

SIGNIFICANT CASES OF THE ENVIRONMENTAL CRIMES BUREAU

1. State v. Hub Recycling, Michael Harvan and Richard Bassi

Michael Harvan and Richard Bassi were sentenced to 20 and 15 year prison terms, respectively, for operating a sham recycling company in Newark that was responsible for the fire that warped and damaged a portion of Route 78.

During the operation of Hub, Michael Harvan and Richard Bassi were convicted of bribery, racketeering and solid waste crimes for an illegal landfill scheme in North Bergen. The fire required closing the highway and repairs of over \$5 million. Clean-up of the site cost an additional \$7.7 million. After the fire, Harvan and Bassi, who were out on bail after having been sentenced in July, 1989, to 17 years in prison for their role in the North Bergen case, had their bail revoked and began serving prison terms.

Facts developed during the criminal investigation by the Environmental Crimes Bureau of Hub's operations resulted in a 19 count State Grand Jury indictment against Hub, Harvan, Bassi and related companies for crimes that include operating an unauthorized solid waste collection and disposal business, creating widespread injury or damage, criminal mischief, unlawful discharge of pollutants, conspiracy, corporate misconduct and fraud in insolvency.

In related cases, two solid waste haulers that dumped large volumes of solid waste at Hub were convicted after jury trials. Jersey Carting, Inc., was convicted of theft against its customers, fined and ordered to pay restitution (this verdict was later overturned on appeal). In the first prosecution of its kind, Total Solid Waste Recyclers, Inc. was convicted of operating an unlicensed solid waste company under the guise of sham recycling, and ordered to pay a fine of \$67,500.

2. Exxon Oil Spill

On January 1, 1990 approximately 567,000 gallons of #2 heating oil spilled into the area of the Exxon Bayway Refinery in Linden, Ne Jersey. The oil spill fouled the Arthur Kill, Morses Creek and Newark/New York Bay. The Environmental Crimes Bureau lead a State Grand Jury investigation of the incident. Investigation revealed that Exxon personnel disregarded alarms which were a part of a sophisticated leak detection system. The leak occurred from a pipeline connecting the Exxon Bayway plant in Linden and the Exxon terminal in Bayonne.

On March 20, 1991, Exxon Corporation pled guilty to a single count of negligence under the Federal Clean Water Act, in the

United States District Court for the District of New Jersey. This was pursuant to a joint plea agreement with the U.S. Attorney's Office, the State of New Jersey, the State of New York, and the Staten Island District Attorney's Office. The Company paid a total of \$5 million in fines, restitution, and costs of prosecution to the United States, New Jersey and New York, as specified in the plea agreement. Additionally, a civil settlement was filed in the United States District Court for the Eastern District of New York, providing for a projected total of \$10 million to be paid by Exxon according to a formula contained in that final agreement. The Division of Criminal Justice cooperated with the DEPE and Division of Law in arriving at the final terms of the civil settlement.

3. State v. Larry Angelo

On July 17, 1992 the Honorable Kevin G. Callahan, J.S.C. sentenced Larry Angelo to five years in state prison. Investigation by the Environmental Crimes Bureau revealed that on various occasions between March, 1987 and March, 1989, Larry Angelo, the Chief Operator of the Kearny Sewage Treatment Plant, instructed his employees to pump sewage and sewage sludge from holding tanks onto the ground at the plant. That ground sloped downward to the Hackensack River several hundred feet away. Testimony indicated that more than 10 discharges occurred, and that each discharge could have amounted to tens of thousands of gallons of sludge. The sludge contained various heavy metals listed as toxic pollutants.

On October 1, 1992, a four count indictment was handed up charging defendant with releasing toxic pollutants (count one) and violating the Water Pollution Control Act (count two). The indictment also charged defendant with official misconduct and hindering apprehension for acts done after the sludge dumping.

4. State v. Ira R. Liebman

On January 22, 1991 the Honorable Donald S. Coburn, J.S.C. sentenced Ira R. Liebman to five years in state prison. Investigation by the Environmental Crimes Bureau revealed that in the fall of 1988, Rocco Telesco of H. Grabell & Sons in Newark gave the gypsy hauler named Ira R. Liebman approximately \$712.00 to dispose of approximately 21 drums of solvent material. The drums were then dumped at two separate locations:

- 1) six were left in warehouses in Newark; and
- 2) fifteen were abandoned outside an Elizabeth motel.

In March, 1990, a State Grand Jury charged Ira R. Liebman with release and abandonment of hazardous waste, second degree (N.J.S.A. 2C:17-2a(2)), unlawful disposal and transportation of hazardous waste, third degree (N.J.S.A. 13:1E-9g(3)), and transportation of hazardous waste without a manifest, fourth degree (N.J.S.A. 13:1E-9i). Telesco was charged with similar

environmental crimes, but only third and fourth degree, and with fourth degree illegally engaging in the business of solid waste disposal (N.J.S.A. 48:13A-6). Telesco over the State's objection was admitted into PTI. Grabell & Sons entered a guilty plea to a third degree environmental crime and was fined \$20,000.

5. State v. VIP Container Repairs, Inc., Patsy B. Popola and Robert Shaffer

On April 10, 1992 the Honorable John J. Grossi, Jr., J.S.C. sentenced Robert Shaffer to three years in state prison. Investigation by the Environmental Crimes Bureau revealed that Robert Shaffer operated a container repair and scrap metal business on the area of the property where regulator had discovered a large amount of improperly stored containers of hazardous materials. Patsy Popola operated VIP Container Repair from another portion of the property. During 1988 and the spring of 1989, DEPE representatives unsuccessfully tried to get Shaffer to remove the drums and containers of hazardous materials. In August, 1989, State and local regulatory officials discovered that Shaffer, in cutting up a truck for scrap metal, caused a number of corroded drums of hazardous materials to spill their contents onto the ground. They also found that he had buried a number of rotted drums of hazardous materials alongside a railroad embankment.

On July 19, 1990, the State Grand Jury returned Indictment No. SGJ255-90-10 against Robert Shaffer, Patsy B. Popola and VIP Container Repairs, Inc. charging Shaffer with release of hazardous waste and toxic pollutants, second degree, contrary to N.J.S.A. 2C:17-2a(2) (Counts One and Three); illegal disposal of hazardous waste, third degree contrary to N.J.S.A. 13:1E-9G(3) (Counts Two and Four), criminal mischief, third degree, contrary to N.J.S.A. 2C:17-3a(1) (Count Five) and creating the risk of widespread injury or damage, fourth degree, contrary to N.J.S.A. 2C:17-2c (Count Six). The grand jury charged Shaffer, VIP Container Repairs, Inc. and Popola with illegal storage of hazardous waste, third degree, contrary to N.J.S.A. 13:1E-9g(3) (Count Seven) and with operating and unauthorized sanitary landfill facility, fourth degree, contrary to N.J.S.A. 48:13A-12a (Count Eight). Patsy Popola and VIP Container Repairs, Inc. entered a guilty plea to count eight and Popola received a two year probationary term and VIP Container Repairs, Inc. received a \$2,500 fine.

6. State v. Allstate Asbestos, Steven R. Leidy, a/k/a John Shore, and Angelo Barone

On April 10, 1992 the Honorable Stephen Smith, J.S.C. sentenced Stephen R. Leidy to three years in state prison. Investigation by the Environmental Crimes Bureau revealed that through its principal, Stephen R. Leidy, Allstate secured asbestos abatement jobs at private residences by presenting a forged state license to engage in such activity. As a result of

the improper manner in which Leidy removed the asbestos, the toxic pollutant asbestos was released into the environment. Leidy was the subject of a Division "sting investigation", which resulted in his arrest. He was charged in a twenty-two count indictment with attempted theft by deception (third degree), forgery/uttering a forged instrument (third degree), deceptive business practices (fourth degree), causing the release or abandonment of a toxic pollutant - asbestos (second degree), criminal mischief (third degree), failure to file a New Jersey Corporation Business Tax Return (third degree), misconduct by corporate official (third degree), unlawful acquisition of a handgun (fourth degree), and failure to file gross income tax returns (third degree).

Pursuant to a plea agreement, Leidy entered a plea of guilty to release of a toxic pollutant - asbestos (second degree), failure to file a tax return (third degree), and deceptive business practices (fourth degree). As per the plea agreement, Leidy was required to make restitution to the victims subject of the indictment and to pay back taxes owed.

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