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LAKELAND COUPLE SENTENCED IN BIODIESEL FUEL SCAM

Tampa, Florida - U.S. District Judge Elizabeth Kovachevich today sentenced KARL and HELEN REHBERG for their involvement in a biodiesel fuel scam in Lakeland, Florida in the 1990's. KARL REHBERG, 65 years old, was sentenced to five years of imprisonment and his wife HELEN REHBERG, 67 years old, was sentenced to two years' imprisonment. The REHBERGs were also ordered to pay more than \$20 million in restitution.

Both KARL and HELEN REHBERG pleaded guilty in February 2008. KARL REHBERG pleaded guilty to an indictment charging him with conspiracy to commit mail fraud in connection with the fraudulent sale of unregistered securities in NOPEC, Inc., a Lakeland, Florida company that purported to convert used cooking oil from local restaurants and theme parks into biodiesel fuel. HELEN REHBERG pleaded guilty to an Information charging her with obstruction of justice in connection with the REHBERGs' flight from justice in December 1998.

According to court documents and information adduced at the sentencing hearing today, from 1992 to 1998 KARL REHBERG was the mastermind behind a fraudulent scheme in Lakeland to entice investors to put their money into a revolutionary new method

for converting waste cooking oil into biodiesel fuel. As part of the scheme, REHBERG incorporated NOPEC and began building a plant on George Jenkins Boulevard in Lakeland. Unbeknownst to the investors in this venture, REHBERG had been sanctioned by the United States Securities and Exchange Commission in 1973 for selling unregistered securities and he had never developed a new scientific process for the production of biodiesel from waste cooking oil. REHBERG created and distributed sophisticated marketing materials and shareholder documents to the investor victims to give NOPEC the facade of legitimacy and to lull the investors into providing more and more funds for the venture. The REHBERGS used investor funds for personal use and moved some of those funds into offshore accounts. In the end, more than 2800 investors from several states invested more than \$20 million in NOPEC.

In 1998 the federal government began investigating allegations of fraud involving NOPEC and the REHBERGS. KARL and HELEN REHBERG fled the Tampa Bay area in December 1998 when KARL REHBERG was on the verge of entering into a plea agreement with the United States whereby he would plead guilty to unlawful sale of unregistered securities. The REHBERGS fled to the Southwest United States, ultimately settling in Mesa, Arizona. While they were fugitives from justice, the REHBERGS used false identities, establishing bank and credit card accounts in their assumed names. KARL REHBERG used the identity of a woman named Peggy Helms for some period of time. The REHBERGS were ultimately arrested in August 2007 after the Mesa Police Department received a tip that a suspicious married couple in their 60's were acting strangely during the course of their employment at a local business. Sgt. Ryan Russell of the Mesa Police Department diligently followed a hunch after the REHBERGS identified

themselves to him using their false names. Drawing upon bits and pieces of information he gathered over the course of several days and intensively searching the internet for clues, Sgt. Russell eventually found a website that featured a photo of KARL REHBERG and described the biodiesel scam in Lakeland, Florida. The Mesa Police Department made the arrests of the REHBERGs shortly thereafter.

The case was investigated by Federal Bureau of Investigation and the Mesa, Arizona Police Department. The case was prosecuted by Assistant United States Attorney Cherie Krigsman.