



Department of Justice

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CANADIAN EXECUTIVE EXTRADITED ON MAJOR FRAUD CHARGES INVOLVING A NEW JERSEY ENVIRONMENTAL PROTECTION AGENCY SUPERFUND SITE

John Bennett, a Canadian national, was extradited Friday from Canada on a charge of participating in a conspiracy to pay kickbacks and commit fraud at the U.S. Environmental Protection Agency (EPA)-designated Superfund site Federal Creosote, located in Manville, New Jersey. He was also charged with a related count for major fraud against the United States related to contracts obtained at the Federal Creosote site, the Department of Justice announced today.

Bennett was the former Chief Executive Officer with Bennett Environmental Inc., a Canadian-based company that treated and disposed of contaminated soil. According to a felony indictment filed in the U.S. District Court for the District of New Jersey on Aug. 31, 2009 Bennett carried out the conspiracy by providing kickbacks to Gordon McDonald, the project manager at the Federal Creosote site, in order to influence the award of sub-contracts at the site and inflate the prices charged to the EPA by the prime contractor. The kickbacks were in the form of money transferred by wire to a co-conspirator's shell company, lavish cruises for senior officials of the prime contractor, and various entertainment tickets. The department said the conspiracy began at least as early as December 2001 and continued until approximately August 2004.

The clean-up at Federal Creosote is partly funded by the EPA. Under an interagency agreement between the EPA and the Army Corps of Engineers, prime contractors oversaw the removal, treatment and disposal of contaminated soil as well as other operations at the Federal Creosote site.

Bennett arrived in the District of New Jersey, in Newark, on Nov. 14, 2014 and made his initial appearance today in the U.S. District Court for the District of New Jersey in Newark.

“The defendant is charged with thwarting the government’s competitive contracting practices,” said Assistant Attorney General Bill Baer of the Department of Justice’s Antitrust Division. “This extradition demonstrates our resolve to pursue those who undermine competition. And it is yet another example of our longstanding cooperation with our enforcement colleagues in Canada’s Department of Justice, which helps ensure that those who subvert competition in the United States and elsewhere are brought to justice.”

The fraud conspiracy that Bennett is charged with carries a maximum penalty of five years in prison and a \$250,000 fine. The major fraud against the United States charge carries a maximum penalty of 10 years in prison and a \$1 million criminal fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

As a result of the department's investigation, three companies, including Bennett Environmental Inc., and eight individuals have pleaded guilty. Bennett's co-conspirator, Gordon McDonald, was convicted on Sept. 30, 2013, on 10 counts, including the two charges pending against Bennett. McDonald was sentenced on March 4, 2014 to a 14-year term of imprisonment.

The investigation was conducted by the Antitrust Division's New York Field Office, the EPA Office of Inspector General and the Internal Revenue Service Criminal Investigation with assistance from the Antitrust Division's Foreign Commerce Section and the Criminal Division's Office of International Affairs. Anyone with information concerning bid rigging, kickbacks, tax offenses, or fraud relating to sub-contracts awarded at the Federal Creosote or Diamond Alkali sites should contact the New York Field Office of the Antitrust Division at 212-335-8000.

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