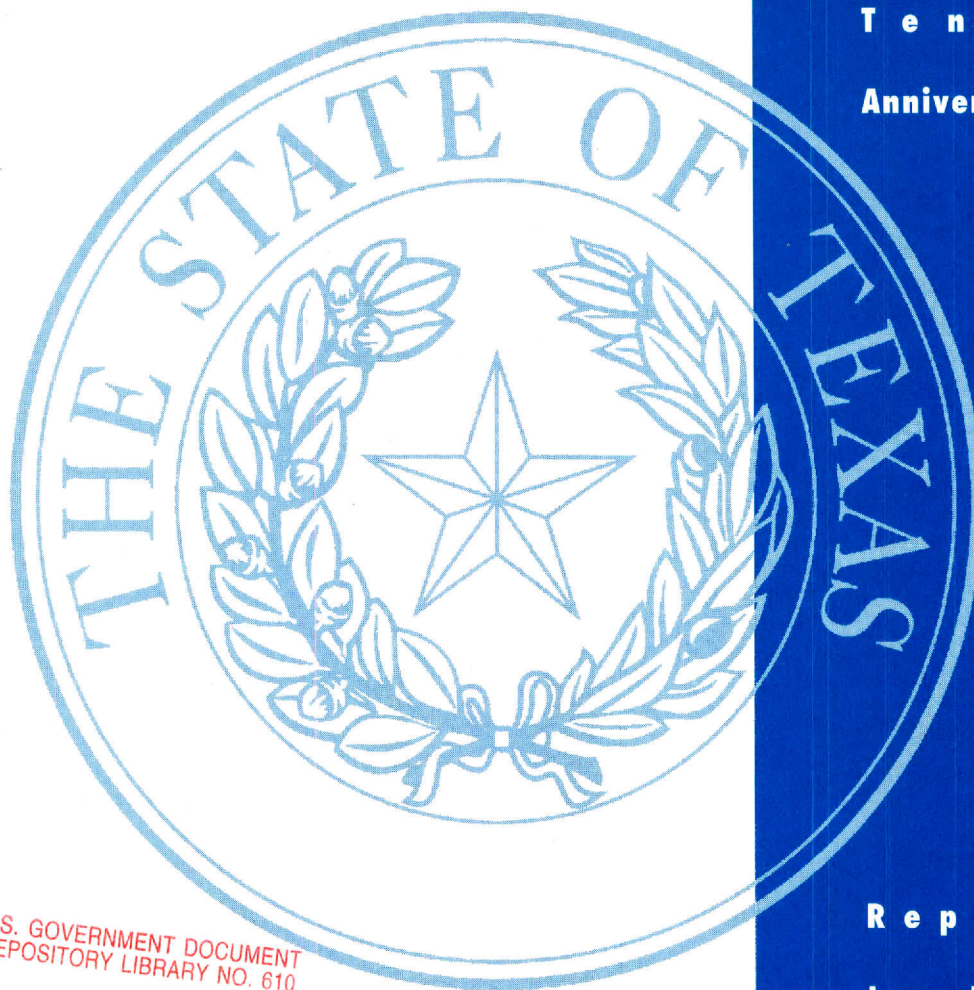




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Texas Environmental Enforcement Task Force

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CTF-011/01
December 2001

**Texas Environmental Enforcement
Task Force**

**Report to the Task Force
Member Agencies**

**Prepared by:
Special Investigations Section
Litigation Division
Texas Natural Resource Conservation Commission**

**CTF-011/01
December 2001**



Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Kathleen Hartnett White, *Commissioner*

Jeffrey A. Saitas, *Executive Director*

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INTRODUCTION

TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE

REPORT TO THE TASK FORCE MEMBER AGENCIES

remarks prepared by

Barbara F. Foreman, LCC

Chair

Texas Environmental Enforcement Task Force

First, let me extend my heart-felt gratitude to each Task Force member and the respective member agency for your commitment to the Texas Environmental Enforcement Task Force for the past ten years. During the past decade, you have succeeded in raising public awareness about environmental crime and its harmful effects on our air, land, and water; and made phenomenal progress in the investigation and prosecution of environmental crime.

Fiscal year 2001 was a year marked by unprecedented success, as the Task Force secured 28 convictions, a 28% increase in convictions over that of fiscal year 2000. This was another historic year for the Task Force, surpassing last year's first ever conviction of individuals for violating the federal Clean Air Act. This year the Task Force secured Texas' largest environmental criminal penalty of \$20,000,000 in *United States v. Koch Petroleum LPG*. Koch pled guilty to one count of concealing material facts in a matter within the jurisdiction of the Texas Natural Resource Conservation Commission and the United States Environmental Protection Agency between January 7, 1995, and April 7, 1995, to wit, the facts that a control device, the flameless thermal oxidizer known as Thermatrix, had been disconnected from the Edens separator, a source of benzene vapors, and failing to measure the level of benzene entering the aeration basin at the West Plant, all in violation of 18 U.S.C. 1001. This criminal fine paid by Koch was the fifth largest environmental crime penalty in the history of the United States.

The Koch case is an example of the importance of air quality issues, but the Task Force has always been both critical and objective in case selection, investigation, and prosecution. Examples of Task Force operations involving water and soil quality, and public program integrity are discussed below in the cases involving JDH Septic Services and American Tire Recycling.

On January 15, 1998, two men with a vacuum truck owned by JDH Septic Services, were observed by Corpus Christi Police officers discharging a black oily substance onto the ground. The two men were identified as Michael Gentry, the driver of the truck, and Nicholas T. Hallinan, the manager and operator of JDH. JDH Septic Service is a registered Solid Waste Transporter company, owned by Jason Hallinan.

On May 21, 1999, defendants, Michael Gentry and Nicholas T. Hallinan, were indicted in Travis County District Court, on a third degree felony charge of transporting hazardous waste to an unpermitted facility. The offense occurred in Nueces County, but was brought to Travis County for indictment.

On December 1, 2000, Michael Winston Gentry and Nicholas T. Hallinan both pled guilty to one third-degree felony count of illegal transportation of hazardous waste. The two defendants were each sentenced to ten years probation; 90 days in jail as a condition of probation, \$1,000.00

fine, \$43,768.00 in restitution payable to the state of Texas, and 600 hours of community service, which involves the cleaning of septic systems at various colonias in the Corpus Christi area that have been identified as having health-related issues due to over-stressed septic systems.

On Feb. 9, 1999, the 147th Grand Jury of Travis County handed down two felony counts, against four individuals, associated with American Tire Recycling, for engaging in organized criminal activity. The underlying offenses were theft and securing execution of a document by deception, e.g. the defendants submitted vouchers to the TNRCC, which alleged that they had processed more waste tires than they actually had processed. This fraud resulted in an overpayment of more than \$145,000, from the now defunct TNRCC Waste Tire Recycling Program. Indicted were Daniel Barnhart, owner; Ron Garrison, general manager, William Hunt, employee, and Francisco Menchaca, owner, Menchaca Tire Shop. During December 2000, Daniel Barnhart, William Hunt and Francisco Menchaca each pled guilty to one first degree felony count of Engaging in Organized Criminal Activity, with the underlying offense of theft. All charges against Ronald Garrison were dismissed based on his cooperation during the investigation.

On January 18, 2001, the defendants, Hunt, Menchaca, and Barnhart were sentenced in a Travis County District Court. Hunt was sentenced to 30 days imprisonment, 320 hours of community service, 10 years probation, and was ordered to pay \$35,000.00 in restitution. Menchaca was sentenced to 7 years probation, 320 hours of community service, and was ordered to pay \$16,021.00 in restitution. Barnhart was sentenced to 120 days imprisonment, 8 years probation, and paid \$55,000.00 in restitution, and a fine of \$2,000.00.

The cases discussed above are representative samples of air quality, water quality, and program fraud issues. The Task Force remains broad in its scope of screening alleged violations, yet it addresses specific and immediate threats to human health and the environment in all Texas communities.

About the Task Force

In 1991, then governor, Ann Richards signed an Executive Order, creating the Texas Environmental Enforcement Task Force. The goal of the task force is to increase federal and state cooperation in prosecuting criminal violations of state and federal environmental laws. State statutory authority is derived from the Texas Water Code and the Health and Safety Code. Several federal laws help define the task force's role in environmental protection and enforcement. These include the Federal Clean Water Act, Resource Conservation and Recovery Act, Clean Air Act, and others. Traditional laws that prohibit theft and fraud are often used in prosecuting individuals/entities who falsify self-reporting forms and requests for reimbursement when reporting to the Texas Natural Resource Conservation Commission or the U.S. Environmental Protection Agency.

The task force is composed of designated staff from the following agencies: Texas Natural Resource Conservation Commission, Texas Parks and Wildlife: Texas Attorney General's Office, General Land Office, Texas Railroad Commission, and the Governor's Office. The manager of Special Investigations at the Texas Natural Resource Conservation Commission provides leadership for the task force and coordinates efforts among the member agencies. The participating state agencies collaborate with the U.S. Attorney's Office, the U.S. Environmental Protection Agency, the Federal Bureau of Investigation, and many other local, and federal agencies in conducting electronic surveillance activities, tracking financial assets, interviewing witnesses, conducting sampling and

surveillance activities, tracking financial assets, interviewing witnesses, conducting sampling and other technical and laboratory functions, and performing other operations necessary to support criminal investigations and prosecutions. Currently, more than 52 representatives from 27 agencies participate in Task Force activities.

TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE

HISTORICAL HIGHLIGHTS

1991 - 2001

Task Force Created

Total Cases Resolved	125	
Criminal Disposition	80	
Other Disposition	45	
Total Multi-State Cases Resolved	2	
Criminal Disposition	2	
Other Disposition	0	
Entities Convicted	136	(113 individuals, 24 corporations)
Multi-State Entities Convicted	3	(2 individuals, 1 corporation)
Total Felony Counts	190	
Total Multi-State Felony Counts	16	
Total Misdemeanor Counts	86	
Search Warrants Executed	104	
Current Investigations	58	
Monetary Penalties	\$34,275,501	(Criminal cases)
	\$17,200,000	(Related civil cases)
Jail Time	118 years	
Probation	283 years	
Record Indictment	58 counts	
	Tank Systems, Inc.	
	Ronald McCann et al	
Record Punishment	30 years in State prison	
	Herman Nethery (Reversed)	
	\$20,000,000.00 criminal penalty	
	Koch Petroleum Group, L. P.	

EXECUTIVE ORDER

EXECUTIVE ORDER
BY THE
Governor of the State of Texas

**THE STATE OF TEXAS
EXECUTIVE DEPARTMENT
OFFICE OF THE GOVERNOR
AUSTIN, TEXAS**

AWR 91-18

CREATING THE TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE

WHEREAS, Texas leads the nation in generation of toxic substances and also faces serious and diverse environmental problems that include polluted air in the state's major urban areas, contaminated surface and drinking water, degradation of coastal areas and critical wildlife habitats, and solid waste disposal needs; and

WHEREAS, Texas would be better served by more cohesive and consistent enforcement of state and federal environmental laws and regulations; and

WHEREAS, numerous state agencies have responsibilities for enforcement of Texas' environmental protection laws and regulations; and

WHEREAS, state agencies also share responsibility for environmental enforcement with several federal agencies; and

WHEREAS, specific environmental problems and potential violations may fall within the jurisdiction of more than one state or federal agency; and

WHEREAS, other environmental problems and potential violations may fall outside the direct authority of any one state or federal agency; and

WHEREAS, this fragmentation of responsibility has contributed to the state's failure to protect public health and the environment, to address citizen concerns, to respond to local government needs, and to distinguish environmental violators from those responsible businesses that comply with environmental standards; and

WHEREAS, legislation enacted by the 72nd Legislature creates additional administrative, civil, and criminal penalties for violations of the state's environmental laws and regulations; and

WHEREAS, no mechanism exists for coordinating the environmental enforcement activities of different state agencies or ensuring that complex environmental enforcement problems that fall under the jurisdiction of more than one state agency are addressed quickly and effectively; and

WHEREAS, no mechanism exists for coordinating the environmental enforcement activities of Texas state agencies and federal authorities;

NOW, THEREFORE, I, Ann W. Richards, Governor of Texas, under the authority vested in me, do hereby create the Texas Environmental Enforcement Task Force. The Task Force is composed of designated staff from the following state agencies: Texas Water Commission, Texas Air Control Board, Texas Department of Health, Texas Parks and Wildlife Department, Texas Attorney General's Office, General Land Office; Texas Railroad Commission; and the Governor's Office. The Task Force may be expanded to include additional agencies as appropriate.

The Task Force shall meet monthly or at the call of the Chair.

The goal of the Task Force is to increase federal and state cooperation in prosecuting criminal violations of state and federal environmental laws.

Designated staff of the participating state agencies will cooperate with the U.S. Attorney's Office, the U.S. Environmental Protection Agency, and the Federal Bureau of Investigation in conducting inspections, taking and analyzing samples, and performing other functions necessary to support criminal investigations and prosecutions. The state agencies will also cooperate with the federal agencies in identifying and initiating criminal investigations.

The designated staff within the governor's office will coordinate the efforts of the Task Force and serve as the primary contact person with the federal agencies. The Texas Water Commission will provide a staff person to chair the Task Force.

The participating agencies shall absorb the costs of the Task Force activities within their respective agencies.



SEAL OF STATE OF TEXAS

Given under my hand this the
11 day of December, 1991

A large, stylized cursive signature of Ann W. Richards.

ANN W. RICHARDS
Governor of Texas

A cursive signature of John Hannah, Jr.

JOHN HANNAH, JR.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

Richards starts environmental SWAT team

Associated Press

Gov. Ann Richards has signed an executive order creating an environmental SWAT team composed of seven state agencies to help prosecute criminal violations of environmental laws.

"Past efforts to enforce existing environmental protection laws have been handicapped by a lack of coordination among the various state and federal agencies involved in regulating the environment," Richards said Thursday in creating the Texas Environmental Enforcement Task Force.

"Today we are serving notice to those outlaws who pollute this state with toxic garbage," Rich-

ards said. "No longer will they go undetected and unpunished. Their crimes, which endanger us all, are not going to slip through the cracks any longer."

The task force will be composed of representatives from the Water Commission, Air Control Board, Department of Health, Parks and Wildlife Department, attorney general's office, General Land Office and Railroad Commission. Each agency will provide at least one field investigator for the task force.

The team is to work with the U.S. attorney's office, U.S. Environmental Protection Agency and the FBI. Initially, it will work closely with the U.S. attor-

ney's office in Beaumont.

Also Thursday, Richards established the Environmental Agencies Transition Committee to review the consolidation of several state environmental programs in 1993. The 18-member committee, chaired by Texas Water Commission Chairman John Hall, will develop a reorganization plan and a schedule to help with the transition.

Under a law passed earlier this year, the Texas Water Commission, the Air Control Board and the Department of Health's environmental programs will be merged Sept. 1, 1993, to create the Natural Resource Conservation Commission.

TASK FORCE

MEMBER AGENCIES

**Texas Environmental Enforcement
Task Force Member Agencies**

Chair: Barbara Foreman - Manager, Special Investigations
Texas Natural Resource Conservation Commission - Austin

Austin Police Department
Defense Criminal Investigative Service
El Paso County Attorney's Office
Federal Bureau of Investigation
Lower Colorado River Authority
NASA, Office of Inspector General
Naval Criminal Investigative Service
Office of the Texas Attorney General
Office of the Governor
Texas General Land Office
Texas Natural Resource Conservation Commission
Texas Parks and Wildlife Department
Texas Railroad Commission
Travis County District Attorney's Office
U.S. Army Criminal Investigation Division
U. S. Attorney's Office
U. S. Coast Guard Investigation Service
U. S. Customs Investigations
U.S. Department of Justice
U. S. Department of Transportation
U.S. Environmental Protection Agency
U.S. Fish and Wildlife
U. S. Postal Service, Office of the Inspector General

TASK FORCE PROGRESS REPORT

**Conviction Summaries
1994 - 2001**

**TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE
CONVICTION SUMMARIES**

Case Name	Media Type	Number of Defendants	Date of Conviction
Dallas Environmental Services Technologies (DEST)	IHW	1 individual, 1 corporation	January 20, 1994

Case Specifics: An Ellis County transporter, Gary Cocke, was sentenced to six months in jail and fines totaling \$100,000 against him and his company after he pled guilty to a series of environmental crimes. Cocke must also serve five years probation, provide 240 hours of community service and write a letter of apology to the community. As vice president and general manager, Cocke pled guilty to four felonies as follows: transportation of hazardous waste to an unpermitted location, transportation of hazardous waste without a manifest, storage of hazardous waste without a permit, incidental endangerment. He also pled guilty to two misdemeanors involving the unauthorized release of hazardous waste and illegal discharge of waste from a point source.

Case Name	Media Type	Number of Defendants	Date of Conviction
Fina	WQ	1 corporation	March 4, 1994

Case Specifics: Fina Corporation was convicted of two criminal misdemeanors for negligently discharging oil into navigable waters of the United States. The corporation was sentenced to pay \$400,000 in fines; prepare an explanation letter to employees and shareholders; and serve three years probation.

Case Name	Media Type	Number of Defendants	Date of Conviction
Kim's Shrimp	WQ	1 individual, 1 corporation	June 27, 1994

Case Specifics: Sa Van Ly, owner of Kim's Shrimp and the corporation were convicted of one criminal misdemeanor each for negligently discharging oil into the navigable waters of the United States. Ly was sentenced to six months home detention; two years probation; and a \$4,000 penalty. The corporation will pay a \$2,500 penalty; \$11,000 restitution to the United States Coast Guard; and serve three years probation. Additionally, a video taped warning to the community about committing environmental crimes was recorded and has been aired at the expense of the defendant.

Case Name	Media Type	Number of Defendants	Date of Conviction
Crews Plating	WQ	2 individuals	June 30, 1994 & August 3, 1994

Case Specifics: Two individuals as owners/operators of Crews Plating were convicted of one felony each (Clean Water Act). They will serve five years probation w/condition to pay, in total, the clean-up costs for the site - estimated at \$250,000. Failure to pay will result in reinitiated judicial proceedings to enforce a 5-year jail sentence.

Case Name	Media Type	Number of Defendants	Date of Conviction
PolyCycle	IHW	2 individuals	August 19, 1994

Case Specifics: Wesley Ray and Sheila Putnam were convicted of one felony each for the illegal disposal of sulfuric acid and lead without a permit. Ray was sentenced to 60 months in prison followed by three years supervised release. Putnam was sentenced to 30 months in prison followed by two years supervised release.

Case Name	Media Type	Number of Defendants	Date of Conviction
Dal-Tex	IHW	1 individual	December 16, 1994

Case Specifics: Lynn Willson, vice-president and general manager of Dal-Tex Fuel Systems, Inc., was convicted of one felony count of tampering with a government document. This case involved the falsification of a laboratory report indicating environmental contamination. The defendant was sentenced to seven years probation and a \$350 fine. The Judge also ordered Willson to test for soil contamination at three sites in North Texas.

Case Name	Media Type	Number of Defendants	Date of Conviction
Willie Heard Drum Co.	IHW / WQ	3 individuals	December 16, 1994

Case Specifics: Lucius, Lionel and Donald Ray Flanagan (a father and two sons) were convicted of a total of 29 felonies for the illegal transportation, storage & disposal of hazardous wastes to unpermitted location and the release of hazardous substances into waters of the state. Lionel and Donald Ray Flanagan were sentenced to five years in prison. Lucius Flanagan received a sentence of 10 years probation and 600 hours community service (terms of probation prevent the defendant from working in any drum reconditioning or barbecue pit manufacturing operation).

Case Name	Media Type	Number of Defendants	Date of Conviction
Steve's Paint Shop	IHW	1 individual, 1 corporation	December 20, 1994

Case Specifics: Steven Ohlman and Steve's Paint Shop were convicted of one felony count each for the illegal dumping of hazardous waste. The corporation was sentenced to five years probation and a fine of \$1,000. Ohlman agreed to contribute \$1,500 to the Texas Parks & Wildlife Department for use in environmental crimes investigations and restitution for clean-up costs estimated to be at \$5,500.

Case Name	Media Type	Number of Defendants	Date of Conviction
LDI of San Antonio, Inc.	WQ / MSW	1 individual, 1 corporation	March 13, 1995

Case Specifics: LDI and Roland Heinze (vice president of LDI) were convicted on one felony count each of conspiracy to violate the U.S. environmental laws and two felony counts of illegal discharging of pollutants into the city of San Antonio's sewer system, a Clean Water Act violation. The corporation was sentenced to a fine of \$470,000. Heinze was sentenced to serve twelve months and one day of confinement in a halfway house followed by two years of supervised release and to pay a fine of \$30,000. He is also required to provide notice to the public of his acts.

LDI was a waste-hauling company that was hired by San Antonio area restaurants and other commercial establishments to collect and dispose of their liquid wastes. In accordance with EPA regulations, LDI held liquid waste transportation permits from the City of San Antonio which required the company to dispose of such wastes only in designated landfills. However, LDI discharged the commercial and industrial wastes into conduits and conveyances leading to sewer lines located at various sites that the city had not approved as discharge points.

Case Name	Media Type	Number of Defendants	Date of Conviction
Fox Testing Labs	WQ	1 individual	March 29, 1995

Case Specifics: The defendant in this case, James David Humphrey, was convicted of two felony counts of making false statements in reports filed under the Clean Water Act. The defendant was sentenced to three years probation, ordered to pay a fine of \$1,000 and the special assessment of \$100, and to make restitution to the City of Edinburg in the amount of \$2,420.

Case Name	Media Type	Number of Defendants	Date of Conviction
Spin-N-Market	WQ	1 individual	April 5, 1995 & September 8, 1997

Case Specifics: Defendant, Attique "Ed" Ahmad, was convicted on two felony counts of intentionally dumping gasoline into U.S. waters and the Conroe sanitary sewer system. Ahmad was sentenced to 21 months imprisonment and payment to the City of Conroe and State of Texas for clean-up. This case was appealed and overturned by a panel of the U.S. Court of Appeals, Fifth Circuit. In a combined plea and sentencing hearing on September 8, 1997, Ahmad was sentenced to 1 year in federal prison and to pay the \$27,487.64 in restitution.

Case Name	Media Type	Number of Defendants	Date of Conviction
Safe Tire	MSW	4 individuals	January 10, 1995 & August 28, 1995

Case Specifics: On January 10, 1995, 1 defendant (Danny Kautz) pled guilty to one felony count of tampering with a government document in state court. Kautz falsely certified that a tire shredding company's scales were accurate. A plea agreement was approved assessing defendant three years of deferred adjudication probation and a fine of \$2,000.

On August 28, 1995, three other defendants were convicted in this case in federal court. The three former managers (William J. Stevens, Michael Riley, and Keith Hallum) were each convicted on four felony counts of conspiracy and mail fraud. Each defendant must pay a \$10,000 fine and will be placed under supervised release for a period of two years after completing two years in federal prison.

Case Name	Media Type	Number of Defendants	Date of Conviction
Smith Tank	IHW	1 individual	May 23, 1995

Case Specifics: James W. Blair, Jr., was convicted of one felony count Information for illegally releasing hazardous substances from facility and not immediately reporting to authorities. The defendant was sentenced to one year probation and a \$10,000 fine.

Case Name	Media Type	Number of Defendants	Date of Conviction
Bethlehem Steel	WQ	1 corporation	May 31, 1995

Case Specifics: The corporation pled guilty to one felony Information count for the illegal discharge of pollutants into navigable waters of the United States. Pollutants discharged were spent abrasive blasting grits, rust & paint materials, paint over spray, solvents used to paint and clean equipment, and miscellaneous waste materials which spill onto the spent abrasive blasting grit from a point source (floating drydock) and the pollutants were released to the water. The defendant will fund the Southeast Texas Coastal Trust in the amount of \$1 million entrusted to the Texas Parks & Wildlife Foundation and will pay the maximum fine of \$500,000.

Case Name	Media Type	Number of Defendants	Date of Conviction
Mantua Manufacturing Company	IHW	1 corporation	September 11, 1995

Case Specifics: The corporation pled guilty to three felony violations: failure to register with the EPA as a generator of hazardous waste; storing hazardous waste without a permit; and, causing the transportation of hazardous waste without a manifest. The court assessed the maximum fine of \$50,000 on each of the three charges for a total of \$150,000.

Case Name	Media Type	Number of Defendants	Date of Conviction
Metal Plating Systems	IHW	2 individuals	September 22, 1995

Case Specifics: Reginald and Rodney Gist (father and son) pled guilty to violations of federal environmental laws. Reginald (father) pled guilty to one count of unlawful disposal of hazardous waste at Balch Springs and one count of unlawfully transporting hazardous waste from the Forney and Terrell locations to Lake Fork. Reginald was sentenced on December 8, 1995, to 51 months in federal prison, pay restitution of \$78,841 as partial payment for the costs of cleaning up the environmental contamination caused by the Gists, and must refrain from operating another plating business.

Rodney (son) pled guilty to one count of unlawful disposal of hazardous plating wastes. On February 16, 1996, Rodney Gist was sentenced to five years probation, 120 days of home confinement, plus 100 hours of community service.

Case Name	Media Type	Number of Defendants	Date of Conviction
Collective Resources, Inc. (CRI)	MSW	1 individual, 1 corporation	October 4, 1995

Case Specifics: John Iman, a transporter of medical waste, pled guilty in state court to falsifying documents. Falsified records showed that the medical waste was properly incinerated. Officials found bags of medical waste leaking and decaying inside 40-foot semi-trailers in San Angelo, Del Rio, Colorado City and Albuquerque. On January 10, 1996, Iman was sentenced (state) to 10 days at the Midland County Jail, fined \$1,500 and ordered to serve eight years probation. He is also required to perform 200 hours of community service and write letters of apology to be printed in San Angelo, Del Rio and Colorado City newspapers. Iman was also sentenced federally to six months in prison and must pay two military clinics \$10,361 in restitution. The Goodfellow Air Force Base Clinic will get \$1,855 and VA Medical Center in Albuquerque will receive \$8,505.

Case Name	Media Type	Number of Defendants	Date of Conviction
Abilene/Revland	IHW	1 individual	December 4, 1995

Case Specifics: Ronald Revland was arrested on July 14, 1995 for dumping nine barrels of hazardous waste in an industrial area in Abilene. His sentence was three years probation and a \$2,000 fine.

Case Name	Media Type	Number of Defendants	Date of Conviction
Clarence Holcomb	IHW	1 individual	April 4, 1996

Case Specifics: C. Holcomb pled guilty to three counts of unlawful transportation of hazardous waste without a permit, unlawful storage and disposal of hazardous waste without a permit and unlawful transportation of hazardous waste without a manifest. Holcomb received an eight-month jail sentence; no fine was imposed.

Case Name	Media Type	Number of Defendants	Date of Conviction
Conroe Creosoting	IHW	1 individual	May 16, 1996

Case Specifics: Daniel Pue pled guilty to two federal counts involving the illegal transportation and disposal of more than 1500 gallons of hazardous creosote sludge. Since Pue cooperated with an ongoing federal investigation into illegal dumping at the facility and had agreed to testify in any subsequent proceedings, he was sentenced to six months home confinement and placed on three years felony probation and fined \$1,000.

Case Name	Media Type	Number of Defendants	Date of Conviction
Texas Environmental Services, Inc. (TES)	IHW / MSW	2 individuals	June 3, 1996 & July 30, 1996

Case Specifics: Donald R. Budd, president and co-owner of Texas Environmental Services, Inc. (TES) entered into an agreement with the Government that he would end all involvement with the environmental testing business pending his sentencing. Budd, was sentenced to six years in prison for conspiracy to commit mail fraud and three substantive counts of mail fraud related to a false laboratory data scheme. Budd was also fined \$15,000. After his release from prison, Budd will be on supervised release for three years and required to perform 140 hours of community service at a nonprofit environmental organization and prohibits him from entering the field of environmental testing in any capacity.

Daniel Brown, vice-president and co-owner pleaded guilty to a one count Information. Brown committed mail fraud in connection with a scheme to provide false laboratory data to industrial and municipal customers of the lab. Brown was sentenced to two years in prison and fined \$10,000. After his release from prison, Brown will be on supervised release for three years and required to perform 140 hours of community service at a nonprofit environmental organization and prohibits him from entering the field of environmental testing in any capacity.

Case Name	Media Type	Number of Defendants	Date of Conviction
Striping Technology, Inc. (STI)	WQ	1 individual	June 13, 1996

Case Specifics: Thomas R. Rudd, president of Striping Technology, Inc., pleaded guilty on June 13, 1996 to a one count Information which accused him of knowingly discharging pollutants without a permit into a Smith County tributary. Rudd directed several of his employees to dispose of paint wastes contaminated with toluene, methyl ethyl ketone and waste lead into pits that were dug into the ground water which flows into a nearby tributary of Black Fork Creek.

On July 10, 1997, Rudd was sentenced to a term of 15 months in prison. As part of his guilty plea Rudd agreed to be personally responsible for the costs involved in the clean-up, remediation and related activities required at all five of the locations where contaminated paint wastes had been illegally disposed. To date, Rudd has expended more than \$400,000 toward the clean-up and remediation activities at all five sites. Rudd also agreed to fund a Trust in the amount of \$250,000 for the benefit of the East Texas Ecological Education Center, a project of the Texas Parks and Wildlife Department. The first of the five \$50,000 installments for the Trust must be paid within 30 days of today's sentencing under the terms of the plea agreement. The Trust will be administered by the East Texas Woods and Waters Foundation.

Case Name	Media Type	Number of Defendants	Date of Conviction
River City Plating (RCP)	IHW	3 individuals, 1 corporation	June 17, 1996

Case Specifics: River City Plating president, Ray Phipps, pleaded guilty in federal court to discharging hazardous and toxic pollutants into the San Antonio sewer system. Phipps admitted the company discharged wastewater containing nickel, chromium, copper and zinc in amounts up to 295 times the legal limit. Russell Phipps (son) pled guilty to covering up a felony by lying to a grand jury when he denied knowing the cause of the pollution. Louis Krupalla (employee) pled guilty to perjury or lying to the grand jury by denying knowledge of any intentional discharges into the sewer system.

River City Plating was sentenced to five years probation and imposed a fine of \$100,000. Ray Phipps was sentenced to 15 months imprisonment to be followed by a one-year term of supervised release. The court also ordered him to pay a fine of \$5,000 and while under court supervision, he cannot work for, or at, or acquire any ownership interest in, or participate in any way in the management or direction of, any metal plating or metal finishing business. Russell Phipps was sentenced to three years probation, a fine of \$500 and 40 hours of community service. While under court supervision, he cannot work for, or at, or acquire or hold any ownership interest in, or participate in any way in the management or direction of, any metal plating or metal finishing business unless such business has given written consent to unlimited, unannounced inspections of its facilities and records by employees of the U.S. E.P.A. Louis Krupalla was sentenced to 12 months imprisonment to be followed by a three-year term of supervised release.

Case Name	Media Type	Number of Defendants	Date of Conviction
Tank Systems, Inc. (TSI)	IHW	7 individuals, 1 corporation	October 7, 1996

Case Specifics: Tank Systems Incorporated, Austin, TX, was submitting false claims and certifications on work performed for the Texas National Guard. Various contracts were awarded to TSI by the Texas National Guard for services involving the removal and clean-up of underground storage tanks located throughout Texas. Following the completion of investigative effort, criminal indictments were filed against TSI; Ronald McCann, president of TSI; Clifford Hall, Texas National Guard Contract Technical Representative; Gary Heacock, general manager of TSI; Elvis O'Neal, Ronald Lawrence, Erick Von Moore, and Michael Luckie, employees of TSI. All parties entered into plea agreements and received the following judgments.

McCann was sentenced to 36 months confinement, 2 years probation, and fined \$25,000; Heacock was sentenced to 36 months confinement, 2 years probation and assessed \$50; O'Neal was sentenced to 12 months confinement, 2 years probation and assessed \$100; Von Moore was sentenced to 12 months confinement, 2 years probation and fined \$6,000; Luckie was sentenced to 250 hours of community service, 5 years probation and fined \$6,000; Hall was sentenced to 36 months confinement, 2 years probation and fined \$10,000; Lawrence was sentenced to 3 years probation, assessed \$50 and ordered to pay restitution in the amount of \$55,517.

TSI, Hall, McCann, Heacock, O'Neal, Von Moore and Luckie were ordered to make restitution severally and jointly, in the amount of \$1.5 million to the Dept. of Defense/Texas National Guard.

TSI, McCann, Hall, Heacock, Lawrence, Luckie, Von Moore, O'Neal and Rivercity Exploration, Inc., a company owned by McCann, was debarred from Government contracting until August 6, 1998.

Case Name	Media Type	Number of Defendants	Date of Conviction
Gulf States Paint Inc. (GSP)	IHW	1 individual	November 21, 1996

Case Specifics: Gerald J. Goldberg, president and majority stockholder of GSP and San Jacinto Paint Manufacturing Co. Inc., pled guilty to the illegal transportation of about 200 drums of hazardous waste. He was charged by criminal Information with four counts of violating the federal hazardous waste law by not obtaining the manifests required to transport all hazardous waste. Goldberg was sentenced to six months home confinement, \$100,000 fine payable to the U.S. Government and \$100,000 in restitution for clean-up to TNRCC-Superfund, plus three years probation.

Case Name	Media Type	Number of Defendants	Date of Conviction
Loe's Highport Marina	IHW	1 individual	December 19, 1996

Case Specifics: Cornelius DeWitte Loe, Jr. pled guilty to one count Information for illegally disposing of hazardous waste. Loe ordered employees from his marina to bury barrels of hazardous waste at his ranch near Pottsboro. Loe was sentenced to twelve months in federal prison, fined \$3,000 and placed on two years supervised release. He must also pay all expenses of cleaning up the hazardous waste disposal site and make restitution to the Environmental Protection Agency for previous clean-up work.

Case Name	Media Type	Number of Defendants	Date of Conviction
B & E Environmental Systems, Inc. (B&E I)	IHW	2 individuals, 1 corporation	January 30, 1996 & May 9, 1997

Case Specifics: On August 11, 1995, President Milton Dick Elliott, Vice President Ricky Pruitt and the company were indicted on seven counts each of illegal storage of hazardous waste and six counts each of transporting hazardous waste to an unpermitted facility. Elliott and Pruitt were also indicted on four counts each of tampering with a government document (falsifying an insurance document submitted to the TNRCC). Pruitt pled guilty on January 30, 1996 to 1 count hazardous waste violation and 1 count of tampering with a government record. On July 9, 1999, Pruitt was sentenced to 10 years probation, 200 hours community service, and 30 days at the Travis County jail for tampering with a government record.

On May 9, 1997, Elliott was convicted after trial by a jury on two counts of tampering with a government document. On June 23, 1997, Judge Tom Blackwell sentenced him to five years probation, \$5,000 fine, 30 days in Travis County Jail, and some community service. Elliott still has illegal storage and transportation of hazardous waste charges pending. On July 25, 1997, the Travis County District Attorney's Office will seek indictment on three additional charges of tampering with evidence, stemming from forged documents which he submitted to the Grand Jury which indicted him in August 1995. Charges against the corporation are also pending.

Case Name	Media Type	Number of Defendants	Date of Conviction
Fruit of the Spirit (FOTS) (Nethery/Gibbons)	MSW	8 individuals	November 21, 1997

Case Specifics: Herman Nethery and Herman Gibbons were indicted by a Dallas County grand jury on state organized crime charges on February 5, 1997. Nethery and Gibbons are charged with engaging in organized crime activity through an unlicensed, 84-acre dump in southeast Dallas. The site was operated by Herman Gibbons who also ran a trucking operation known as "Fruit of the Spirit." The land is owned by Herman Nethery who was served with a temporary injunction by the city of Dallas and Office of the Attorney General in early 1996 prohibiting him from accepting waste at the site. Search warrants were executed at the landfill, Gibbons and Nethery's residences where \$206,000 in cash was impounded. On May 20, 1997, the Dallas County Attorney's Office reached a settlement with the money seized at Nethery and Gibbons' residences. The state/county will keep \$32,000 + interest and the defense (Nethery/Gibbons) will keep \$126,515.

Gibbons pled guilty in August and was sentenced on November 21, 1997 to 10 years in state prison for the state organized crime charges and was taken immediately to jail. He was also fined \$125,000 for clean-up. On October 29, 1998, Nethery was convicted of one felony count of engaging in organized crime by a jury. On October 30, 1998, he was sentenced by the jury to 30 years in state prison, \$10,000 fine, and \$125,950 in restitution.

Six individuals were charged with Class A misdemeanors:

Name	Date arrested	Date pled	Result
Jose Montante	12/5/96	12/16/96	30 days in jail
Mendoza Lopez	12/5/96	12/16/96	30 days in jail
Jose Gonzales	12/5/96	3/5/98	730 days probation
Armand Gonzales	12/5/96	no filing	
Sam Stephens	11/26/96	refiled 11/20/97	
David Reichert	11/26/96	4/98	7 days in jail, \$400 fine

(Civil suit: The City of Dallas and the OAG won the civil suit against Nethery in Dallas. The City received a 1.3 million-dollar judgment and a 15 million-dollar penalty was imposed on Nethery.)

Case Name	Media Type	Number of Defendants	Date of Conviction
Hess Oil Virgin Islands Co. (HOVIC)	IHW	1 corporation	January 8, 1997

Case Specifics: Hess Oil Virgin Islands Co. (HOVIC) pled guilty to transportation of hazardous waste without a manifest, in violation of the Resource Conservation and Recovery Act (RCRA). The company was fined \$3 million, and ordered to pay an additional \$2.3 million in restitution/community service, including \$300,000 to the Parks and Wildlife Foundation of Texas, Inc. for environmental crimes investigations. The \$2.3 million in restitution will be distributed between the Virgin Islands, Arizona, Louisiana and New Jersey.

Case Name	Media Type	Number of Defendants	Date of Conviction
Edward W. McCrary, III	WQ / IHW	1 individual	February 19, 1993 & May 9, 1997

Case Specifics: On May 9, 1997, Edward W. McCrary, III, of Baton Rouge, Louisiana was found guilty of violating the conditions of his probation. On February 19, 1993, McCrary pled guilty to one count of Illegal Discharge of Pollutants in violation of the Federal Clean Water Act, and one count of Conspiracy. Originally, McCrary was placed on supervised release after serving 27 months of incarceration. While on supervised release, McCrary was required to adhere to certain conditions of probation. He had been instructed by the Court to not engage in any type of business, occupation, or profession which would involve the treatment, storage, or transportation of pollutants or hazardous waste, without receiving prior approval by the Court. It was determined that McCrary engaged in the business of buying and selling hazardous waste and pollutants. McCrary sold waste toluene to gasoline blenders or manufacturers. This contaminated toluene contained approximately 5% hexamethyl disiloxane (HMDO), a silicon compound that forms ash deposits and coats the spark plugs in an automobile engine rendering the plugs inoperative. As a result of the contaminated toluene in the gasoline, hundreds of automobile engines were damaged.

On April 25, 1997, the U.S. Magistrate ordered him arrested and detained for violating the conditions of his probation. McCrary has been sentenced to serve ten months.

Case Name	Media Type	Number of Defendants	Date of Conviction
Borah	N/A	1 individual	May 1997

Case Specifics: Robert Borah pled guilty in state district court to one felony count of tampering with a government document. He falsified documents that led prospective customers to believe that he was a TNRCC certified irrigator when in fact he had failed the TNRCC test. On June 16, 1997, Borah was sentenced to three years deferred adjudicated probation, 200 hours of community service, court costs and probation costs.

Case Name	Media Type	Number of Defendants	Date of Conviction
Windy Hill Utilities, Inc.	PWS	1 individual, 1 corporation	June 27, 1997

Case Specifics: Dan Workman, President of Windy Hill Utilities, Inc. pled guilty in Travis County District Court on one felony charge of tampering with a governmental record. Workman falsified lab results submitted to the TNRCC for samples of effluent from Windy Hill's Woodland Acres wastewater treatment facility in Chambers County. Workman has been sentenced to 15 days in jail, five years probation, and a \$2,000 fine.

Windy Hill Utilities, Inc. has pled guilty to seven separate misdemeanor counts for illegally discharging wastewater from its Aldine Village treatment facility.

Case Name	Media Type	Number of Defendants	Date of Conviction
Petroleum Distributors, Inc. (PDI)	IHW	1 individual	November 14, 1997

Case Specifics: On November 14, 1997, John Robert Cooke pleaded guilty to the illegal storage of hazardous waste from October 1994 to January 1995. Mr. Cooke operated a fuel blending business in the Houston area through a company known as Petroleum Distributors, Inc. From 1991 to 1994 Mr. Cooke purchased waste material from a plastics manufacturer, Westlake Polymers Corporation, in Sulphur, Louisiana, and processed the material for use in blending fuel oil. Mr. Cooke stored an unusable processing by-product, vinyl acetate, at a tank farm in Humble, Texas.

In January 1995, Mr. Cooke abandoned the tanks thereby leaving large quantities of the vinyl acetate in storage at the Conroe site. The TNRCC later removed and safely disposed of the material and remediated soil contamination at a cost in excess of \$100,000. Cooke has agreed to reimburse TNRCC for the costs of cleaning up the site. Cooke filed a motion to withdraw his guilty plea. The trial on November 20, 1998 was a mistrial.

However, on July 8, 1999, in the state of Mississippi under a multi-state task force initiative, Cooke was convicted of 10 felony counts in violation of the Federal Clean Water Act and for making false statements. Earlier, Cooke, et al, were assessed a penalty totaling \$1.25 million by the Mississippi Commission on Environmental Quality. On October 25, 1999, Cooke was sentenced to serve 29 months in federal prison, 3 years probation, a \$1,000 special assessment and a \$5,000 fine. Cooke must report to the Bureau of Prisons on January 18, 2000 at 1:00 pm to commence his sentence.

Case Name	Media Type	Number of Defendants	Date of Conviction
Bolivar Peninsula Water Supply Corporation	PWS	1 individual	November 17, 1997

Case Specifics: Bolivar is a member-owned non-profit water utility and required to report results of sampling of the water monthly to the TNRCC. James Hobbs, former system manager, and his subordinate, Allen Parker, were both involved in intentionally falsifying those monthly reports over a nearly two-year period from December 1993 to October 1995. On September 11, 1997, James Hobbs, Systems Manager, was indicted on multiple counts, including tampering with a government record. On November 17, 1997, Allen Parker pled guilty to a Class A Misdemeanor and \$500 fine and has agreed to testify against Hobbs. On December 7, 1998 James Hobbs entered a plea of Misdemeanor No Contest. Hobbs' punishment includes two years deferred adjudication and a \$2,500.00 fine.

Case Name	Media Type	Number of Defendants	Date of Conviction
Destara Chemicals, Inc.	IHW	1 individual, 1 corporation	December 5, 1997

Case Specifics: On April 13, 1993, Destara Chemicals, Inc. and its General Manager, Erik Pergins, were sentenced in Houston, Texas, based on their guilty pleas to operating a waste recycling/reclamation facility in Waller, Texas, in violation of RCRA. Pergins was convicted of failing to maintain records of waste determinations and sentenced to two years probation, a fine of \$1,500 and 100 hours of community service. The corporation was convicted of the same reporting violation and storage of hazardous waste without a permit and sentenced to two years probation and a fine of \$50,000.

Case Name	Media Type	Number of Defendants	Date of Conviction
American Powder Coating	IHW	1 individual	December 15, 1997

Case Specifics: American Powder Coating was a plating business which moved from Fort Worth to Forest Hill and was illegally storing plating waste. Owner Robert Tomko pleaded to one RCRA count on March 30, 1998. He was sentenced to two years probation and to pay restitution of \$20,000 to TNRCC for clean-up. No additional fines were assessed.

Case Name	Media Type	Number of Defendants	Date of Conviction
Pin Oak Mobile Home Park	WQ	3 individuals	December 19, 1997

Case Specifics: Houshang Solhjou and two employees, Linda Specht and Raymundo Calderon entered guilty pleas for criminal violations of illegal discharges of raw sewage into waters of the state from the Pin Oak Mobile Home Park in Harris County, Texas.

Solhjou (owner) was convicted of seven misdemeanor charges of water pollution, fined \$175,000, placed on two years of community supervision, ordered to install a sewage collection system for the mobile home park, and ordered to perform 160 hours of community services.

Calderon (maintenance man) was convicted of 19 misdemeanor charges of water pollution and was sentenced to 120 days confinement in the Harris County Jail. He was placed on two years community supervision, fined \$3,000 and ordered to perform 200 hours of community services.

Specht (manager) was convicted of seven misdemeanor charges of water pollution and was sentenced to two years community supervision, fined \$7,000 and ordered to perform 200 hours of community services. State criminal water pollution violations are misdemeanor offenses.

Case Name	Media Type	Number of Defendants	Date of Conviction
Windmill Mobile Home Park	MSW	1 individual	January 21, 1998

Case Specifics: Vernelle P. Ingram, aka "Pat Ingram," owner of the Windmill Mobile Home Park in Weatherford pleaded guilty to intentionally or knowingly permitting the discharge of sewage at the mobile home park. She was sentenced to 300 days in jail, probated for 24 months and paid \$5,000 fine for allowing sewage from the park's failing septic system to pollute the ground in July of 1997. The state alleged a series of illegal sewage discharging dating back to October of 1996. As part of a plea agreement with the state, Ingram is required to take immediate steps to correct the problem, which neighbors and residents claim have been ongoing for over a year. If Ingram fails to perform all of the required tasks, her probation could be revoked.

Case Name	Media Type	Number of Defendants	Date of Conviction
Holcomb Oil Recycling	IHW	1 individual	May 8, 1998

Case Specifics: On January 25, 1995, a state search warrant was executed at Holcomb Oil Recycling. Thirty-eight drums of oily sludge were excavated, sampled, analyzed and found to contain hazardous waste.

On May 8, 1998, Sam Holcomb pleaded no contest to one charge of Release of Hazardous Waste, a misdemeanor violation of the Health and Safety Code. Holcomb will pay \$5,028.03 restitution to the TNRCC Special Investigations Unit for money spent during the execution of the search warrant at Holcomb Oil Recycling facility.

Case Name	Media Type	Number of Defendants	Date of Conviction
Texas Star and Scrap	AIR	1 individual	September 8, 1998
<p>Case Specifics: On September 8, 1998, Isiah Jones pled guilty to one illegal outdoor burning misdemeanor charge. He received a \$1000 fine and 180 days confinement in the Nacogdoches County Jail; both were probated for one year. He will have to work 100 hours of community service and pay court costs. He was given the probated fine and jail time due to cooperation with TNRCC.</p>			
Case Name	Media Type	Number of Defendants	Date of Conviction
Furnace	WQ	1 individual	October 12, 1998
<p>Case Specifics: John Furnace was charged with three misdemeanor counts of the Texas Water Code for illegal discharges of pollutants into state waters. Furnace was operating two sewage treatment plants without a permit. Additionally, Furnace allowed both plants to bypass sewage into residential neighborhoods. On October 12, 1998, he pled guilty to two misdemeanor counts of water pollution. He received a conviction of one year probated for two years, \$1,000 fine, and 100 hours community service. <i>(On a civil case, The Texas Attorney General's Office fined Furnace over \$900,000 for illegal operation of water wells in subdivisions owned and developed by Furnace).</i></p>			
Case Name	Media Type	Number of Defendants	Date of Conviction
ESCO Elevators	IHW	2 individuals	October 15 & 16, 1998
<p>Case Specifics: On October 15, 1998, Defendant One, Warren Wanjura entered a plea of guilty to one RCRA violation for storage of a hazardous waste without a permit. On October 16, 1998, Defendant Two, Derald Armstrong, entered a plea of guilty to one RCRA violation for transportation of a hazardous waste without a manifest. On January 22, 1999, the two defendants were sentenced in the U.S. District Court for North Texas. The terms for each of the defendants were: twelve months probated sentence, six of the twelve months to be served under house arrest. In addition, each defendant was fined \$2,000 to be paid immediately.</p>			
Case Name	Media Type	Number of Defendants	Date of Conviction
D&D Plating	IHW	1 individual	December 7, 1998
<p>Case Specifics: On December 7, 1998, Harvie Basham, owner of D&D Plating, pled guilty to two RCRA charges in the US Court, Eastern District of Texas, Tyler. The RCRA charges were for transportation of a hazardous waste without a permit stemming from an investigation by the TEETF.</p> <p>On May 3, 1999 at 10:00 a.m., Harvie Basham was sentenced to: 2 - two year probated sentences for transporting and storing a hazardous waste related to his plating operation in Gun Barrel City. In addition, Basham was assessed a \$1000 fine for each count and will be subject to home detention for six months. For the record, Basham stated that he would clean up the storage sites and reimburse clean up costs to a former landlord.</p>			

Case Name	Media Type	Number of Defendants	Date of Conviction
Westlake Polymer	IHW	1 corporation	February 5, 1999

Case Specifics: On February 5, 1999, the defendant, R.H.T. Investments, Inc., entered a corporate guilty plea to one felony count of unlawful storage of hazardous waste without a permit. The defendant, R.H.T. Investments, Inc., was formally sentenced in the Southern District Federal Court to pay \$131,327.45 in restitution to the Texas Natural Resource Conservation Commission. This amount includes reimbursement to the agency for cleanup and disposal costs. Payments to be made by John Robert Cooke, owner of the corporation, in installments of \$500 per month beginning March 1, 1999.

Case Name	Media Type	Number of Defendants	Date of Conviction
Detex Environmental, Inc.	IHW	2 individuals	March 11, 1999

Case Specifics: On March 11, 1999, Ian Evans pled guilty to one felony count of Tampering with a Governmental Record, e.g. falsifying lab reports and PST closure reports. Mr. Evans was sentenced to 180 days in jail, with credit for time served. There is also an INS hold on Mr Evans. He is an illegal alien from Great Britain. He faces deportation. On April 29, 1999, Jerrel Latham plead no contest to Tampering with a government record felony related to a UST Closure Report and is to pay a \$10,000 fine. Sentencing is set for June 15, 1999.

Case Name	Media Type	Number of Defendants	Date of Conviction
Suburban Acres	MSW	1 individual	March 16, 1999

Case Specifics: On March 16, 1999, Belinda Hawkins pled, "no contest", to the Class A misdemeanor charge of Illegal Transportation of Medical Waste. The penalties are : (1) \$500 fine plus court costs, (2) 24 months probation and (3) 24 hours of community service. Clean-up costs (contents of a burned barrel containing medical waste) will be handled through court costs.

Case Name	Media Type	Number of Defendants	Date of Conviction
Texas Metal Finishing (TMF II)	IHW	1 individual	May 17, 1999

Case Specifics: On May 17, 1999, the defendant Buryl Head, owner of Texas Metal Finishing, pled guilty to 3 felony counts: (1) transportation of a hazardous waste to an unpermitted facility, (2) disposal of a hazardous waste at an unpermitted facility, and (3) false statement to an Agent of the Environmental Protection Agency. On September 16, 1999, Buryl Head, was sentenced to 5 years in prison without parole, 3 years probation, 200 hours community service, \$15,000 (roughly) in restitution to the TNRCC, and \$7,000 (roughly) to the land owner.

Case Name	Media Type	Number of Defendants	Date of Conviction
Fuel Filtering Plus	IHW	2 individuals	May 19 & 21, 1999
<p>Case Specifics: Testing technicians, Dennis McKibbin and Christopher Baker each pled guilty to one count of Conspiracy to defraud the government, for false testing of Stage II Vapor Recovery Systems. Sentencing was set for October 22, 1999, but was canceled. Sentencing has not yet been rescheduled.</p>			
Case Name	Media Type	Number of Defendants	Date of Conviction
Hercules Marine Services Corporation	AIR	1 corporation	June 17, 1999
<p>Case Specifics: On June 17, 1999, Hercules Marine Services Corporation pled no contest in Brazoria County State Court to one misdemeanor related to a violation of the Clean Air Act. Hercules was sentenced to pay \$25,000 fine.</p>			
Case Name	Media Type	Number of Defendants	Date of Conviction
Quality Rubber Products, Inc. dba Tire Recycling of San Antonio	MSW	1 corporation	September 13, 1999
<p>Case Specifics: On September 13, 1999, the defendant, Quality Rubber Products, Inc. dba Tire Recycling of San Antonio, was convicted of 9 counts of a 3rd degree felony of Securing Execution of Document by Deception, and 1 count of a 1st degree felony of Aggregated Securing Execution of Document by Deception. The corporation paid \$316,445 in restitution to the TNRCC and a \$10,000 fine. The case against Joe Cedillo was dismissed.</p>			
Case Name	Media Type	Number of Defendants	Date of Conviction
FKP, Inc.	WQ	1 corporation	September 1, 1999
<p>Case Specifics: On August 16, 1999, FKP, Inc., a Houston Ship Channel company, pled guilty to discharging over six million gallons of contaminated waste water into the Ship Channel in January of 1998. The corporation pled guilty to one negligent misdemeanor. As part of an agreement with the government and in addition to any fine, FKP is required to pay \$75,000 to the Texas Parks and Wildlife Department. On December 20, 1999, FKP was formally sentenced to pay a \$75,000 penalty to the Texas Parks and Wildlife Department.</p>			

Case Name	Media Type	Number of Defendants	Date of Conviction
Hodges Landfill	MSW	2 individuals	September 1, 1999

Case Specifics: On August 17, 1999, the defendants, Floyd Gene Hodges and Arthur Lee Jackson, were convicted in Cooke County Court. Hodges was convicted of illegally operating and receiving municipal solid waste at an unpermitted facility. Hodges was fined \$400 and was sentenced to pay \$240.75 in court costs. Jackson was convicted of illegally transporting and disposing of municipal solid waste at an unpermitted facility. Jackson was also fined \$400 and sentenced to pay \$240.75 in court costs. Indictments are now pending in State District court against Hodges and Jackson for operating an illegal landfill.

Case Name	Media Type	Number of Defendants	Date of Conviction
E. Henderson Grease & Septic	WQ	2 individual	October 19, 1999

Case Specifics: On October 19, 1999, Robert Hopkins, an employee of E. Henderson Grease & Septic, pled guilty to one count of violating the federal Clean Water Act by stating that he knowingly discharged pollutants into the waters of the U.S. without an NPDES permit. Hopkins was employed as a truck driver for a septic hauling and disposal business owned by co-defendant Gary Wallace. At Wallaces's direction, Hopkins dumped large amounts of raw sewage into the San Jacinto and Trinity Rivers from 1997 to July 1999. Hopkins entered the plea pursuant to an agreement requiring that he testify against Wallace. On May 30, 2000, Hopkins was sentenced to 1 year probation and 200 hours of community service.

On April 14, 2000, Gary Wallace, owner of E. Henderson Grease and Septic, pled guilty to charges of violating the Federal Clean Water Act, by dumping septic waste along the San Jacinto and Trinity Rivers. Sentencing for Wallace is set for July 7, 2000.

Case Name	Media Type	Number of Defendants	Date of Conviction
Huntsman	Air	2 individuals	December 9, 1999

Case Specifics: On September 14, 1998, two former managers, Jeffery L. Jackson and Michael Peters, of the Huntsman chemical plant in Port Arthur, Texas, were indicted by a federal grand jury. On December 9, 1999, the defendants were convicted by a jury in Beaumont on five counts involving count 1, conspiracy to conceal information detailing dangerous emissions from the TNRCC and the EPA, count 2, falsifying documents to the EPA, and count 3, 4, and 5, operating a tank at the plant which discharged a dangerous level of benzene, a toxic chemical. With their convictions, Jackson and Peters could each face 25 years in prison and pay a fine of \$1.25 million. A sentencing date has not yet been set by Judge Cobb.

Case Name	Media Type	Number of Defendants	Date of Conviction
Robert Jackson	HW	1 individual	November 19, 1999

Case Specifics: On November 19, 1999, Robert Jackson, an employee of S.L. Darden, Jr. Trash Service, pled no contest to a charge of transportation of waste to an unpermitted facility. The citation was issued at the site by Officer Deidre Evans of the Harrison County Fire Marshall. A member of the Texas Environmental Enforcement Task Force conducted the investigation that led to the issuance of this citation. Jackson was fined \$500 and ordered to pay \$62 in court costs.

Case Name	Media Type	Number of Defendants	Date of Conviction
Double S Farms	WQ	1 individual	January 13, 2000

Case Specifics: On January 13, 2000, defendant Clarence Schulze, pled guilty to the unauthorized discharge of a pollutant into the waters of the State, a violation of the Texas Water Code, Chapter 7.

Punishment: \$1500 fine, plus courts costs; 30 days in jail, which was probated for six months; restitution to the State of Texas in the amount of \$3000; remediation of the pollution he created, in a manner that meets the standards of the TNRCC; and pay all costs to accomplish the cleanup.

This conviction also terminates Mr. Schulze 's deferred adjudication on a prior charge of official misconduct, which will now be changed to a conviction of a crime involving moral turpitude.

Case Name	Media Type	Number of Defendants	Date of Conviction
Central Texas Utilities	WQ	2 individuals	January 7, 2000

Case Specifics: On November 11, 1999, Delbert I. Dake and Randall B. Taff, former employees of Central Texas Utilities, were indicted by a federal grand jury in Fort Worth for falsifying bacteriological water samples required by the TNRCC and for making false statements to a federal government agency. On November 16, 1999, Dake and Taff, were arrested and processed in Fort Worth by the EPA-CID and the FBI in response to these indictments.

On January 7, 2000, Delbert I. Dake and Randall B. Taff, both pled guilty to violating Title 18, USC, Section 1001, (making false statements to a federal governmental agency).

On April 7, 2000, Dake and Taff, both were sentenced to 3 years probation, and \$100 in court costs. Taff was also sentenced to pay a fine, of \$2,400.

Case Name	Media Type	Number of Defendants	Date of Conviction
J & L Services	WQ	1 individual	February 22, 2000

Case Specifics: On July 15, 1999, a Fayette County grand jury returned two indictments against James Charles Manning, owner of J&L Services, for violations of the Texas Water Code. Manning was charged with the illegal dumping of portable chemical toilet waste near Schulenburg, Texas, adjacent to the Navidad River on April 2, 1999.

On February 22, 2000, defendant James Charles Manning, pled guilty to a criminal charge of unauthorized discharge of pollutants into the waters of the State, a violation of the Texas Water Code, Chapter 7.

Fayette County District Attorney John Wied, negotiated the plea which resulted in a probated jail term, and a \$5,000 penalty, of which \$1,500 each is to be remitted to the TNRCC and the Texas Parks and Wildlife Department for the purpose of restitution. This penalty included a \$1,800.75 criminal fine, and \$199.25 in court costs. Manning will also be required to clean up all sludge and waste associated with the illegal discharges.

Case Name	Media Type	Number of Defendants	Date of Conviction
Newpark Shipbuilding-Brady Island, Inc.	WQ	1 corporation	March 24, 2000

Case Specifics: On March 24, 2000, Newpark, a ship channel company that cleans and repairs ships and barges and has a wastewater treatment facility, pled guilty in federal court to one (1) misdemeanor charge, of violating the federal Clean Water Act, and was sentenced to pay a corresponding fine of \$25,000. Newpark also pleaded guilty to two (2) misdemeanor charges of knowingly violating their state water quality permit issued by the TNRCC. This activity also constitutes a violation of the Texas Water Code, for which Newpark was fined \$200,000. Newpark will also pay a total of \$975,000 to non governmental organizations who help the environment in the ship channel area. The Southern Environmental Enforcement Network and the Coastal Conservation Foundation will also benefit from this conviction. The total amount of fines and payments by Newpark is \$1.2 million.

Case Name	Media Type	Number of Defendants	Date of Conviction
J.W. Bolton & Company	PST	1 individual	April 7, 2000

Case Specifics: On August 5, 1999, James W. Bolton, owner J.W. Bolton & Company, was indicted by a Tarrant County grand jury on 16 counts of tampering with a government record. Bolton was charged with submitting fraudulent PST tank testing reports to the facilities that are required to maintain test results for the TNRCC.

On April 7, 2000, Bolton pled guilty to one (1) Class A misdemeanor count of Tampering with a governmental record. Bolton was sentenced to 1 year probation; a \$2,000 fine; and was barred from tank testing. Bolton was also charged with 7 other counts, to which he admitted, but the State is barred from future prosecution of these counts.

Case Name	Media Type	Number of Defendants	Date of Conviction
American Underground Storage Tank Testing-00	PST	11 individuals	January 2000, February 16, 2000, June 22, 2000, & August 29, 2000 Oct. 5, Nov. 22, Dec. 4, 2000

Case Specifics: In January, Joseph Ricotta, an Austin resident, pled guilty to one federal count of conspiring to commit mail and wire fraud. Lawrence Finnel, now a resident of Sherwood, AR, also pleaded guilty to one federal count of conspiring to commit mail and wire fraud. The charges stemmed from their activity involving false testing of underground storage tanks and reporting on behalf of their Austin and Little Rock offices. Sentencing is pending. Ricotta and Finnel each face up to five years imprisonment and a \$250, 000 fine.

On February 16, 2000, Phillip Gordon, a tank tester for AUST, pleaded guilty to one count of conspiracy to defraud the Government. Also, on June 22, 2000, Diane Roth, office manager of the AUST Austin, TX office, pleaded guilty to one count of conspiracy to defraud the Government.

Another defendant pled guilty in federal court in Pittsburgh, PA on August 29, 2000 to one count of Conspiracy to Defraud RCRA. Katherine Richelle Wilson of Sherwood, AR was the former office manager for American Scientific Testing, Inc. (ASTI), the sister office of AUST, which had been located in Little Rock, AR. Wilson gave a member of the Texas Environmental Enforcement Task Force the keys and verbal consent to search a storage facility which contained all fo the records for the (then defunct) offices in Austin, TX. It was in these records that the evidence of fraud was discovered.

On October 5, 2000, Michael Doss, a former employee and tank technician for American UST Testing, pleaded guilty to one felony count of Conspiracy to commit mail and wire fraud against various state a d federal agencies throughout the United States. The plea was entered in federal court in Pennsylvania.

On November 22, 2000, Gary Ebel, also pleaded guilty to one felony count of Conspiracy to commit mail and wire fraud against several state and federal agencies.

On December 4, 2000 Milton Barren, Steven Henry Becsey, Kevin Moriarty, and Joseph Moroiarty, also pleaded guilty to one felony count of Conspiracy to commit mail and wire fraud against several state and federal agencies.

On May 2, 2001, the above mentioned individuals were sentenced in federal court in Pittsburgh, Pennsylvania Gary Ebel and Kevin Moriarity were each sentenced to serve a term of 33 months imprisonment and 2 years probation. Steven Becsey was sentenced to serve a term of 13 months imprisonment and 2 years probation. Wilson, Doss, Joseph Moriarity, Roth, Gordon, Finnell, and Ricotta were placed on probation for 2 years. While on probation, Wilson, Doss, Finnell, Joseph Moriarity, and Gordon are to serve a term of five months house arrest; Roth a four month term of house arrest; and Ricotta a three month term of house arrest. Barret was fined \$500.00.

Case Name	Media Type	Number of Defendants	Date of Conviction
Eurecat U.S. Inc.	IHW	1 corporation	October 30, 2000

Case Specifics: On October 30, 2000, Eurecat U.S. Incorporated, a New Jersey based corporation doing business in Texas, pleaded guilty in Houston, Texas, to a one-count information charging that the company stored approximately 2,000 tons of benzene-contaminated spent catalyst at its regeneration facility in Pasadena, Texas, without a permit. On January 29, 2001, the corporation was sentenced to two years probation, assessed a \$25,000 fine and ordered to pay \$150,000 to the City of Houston Environmental Criminal Enforcement Unit. This money will be used to strengthen the Environmental Criminal Enforcement Unit's ability to enforce criminal environmental laws in the Houston Area.

Case Name	Media Type	Number of Defendants	Date of Conviction
JDH Septic Services	IHW	2 individuals	December 1, 2000

Case Specifics: On January 15, 1998, two men with a vacuum truck owned by JDH Septic Services, were observed by Corpus Christi Police officers discharging a black oily substance onto the ground. The two men were identified as Michael Gentry, the driver of the truck, and Nicholas T. Hallinan, the manager and operator of JDH. JDH Septic Service is a registered Solid Waste Transporter company, owned by Jason Hallinan.

On May 21, 1999, defendants, Michael Gentry and Nicholas T. Hallinan, were indicted in Travis County District Court, on a third degree felony charge of transporting hazardous waste to an unpermitted facility. The offense occurred in Nueces County, but was brought to Travis County for indictment.

On December 1, 2000, Michael Winston Gentry and Nicholas T. Hallinan both pleaded guilty to one third degree felony count of illegal transportation of hazardous waste. The two defendants were each sentenced to ten years probation; 90 days in jail as a condition of probation; \$1,000.00 criminal fine; \$4,378.00 in restitution payable to the state of Texas; and 600 hours of community service which involves the cleaning of septic systems at various colonias in the Corpus Christi area that have been identified as having health related issues due to over-stressed septic systems.

Case Name	Media Type	Number of Defendants	Date of Conviction
American Tire Recycling, Inc	MSW	3 individuals	December 11, 2000 & December 15, 2000

Case Specifics: On Feb. 9, 1999, the 147th Grand Jury of Travis County handed down two felony counts, against four individuals, for engaging in organized criminal activity. The underlying offenses were theft and securing execution of a document by deception. Indicted were Daniel Barnhart (Owner - ATR), Ron Garrison (General Manager - ATR), William Hunt (business associate of Barnhart and Garrison), and Francisco Menchaca (Owner - Menchaca Tire Shop). All four were either arrested or turned themselves in. William Hunt was arrested in Arizona on the warrant from Travis County; Hunt self surrendered in Travis County.

On December 11, 2000, William Hunt and Francisco Menchaca each pleaded guilty to one first degree felony count of Engaging in Organized Criminal Activity with the underlying offense of theft. And on December 15, 2000, Daniel Barnhart pleaded guilty to the same charge. All charges against Ronald Garrison were dismissed based on his cooperation during the investigation.

On January 18, 2001, the defendants, Hunt, Menchaca, and Barnhart were sentenced in a Travis County District Court. Hunt was sentenced to 30 days imprisonment, 320 hours of community service, 10 years probation with deferred adjudication, and ordered to pay \$35,000.00 in restitution. Menchaca was sentenced to 7 years probation with deferred adjudication, 320 hours of community service, and ordered to pay \$16,021.00 in restitution. Barnhart was sentenced to 120 days imprisonment, 8 years probation with deferred adjudication, and ordered to pay \$55,000.00 in restitution, and a fine of \$2,000.00.

Case Name	Media Type	Number of Defendants	Date of Conviction
Champion Car Wash	IHW	1 individuals	March 13, 2001

Case Specifics: On February 23, 2000, defendants, Eric D. McDonald, Aaron Schnettler, and Christopher Heiman, were indicted by a Brazoria County Grand Jury on felony charges of illegal disposal of hazardous waste. Arrest warrants were also served on two of the defendants and McDonald self surrendered.

On March 13, 2001, defendant, Eric Douglas McDonald was convicted by a Lake Jackson jury of violated 7.162 of the Texas Water Code. On March 15, 2001, McDonald was sentenced to three years probation and 200 hours of community service.

Case Name	Media Type	Number of Defendants	Date of Conviction
Equipment For Medicine	IHW	1 individual	March 23, 2001

Case Specifics: On February 23, 2000, defendants, Aaron Glenn Brown and Robert Vince Davis, were indicted by a Brazoria County Grand Jury on felony charges under the Texas Water Code Chapter 7 for the unlawful disposal of used oil on land.

On March 23, 2001, Robert Vince Davis pleaded guilty in a Brazoria County court to a Class B misdemeanor charge of Reduced To Attempted Unlawful Disposal Of Oil. Davis was sentenced to one year probation, 80 hours community service, and to pay \$4352.93 in restitution to the TNRCC for the state funded clean up of the x-ray equipment that spilled oil when it was illegally dumped. The second defendant Aaron Glenn Brown is deceased.

Case Name	Media Type	Number of Defendants	Felony Counts	Misdemeanor Counts	Date of Conviction
Koch Petroleum Group, L.P.	Air	1 corporation	1		April 9, 2001

Case Specifics: On April 9, 2001, Koch Petroleum Group, L.P. pleaded guilty to a federal felony for violating 18 U.S.C. 1001, for covering up environmental violations at its oil refinery in Corpus Christi, Texas. Under a plea agreement, Koch agreed to pay a total of \$20 million dollars: \$10 million in criminal fines and \$10 million for special projects to improve the environment in Corpus Christi. This was a record amount imposed in an environmental prosecution. This plea agreement also, required that Koch complete a five-year term of probation and adhere to a strict new environmental compliance program.

Previously, federal grand juries returned an indictment against Koch in September 2000 and a superceding indictment in January 2001, and a jury trial on the federal charges was scheduled to begin April 9, 2001, in Corpus Christi. The company was charged with criminal violations of the Clean Air Act as well as conspiracy and making false statements to the Texas Natural Resource Conservation Commission.

Case Name	Media Type	Number of Defendants	Felony Counts	Misdemeanor Counts	Date of Conviction
Dickson Weatherproof Nail Co.	WQ	1 individual 1 corporation		3	April 27, 2001 April 30, 2001

Case Specifics: On April 27, 2001, Gary Robert Edwards, former employee of Dickson Weatherproof Nail Company, pleaded guilty to two (2) misdemeanor counts of violating the Texas Water Code by failing to report an illegal discharge as required to the TNRCC. Edwards was sentenced to two (2) years probation; 200 hours community service; and ordered to pay a \$6,000 fine.

On April 30, 2001, Dickson Weatherproof Company was convicted of one count of violating the Texas Water Code by exceeding their water quality permit effluent limit, and was sentenced to a \$10,000 fine.

Case Name	Media Type	Number of Defendants	Felony Counts	Misdemeanor Counts	Date of Conviction
Amerada Hess Corporation	WQ	1 individual		1	May 3, 2001

Case Specifics: On May 3, 2001, Ricky Grumbles, a former employee of Amerada Hess Corporation, pleaded guilty to a federal misdemeanor for violating the Clean Water Act. Grumbles is guilty of aiding and abetting the tampering of a monitoring device and sample analysis.

Case Name	Media Type	Number of Defendants	Felony Counts	Misdemeanor Counts	Date of Conviction
Dunn's Sewer Service	WQ	2 individuals		2	June 26, 2001

Case Specifics: On June 26, 2001, Defendant James Angelo Tomasello, Jr., owner of Dunn's Sewer Service, pleaded guilty to a Class A misdemeanor, the illegal discharge of a pollutant from a point source, a violation of the Texas Water Code, 7.145. Mr. Tomasello was ordered to pay a fine of \$15,000.

Defendant Pedro Rene Jordan, also pleaded guilty to a Class A misdemeanor, the illegal discharge of a pollutant from a point source, a violation of the Texas Water Code, 7.145. Mr. Jordan was placed on one year deferred adjudication, ordered to provide 100 hours of community service, and assessed a probated fine of \$6,000.

Case Name	Media Type	Number of Defendants	Felony Counts	Misdemeanor Counts	Date of Conviction
United Tank Testers	PST	1 individual	1		May 25, 2001

Case Specifics: On May 25, 2001, Clarence Scott pleaded guilty to Tampering with Governmental Records with Intent to Defraud the Government, a third degree felony, for falsifying UST test results and submitting the falsified documents to the TNRCC. Mr. Scott received a two year probated jail sentence, a \$500 fine, and as a condition of the plea agreement, Mr. Scott is barred from participating in any future UST Stage II Vapor Recovery testing.

Case Name	Media Type	Number of Defendants	Felony Counts	Misdemeanor Counts	Date of Conviction
Wittig	MSW	1 individual		1	July 11, 2001

Case Specifics: On July 11, 2001, Daniel Wittig pleaded guilty to a Class A misdemeanor for illegally dumping more than 500 lbs of tires (approximately 1000 tires). Mr. Wittig was sentenced to six months probation, a \$500.00 fine, \$270.25 court costs, 40 hours of community service, a \$15.00 per month probation fee, and a one-time fee of \$20.00 to the Crimestoppers Program. This is the first time we have had a defendant ordered to contribute to the Crimestoppers Program.

Case Name	Media Type	Number of Defendants	Felony Counts	Misdemeanor Counts	Date of Conviction
A-OK Septic	WQ	1 individual	1		July 12, 2001

Case Specifics: On July 12, 2001, Clifford Donald Tackett, owner of A-OK Septic, pleaded guilty to Tampering with a Governmental Record. Mr. Tackett was sentenced to 5 years probation, a \$1000 fine, 160 hours of community service, and \$252.25 in court costs, for submitting false information pertaining to unauthorized discharges of septic waste into the waters of the state.

**CASES AT POST
INDICTMENT STAGE**

**TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE
CASES AT POST INDICTMENT STAGE**

Case Name	Media Type	Number of Defendants	Date of Indictment
B&E II	IHW	1 individual	January 30, 1996
<p>Case Specifics: Background noted earlier in B&E I summary. Original indictment was January 30, 1996. Milton Dick Elliott is scheduled to go on trial for hazardous waste violations. Milton Dick Elliott's appeals have been denied in the case. However, due to Mr. Elliott's failing health, the trial has been postponed once more. He has been placed on a waiting list for a liver transplant. If he undergoes that transplant, recovery could take several months. Travis County Assistant District Attorney, Patty Robertson and Mr. Elliott's attorney are to meet with the judge to discuss rescheduling the trial.</p>			
Case Name	Media Type	Number of Defendants	Date of Indictment
B&E III	IHW	1 individual	July 1997
<p>Case Specifics: Background noted earlier in B&E I and II summaries.</p> <p>In July of 1997, Milton Dick Elliott was indicted by a Travis County Grand Jury on counts 97-3168, 97-3169, and 97-3170 for tampering with physical evidence and providing false information to the Grand Jury. Trial is pending.</p>			
Case Name	Media Type	Number of Defendants	Date of Indictment
Hudson Painting & Drywall	IHW	1 individual	June 18, 1998
<p>Case Specifics: Mr. Hudson was indicted by a Grayson County Grand Jury on June 18, 1998 on felony charges of illegally transporting, storing, and disposing of hazardous waste. The hearing was set for January 9, 1999, in Grayson County. Mr. Hudson is now awaiting trial in Grayson County.</p>			

Case Name	Media Type	Number of Defendants	Date of Indictment
Gulf States Paint II	IHW	1 individual	September 16, 1999

Case Specifics: On September 16, 1999, Euris Carmichael, majority owner of a southwest Houston paint company, was arrested by the Houston Police Department. Carmichael was charged with 2 RCRA felonies of (1) illegal storage of a hazardous waste and (2) illegal disposal of a hazardous waste. Bond was set at \$25,000 for each charge. On the same day, Carmichael was indicted on the charges by a Harris County Grand Jury. The District Attorney's office dropped the charges that were pending and are reassessing evidence to determine the charges that may be filed.

Case Name	Media Type	Number of Defendants	Date of Indictment
Choke Canyon Water System	PWS	1 individual	October 27, 1999

Case Specifics: On October 27, 1999 James Rex McCelvey, owner of the Choke Canyon Water System (CCWS), was indicted by a Travis County Grand Jury on 9 felony counts of providing unsafe drinking water to a retail customer and 9 felony counts for failing to provide adequate service. Choke Canyon Water System is a public drinking water system located in Live Oak and McMullen Counties located near Three Rivers, Texas and the Choke Canyon Reservoir. Providing unsafe water to a retail customer and failing to provide adequate service are third degree felonies under Chapter 13 of the Texas Water Code punishable by two to ten years in prison upon conviction and a possible \$10,000 fine.

A criminal investigation initiated by the Texas Natural Resource Conservation Commission (TNRCC) along with the Travis County District Attorney's Office, Texas Parks and Wildlife Department (TPWD), and the United States Environmental Protection Agency (USEPA) resulted in the indictment. The Indictment alleges that James Rex McCelvey was providing some of his customers with water containing concentrations of benzene in excess of the Maximum Contaminant Level (MCL); he failed to notify his customers of the contamination; he provided his customers with water contaminated with petroleum hydrocarbons; he provided water which was inadequately disinfected and had inadequate pressure; he failed to issue "boiled water" notices to his customers when these conditions existed; and he failed to maintain the system in a water tight condition.

Trial is set to begin in January 2002.

Case Name	Media Type	Number of Defendants	Date of Indictment
Valley By Products	WQ	6 individuals	September 7, 2000

Case Specifics: On September 7, 2000, six indictments were announced by the New Mexico Attorney General, as the result of an investigation into the illegal dumping of hundreds of thousands of gallons of rendering plant waste in the Las Cruces area. Road kill and dead animal stock are taken to rendering plants for processing. Waste is that portion of the carcasses not used in animal feed. The following individuals were indicted for violations of the Water Quality Act in Las Cruces District Court: Richard Jerome and his daughter, Natalie Jerome, owners of Valley By-Products, 48 counts each; Jose Angel Olivas, Valley By-Products site manager, 48 counts; Hector Villa, operator of Frontera Environmental and former TNRCC Regional Director in El Paso, TX, 48 counts; Larry Gorzeman, owner of Gorzeman Dairy, 35 counts; Henry Medina, owner of Southwest Septic Service, 13 counts. Each violation of the Water Quality Act carries a possible sentence of 18 months and a \$5,000 fine.

Case Name	Media Type	Number of Defendants	Date of Indictment
Intertek Testing Services Environmental Labs, Inc.		13 individuals	September 21, 2000

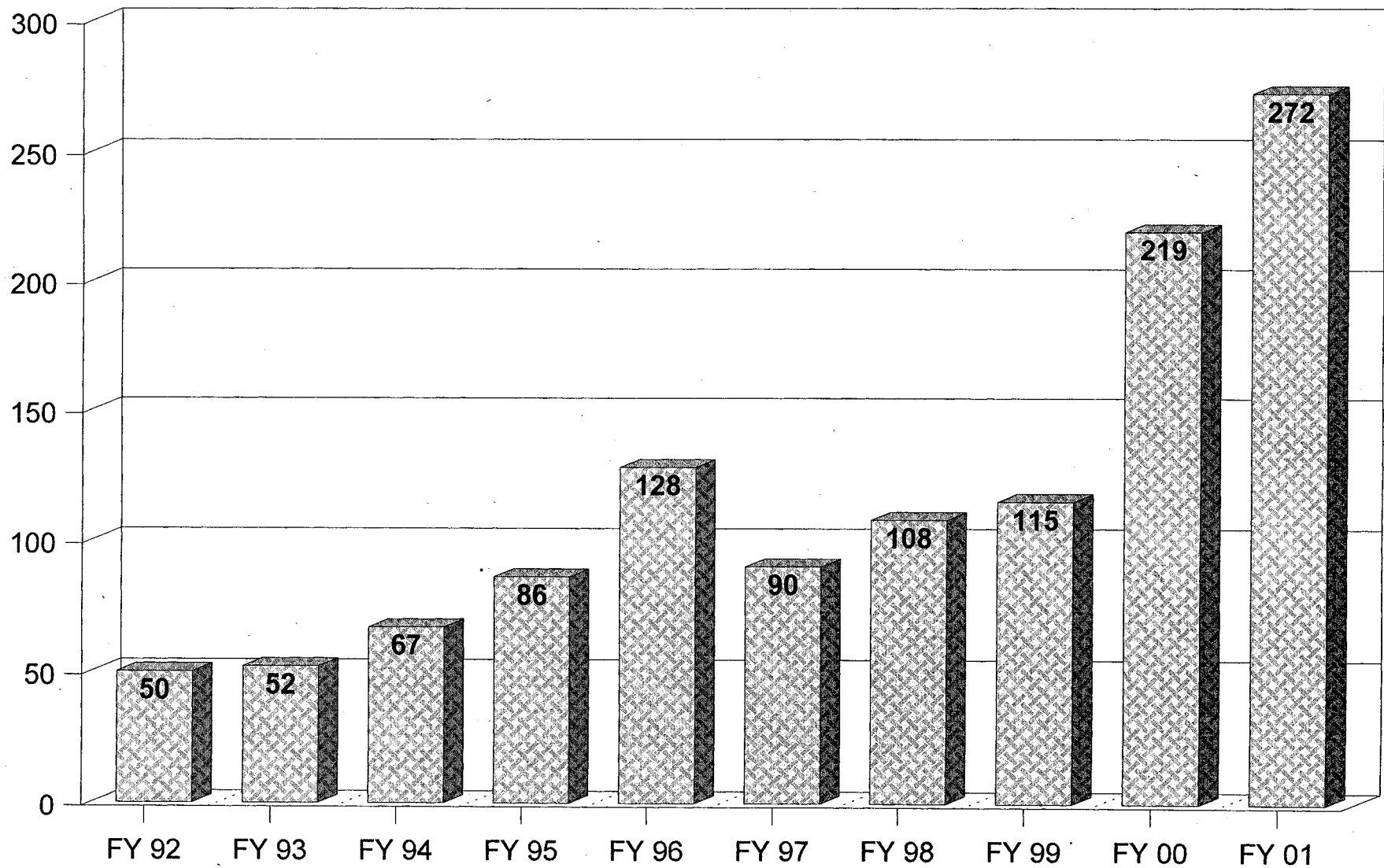
Case Specifics: On September 21, 2000, a federal grand jury in Dallas, TX, issued a 30- count indictment against 13 former supervisors and technicians of the Intertek Testing Services Environmental Labs, Inc. facility in Richardson, TX. The individuals were charged with falsifying the results of laboratory analyses conducted in connection with the cleanups of thousands of Superfund sites and other hazardous waste sites. On October 6, 2000, 12 of the defendants were arraigned in the U.S. District Court- Northern District of Texas (Dallas) by Judge Fitzwater. The defendants were charged with giving false statements to the government. On October 13, 2000, an additional defendant was also arraigned for the same charge. Discovery is currently in progress.

Case Name	Media Type	Number of Defendants	Date of Indictment
Triologic, Inc.	IHW	2 individuals	May 4, 2001
<p>Case Specifics: On May 4, 2001, a Travis County Grand Jury indicted William Scott Stevens and Michelle Nauman, vice president and president of Triologic, Inc., Austin, Texas. Stevens and Nauman were indicted for 28 counts of transportation of hazardous waste to an unpermitted location, 4 counts of storage and disposal of hazardous waste at an unpermitted location, 2 counts of storage and disposal of a hazardous waste- endangerment, and 1 count of disposal of used oil on land. Nauman and Stevens were also indicted for securing execution of a document by deception and Stevens was indicted for burglary of a building. Nauman and Stevens are alleged to have transported hazardous waste for storage to an unpermitted location off North Lamar near Parmer Lane in Austin, TX. They also are alleged to have disposed of hazardous waste in and around their home. The substances in questiion are reportedly hazardous due to ignitability or toxicity.</p>			

STATISTICAL DATA

TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE

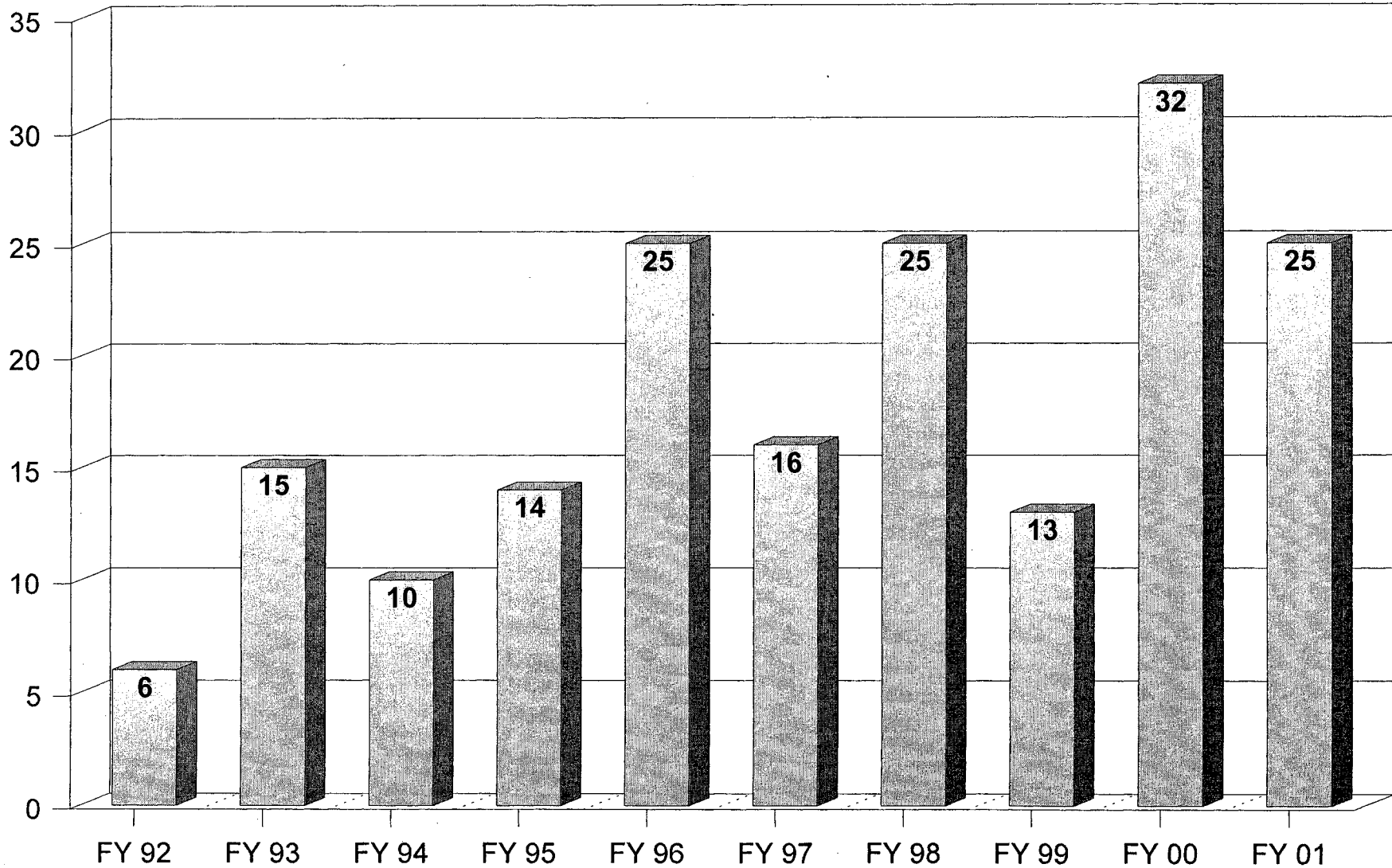
Entities Screened for Potential Criminal Investigation by TEETF



FY 00 and forward represents cases screened by TNRCC and other Task Force member agencies.

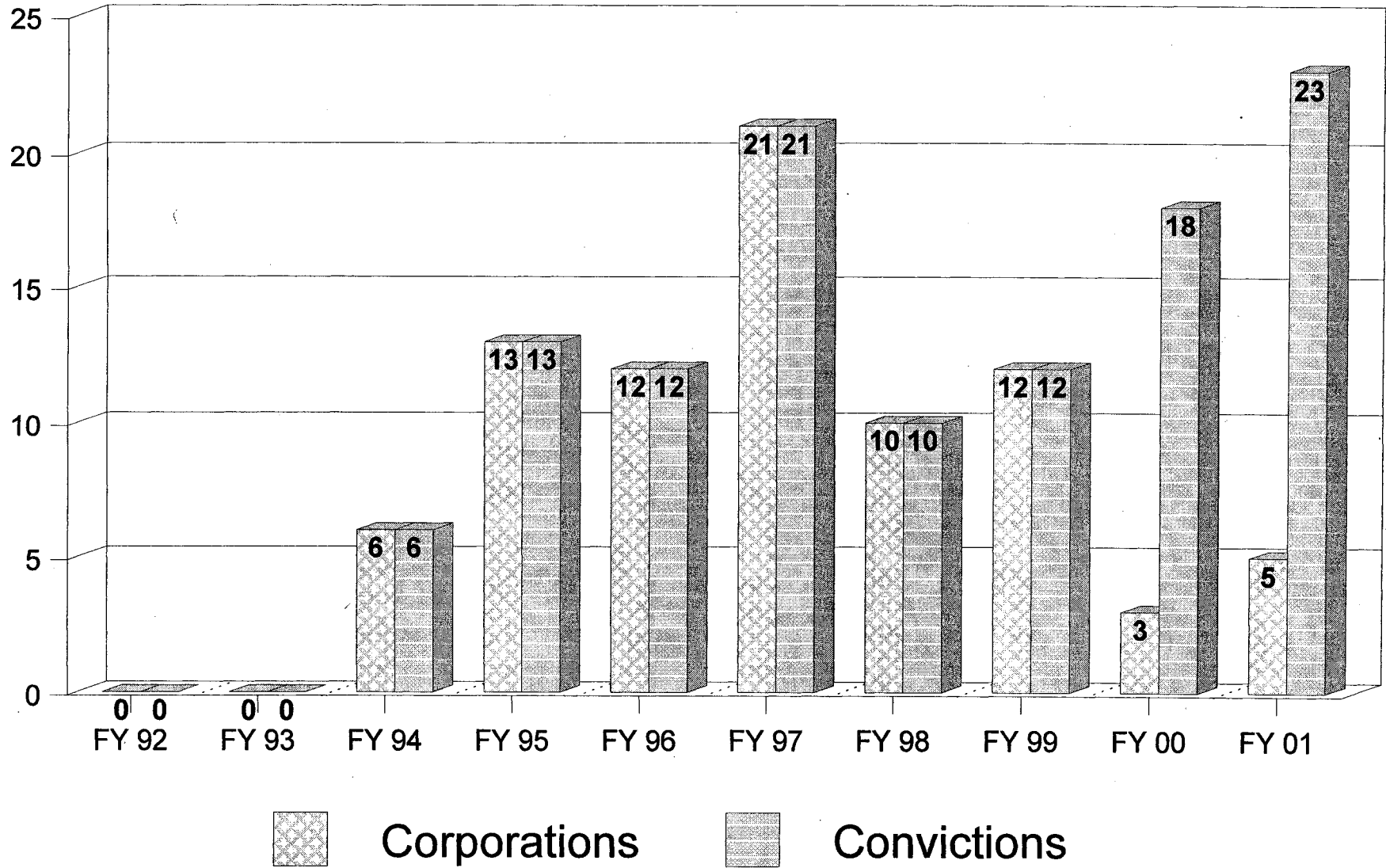
TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE

Entities Adopted by TEETF for Criminal Investigation



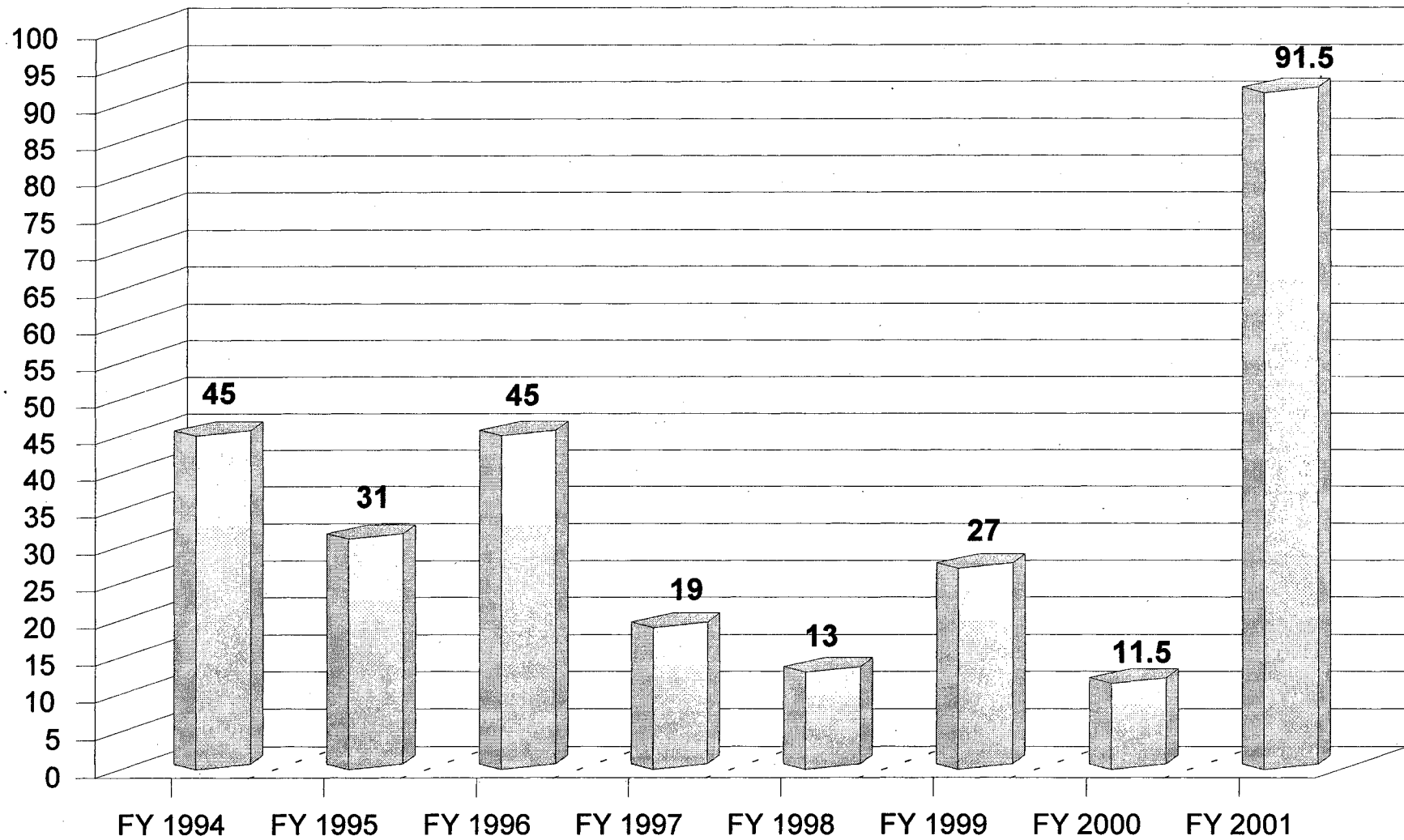
TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE

Entities with Criminal Convictions



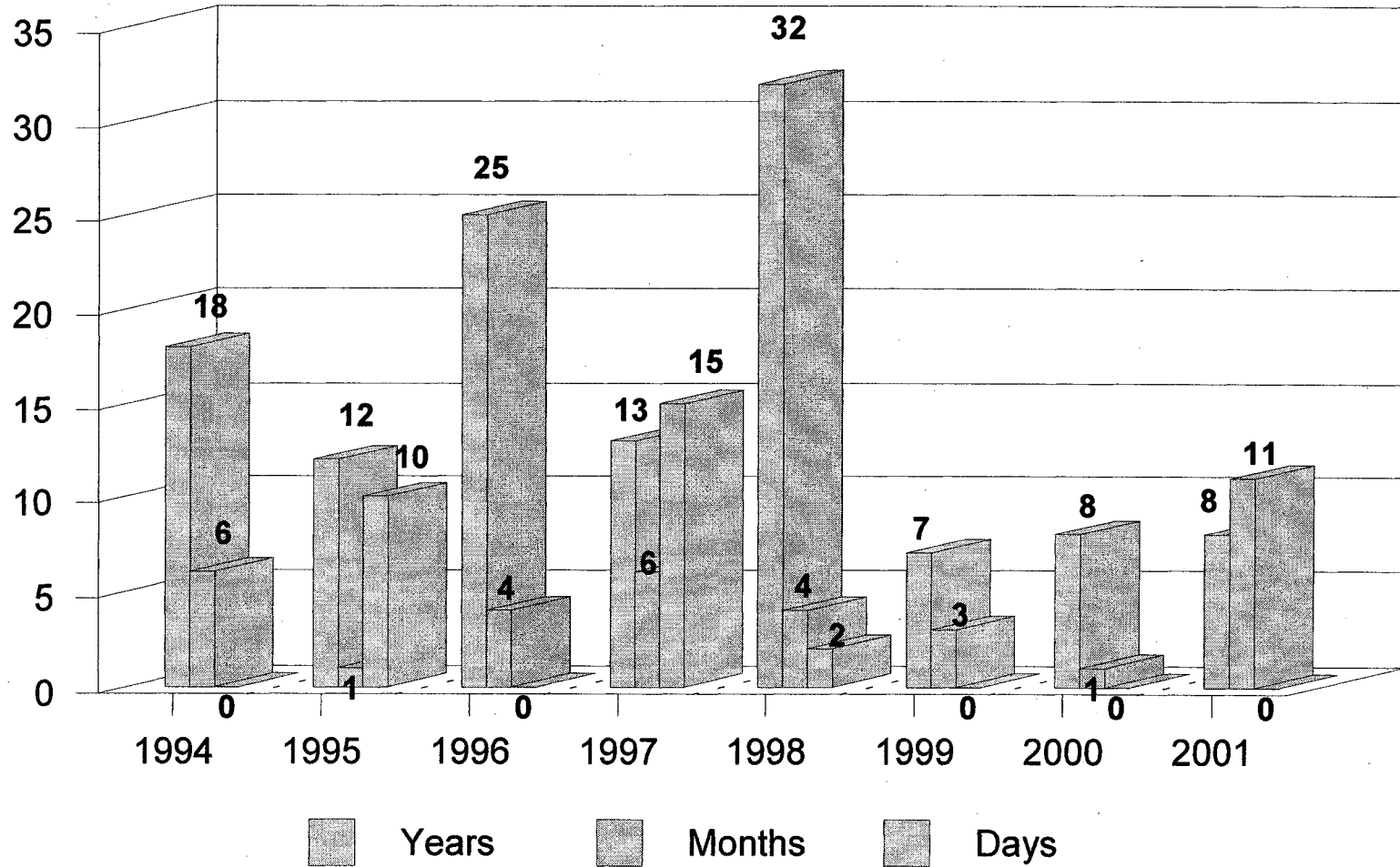
TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE

Probation (in Years)



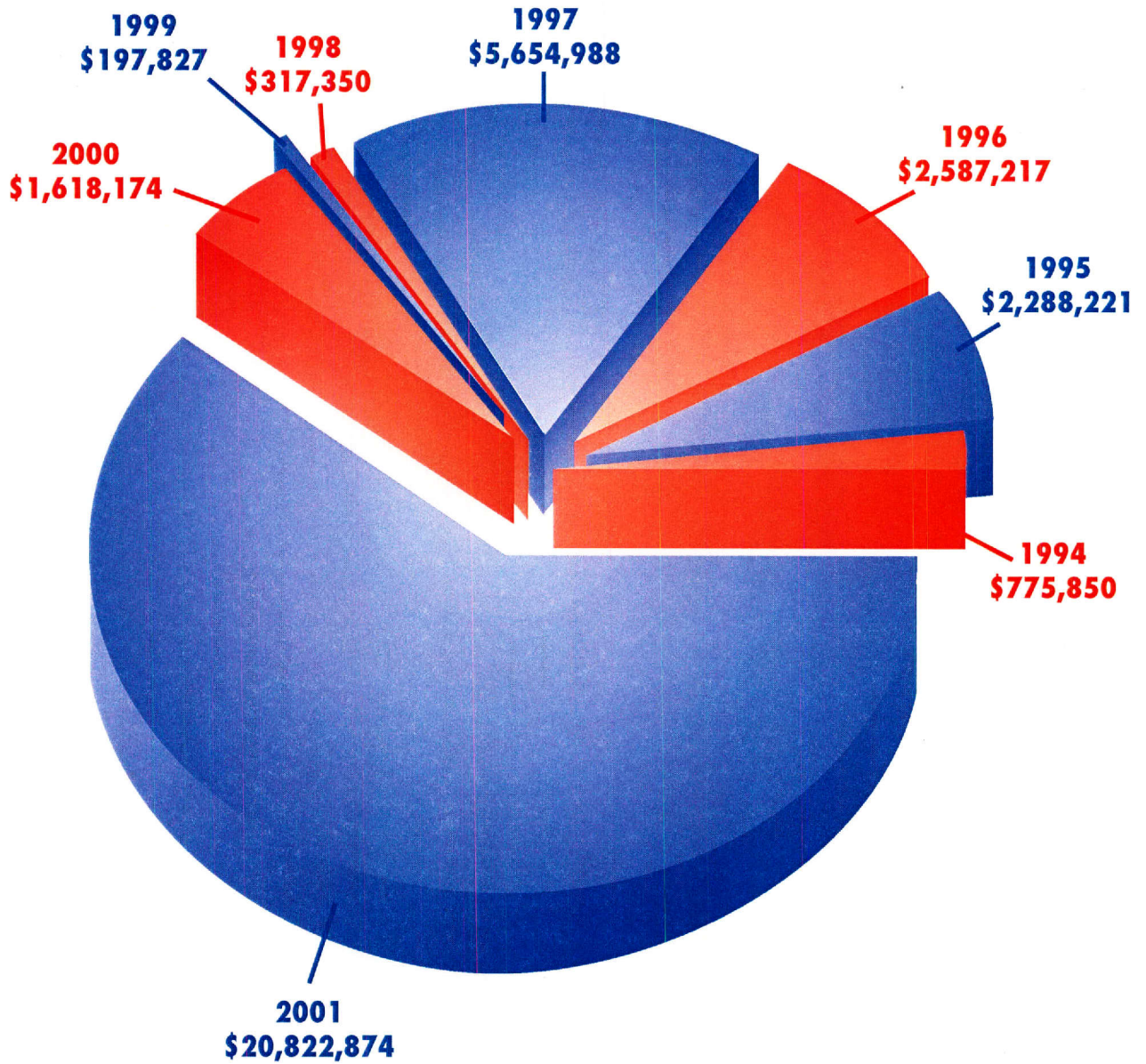
TEXAS ENVIRONMENTAL ENFORCEMENT TASK FORCE

Jail Time



Fines and Restitution

Grand Total: \$34,275,501 (rounded up)



**Environmental Crime
Prevention Week in Texas**

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Kathleen Hartnett White, *Commissioner*
Jeffrey A. Saitas, *Executive Director*



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

Message from TNRCC Chairman Robert J. Huston: A Decade of Fighting Environmental Crime

Texas has enjoyed a booming economy and a large increase in population over recent years. With these prosperous times, however, comes added pressure on the environment. Our communities can't afford illegal dumping or uncontrolled and unauthorized releases of pollutants into the air and water. These activities raise significant concerns regarding public health and safety, environmental degradation, property values, and quality of life. They also affect our pocketbooks—it's the taxpayers who may ultimately foot the bill for the clean-up of abandoned sites.

Environmental crimes are serious. Therefore, Texas has taken a stance to aggressively enforce those laws intended to protect our environment and health. The formation of the Texas Environmental Enforcement Task Force a decade ago has helped Texas lead the nation in the investigation and prosecution of environmental crime.

Established by executive order in 1991, the task force brings together the combined resources and expertise of 25 member local, state, and federal law enforcement and environmental agencies. It is the coordination among agencies such as the Texas Natural Resource Conservation Commission, the Environmental Protection Agency, the Governor's Office, the Texas Parks and Wildlife Department, the Federal Bureau of Investigation, and the U.S. Attorney's Office that has greatly enhanced the state's ability to enforce our environmental laws and regulations and made this task force one of the longest running in the nation.

The task force is surpassing even its own expectations. Operating under a slogan of "20 in 2000" for their target conviction rate, the task force secured 21 convictions—an amount double that of fiscal year 1998. And Texas is continuing this upward trend of successfully prosecuting environmental criminals. The task force secured a record-breaking 28 convictions in 2001.

Since its inception, the task force has helped secure convictions for 113 individuals and 24 corporations for 190 felonies and 86 misdemeanors. The convictions have resulted in a total of 118 years in correctional facilities, 283 years of probation, and assessed more than \$50 million in criminal and civil penalties. A portion of the monetary penalties may be used to support supplemental environmental projects that directly benefit the communities where the violations occurred. These projects may include cleaning up illegal dumps, creating wetlands, and helping low-income families replace failing septic systems.

Whether it's 100 pounds of hazardous waste or 100,000 pounds of trash, whether it's illegal outdoor burning or illegal dumping—the bottom line is that environmental crime will be pursued in Texas. Just take a look at some of the convictions secured so far.

In 2000, an investigation led to the conviction of the owner of JDH Septic Services and a company truck driver for illegally dumping toxic waste onto a swampy area north of the Port of Corpus Christi. The defendants were charged with a third-degree felony and ordered to provide 600 hours of community service by cleaning septic systems at various colonias in Nueces County. Each defendant was also required to pay \$1,000 in criminal fines and more than \$43,000 in restitution to the state, and placed on 10 years probation. They will serve 90 days in jail if they violate terms of their probation

In 2001, the task force secured its largest monetary penalty ever handed down in connection with an environmental crime in Texas. Koch Industries LPG, located in Corpus Christi, was convicted of violating 18 U.S.C. 1001, making false statements to the government. Koch admitted to concealing material facts related to the disconnecting of an emissions control device from the Edens separator, a source of benzene vapors, and failing to measure the level of benzene entering the basin at their West Plant. Koch was placed on five years probation and paid a \$20,000,000 fine, which included \$10,000,000 assigned to Supplemental Environmental Projects to increase the environmental quality for the citizens in Nueces County.

Convicted environmental criminals can also face jail time. In January 2001, three defendants from American Tire Recycling pleaded guilty to submitting false claims for waste tire processing and were convicted of a first-degree felony for engaging in organized criminal activity—the first such felony secured in Texas for an environmental crime. Their combined sentencing amounted to five months in prison, 25 years of probation, 640 hours of community service, and more than \$108,000 in criminal penalties.

Obviously, the prevention of environmental crime is in the best interest of all. Hence, the Texas Natural Resource Conservation Commission will continue to sponsor Environmental Crime Prevention Week during the April of each year to raise awareness on environmental crime as a threat to public safety and to encourage and support the enforcement of environmental statutes at the local level.

During the week, educational forums with community groups and law enforcement, police officer training, an exhibit depicting the history and progress of the task force, and a closing ceremony and press conference are just some of the ways that citizens around the state can become aware of environmental crime and learn more about the state's effort to prevent it.

Since 1995, the commission has been actively involved in the semiannual training conference that attracts peace officers from throughout the state and Mexico. This program trains officers to interpret and enforce environmental statutes; use safe, innovative enforcement, surveillance, and investigative techniques; and track environmental crime so that they may be more effective fighting crime in their own community. The agency has trained more than 700 police officers to date.

Environmental crime is a threat to the health of our families, the communities in which we live, and the quality of our life. The state of Texas will continue to work for you to see that environmental criminals are held accountable for polluting the air we breath, the water we drink, and the land on which our children play.



**STATE OF TEXAS
OFFICE OF THE GOVERNOR**

Texas means many things to many people. Unique in its history, the success of our great state is due in large part to our vast natural resources. We must value them and understand that each of us has an important role to play in ensuring that we do our part to protect them. Our natural resource agencies work diligently to see that our laws protecting the environment are enforced.

Successful enforcement of those laws is primarily engineered by the Texas Environmental Enforcement Task Force. The Task Force, created in 1991, includes county and district attorneys and staff from the Texas Natural Resource Conservation Commission, Texas Parks and Wildlife Department, Attorney General's Office, General Land Office, Texas Railroad Commission and the Office of the Governor. It cooperates with the U.S. Attorney's Office, the U.S. Environmental Protection Agency and the Federal Bureau of Investigation to conduct searches, collect and analyze samples and initiate criminal investigations. To date, it has helped secure convictions of 103 individuals and 20 corporations for 183 felonies and 78 misdemeanors.

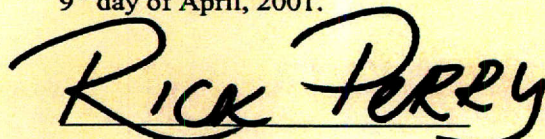
The Texas Natural Resource Conservation Commission has declared April 9-13 as Environmental Crime Prevention Week. I am encouraging all in the Lone Star State to recognize the accomplishments of the Texas Environmental Enforcement Task Force. By working together to protect our lands, air and water, the Task Force helps safeguard Texas' environment for generations to come.

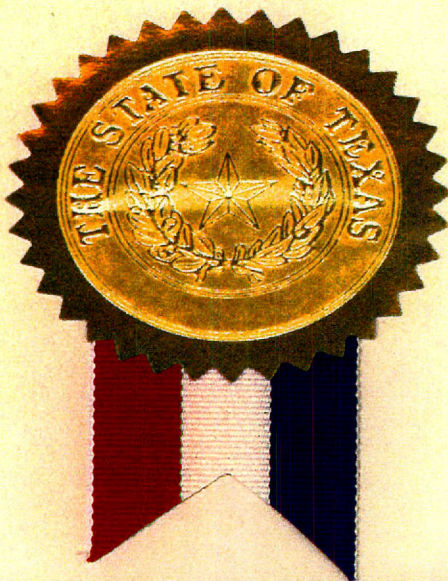
Therefore, I, Rick Perry, Governor of Texas, do hereby proclaim April 9-13, 2001,

Environmental Crime Prevention Week

in Texas, and urge the appropriate recognition whereof.

In official recognition whereof,
I hereby affix my signature this the
9th day of April, 2001.


Governor of Texas

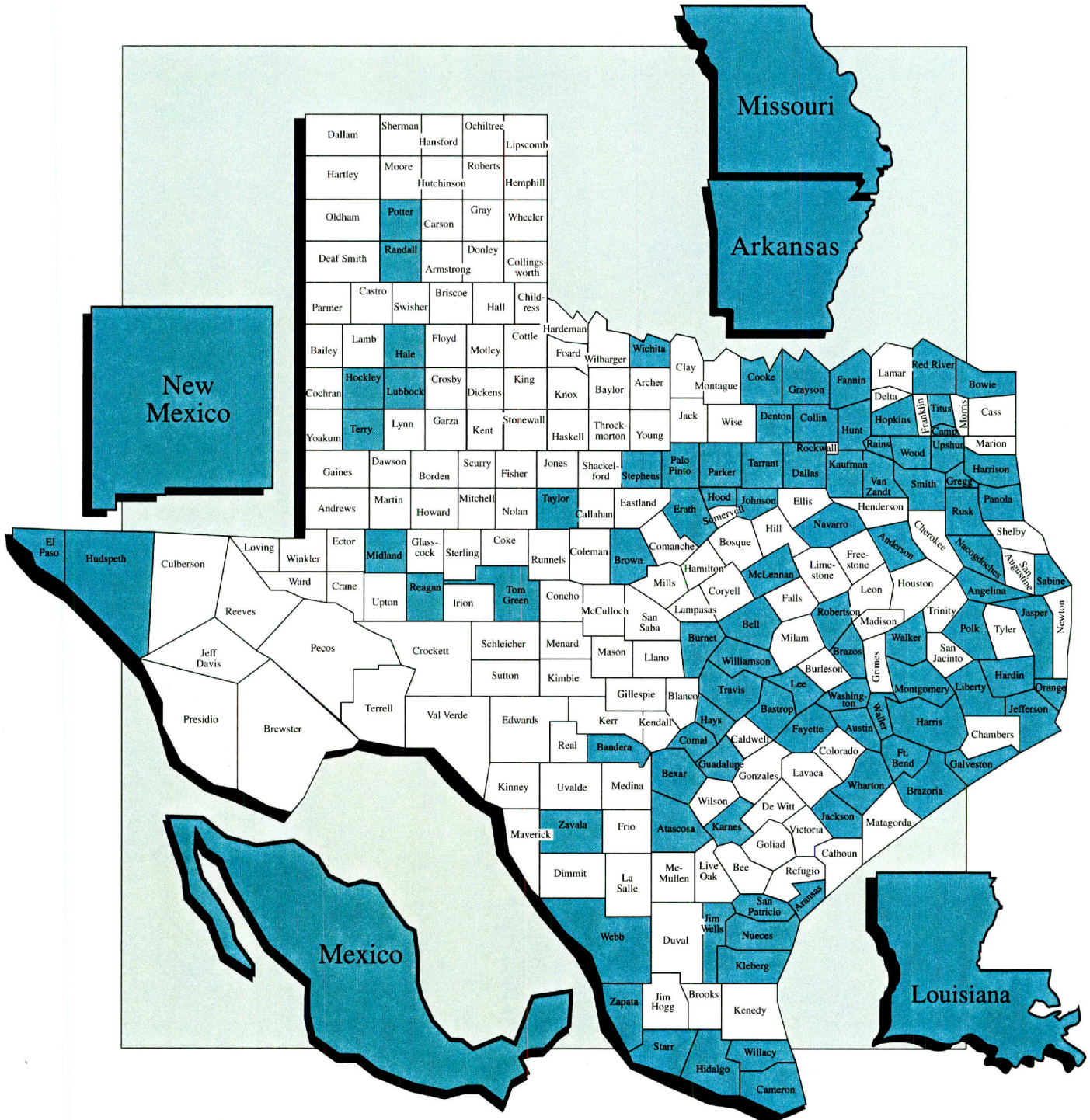


**TRAINING LAW
ENFORCEMENT ALLIES
FOR POLLUTION
PREVENTION**



This map represents Texas counties, parts of Louisiana, Mexico, Missouri, New Mexico, and Arkansas with officers trained in *Criminal Environmental Law Enforcement*.

The training was conducted by the Special Investigations Unit of the Texas Natural Resource Conservation Commission.



**PREPARING TO MEET
NEW CHALLENGES**

TO OUR

**ENVIRONMENTAL
INFRASTRUCTURE
AND
NATURAL RESOURCES**

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Kathleen Hartnett White, *Commissioner*
Jeffrey A. Saitas, *Executive Director*



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

Preparing To Meet New Challenges To Our Environmental Infrastructure and Natural Resources

The information provided in the Case Summaries section offers only a snap-shot of the environmental crime in Texas. As the state's population grows, so does the rate and the types of environmental offenses. By shifting its priorities in order to achieve its goal of increased case resolution, the Texas Environmental Enforcement Task Force is now in a position to monitor the trends of environmental crime and develop more proactive enforcement measures.

As noted in the Statistical Data section, Task Force operations for the fiscal year of 2001 resulted in huge financial penalties; as well as more defendants sentenced to jail and placed on probation. We attribute this shift to the type and the frequency of the offense, and the education of citizens, prosecutors, and judges about the harmful effects of environmental crime.

The Task Force has already undertaken numerous special initiatives that will enable Texas to meet many of the environmental challenges that lie ahead. Additional initiatives will be developed as threats to the environment continue to be identified. Initiatives already in place are summarized below.

(a) **Houston Ship Channel Initiative:** involves the investigation and prosecution of commercial and maritime entities who pollute the water along the ship channel. During fiscal year 2001, the Task Force secured numerous convictions as a result of proactive enforcement and aggressive prosecution.

(b) **Petroleum Storage Tank Testing Fraud Initiative:** involves the investigation and prosecution of entities/individuals who submit fraudulent test results to the Texas Natural Resource Conservation Commission and receive payment through program reimbursement. While fraud appears to be the most prevalent activity, the Task Force recognizes the contamination of soil and ground water as a clear and present environmental threat when testing is done improperly. The Task Force works to reduce this threat through investigation and prosecution. The Texas Environmental Enforcement Task Force is leading a multi-state investigation in partnership with the U.S. Department of Justice on fraudulent tank testing. During fiscal year 2001, the Task Force secured the conviction of six individuals involved in a multi-state tank testing fraud scheme.

(c) **Criminal Environmental Law Enforcement Training Program:** involves the training of local law enforcement officers and prosecutors by defining the scope of environmental crime in Texas; providing an understanding of the specific state and federal environmental laws; and helping to develop their investigative and prosecutorial skills. The training program has become a multi-state and international initiative, with students attending from Arkansas, Louisiana, Missouri, New Mexico, and our neighboring country, Mexico. More than 700 law enforcement officers and prosecutors have received the training.

(d) **Special Geographic Initiatives:** involves the investigation of commercial vessels that pollute our coastal waters through bilge pumping. The Task Force and the U.S. Coast Guard are working in partnership to combat this criminal activity.

Operation River Deep

With the passage of Senate Bill 687, the Texas Legislature gave the state judges more stringent and penalty authority to fight water pollution. Section 7.145 of the Texas Water Code was amended to include a felony offense for the intentional or knowing discharge of waste or pollutants into waters in the state. Convicted felons could receive one to five years in prison if found guilty of this offense. This new law prompted the Task Force to implement Operation River Deep, which involves the identification and monitoring of industry with the potential to harm rivers and other water ways in the state.

Other initiatives in the developmental stage include the **Texas Lower Gulf Coast Initiative** with a focus on air pollution in areas with a heavy population of petro-chemical industry; the **Chihuahua/Texas/New Mexico Subgroup to the Border XXI Enforcement Work Group** with an emphasis on trans-border and trans-national issues involving illegal transportation and storage of hazardous waste; and international criminal enforcement of these illegal activities; the **TLAB** initiative with a focus on illegal laboratory practices where environmental quality is at stake.

Public Awareness Initiatives

The Texas Natural Resource Conservation Commission and the Task Force sponsored the state's second annual "***Environmental Crime Prevention Week In Texas.***" The observation of this special week was designed to bring awareness to all Texans about the harm done to the environment when illegal dumping and other illegal pollution occurs. Law officers and elected officials from around the state joined in the week's activities. Highlighting the week was the Criminal Environmental Law Enforcement Training Conference held at the Travis County Sheriff's Academy, and a special ceremony held at the TNRCC auditorium recognizing the Task Force for its success in fighting environmental crime for a decade.

Public Safety Initiatives

Long before the people of the United States faced the tragedies and challenges of terrorist activities on September 11, 2001, the Task Force had begun to partner with public health officials. Today,

we are building alliances with other entities including the National Guard and other federal law enforcement agencies to become better educated and more prepared to assist with criminal investigations in the event such a catastrophe would occur again.

Recommendations for the Future

The Texas Environmental Enforcement Task Force will continue to be an effective arm of law enforcement in Texas. We realize that the opportunities for economic and population growth in Texas will continue to present new environmental challenges. Not only will we be tasked with continuing to enforce environmental laws from a proactive posture, we must also be prepared to help investigate intentional attacks on our environmental infrastructure. With so many potential threats to the Texas environment, and those yet unknown, I believe that it is necessary for the Task Force to remain in effect indefinitely.

The Task Force should continue to work with cities and counties across the state to raise awareness of the scope and the harm of environmental crime in Texas. The Task Force will continue to empower local law enforcement authorities to conduct environmental enforcement activities in their own communities, however, the Task Force must remain in a state of readiness to address environmental challenges identified in a particular area of the state. Only then will we truly be able to ensure a safe and quality environment for all Texans.

Barbara F. Foreman, LCC
Chair
Texas Environmental Enforcement Task Force





**TASK
FORCE**

