

Nation's Largest Underground Storage Tank Testing Firm Sentenced to Pay \$2.29 Million

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Tanknology-NDE, International, Inc. was sentenced today in federal district court in Austin, Texas to pay a \$1 million criminal fine and restitution of \$1.29 million to the United States for false underground storage tank (UST) testing services performed by its employees, the Justice Department and the U.S. Environmental Protection Agency announced.

Tanknology, the largest UST testing company in the U.S., pled guilty on August 29 to 10 felony counts of presenting false claims and making false statements to federal agencies. Tanknology, headquartered in Austin, admitted in its plea and at sentencing that from January 1997 until December 1999, company employees had performed false tests at federal installations across the country, including U.S. Postal facilities, military bases and a NASA facility.

"Today's sentencing demonstrates that the United States will not hesitate to prosecute those who falsify reports that can result in injury to the environment and to the health of our citizens," said Tom Sansonetti, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division.

Underground storage tanks contain petroleum products, including gasoline, and all UST owners and operators are required by law to have their tanks tested to ensure that their systems are not leaking any petroleum into the soil or groundwater. Leaking USTs can present other health and environmental risks, including the potential for fire and explosion.

"Accurate information is central to ensuring compliance with the underground storage tank requirements," said John Peter Suarez, EPA's Assistant Administrator for Enforcement and Compliance Assurance. "Falsifying reports can undermine the very purpose of these important regulations -- to protect public health and the environment. This prosecution demonstrates what a strong federal-state relationship can accomplish."

The pleas and sentence arose from an extensive investigation carried out by several federal criminal investigative agencies in which agents observed Tanknology testers at government facilities across the country. The false tests ranged from failing to follow required test protocols to "drive-by" tests, where a Tanknology tester was videotaped driving up to a federal facility, driving away after a few minutes and then submitting false data.

In addition to paying the criminal fine and restitution, Tanknology will serve a term of probation for five years. Under the plea agreement, Tanknology also will implement a quality management system to ensure that false and improper testing practices do not occur again.

The case was investigated by the EPA Criminal Investigation Division, FBI, U.S. Postal Service Office of the Inspector General, Defense Criminal Investigative Service, Army Criminal Investigation Division, Air Force Office of Special Investigations, Navy Criminal Investigative Service, NASA and the Department of Veterans Affairs Office of Inspector General. Federal investigators were assisted by investigators from the Texas Natural Resources and Conservation Commission and personnel from the Pennsylvania Department of Environmental Protection. The company entered the guilty pleas for criminal charges that were filed by United States Attorneys in San Antonio, Texas; Dallas, Texas; Los Angeles, California; Phoenix, Arizona; Chicago, Illinois; Tampa, Florida; Columbia, South Carolina; Philadelphia, Pennsylvania; Boston, Massachusetts; and Newark, New Jersey.

EPA has extensive information on underground storage tanks and federal requirements at <http://www.epa.gov/compliance/newsroom> and at <http://www.epa.gov/swrust1/overview.htm>.