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OWNER OF FORMER METAL FINISHING BUSINESS SENTENCED TO 46 MONTHS IN PRISON FOR ENVIRONMENTAL AND LABOR EMBEZZLEMENT CRIMES

CHICAGO – The owner of a former metal finishing business in Chicago was sentenced today to 46 months in prison after pleading guilty earlier this year to federal environmental and labor embezzlement charges, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois. The defendant, **David Jacobs**, 37, of Riverside, was the president and owner of the former Northwestern Plating Works, Inc. (NPW), located at 3114 South Kolin, in Chicago. NPW used cyanides, acid, corrosives, brass, copper, zinc and nickel in its electroplating processes. Jacobs pleaded guilty on March 5 to one count of improperly storing and disposing of hazardous wastes and one count of embezzling more than \$830,000 from an employee pension plan.

The sentence was imposed by U.S. District Court Judge Ronald Guzman. Jacobs was also ordered to serve 200 hours of community service, pay \$832,890.84 in restitution to victims of the pension fraud, \$1,259,695.19 in restitution to the U.S. Environmental Protection Agency, and three years of supervised release.

Jacobs' violation of the federal environmental protection law involved certain wastes generated by NPW, which were designated as "hazardous wastes" under the federal Resource

Conservation and Recovery Act. The law requires businesses either to transport such wastes to special treatment, storage or disposal facilities within 90 days, or to be licensed under state and federal environmental protection laws to treat, store or dispose of hazardous wastes. NPW was not a licensed hazardous waste facility. Jacobs admitted that he knowingly stored and disposed of hazardous wastes consisting of waste chemicals at NPW without a required permit between July 2005 and April 2006.

Jacobs also admitted that between September 2001 and March 2005 he embezzled for his own use and the use of others more than \$830,000 from NPW's employee Profit Sharing Plan, which NPW had established and maintained to provide retirement income to eligible employees. The plan was administered by Jacobs, who was the sole member of the committee acting as the fiduciary for the plan as well as the sole trustee. Jacobs maintained custody of the plan's funds in a brokerage account to which he had sole access.

Mr. Fitzgerald announced the sentence along with Randall Ashe, Acting Special Agent-in-Charge of the U.S. Environmental Protection Agency, and James Vanderberg, Special Agent-in-Charge of the U.S. Department of Labor Office of Inspector General, both in Chicago.

"Hazardous wastes that are illegally stored create a risk of contaminating soil and groundwater," Mr. Ashe said. "Those who knowingly violate the law and threaten the community and the environment will be prosecuted."

The government was represented by Assistant U.S. Attorney April Perry.

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