

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
TALLAHASSEE DIVISION

UNITED STATES OF AMERICA

Case No. 4:16cr30-MW

vs.

LARRY KENNETH LONG

STATEMENT OF FACTS

COMES NOW THE UNITED STATES OF AMERICA and Larry Kenneth Long, to provide this factual basis for the acceptance of a guilty plea from Larry Kenneth Long.

In early 2008, Larry Kenneth Long was hired by Lee John Maher as president of Clean Fuel, LLC, a grease rendering plant in Groveland, Florida. By early 2009, Maher had moved Long to a grant coordinating position, primarily at Clean Fuel Lakeland, LLC, a larger biodiesel plant in Lakeland, Florida which Maher also owned.

Maher bought the operating assets of Clean Fuel Lakeland from another company in March 2009, but made only the down payment and not either of the two balloon payments due at the end of 2009 and the end of 2010.

FILED IN OPEN COURT THIS

6/7/16

CLERK, U.S. DISTRICT
COURT, NORTH. DIST. FLA.

In February 2009, the President of the United States signed the American Recovery and Reinvestment Act of 2009. Among other things, this Act made federal funds available through state agencies to support energy efficiency and renewable energy projects. The State of Florida was able to disburse funds for “Shovel Ready Energy Project Grants.”

In April 2010, Maher and Long submitted an application to the State of Florida, Governor’s Energy Office, (“GEO”) for a \$2,500,000 to reimburse costs allegedly incurred at the Clean Fuel Lakeland plant. This application listed the plant assets as purchases, despite the fact that a 3.25 million dollar balloon payment due at the end of 2009 had not been made.

While this application was approved, the GEO soon advised Maher and Long that the expenses listed could not be reimbursed, because the grants were designed to encourage new energy investments, and not to reimburse expenses incurred before the grant’s approval.

In October 2010 Maher and Long agreed to an amended agreement, under which they falsely represented that Clean Fuel had expended \$2,480,000 to buy and install a generator set from Fairbanks Morris Engines (“FME”), which would allow the Lakeland plant to produce its own electricity from biofuels and cut its operating

costs. Long supported these representations with copies of an executed purchase agreement with FME and of eight checks totaling \$2,480,000, allegedly demonstrating that payments had been made to FME. In fact, the checks represented by those copies were never provided to FME and there were not sufficient funds in the account on which they were drawn to pay them.

In early November 2010, Long submitted a progress report to the GEO for October 2010. This report falsely represented that Clean Fuel had invested more than eight million dollars in the Lakeland plant and falsely represented that "\$2.48 million" had been paid to FME for the generator system.

Based upon all of the submissions, the GEO determined that Clean Fuel qualified for reimbursement. On December 8, 2010, the GEO disbursed \$\$2,232,000 (90% of \$2,480,000) by expense warrant mailed to Clean Fuel. On December 10, 2010, this warrant was deposited into a Clean Fuel bank account. Within less than two weeks, Maher caused approximately \$1,454,410 to be transferred from this account to other accounts which he controlled. \$22,320, one per cent of the grant proceeds, was transferred into Long's bank account. None of the grant funds were ever provided to FME.

Thereafter, in monthly progress reports and otherwise, Maher and Long falsely told the GEO that Clean Fuel had more than eight million dollars invested in the Lakeland plant, that FME had been paid \$2,480,000 for the generator set, and that the generator set would be shipped to Lakeland in the near future. The effect of these misrepresentations was to conceal that the grant funds were fraudulently obtained and were not reimbursement of approved expenditures and to allow Maher and Long to retain these funds.

In May 2011, employees of the GEO and the United States Department of Energy (“DOE”) visited the plant site, and for the first time learned that the plant had been idled for a period of months, because the landlord was preventing access because of Clean Fuel’s failure to make lease payments.

While many of the monthly progress reports were submitted by electronic transmission, Maher and Long caused the August 2011 monthly progress report to be mailed to the Office of Energy (“OOE”) within the Florida Department of Agriculture on about August 31, 2011. (During the term of the grant, the Governor’s Energy Office was transferred to the Department of Agriculture and became the Office of Energy.)

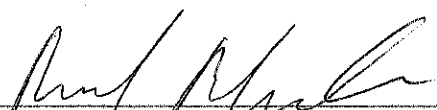
Maher and Long continued to make similar false representations until at least November, 2012. The grant funds were recovered through asset seizures.

ELEMENTS

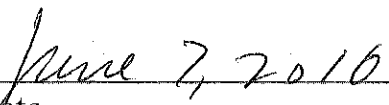
The Defendant can be found guilty of conspiring to commit mail fraud, in violation of Title 18, United States Codes, Sections 1341 and 1349, only if the following facts are proven beyond a reasonable doubt:

- (1) that persons agreed to use the United States mails in furtherance of a fraudulent scheme, as charged in the indictment; and
- (2) that knowing the purpose of the agreement, the Defendant knowingly joined in the agreement.

CHRISTOPHER P. CANOVA
United States Attorney



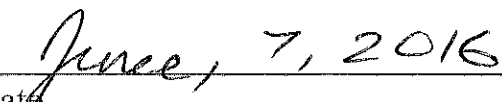
RICHARD RHODES, Esq.
Attorney for Defendant




Date



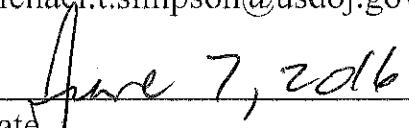
LARRY KENNETH LONG



Date



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Date