



FACT SHEET

United States v. Atlantic States Cast Iron Pipe Company, et al. **No. 3:03-CR-00852 (D. N. J.)**

Summary of Trial Verdicts. On April 26, 2006, a jury found Atlantic States Cast Iron Pipe Company (“Atlantic States”), a division of McWane Industries, and the plant manager, maintenance supervisor, finishing supervisor, and former human resource manager guilty of environmental crimes. A fifth individual defendant was acquitted. The trial began in September 2005 and is the longest federal trial (defined in length, from jury selection to verdict) in environmental crimes history.

Background Leading to Convictions. The government’s investigation began following public reports in the media and discussions with federal and state regulatory agencies. Media Reports: [New York Times: Workplace Safety: An investigation by the NY Times \(Dec 21 - 23, 2003\)](#) and [PBS’ Frontline: A dangerous business \(Jan 9 2003\)](#)

McWane is one of the world’s largest makers of cast-iron water and sewer pipes and has subsidiaries located throughout the United States and Canada. Atlantic States, located in Phillipsburg, NJ, manufactures iron pipes, which involves melting scrap metal in a cupola (a multi-story furnace) that reaches temperatures approaching 3,000 degrees Fahrenheit. EPA’s investigation revealed a corporate philosophy and management practice, including threats and intimidation of workers, which led to an extraordinary history of environmental crimes, workplace injuries and fatalities, and ultimately obstruction of justice. The company and various officials routinely violated Clean Water Act permits by discharging petroleum-contaminated water and paint into storm drains that led to the Delaware River; repeatedly violated Clean Air Act permits by, among other things, burning tires and excessive amounts of hazardous waste paint in the cupola; systematically altered accident scenes; and routinely lied to federal, state, and local officials who were investigating environmental and worker safety violations.

The defendants were charged in a 35-count indictment (one count was later dismissed) with, among other things,

- Conspiring to illegally discharge pollutants into the Delaware River; knowingly violating Clean Air Act permit requirements; defrauding the United States by obstructing OSHA’s and EPA’s investigations; lying and falsifying documents required by OSHA and EPA for worker and environmental protection; and obstructing justice, all for their own enrichment
- Pumping 50-100 gallons of petroleum-contaminated water, at least once a week, into a pit leading to the Delaware River, causing an 8.5 mile long oily sheen -- then lying to authorities about the spill
- Discharging 150 gallons of asphalt-based paint into the Delaware River -- then lying to authorities about the discharge

- Polluting the air with carbon dioxide emissions resulting from burning waste paint and used tires, in violation of Clean Air Act permits
- Deceiving environmental officials by fraudulently lowering emissions and pollution concentrations when performing required stack tests (by melting raw materials such as plate, structural steel and “pig iron” instead of the scrap metal usually used when the tests were being performed).

To view all the charges against the defendants, you may access the indictment [United States of America v. Atlantic States Cast Iron Pipe Company, et al.](#)

Verdicts. Atlantic States was named in all counts of the indictment and was convicted on five counts of making materially false statements to state and federal environmental agencies and the federal Occupational Safety & Health Administration (OSHA); four counts of obstructing OSHA investigations; 22 counts of violating the federal Clean Water Act and one count of violating the Clean Air Act. One defendant, Daniel Yadzinski, was acquitted on all counts. The remaining defendants were each acquitted on at least one charge, and were each convicted of criminal conspiracy. They were also convicted of environmental and OSHA-related crimes as follows:

- John Prisque, of Bethlehem, Pennsylvania (plant manager):
 - Guilty of three counts of obstruction of an OSHA investigation
 - Guilty on one count of violating the Clean Water Act
 - Guilty on one count of violating the Clean Air Act
- Scott Faubert, of Easton, Pennsylvania (former human resource manager):
 - Guilty on one count of making false statements to OSHA
 - Guilty on two counts of obstructing an OSHA investigation
- Jeffrey Maury, of Tamaqua, Pennsylvania (maintenance supervisor):
 - Guilty on one count of making false statements to the New Jersey Department of Law and Public Safety and the FBI
 - Guilty of obstruction of an OSHA investigation
 - Guilty of seven counts of violating the Clean Water Act
- Craig Davidson, of Nazareth, Pennsylvania (finishing supervisor):
 - Guilty on one count of making false statements to the NJ Department of Law and Public Safety and a NJ Department of Environmental Protection emergency responder
 - Guilty on 16 counts of violating the Clean Water Act

Sentences. The Company and individuals were sentenced as follows:

- Atlantic States:
 - \$8 million fine and serve 48 months "monitored" probation that requires the company to submit biannual reports to the court. This monitor will be paid by Atlantic States. They were also ordered to pay a Special Assessment of \$12,000.00

- John Prisque (plant manager):
 - 70 months in prison and must pay a Special Assessment of \$525.00
- Scott Faubert (former human resource manager):
 - 41 months in prison and must pay a Special Assessment of \$400.00
- Jeffrey Maury (maintenance supervisor):
 - 30 months in prison
- Craig Davidson (finishing supervisor):
 - 6 months in prison and must pay a Special Assessment of \$575.00.

Prior Environmental Crimes and Violations. Prior to the April 26, 2006 conviction of Atlantic States Cast Iron Pipe Company and the four individual defendants, three other McWane divisions, along with individual defendants, have been convicted following trials, or pled guilty, for committing environmental crimes. The investigation of a fifth McWane division, McWane Cast Iron Pipe Company, is ongoing.

- Pacific States Cast Iron Pipe Company - Provo, UT (February 2006)
- McWane Union Foundry - Anniston, AL (September 2005)
- Tyler Pipe Company - Tyler, TX (March 2005)

Pacific States Cast Iron Pipe Company – Provo, UT

In February 2006, cast-iron pipe manufacturer McWane, Inc. (McWane) and former vice president and general manager, Charles Matlock, pleaded guilty to environmental crimes in connection with the operation of Pacific States Cast Iron Pipe Company (Pacific States). McWane pleaded guilty to two counts of submitting a document to the State of Utah containing falsified emission test results. Matlock pleaded guilty to one count of rendering inaccurate a testing method required by the Clean Air Act (CAA). McWane was ordered to pay a \$3 million fine—the largest criminal environmental fine in the state of Utah—and to serve a three-year period of probation. Charles Matlock was sentenced to 12 months and one day in prison and a \$20,000 fine. [Read the case summary on Pacific States Pipe from 2006](#)

McWane Union Foundry - Anniston, AL

In September 2005, the Union Foundry Company, of Birmingham, Ala., was sentenced to pay a \$3.5 million criminal fine, perform a \$750,000 environmental community service project and serve five years probation following a guilty plea to charges of violating both the Resource Conservation and Recovery Act and an Occupational Safety and Health Administration regulation. Union Foundry allowed a maintenance employee to work in the area of a conveyor belt while it was operating without a safety guard. The employee was caught in the unguarded pulley of the conveyor belt and was crushed to death. The company also treated hazardous waste generated by the foundry without a permit from EPA or the State of Alabama. The hazardous waste was dust from air emissions of the iron furnace, which contained lead and cadmium.

[Read the 09/22/2005: Alabama Foundry Sentenced to Pay \\$4.25 Million for RCRA and OSHA Violations Press Release](#)

Tyler Pipe Company – Tyler, TX

In March 2005, Tyler Pipe Company, one of the largest manufacturers of iron pipes and castings in the U.S., pled guilty to two felony counts in the first criminal prosecution for violations of the new source review/prevention of significant deterioration provisions of the Clean Air Act. The company paid a \$4.5 million criminal fine and will undertake an estimated \$11 million in upgrades to the facility to reduce future pollution. The prosecution arose from Tyler Pipe's illegal construction and operation of a scrap metal furnace at its facility near Tyler, Texas. The furnaces melt scrap metal to produce molten iron, which generates substantial air pollution, including significant emissions of particulate matter, carbon monoxide and lead. Tyler Pipe razed its old plant furnace and replaced it with a new one. Under the CAA's prevention of significant deterioration provisions, Tyler Pipe was required to apply to the Texas Commission on Environmental Quality for permission to construct and operate the new furnace using the best available control technology. Instead, Tyler Pipe concealed the construction of the new furnace from the state commission and connected it to the existing pollution control device, a water scrubber designed and built in the 1960s.

[Read the 03/22/2005: McWane Pipe Manufacturing Facility in Texas Will Plead Guilty to Air Violations, Pay \\$4.5 Million Press Release](#)