



Department of Justice

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DERRIK HAGERMAN AND WABASH ENVIRONMENTAL TECHNOLOGIES, LLC SENTENCED

PRESS RELEASE

Timothy M. Morrison, Acting U. S. Attorney for the Southern District of Indiana, and the Indiana Inter Agency Environmental Crime Task Force announced that DERRIK HAGERMAN, 53, Terre Haute, Indiana, was sentenced to 60 months imprisonment today by U.S. District Judge David F. Hamilton following his conviction at trial on May 24, 2007 for repeatedly filing false pollution discharge reports under the Clean Water Act. This case was the result of a joint investigation by the U.S. Environmental Protection Agency, Criminal Investigation Division and the Indiana Department of Environmental Management, Office of Criminal Investigation.

According to the evidence presented at trial, from January 2004 through October 2004, HAGERMAN and WABASH continually reviewed bench sheets from WABASH's lab listing analytical results for waste water discharge samples taken at WABASH for purposes of compliance with its Clean Water Act permit. These bench sheets showed that the company repeatedly violated its pollution discharge limits for Ammonia, BOD5, Copper, Zinc, and Phenol. HAGERMAN and WABASH then knowingly failed to report to IDEM lab results showing these violations, and instead reported much lower results that were in compliance with WABASH's Clean Water Act permit. Through these false statements, HAGERMAN and WABASH hid from regulatory officials the discharge of millions of gallons of waste water containing hazardous substances over a ten (10) month period. These discharges went directly from WABASH's facility in Terre Haute to the Wabash River.

As part of a scheme to conceal the false statements, from January 2004 through October 2004, HAGERMAN and WABASH knowingly created false bench sheets showing few if any violations, and purporting to be analytical results of waste water samples taken at Wabash for purposes of compliance with Wabash's Clean Water Act permit. While imposing sentence, District Court Judge David F. Hamilton described HAGERMAN's criminal conduct as "cold-blooded deception for profit."

The jury found HAGERMAN and WABASH guilty of making false statements and certifications on ten (10) separate reports to Indiana Department of Environmental Management between January 2004 through October 2004.

“Today’s sentence demonstrates that the Courts will hold companies and their senior executives accountable for their environmental crimes,” said Penny Prochazka, Special Agent in Charge of EPA’s Criminal Investigation Division, Chicago office.

“The Indiana Department of Environmental Management strives to protect the environment and works very hard to help facilities comply with environmental regulations. The sentence in this case demonstrates that there are serious consequences for those who don’t comply. We thank the U.S. Attorney’s Office and U.S. EPA for their partnership through this long and complicated process,” said Thomas W. Easterly, IDEM commissioner.

According to Assistant U. S. Attorney Steven D. DeBrotta and Special Assistant U. S. Attorney David Mucha, who prosecuted the case for the government, Judge Hamilton also imposed 1 year supervised release following HAGERMAN’s release from imprisonment. HAGERMAN and WABASH were ordered to make restitution in the amount of \$237,680.74. The court also placed WABASH on corporate probation for a period of 5 years and imposed strict reporting conditions for any future operations.

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