

United States
Environmental Protection
Agency

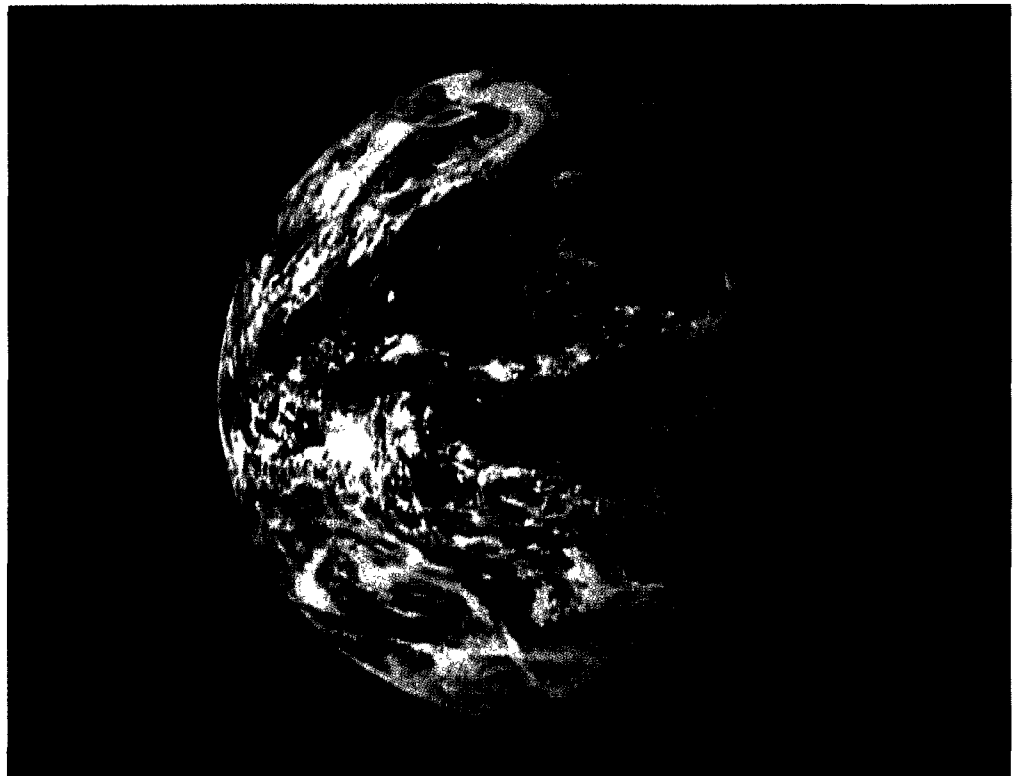
Office of
Inspector General (2441)
Washington DC 20460

EPA-350-K-02-001
May 2002



Office of Inspector General Semiannual Report to the Congress

October 1, 2001 through
March 31, 2002



Profile of Activities and Results

October 1, 2001 to March 31, 2002

| OIG-Managed Reviews (Reviews Performed by EPA, Independent Public Accountants, and State Auditors) | Other Reviews (Reviews Performed by Another Federal Agency or Single Audit Act Auditors) |
|--|--|
| Questioned Costs * | Questioned Costs * |
| - Total \$3.0 | - Total \$6 |
| - Federal \$2.7 | - Federal \$6 |
| Recommended Efficiencies * | Recommended Efficiencies * |
| - Federal \$0.03 | - Federal \$0 |
| Costs Disallowed to be Recovered | Costs Disallowed to be Recovered |
| - Federal \$5.6 | - Federal \$9 |
| Costs Disallowed as Cost Efficiency | Costs Disallowed as Cost Efficiency |
| - Federal \$0 | - Federal \$0 |
| Reports Issued - OIG-Managed Reviews | Reports Issued - Other Reviews |
| - EPA Reviews Performed by OIG 24 | - EPA Reviews Performed by Another Federal Agency 102 |
| - EPA Reviews Performed by Independent Public Accountants 0 | - Single Audit Act Reviews 76 |
| - EPA Reviews Performed by State Auditors 0 | Total 178 |
| Total 24 | Agency Recoveries - Recoveries from Audit Resolutions of Current and Prior Periods (cash collections or offsets to future payments) ** \$10.6 |
| Reports Resolved (Agreement by Agency officials to take satisfactory corrective actions) *** 86 | |

Investigative Operations

| | |
|---|---------------|
| Fines and Recoveries (including civil) **** | \$19 M |
| Investigations Opened | 25 |
| Investigations Closed | 22 |
| Indictments/Criminal Complaints of Persons or Firms | 10 |
| Convictions of Persons or Firms | 13 |
| Administrative Actions Against EPA Employees / Firms | 5 |
| Civil Filings/Settlements | 2 |

- * Questioned Costs and Recommended Efficiencies subject to change pending further review in audit resolution process
- ** Information on recoveries from audit resolution is provided from EPA Financial Management Division and is unaudited
- *** Reports Resolved are subject to change pending further review.
- **** Total includes actions resulting from joint investigations

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It was further charged that ITS engaged in the conduct for the purpose of saving time and money that would otherwise be spent to properly maintain the testing equipment and to repeat tests.

On February 8, 2002, ITS was sentenced as a corporation to 3 years and 6 months probation and fined \$9 million. On March 25, 2002, ITS entered into a civil settlement agreement with the Department of Justice Civil Litigation Branch, Washington, DC, in which they agreed to pay \$8,741,000. The settlement agreement was reached in order to resolve certain civil claims the United States had on behalf of the Army Corps of Engineers, Department of Defense, and the EPA against ITS for tests the United States alleged were not done pursuant to contractual requirements since 1989.

This investigation was conducted jointly by the EPA OIG, the EPA Criminal Investigation Division, the Defense Criminal Investigative Service, the Army Criminal Investigation Command, and the Air Force Office of Special Investigations.

***Utility Vice
President Pleads
Guilty to Polluting
Sarasota Bay
Watershed***

On October 31, 2001, Eli Ray Bontrager, Vice President of South Bay Utilities, Inc. (SBU), Sarasota, Florida, pleaded guilty in U.S. District Court, Tampa, Florida, to count one of a criminal indictment, charging him with discharging pollutants without a permit, in violation of the Clean Water Act.

Shortly after SBU's wastewater treatment plant came on line in 1976, its drain fields became saturated and were not able to process the amount of effluent discharged. To relieve the pressure on the drain fields, SBU illegally installed underground bypass pipes without informing government regulators. After the installation, the pipes allowed effluent to flow through the storm water pipes directly into Dryman Bay, discharging about 1 ½ tons of nitrogen into Sarasota Bay annually.

In the plea agreement, Bontrager admitted that, as Vice President of Utilities for SBU, he was a "responsible corporate officer" over field activities for SBU's utilities, including the wastewater treatment plant, and knew that such a connection would require a National Pollutant Discharge Elimination System permit. Bontrager further admitted that he could have intervened to correct the situation affecting the drain fields, but opted not to act and became willfully blind to the ongoing situation.

This investigation was conducted jointly by the EPA OIG, the EPA Criminal Investigation Division, the Federal Bureau of Investigation, the Internal Revenue Service, the Florida Department of Law Enforcement, the Florida Department of Environmental Protection, and the Sarasota County Office of Pollution Control.



Newsroom
2000 News Releases

FLORIDA WASTEWATER TREATMENT FACILITY AND OWNER PLEAD
TO CLEAN WATER ACT CHARGES

Release Date: 06/15/2000
Contact Information:

FOR RELEASE: THURSDAY, JUNE 15, 2000
FLORIDA WASTEWATER TREATMENT FACILITY AND
OWNER PLEAD TO CLEAN WATER ACT CHARGES

South Bay Utilities, Inc., of Sarasota County, Fla., and its president Paul L. Paver, pleaded guilty on June 7, in U.S. District Court in Tampa, to violating the Clean Water Act by discharging inadequately treated sewage directly into Dryman Bay. Under the plea agreement, South Bay Utilities will pay a fine of \$315,000, pay \$309,000 to the Florida Department of Environmental Protection Ecosystem Management and Restoration Trust Fund and pay \$400,000 to the Sarasota County Pollution Recovery Trust Fund. The plea agreement calls for Paver to pay a fine of \$205,000 and pay \$250,000 in restitution to the Middle District of Florida Environmental Restitution Trust Fund. Inadequately treated sewage often contains high concentrations of E.coli bacteria and pathogens, which can cause a variety of infections in humans and can harm fish and other aquatic life. The case was investigated by EPA's Criminal Investigation Division, EPA's National Enforcement Investigations Center, EPA's Office of Inspector General, the FBI, the Internal Revenue Service, the Florida Department of Law Enforcement, the Sarasota County Office of Pollution Control and the Florida Department of Environmental Protection. It is being prosecuted by the U.S. Attorney's Office in Tampa.

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- 12/29/2000 [EPA SETS FIRST-EVER WATER QUALITY CRITERIA FOR NUTRIENTS, METHYLMERCURY](#)
- 12/29/2000 [ALASKAN SUPERINTENDENT OF WASTEWATER UTILITY CHARGED WITH CLEAN WATER ACT VIOLATIONS](#)



Newsroom

All News Releases By Date

FLORIDA COMPANY AND OWNER FINED FOR SEWAGE DISCHARGE

Release Date: 05/18/2000

Contact Information:

FOR RELEASE: THURSDAY, MAY 18, 2000

FLORIDA COMPANY AND OWNER FINED FOR SEWAGE DISCHARGE

South Bay Utilities Inc., of Sarasota County, Fla., and its president Paul L. Paver, signed agreements on May 15, in which they agreed to plead guilty to violating the Clean Water Act (CWA) by inadequately discharging treated sewage directly into Dryman Bay. The plea agreements call for the defendants to pay a combined fine of \$1.75 million which is the largest CWA fine ever paid in the Middle District of Florida. Inadequately treated sewage often contains high concentrations of E.coli bacteria and pathogens which can cause a variety of infections in humans and can harm fish and other aquatic life. The case was investigated by EPA, the FBI, the Internal Revenue Service, the Florida Dept. of Law Enforcement, the Sarasota County Office of Pollution Control and the Florida Department of Environmental Protection. The case is being prosecuted by the U.S. Attorney's Office in Tampa, Fla.

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- 12/23/2014 [Nominations for EPA New England's Annual Environmental Merit Awards-Deadline is January 30, 2015](#)
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