



Department of Justice
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY



FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 25, 1994

ENR
DOJ (202) 616-2765
EPA (202) 260-4376
TDD (202) 514-1888

LABORATORIES' OWNER SENTENCED TO PRISON
FOR FALSIFYING PESTICIDE TESTS

WASHINGTON, D.C.-- [REDACTED], owner of [REDACTED]

Laboratories of [REDACTED], was sentenced today to five years in prison, fined \$50,000 and more than \$3.7 million in restitution for his felony convictions involving falsifying tests that determined whether pesticide residues were present on food. [REDACTED] will pay a \$15,499,279 fine, \$3,725,055 in restitution and was placed on probation for five years.

[REDACTED] became the center of an intensive fraud investigation in the summer of 1990 when a whistleblower reported that "tricks" were being used at [REDACTED] to falsify tests which determine the presence of as many as 20 pesticides in more than 50 common foods. The Environmental Protection Agency (EPA) used these tests to establish safe levels of pesticide residue in foods.

Fourteen other [REDACTED] employees were sentenced by U.S. Judge Sam Sparks. They were indicted in 1992 and subsequently pleaded guilty to felony or misdemeanor charges as a result of the joint

OPTIONAL FORM 95 (7-80)

FAX TRANSMITTAL

of pages [REDACTED]

(MORE)

- 2 -

investigation by the Environmental Protection Agency, the U.S. Attorney's office in Austin and the Department of Justice.

The fraudulent tests cost the agri-chemical companies approximately \$15 million. The corporate victims include BASF, Cheminova Agro A/S, Chevron/Valent, DowElanco, Dupont, Atochem North America, Hoechst-Celanease, Rhone-Poulenc, Rohm and Haas, Monsanto, and Sandoz.

EPA replaced some of the studies and is in the process of replacing others after carefully reviewing all use of the [REDACTED] Laboratories studies in support of pesticide tolerances and registrations. EPA said that the food supply was not compromised.

"This case demonstrates the Department's commitment to prosecute to the fullest extent crimes that involve deliberate falsification of data," said Lois Schiffer, Acting Assistant Attorney General of the Environment and Natural Resources Division. "We regard these as particularly serious crimes because EPA, regulated industries and the public need accurate information to respond effectively to risks to human health and the environment. We will move aggressively against anyone who attempts, through data falsification, to deprive environmental decision-makers and the public of the trustworthy information they need."

"I am pleased that the court has imposed jail time in sentencing [REDACTED] in this case," said Steven A. Herman, EPA

(MORE)

PLE002076

- 3 -

Assistant Administrator for Enforcement. "Corporate officials who falsify data have committed an egregious wrong and should be subject to the severest of penalties. Incarceration is one cost of doing business that cannot be passed on to the consumer."

"The convictions of [REDACTED] and fourteen former employees of [REDACTED] Laboratories illustrate that individuals who commit scientific fraud for financial gain risk prosecution and conviction. The United States will not tolerate any action which undermines the integrity of data submitted to the EPA," said James H. DeAtley, United States Attorney for the Western District of Texas.

###

94--086

PLE002077