



Enforcement News

State Water Board Effort to Root out Suspected Fraudulent Billings to the Underground Storage Tank Cleanup Fund -- Now Permanent

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SACRAMENTO — On April 1 the State Water Resources Control Board gave the Office of Enforcement the go ahead to permanently staff a unit to root out fraud, waste and abuse against unscrupulous consultants and claimants submitting false, misleading, or inflated invoices for reimbursement to the Underground Storage Tank Cleanup Fund (UST Cleanup Fund).

The program was initially launched as a pilot program on January 27, 2010, at the time a \$1.2 million settlement was being finalized against E2C Remediation Inc., a Central Valley environmental consulting firm. The Fraud, Waste and Abuse Prevention (FWA) Unit ferrets out patterns of fraud against the UST Cleanup Fund, then investigates and develops cases to refer to the State Attorney General's Office for potential criminal and/or civil prosecution.

"Since the pilot program began we've received many complaints and tips about fraud against the UST Cleanup Fund, so it only makes sense to make the FWA Unit a permanent fixture at the Office of Enforcement," said Cris Carrigan, Director of the Office of Enforcement. "The new fraud prevention unit is the best tool we can use to put an end to fraud and deter future fraudulent schemes. The citizens of California deserve no less."

Since 2010, the FWA Unit has referred cases to the Attorney General's Office that have resulted in criminal and civil complaints being filed and search warrants being conducted at three consultant's offices.

The FWA Unit includes a staff of seven with diverse professional backgrounds. Staff has experience working for the UST Cleanup Fund, consulting firms, regulatory agencies, and in enforcement. Special assistance is provided by the UST Cleanup Fund, the Department of Toxic Substances, and the Air Resources Board.

The UST Cleanup Fund, financed by a two-cent per-gallon gasoline storage fee, is used to reimburse up to \$1.5 million per site for cleanup of petroleum releases at underground storage tank facilities. There are approximately 3,700 active claims to the UST Cleanup Fund for reimbursement. The UST Cleanup Fund has reimbursed \$2.9 billion for eligible costs since 1992. Approximately 6,500 UST Cleanup Fund sites have been cleaned up and closed since the program's inception in 1989.

A fact sheet on the State Board's efforts to prevent, investigate and prosecute cases of fraud against the UST Cleanup Fund is on the State Water Board's website at:

http://www.waterboards.ca.gov/publications_forms/publications/factsheets/docs/fraud_efforts_factsheet.pdf

To report suspected fraud: http://www.waterboards.ca.gov/water_issues/programs/ustcf/fraud.shtml



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