



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 at <http://www2.epa.gov/enforcement/criminal-enforcement-policy-guidance-and-publications>.

August 2015

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Region 3	Gary Southern, Dennis P. Farrell	CWA/Negligently discharging refuse matter in violation of the federal Refuse Act; failing to have a pollution prevention plan
Region 4	Gulf Coast Asphalt Company, LLC	Oil Pollution Act & Migratory Bird Treaty Act/Illegal discharge of oil that released into a U.S. river
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Defendant Summary

Region	Defendants	Case Type/Status
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Region 8	Kelly Steen	RCRA/Illegal transportation of hazardous materials
Region 9	James Jariv, Nathan Stoliar, Alex Jariv	Energy Independence and Security Act of 2007/Illegal scheme to generate fraudulent biodiesel credits and to export biodiesel without providing biodiesel credits to the U.S., and conspiracy
Region 9	Santa Clara Waste Water Company, Green Compass Environmental Solutions LLC, Douglas Brian Edwards, William James Mitzel, Charles Ray Mundy, Dean Michael Poe, Brock Gustin William Baker, Mark Stephen Avila, Marlene Joan Falemier, David Joseph Wirsing, Kenneth Douglas Griffin, Jr.	RCRA/Conspiracy to dispose of hazardous waste, failure to warn of a serious concealed danger, handling a hazardous waste with a reckless disregard for human like, withholding information, filing a false or forged instrument, and dissuading a witness

Sentencings

Company and Two Men Sentenced For Clean Water Act Crimes - Crane-Hogan Structural Systems, Inc., and Project Managers Sentenced – On August 5, 2015, **MARK PULLYBLANK** and **WILLIAM CLEMENTS** were sentenced for criminal violations of the Clean Water Act in federal court.

Mark Pullyblank was sentenced to a 3 year term of probation, a \$10,000 fine and 120 hours of community service. William Clements was sentenced to a 1 year term of probation and a \$2000 fine. Both men were employees of **CRANE-HOGAN STRUCTURAL SYSTEMS, INC.**, of Spencerport, New York, which also entered a corporate plea of guilty and was sentenced to pay a criminal fine of Five Hundred Thousand Dollars



Pullyblank directed employees to discharge concrete slurry into the Susquehanna River.

(\$500,000) and was placed on a term of probation for 5 years. A condition of probation requires the company to develop, fund and implement a comprehensive Environmental Compliance Plan ("ECP") to prevent future violations.

As part of its guilty plea Crane-Hogan Structural Systems, Inc. admitted that in December 2008 and January 2009 during a hydro-demolition project at the Binghamton Governmental Center Parking Garage, in Binghamton, New York, it discharged concrete slurry into the Susquehanna River without a permit. Hydro-demolition results in the need to dispose of large quantities of waste concrete, concrete residue, and concrete slurry (concrete and water

containing concrete sediments and/or high pH related thereto) William Clement was a project manager employed by Crane-Hogan Structural Systems, Inc. who supervised the negligent discharge of concrete slurry from hydro-demolition conducted within the Wilson Hospital Parking Garage, Johnson City, New York from May through July 2009, into a manhole that led to the Binghamton-Johnson City POTW.

Mark Pullyblank was a Project Manager employed by Crane-Hogan Structural Systems, Inc. who supervised the intentional discharge of concrete slurry from a hydro-demolition project at the Binghamton Governmental Center (BGC) Parking Garage, in Binghamton, New York in August and September 2009 into a BGC sub-basement sump that discharged to the storm sewer system and to the Susquehanna River.

The criminal investigation was conducted by the U.S. Environmental Protection Agency (EPA), Criminal Investigation Division and the New York State Department of Environmental Conservation, Bureau of Environmental Crimes Investigation.

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Emissions Inspection Repeat Fraudsters Headed to Prison – On August 10, 2015, **NATHANIEL JOHNSON** and **DANIEL LAWSON** are headed to prison, Johnson for the second time. Johnson was convicted in February 2014 of computer forgery for his role in selling fraudulent motor vehicle emissions test results to motorists whose vehicles would not otherwise pass an emissions check. Johnson was sentenced in 2014 to two years' imprisonment, followed by eight years of probation. Johnson was paroled from prison in February of 2015.

Within a week Johnson was back in the emissions fraud business, and in May 2015 investigators obtained a warrant on Johnson for making false statements in Cobb County. Johnson had provided information and documentation which led to the issuance of fraudulent waivers from motor vehicle emissions testing for vehicles. The waiver applications falsely stated that the vehicles were located out-of-state due to temporary employment of their owners, and contained forged signatures in support of these contentions.

On August 3, 2015, Johnson entered a guilty plea to three counts of making false statements. He also admitted to violating the terms of his probation by committing these offenses and by committing the offense of possession of a firearm. Johnson was sentenced to five years in prison, after which he will be required to fulfill the remaining portion of his probation. Johnson remains under a pending indictment for firearm and drug charges.

On August 7, 2015, Daniel Lawson entered a guilty plea to new charges of making a false statement and was sentenced to one year in prison. Lawson had been on probation since February 2014 after his conviction for making false statements in connection with his role in the racketeering case with Johnson. Lawson also admitted to violating his probation by committing the offense of driving under the influence and to violating a special condition of his probation that prohibited him from working at a vehicle emission testing station. For these violations one year of Lawson's probation was revoked and ordered to be served concurrently with his year's sentence for the new false statements charge.

Assistant Attorney General Greg Lohmeier prosecuted the case on behalf of the State of Georgia. The case was investigated by the Environmental Protection Division of the Georgia Department of Natural Resources.

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Sentencings

Four Individuals Sentenced for Biodiesel Production Fraud -- On August 27, 2015, **DEAN DANIELS, RICHARD SMITH, BRENDA DANIELS,** and **WILLIAM BRADLEY,** all of Florida, pleaded guilty and were sentenced for charges related to a scheme involving the false production of biodiesel.

Dean Daniels was sentenced to 63 months incarceration, Bradley was sentenced to 51 months incarceration, Smith was sentenced to 41 months incarceration and Brenda Daniels was sentenced to 366 days incarceration. In addition, the court sentenced the defendants to pay \$23 million in restitution.

The defendants profited by unjustly generating and selling biodiesel credits (RINs) and unjustly claiming biodiesel tax credits for the production and blending of fuel that was not actually biodiesel.

The defendants were all employees and officers of New Energy Fuels LLC, a business in Waller, Texas, that claimed to process animal fats and vegetable oils into biodiesel. The defendants subsequently relocated, operating a similar scheme at Chieftain Biofuels LLC in Logan, Ohio.

The defendants would purchase low-grade feedstock and perform minimal processing to produce a low-grade fuel. The fuel was not biodiesel, however, the defendants would represent to the EPA that they had produced biodiesel. They would generate fraudulent biodiesel RINs and sell them to various third parties. Biodiesel RINs cannot be generated unless the biodiesel produced meets industry standards. In total, the defendants sold over \$15 million worth of fraudulent biodiesel RINs.

The defendants also made false claims to the IRS in order to obtain the biodiesel tax credit that they were not eligible to receive. Throughout 2009, 2010 and 2011, refundable tax credits were available for renewable fuel producers. If companies complied with IRS regulations, they could earn one dollar per gallon of biodiesel. It was illegal to claim this tax credit unless the biodiesel was produced, blended and sold in compliance with rules and regulations. Among other requirements, the biodiesel had to meet industry standards, which the defendant's fuel did not. In total, the defendants claimed over \$7 million in false biodiesel tax credits.

In addition, New Energy Fuels' production process generated substantial hazardous by-products. Defendant Dean Daniels arranged for an employee of New Energy Fuels to transport the wastes off-site at night. That employee, Lonnie Perkins, previously pleaded no-contest in Texas to several charges related to the dumping of hazardous waste in and around the city of Houston.

Each of the defendants pleaded guilty to conspiracy to commit wire fraud and to defraud the United States. Dean Daniels also pleaded guilty to offering a hazardous material for transport without providing or affixing proper placards.

Assistant Attorney General Cruden and U.S. Attorney Stewart commended the cooperative investigation by law enforcement, including the Houston Police Department, as well as Department of Justice Trial Attorney Adam Cullman and Assistant U.S. Attorney J. Michael Marous, who represented the United States in this case.

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Sentencings

Montana Man Sentenced for Illegal Transportation of Hazardous Materials -- On August 20, 2015, **KELLY STEEN**, of Baker, Montana, was sentenced in relation to the illegal transportation of hazardous materials. He was sentenced to 3 years' probation and ordered to pay \$2,100 in fines. He pleaded guilty to charges in May 2015.

On December 29, 2012, Steen, a driver for Woody's Trucking, loaded natural gas condensate, or "drip gas," from a pipeline station that transports products from the Bakken oil fields in Montana and North Dakota. The drip gas was hauled from Watford City, North Dakota, to a slop-oil processing/recycling company, Custom Carbon Processing, Inc. (CCP), based near Wibaux, Montana. The bill of lading that accompanied the shipment identified the product as "slop oil and water," which is a non-hazardous substance. However, while Steen was pumping from the truck's front tank into the CCP facility, a fire ignited, injuring three employees. The tanks on the truck burned for eight days until the local fire department could determine that they held drip gas and not slop oil and water, as indicated on the bill of lading. Drip gas is a hazardous material and the truck was not placarded to indicate it held a flammable liquid.

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The fire that ignited while Steen was pumping from the truck he drove into the Custom Carbon Processing facility.

Two Men Sentenced and Another Pleads Guilty in Las Vegas for International Biofuels Fraud Scheme -- On August 5, 2015, **JAMES JARIV**, of Las Vegas, Nevada, was sentenced in federal district court for the District of Nevada to ten years in prison for his role in illegal schemes to generate fraudulent biodiesel credits and to export biodiesel without providing biodiesel credits to the United States. Jariv was also ordered to make restitution in the amount of \$6,345,830.91 and to forfeit between \$4 to \$6 million in cash and other assets.

Jariv was the second defendant to be sentenced for the scheme. **NATHAN STOLIAR**, of Australia, was sentenced to two years in prison in April for his role in the conspiracy and ordered to pay more than \$1.4 million in restitution and to forfeit of \$4 million in cash. In addition, in court papers unsealed last week, **ALEX JARIV**, also of Las Vegas, pleaded guilty in the scheme and his sentencing was scheduled for August 18, 2015.

James Jariv and Stoliar both pleaded guilty to one count of conspiracy, one count of conspiracy to engage in money laundering, two counts of wire fraud and one count of making false statements under the Clean Air Act. Alex Jariv pleaded guilty to one count of conspiracy to commit wire fraud, make false statements and launder monetary instruments.

The Energy Independence and Security Act of 2007 created a number of federally-funded programs that provided monetary incentives for the production and use of renewable fuels such as biodiesel in the United States. Biodiesel producers and importers can generate and attach credits known as renewable identification numbers (RINs) to the gallons of biodiesel they produce or import. Because certain companies (such as companies that sell transportation fuel in the United States) need RINs to comply with regulatory obligations, RINs have significant market value. They are routinely bought and sold in the marketplace. In addition, to ensure that RINs are generated for renewable fuel used only in the United States and in order to create an incentive for biodiesel in the United States to be used here, anyone who exports biodiesel is required to obtain these valuable RINs for all exported gallons and provide the RINs to EPA.

Beginning around September of 2009, James Jariv and Stoliar operated and controlled a company -- City Farm Biofuel in Vancouver, British Columbia, Canada -- that represented itself as a producer of biodiesel from "feedstocks" such as animal fat and vegetable oils. James Jariv and Stoliar also formed a company called Canada Feedstock Supply -- that represented itself as City Farm's supplier of feedstocks necessary to produce biodiesel. James Jariv operated and controlled a company based in Las Vegas called Global E Marketing (GEM).

Alex Jariv worked for and on behalf of these companies. Using these three and other closely-held companies, the three defendants claimed to produce biodiesel at the City Farm facility and to import and sell biodiesel to GEM and then generated and sold RINs based upon this claimed production, sale and importation. In reality, no biodiesel produced at City Farm was ever imported and sold to GEM as claimed. The Jarivs and Stoliar used GEM to claim to blend the biodiesel with petroleum diesel, allowing them to sell the RINs separately from any actual biodiesel. Using this scheme, the three men falsely claimed to import, purchase and blend more than 4.2 million gallons of biodiesel. They then sold the RINs, and fraudulently generated more than \$7 million.

James Jariv and Stoliar also purchased and resold RIN-less B-99 biodiesel as B-100 biodiesel, which allowed them to charge substantially more for this product than if it has been accurately labeled. They exported significant amounts of the RIN-less B-99 they bought in the United States to Canada and Australia. They then sold the biodiesel in those countries and conspired to not acquire and provide RINs to

the United States for these exports as they were required to do by law. In doing so, James Jariv and Stoliar failed to give to the United States RINs worth in excess of \$34 million, keeping this money for themselves instead.

Finally, James and Alex Jariv and Stoliar conspired to launder the proceeds of their crimes, utilizing foreign banking institutions and complex financial transactions to promote their illegal schemes and distribute the proceeds of their crimes. Accounts were utilized in Canada, Nevada and Australia and transactions between the defendants' closely-held companies were described as other legitimate transactions involving biodiesel, when in reality they were not.

The case was investigated by EPA's Criminal Investigation Division and the FBI, with assistance from the United States Secret Service, the Internal Revenue Service-Criminal Investigations, the Department of Homeland Security and the Royal Canadian Mounted Police. It was prosecuted by Wayne D. Hettenbach of the Environmental Crimes Section, U.S. Department of Justice, Assistant U.S. Attorneys Crane M. Pomerantz and Daniel D. Hollingsworth of the U.S. Attorney's Office in Nevada and Assistant Deputy Chief Darrin L. McCullough of the Justice Department's Criminal Division, Asset Forfeiture and Money Laundering Section, with the assistance of the Justice Department's Office of International Affairs and the U.S. Attorney's Office for the Southern District of Texas .

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Illinois Businessman Sentenced to Five Years in Prison for Multi-Million Dollar Fraud Scheme -- On August 10, 2015, **MICHAEL R. KEEBLER**, owner of Environmental Management of Illinois, Inc. (EMI), in Springfield, Illinois was sentenced in federal district court for the Central District of Illinois to serve five years in federal prison for a scheme that defrauded the Illinois Environmental Protection Agency of millions of dollars. The scheme, over a period of 12 years, from 2001 to 2013, swindled money from a fund administered by Illinois EPA to clean up sites contaminated by leaking underground storage tanks. He was allowed to remain on bond pending his report to the federal Bureau of Prisons no later than September 24. Keebler was ordered to remain on supervised release for a period of three years following his release from prison.

Keebler, of Sherman, Illinois, was also ordered to pay restitution of no more than \$13,363,665 to the Illinois EPA. Restitution will be ordered to be paid jointly and severally with Keebler's co-defendants, EMI founder, **ERIC M. ANDREWS**, of Springfield, and his brother, **JOEL T. ANDREWS**, of New Berlin, Illinois. Each pled guilty on March 2, 2015, to one count of conspiracy to commit mail fraud. Sentencing for the Andrews brothers is scheduled on October 2. Keebler entered pleas of guilty on February 27, 2015, to two counts of conspiracy to commit mail fraud.

The U.S. EPA has a cooperative agreement with the state of Illinois to administer the UST (underground storage tanks) program. IEPA and the Illinois Office of the State Fire Marshal share administration of the UST fund which assists tank owners and operators with the cleanup costs of petroleum leaks from USTs. The State Fire Marshal administers the preventative and permitting aspects of the program. If there is a spill or leak, IEPA is responsible for oversight of the cleanup investigation and the corrective action, in order to clear the property for use again. State taxes and fees paid on the purchase of gasoline fund the Leaking UST (LUST) program.

Joel Andrews founded EMI in 1997 and served as president, and Eric Andrews joined in 1999 as vice-president. In April of 2001, professional engineer Michael Keebler joined the firm. In 2006, the firm was sold to Michael Keebler, who has remained as the firm's principal owner and president. The environmental consulting firm worked with property owners to clean up property contaminated by petroleum leaks, spills, or overfills from underground storage tanks. The firm then sought reimbursement of its costs to remediate the land from a fund administered by a designated section within Illinois EPA.

According to plea agreements filed by the parties, Michael Keebler, and Eric and Joel Andrews each admitted that they conspired to defraud the LUST fund by artificially inflating expenses they incurred in remediating property. For example, as principals of EMI, they admitted they reached agreements with their vendors to submit two invoices for certain services: one invoice listed the real costs of the service provided and the payment to be made by EMI, and a second invoice which inflated the amount of work performed and supplies used, the amount charged for the work, or both. The inflated invoice would then be provided to Illinois EPA for reimbursement. Keebler and the Andrews would also pay certain vendors a reduced rate, but misrepresent to the Illinois IEPA that they had paid full price. At other times they would simply create or modify an existing invoice to reflect a higher charge than was actually paid and would submit that to IEPA for reimbursement.

In a separate but related case, Michael Keebler's brothers, Duane T. Keebler, of Maryland Heights, Missouri, and Joseph R. Keebler, of Carbondale, Illinois, each pled guilty on Feb. 20, to one count of conspiracy to commit mail fraud. Both Duane and Joseph Keebler have agreed to a loss amount in their cases,

and will pay restitution in the total amount of \$179,438. They are scheduled to be sentenced on Aug. 24, 2015.

Another defendant, Jeremy L. VanScyoc, of Springfield, was an engineer for EMI and participated in the fraud. He waived indictment on March 10, 2014, and pled guilty to one count of conspiracy to commit mail fraud. VanScyoc admitted that after he joined EMI he agreed to engage in the fraud scheme by inflating subcontractor invoices. On June 11, 2015, VanScyoc was sentenced to one day in prison; two years supervised release; and was ordered to pay restitution in the amount of \$262,032.

The case was investigated by EPA's Criminal Investigation Division and the FBI. It is being prosecuted by Assistant U.S. Attorneys Patrick D. Hansen and John E. Childress.

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Final Freedom Industries defendants plead guilty in connections with the January 2014 Elk River chemical Spill

-- On August 19, 2015, **GARY SOUTHERN**, the president of Freedom Industries, Inc., at the time of the spill, pleaded guilty to violating the federal Clean Water Act, negligently discharging refuse matter in



Officials inspecting the Elk River.

violation of the federal Refuse Act, and failing to have a pollution prevention plan. **DENNIS P. FARRELL**, a former Freedom president and owner, pleaded guilty to violating the federal Refuse Act and failing to have a pollution prevention plan. Freedom and four other Freedom officials previously pleaded guilty to environmental crimes in March 2015.

Freedom Industries, Inc., and six former Freedom officials—including Farrell and Southern—were charged in December 2014 with various federal crimes related to the January 2014 Elk River chemical spill in Charleston, W.Va., which

ultimately affected the water supply of more than 300,000 people.

Southern and Farrell's criminal conduct included: failure to properly maintain the containment area surrounding the tanks at Freedom's Elk River facility and to make necessary repairs to ensure the containment area would contain a chemical spill; failure to properly inspect a tank containing the chemical MCHM; failure to develop and implement a spill prevention, control and countermeasures plan; and failure to develop and implement a stormwater pollution prevention plan and groundwater protection plan, both requirements of a National Pollutant Discharge Elimination System Permit.

Southern is to be sentenced on December 16, 2015. Farrell is set to be sentenced on December 14, 2015.

William E. Tis of Verona, Pa., and Charles E. Herzing of McMurray, Pa., former owners of Freedom, each pleaded guilty in March 2015 to one count concerning the negligent discharge of refuse matter in violation of the federal Refuse Act. Tis is set to be sentenced December 2, 2015. Herzing is set to be sentenced December 3, 2015.

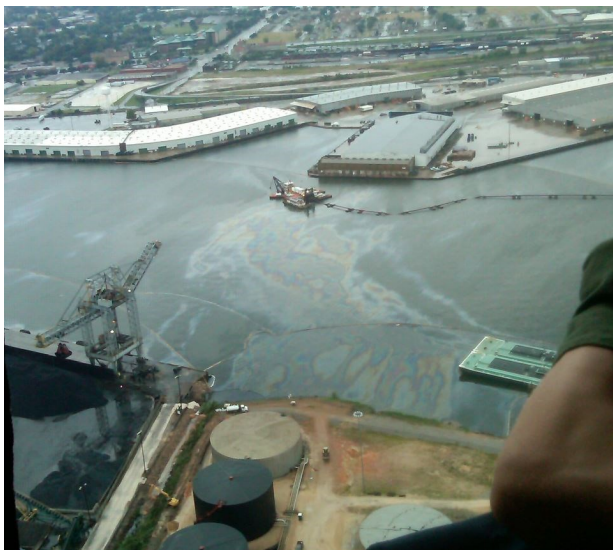
Freedom environmental consultant Robert J. Reynolds of Apex, N.C., and tank farm plant manager Michael E. Burdette of Dunbar, W. Va., were charged separately with violating the federal Clean Water Act. They each pleaded guilty to those charges in March 2015. Reynolds is set to be sentenced December 7, 2015. Burdette's sentencing is set for December 9, 2015.

Freedom Industries itself, which has been in bankruptcy since shortly after the spill, was charged with violating the Clean Water Act, negligent discharge of refuse matter in violation of the Refuse Act, and violating an environmental permit. A representative of the corporation entered a guilty plea to those charges on its behalf in March 2015. Freedom is set to be sentenced December 10, 2015.

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Alabama Asphalt Company Pleads Guilty to Violations of the Oil Pollution Act and the Migratory Bird Treaty Act

-- On August 11, 2015, representatives for **GULF COAST ASPHALT COMPANY, LLC** plead guilty in federal district court for the Southern District of Alabama to two counts of an information charging violations of the Oil Pollution Act and Migratory Bird Treaty Act. The plea relates to an oil spill that occurred on September 1, 2011, and ultimately ended up in the Mobile River.



Aerial view of the oil spill from Gulf Coast Asphalt Company .

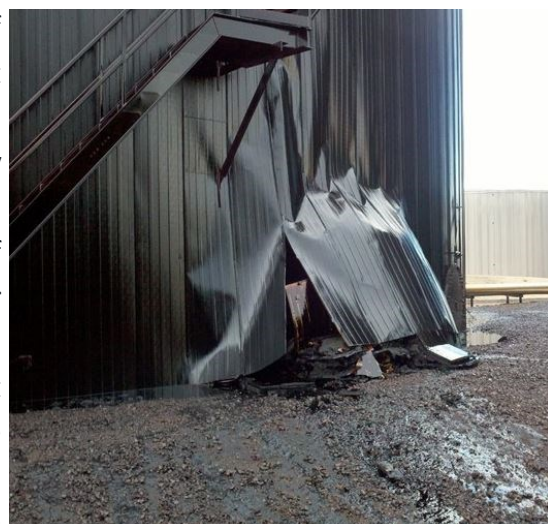
The information charges that the discharge of oil was caused by an over-fill of oil during a tank to tank transfer when employees pumped oil into the receiving tank under pressure. Because employees miscalculated the tank volume of the receiving tank prior to the transfer and engaged in the transfer of oil without employing proper procedures, the tank ruptured and oil was released into a secondary containment area and ultimately into the Mobile River. The information goes on to charge that because of this discharge of oil the Mobile River was closed to ship and vessel traffic by the United States Coast Guard and fish and wildlife were negatively impacted.

As part of the plea agreement Gulf Coast Asphalt Company, LLC has agreed to pay a total of one million dollars in criminal penalties. \$667,000 will be paid in a criminal fee. The remaining penalty in the amount of \$333,000 will be in the form of an organizational community service payment to the National Fish and Wildlife Foundation. The community service payment shall be applied by the National Fish and Wildlife Foundation to fund projects for the preservation and restoration of waterways and marine wildlife in and around the Southern District of Alabama.

Gulf Coast Asphalt Company, LLC also agreed to pay restitution in the amount of \$292,000.00 to the United States Coast Guard and \$75,000 to the Alabama Department of Conservation and Natural Resources, Wildlife and Freshwater Fisheries Division. The penalties and restitution are collected above the statutory requirement under the Oil Pollution Act that the responsible party for the oil spill pays the expense of the environmental cleanup and environmental remediation.

The case was investigated by EPA's Criminal Investigation Division and U.S. Fish and Wildlife Service. It was prosecuted by the United States Attorney's Office for the Southern District of Alabama.

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The rupture in the receiving tank which caused the oil spill. Employees miscalculated its volume and transferred oil into the tank without using proper procedures, causing the rupture.

Plea Agreements

Mississippi Phosphates Corp. Pleads Guilty to Clean Water Act Violation and Agrees to Transfer 320 Acres to Grand Bay National Estuary

—On August 19, 2015, **MISSISSIPPI PHOSPHATES CORP. (MPC)**, a Mississippi corporation which owned and operated a fertilizer manufacturing facility located on Bayou Casotte in Pascagoula, Mississippi, pleaded guilty to a felony information charging the company with a criminal violation of the Clean Water Act.



Picture of the open gate on a storm water culvert leading to Bayou Casotte.

As part of the guilty plea, MPC admitted discharging more than 38 million gallons of acidic wastewater in August 2013. The discharge contained pollutants in amounts greatly exceeding MPC's permit limits, resulting in the death of more than 47,000 fish and the closing of Bayou Casotte. MPC also admitted that, in February 2014, MPC discharged oily wastewater from an open gate on a storm water culvert into Bayou Casotte, creating an oily sheen that extended approximately one mile down the bayou from MPC.

Because MPC is in bankruptcy and is obligated to assist in funding the estimated \$120 million cleanup of its site, the court accepted the parties' agreement for MPC to transfer 320 acres of property near to its Pascagoula plant to become a part of the Grand Bay National Estuarine Research Reserve, which is managed by the Mississippi Department of Marine Resources as part of the National Oceanic and Atmospheric Administration's National Estuarine Research Reserve System.

Since January 2000, MPC has been cited in numerous notices for hundreds of violations of its Clean Water Act permit for discharging wastewater exceeding its pollutant limits. MPC was also cited for its failure to maintain adequate wastewater storage capacity, its discharge of untreated wastewater from its sulfuric acid plant directly through MPC's main outfall, its combined release of untreated and undertreated stormwater and process wastewater from other outfalls, and its failure to implement required remedial measures to prevent the pollutant discharges and environmental harm it has caused for decades. An April 2005 discharge resulted in the release of more than 17 million gallons of highly acidic wastewater into waterways adjacent to its facility, including Bayou Casotte, Tillman Creek and Bangs Lake of the Grand Bay National Estuarine Research Reserve. These waters are some of the most productive nurseries for aquatic species on the Gulf Coast. MPC's massive discharge of pollutants resulted in the death of thousands of fish and other forms of marine life as well as the destruction of marsh grass, trees and shrubs. In the years following this environmental catastrophe, MPC never implemented the measures necessary to prevent the release of pollutants from its facility and the discharge of an even larger torrent of wastewater destroying even more marine life.

U.S. Attorney Davis praised the efforts of EPA's Criminal Investigation Division, for its diligent work in the investigation of this matter. Senior Trial Attorney Jeremy F. Korzenik of the Department of Justice's Environmental Crimes Section and Assistant U.S. Attorney Gaines Cleveland are the prosecutors in charge of the case.



Thousands of fish were killed as a result of MPC's illegal discharges.

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Former Texas Saltwater Disposal Well Operator Indicted In North Dakota on Multiple Felony Charges -- On August 24, 2015, **JASON A. HALEK**, of Southlake, Texas, was indicted in federal district court for the District of North Dakota, on 13 felony charges stemming from the operation of a saltwater disposal well near Dickinson, in Stark County, North Dakota. Halek was charged with one count of conspiracy to violate the Safe Drinking Water Act and defraud the United States. He was also charged with four counts of violating the Safe Drinking Water Act, four counts of making false statements and four counts of obstructing grand jury proceedings.

The well, named the Halek 5-22, received “produced water” constituting “brine and other wastes” commonly and generically referred to as “saltwater.” “Saltwater” in this context covers a wide array of drilling waste fluids, including hydraulic fracturing fluid, which is water combined with chemical additives such as biocides, polymers and “weak acids.” EPA has stressed that this water is often saltier than seawater and can “contain toxic metals and radioactive substances.”

Previously, on September 26, 2014, Nathan Garber pleaded guilty to multiple felony counts relating to the well.

According to the indictment, Halek conspired with others, including Garber, in a number of coordinated and illegal acts, including injecting saltwater into the well without first having the state of North Dakota witness a test of the well’s integrity and continuing to inject saltwater after failing a February 2, 2012 pressure test. Halek is also charged under the Safe Drinking Water Act with injecting fluids down the “annulus” or “backside” of the well in violation of the well’s permit which required that fluids be injected through the tubing.

Further, Halek is charged with telling Garber to move a device called a “packer” up the wellbore in violation of the well’s permit, without first getting approval from the state. Then, Garber allegedly gave false information to a state inspector regarding the depth of the packer.

Halek is charged with making multiple false statements to the state of North Dakota, including false statements about the depth of the packer. In addition, Halek is charged with obstructing and impeding a grand jury investigation into the matter, by withholding responsive documents and making false statements.

The case was investigated by EPA’s Criminal Investigation Division. Significant cooperation was provided by the North Dakota Industrial Commission. The case is being prosecuted by the U.S. Attorney’s Office for the District of North Dakota and the Environmental Crimes Section of the Justice Department’s Environment and Natural Resources Division.

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.

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Indictment for Crimes Related to the Operations of Waste Water Facility - - On August 19, 2015, **SANTA CLARA WASTE WATER COMPANY, GREEN COMPASS ENVIRONMENTAL SOLUTIONS LLC, DOUGLAS BRIAN EDWARDS, WILLIAM JAMES MITZEL, CHARLES RAY MUNDY, DEAN MICHAEL POE, BROCK GUSTIN WILLIAM BAKER, MARK STEPHEN AVILA, MARLENE JOAN FALTEMIER, DAVID JOSEPH WIRSING, KENNETH DOUGLAS GRIFFIN JR.**, were indicted for crimes related to the operations of Santa Clara (California) Waste Water Company's Santa Paula facility.

This case arises from a nine-month investigation into the November 18, 2014, explosion which occurred at the Santa Clara Waste Water Company facility located at 815 Mission Rock Road in Santa Paula. The explosion and its chemical residue caused injury to numerous individuals, including employees of the company and first responders. Sixty-seven individual witnesses testified before the Grand Jury during the eleven days of the proceedings leading to the indictment of nine individuals and two corporate entities. The charges include conspiracy to dispose of hazardous waste, failure to warn of a serious concealed danger, handling of a hazardous waste with a reckless disregard for human life, withholding information regarding a substantial danger to public safety, filing a false or forged instrument, and dissuading a witness.

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.

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