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Sentences Announced in Weaver Electric PCB Disposal Case

To: National Desk

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of Colorado, 303-844-2081

DENVER, Dec. 22 -- United States Attorney Michael J. Norton jointly with Ronald F. Ederer, United States Attorney for the Western District of Texas; Vicki A. O'Meara, acting assistant attorney general for the Environment and Natural Resources Division of the United States Department of Justice; James L. Prange, special agent in charge, Office of Criminal Investigations, United States Environmental Protection Agency (EPA); and Joseph D. Martinolich Jr., special agent in charge, Federal Bureau of Investigation (FBI) announced today that United States District Court Judge Zita L. Weinshienk sentenced Weaver Electric Co. Inc. to pay \$500,000 in fines and environmental expenditures at its facilities and Clayton Regier and Bud Rupe to terms of imprisonment in connection with their conviction for federal environmental and related criminal charges filed in September 1992 in Denver, Colorado, and El Paso. The charges resulted from a scheme to illegally dispose of polychlorinated biphenyls (PCBs) and capacitors containing PCBs owned by Weaver Electric and stored at its headquartered in Denver.

The environmental charges stemmed "from the illegal disposal of drums and capacitors containing PCBs in connection with the actions or the defendants in fulfilling a 1988 agreement with Lawrence J. ("Larry") Pizer, then the president of Weaver Electric. In late 1988 and early 1989, drums and capacitors were transported to a ranch in Elizabeth, Colo., leased by the Slussers, where the capacitors and some drums which had been emptied were buried. The remaining drums containing PCBs were illegally stored at the ranch and ultimately transported to El Paso, Texas, where they were abandoned after attempts to transport and dispose of them in Mexico were unsuccessful.

Weaver Electric, which buys, refurbishes and sells used electrical equipment, was sentenced to a fine of \$200,000 and is being required, as a term of probation, to spend an additional \$300,000 on EA-approved environmental compliance activities at its two Denver sites for its conviction of seven charges, including violations for the illegal disposal, storage, exportation and labeling of drums and capacitors containing PCBs. Weaver Electric required environmental expenditures are designed to meet all TSCA requirements at its facilities, in order of priority established by EPA, and includes the proper disposal of its remaining PCBs. Under the sentence, Weaver Electric remains responsible for all clean-up costs at Elizabeth, El Paso and other sites caused by its illegal activities, in addition to its criminal fine.

Weaver Electric was convicted of charges that it lied to the EPA by submitting false invoices indicating that it had properly disposed of PCBs at approved disposal facilities. Instead, the company was

shipping PCBs off-site for improper disposal. Weaver Electric, previously barred from entering into contracts with the federal government because of related allegations that it was mishandling PCBs, was also convicted of submitting a false bid to the Department of Defense to procure surplus electrical equipment by falsely representing itself as another corporation eligible to make such bids.

Bud Rupe, who assisted in the formation of the illegal scheme and transported the PCBs to the Elizabeth site, was sentenced to five months imprisonment and five months home detention and was ordered to pay \$5,000 in restitution for his conviction on a TSCA charge of illegally disposing of the capacitors. The restitution payment required under his sentence, as is true of such payments by the other defendants, is payable to the United States' "Superfund" account, and is intended to help to reimburse the fund for expenditures made by EPA in remediating the sites where Weaver Electric's PCBs were released.

Clayton Regier, the plant manager for Weaver Electric's main facility, was also sentenced to five months imprisonment and five months home detention and was ordered to pay \$5,000 in restitution for his conviction on two TSCA charges. One charge relates to his role in facilitating the illegal disposal of other Weaver Electric drums containing PCBs, which were transported in mid-1988 to a site in Byers, Colo., where some of the PCBs were illegally disposed of and others remained illegally stored. The other charge relates to the removal of required labels from drums and capacitors containing PCBs going to Elizabeth, Byers and elsewhere, a further step in the process of illegal disposal.

Martha Slusser was sentenced on Nov. 30, 1992, to 90 days of imprisonment and a restitution payment in the amount of \$5,000 for her conviction on two charges of illegally disposing of PCBs, one charge relating to illegally disposing of the capacitors at the Elizabeth site and the other charge relating to the drums abandoned in El Paso.

Michael Slusser, who was convicted of one charge under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, and also known as "Superfund") for failing to notify federal officials of the release of a "hazardous substance" at the Elizabeth ranch, will be sentenced on Jan. 11, 1993. He also pleaded guilty to a charge of illegally disposing of the capacitors.

The evidence revealed that all of these illegal activities, but for the shipment of PCBs to El Paso, were carried out by, or under, the specific direction of Larry Pizer, who died in February 1992.

EPA has completed clean-up activities at the Elizabeth ranch, at a cost of \$717,000 and in El Paso, where PCBs leaked onto the ground from the abandoned drums, at a cost of \$276,000. The Byers site was stabilized when a federal search warrant was executed there in February 1992, and is in the process of being remediated.

United States Attorney Norton stated, "A fine of this magnitude, particularly against a relatively small business, again indicates that deliberate environmental misconduct will not be tolerated. Further, we will aggressively pursue convictions against individuals

whenever we find sufficient evidence of knowing wrongdoing."

Acting Assistant Attorney General O'Meara stated, "It should not be overlooked that under the federal environmental laws, no business can fire or otherwise discriminate against an employee for providing information of wrongdoing to the government. Special provisions in these laws protect the worker by providing reinstatement, backpay and various damages. By the same token, participating in illegal environmental activity can never be excused by fear of the job-related consequences of refusing to participate and, as is evident from the prison sentence imposed upon Clayton Regier, it was not in this case."

James L. Prange, special agent in charge, Office of Criminal Investigations, EPA, stated, "This case originally came to EPA's attention as a result of a tip from a concerned individual who became aware of certain aspects of the wrongdoing. Under CERCLA, EPA is potentially authorized to pay up to \$10,000 to individuals, such as this, who provide information leading to the arrest and conviction of a person for a criminal violation of CERCLA."

Joseph D. Martinolich Jr., special agent in charge, FBI, Denver, said, "The FBI is committed to the aggressive investigation and prosecution of environmental crimes and will continue to work in close concert with the Criminal Enforcement Division of EPA, the United States Attorney's Office, and the Environmental Crimes Section of the Department of Justice in the prosecution of those who would commit these crimes."

United States Attorney Norton commended Peter Murtha, a trial attorney with the Washington-based Environmental Crimes Section, and Colorado Assistant United States Attorney John M. Haried who jointly led the prosecution of the case. Norton also commended the investigative team of case agents from the Denver office of the Environmental Protection Agency, the Denver office of the Federal Bureau of Investigation and the El Paso office of the Federal Bureau of Investigation. This case was the product of a joint investigation by the EPA's Office of Criminal Investigations in Denver and the FBI's Denver and El Paso offices.