea. To hide the illegal discharges, DSD Shipping and its employees maintained a fictitious oil record book that failed to record the disposal, transfer, or overboard discharge of oil from the vessel. The indictment further alleges that prior to an inspection by the U.S. Coast Guard, Chen ordered crewmembers to remove piping connected to the vessel's overboard discharge valve, install new piping, and repaint the piping to hinder an inspection by the U.S. Coast Guard.

DSD Shipping and the engineering officers were charged with violating the APPS for failing to record overboard discharges in the vessel's oil record book and with obstruction of justice for presenting false documents and deceiving the Coast Guard during an inspection in the Port of Lake Charles. If convicted, DSD Shipping could be fined up to \$500,000 per count, in addition to other possible penalties. Dancu, Gao, Chen and Zhong face a maximum penalty of 20 years in prison for the obstruction of justice charges. An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until and unless proven guilty.

The case, which is the second indictment arising from a joint, multi-district investigation by the EPA's Criminal Investigation Division, the U.S. Coast Guard, Sector Mobile, and the U.S. Coast Guard Investigative Services. DSD Shipping, Dancu, Gao, Chen and Zhong were previously indicted in the Southern District of Alabama with a seven-count indictment charging related conduct. The case is being prosecuted by Assistant U.S. Attorney Howard Parker with the U.S. Attorney's Office for the Western District of Louisiana, Assistant U.S. Attorney Mike Anderson with the U.S. Attorney's Office for the Southern District of Alabama and Trial Attorney Shane N. Waller Environmental Crimes Section.

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**Former Missouri City Employee Indicted for Submitting False Wastewater Report** -- On June 16, 2015, **CHARLES LOREN RANSLOW**, of Neosho, Missouri, the wastewater treatment plant operator for the city of Granby, Missouri, was charged in a three-count indictment returned by a grand jury in federal district court for the Western District of Missouri for submitting false reports in violation of the Clean Water Act.

According to the indictment, Ranslow conducted wastewater sampling at the facility and submitted Wastewater Discharge Monitoring Reports to the Missouri Department of Natural Resources from June 2013 through March 2014. The indictment charges Ranslow with two counts of making false and fraudulent statements in those reports. Ranslow allegedly submitted monitoring reports that contained false data, for example, with regard to the levels of ammonia.

The indictment also charges Ranslow with one count of making false and fraudulent statements in a Domestic Sludge Report that was submitted to the Missouri Department of Natural Resources. Ranslow allegedly represented sludge monitoring results to be indicative of the Granby Wastewater Treatment Facility sludge, which data he knew to be false. Charges contained in this indictment are simply accusations and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

The case was investigated by EPA's Criminal Investigation Division and the Missouri Department of Natural Resources. It is being prosecuted by Assistant U.S. Attorney Abram McGull, II.

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