



Department of Justice

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N.J. ELECTRICAL COMPANY EMPLOYEE PLEADS GUILTY TO DEFRAUDING THE ENVIRONMENTAL PROTECTION AGENCY AT SUPERFUND SITE

WASHINGTON — An employee of a Sewell, N.J., company that provided temporary electrical utilities pleaded guilty today to participating in a fraud conspiracy at an Environmental Protection Agency (EPA)-designated Superfund site in New Jersey, the Department of Justice announced today.

Christopher Tranchina pleaded guilty to a charge filed today in the U.S. District Court of New Jersey. Tranchina was charged with conspiracy to defraud the EPA at the Federal Creosote site, located in Manville, N.J. The clean up at the site is partly funded by the EPA.

Under an interagency agreement between the EPA and the U.S. Army Corps of Engineers, prime contractors oversaw the removal, treatment and disposal of contaminated soil, as well as other operations at the Federal Creosote site.

According to the charge, from approximately the Spring of 2001 until approximately June of 2005, Tranchina and other co-conspirators thwarted the competitive bidding process and defrauded the EPA by inflating Federal Creosote invoices and paying kickbacks to an employee of a prime contractor at Federal Creosote. In exchange for the kickbacks, Tranchina's employer received sub-contracts at the site. The kickbacks totaled approximately \$138,000. As a part of the conspiracy, Tranchina received approximately \$23,000 of the kickbacks, in the form of a hot tub, an HVAC system, cash and checks.

"The Department of Justice will investigate and prosecute those who steal from the public by subverting the competitive bidding process, particularly where taxpayer dollars are involved," said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department's Antitrust Division.

On Dec. 15, 2008, as part of the same investigation, Bennett Environmental Inc. (BEI) also pleaded guilty to participating in a conspiracy to defraud the EPA, and was sentenced to pay a criminal fine in the amount of \$1 million and restitution in the amount of \$1.66 million. On that same day, Zul Tejpar, a former BEI employee, pleaded guilty to his participation in the conspiracy. In addition, on July 23, 2008, JMJ Environmental Inc., a Laurel Springs, N.J., wastewater treatment supply company, its owner John Drimak Jr., and Norman Stoerr, a former contracts administrator at the Federal Creosote site, pleaded guilty to related bid rigging charges at Federal Creosote. Drimak and Stoerr also pleaded guilty to fraud charges related to both the Federal Creosote site and another New Jersey Superfund site, Diamond Alkali in Newark, N.J.

Drimak and Stoerr pleaded guilty to tax related charges as well. Tejpar, Drimak and Stoerr are currently awaiting sentencing.

The fraud conspiracy that Tranchina pleaded guilty to carries a maximum penalty of five years in prison, three years of supervised release and a \$250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charges reflect the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, prosecution, and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The ongoing investigation is being conducted by the Antitrust Division's New York Field Office, the EPA Office of Inspector General and the Internal Revenue Service Criminal Investigation. Anyone with information concerning bid rigging, kickbacks, tax offenses or fraud relating to contracts awarded at Federal Creosote should contact the New York Field Office of the Antitrust Division at 212-264-9308.

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