

FILED
OCT 18 2023 *EW*

THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

23-cr-555
Judge Valderrama
Magistrate Judge McShain
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

Oct 18, 2023

UNITED STATES OF AMERICA

v.

CARL FIORAVANTI

)
) No.
)
) Violation: Title 18, United States
) Code, Section 1519

The SPECIAL OCTOBER 2022 GRAND JURY charges:

1. At times material to this indictment:

Relevant Entities and Individuals

a. The United States Department of Housing and Urban Development (“HUD”) provided grants to states, counties, and cities in the form of the Community Development Block Grant (“CDBG”) Program. Funds from the CDBG Program could be used pay the costs associated with the demolition and rehabilitation of properties in low-income areas.

b. The Cook County Land Bank Authority (“CCLBA”) was a governmental entity tasked with administering CDBG Program funds for projects within Cook County.

c. Defendant CARL FIORAVANTI was the president of Alliance Environmental Control, Inc. (“AEC”), an environmental services company located in Lansing, Illinois, which performed asbestos testing and removal services.

d. Company A was a construction and demolition company which operated in the Chicago area.

e. Company B was a private waste transport company and a landfill operator.

Demolition of the Harvey Hotel

2. In or around April 2017, the CCLBA acquired the Chicago Park Hotel at 17040 South Halsted in Harvey, Illinois (commonly known as the “Harvey Hotel”), for the purpose of demolishing the Harvey Hotel and repurposing the site for the future benefit of Cook County residents. The CCLBA administered and utilized CDBG Program funds for the purpose of completing this project.

3. The Harvey Hotel was built in the late 1960’s. Many buildings built during this era were constructed with the use of asbestos. Exposure to asbestos is harmful to humans and has been linked to the development of lung cancer, lung disease, and mesothelioma, a rare form of cancer. Because of the dangers associated with exposure to asbestos, demolition specialists employ special procedures to remove and safely dispose of asbestos from buildings they demolish.

4. In or around 2017, the CCLBA hired AEC to conduct an asbestos survey for the CCLBA prior to the demolition of the Harvey Hotel, to determine how much asbestos was present within the Harvey Hotel.

5. On or about September 27, 2017, FIORAVANTI caused AEC to conduct an asbestos survey for the CCLBA relating to the removal and remediation of construction debris, including asbestos, from the Harvey Hotel site (the “asbestos survey”).

6. In or around September 2017 and November 2017, FIORAVANTI caused AEC to submit the results of the asbestos survey to the CCLBA. The asbestos survey performed by AEC stated that asbestos was present on the Harvey Hotel site.

AEC's Work on the Demolition of the Harvey Hotel

7. In or around January 2018, the CCLBA solicited bids for the demolition of the Harvey Hotel, including the safe removal of any and all asbestos from the Harvey Hotel site.

8. On or about February 14, 2018, Company A submitted a bid to be awarded the contract to demolish the Harvey Hotel. In connection with its bid, Company A planned to use AEC—the very same company that had conducted the initial asbestos survey for the CCLBA—as a subcontractor to remove and remediate construction debris, including asbestos, from the Harvey Hotel site.

9. On or about April 2, 2018, the CCLBA awarded Company A, as the low bidder, a contract to demolish the Harvey Hotel. CCLBA paid Company A with CDBG Program funds to carry out the demolition.

10. In or around May 2018, and again in or around September 2018, AEC participated in the demolition of the Harvey Hotel site. AEC caused debris removed from the Harvey Hotel to be delivered to a landfill operated by Company B.

11. In connection with the delivery of debris to Company B's landfill, Company B required AEC to identify whether the debris were general waste or, on the other hand, whether the debris contained asbestos. In the event the debris contained asbestos, AEC was required to complete and submit to Company B a signed

document known as an asbestos waste manifest, which required AEC to state the quantity of asbestos that was delivered to Company B as to each load of debris. After Company B processed and counter-signed the asbestos waste manifest, it supplied AEC with a copy of the fully executed asbestos waste manifest (the “original asbestos waste manifest”).

The Investigation

12. Beginning no later than in or around September 2018, the United States Department of Housing and Urban Development, Office of the Inspector General (“HUD-OIG”), the Environmental Protection Agency, Criminal Investigation Division, and the Department of Justice, Federal Bureau of Investigation conducted an investigation of Company A, AEC, FIORAVANTI, and others concerning potential violations of federal law.

13. The investigation included determining:

- a. Whether AEC had provided a truthful asbestos survey to the CCLBA that accurately described the amount of asbestos that needed to be removed from the Harvey Hotel site;
- b. How much asbestos was actually removed from the Harvey Hotel site by AEC;
- c. Whether Company A and AEC had been overcompensated and had received CDBG Program funds they were not entitled to in connection with the demolition of the Harvey Hotel; and

d. Whether AEC had accurately documented the amount of asbestos removed from the Harvey Hotel site, including in asbestos waste manifests delivered to Company B.

14. On or about October 15, 2018, a special agent of HUD-OIG served FIORAVANTI with a HUD-OIG administrative subpoena requiring FIORAVANTI to produce “originals of all documents” or “legible, true, and complete copies of originals,” relating to among other things, “the work performed by Alliance Environmental Control, Inc., on behalf of the Cook County Land Bank Authority, or any other third party or general contractor, for a project located at [the Harvey Hotel site]; including [a]ll construction invoices, bills, receipts, sources of payments, and other documents reflecting charges or payments with respect to vendors, suppliers of materials or services, independent contractors, dump sites, truck drivers, laborers, [...] in connection with Alliance Environmental Control, Inc.’s work” at the Harvey Hotel site.

15. On or about October 25, 2018, FIORAVANTI sent an email to a HUD-OIG special agent, in which FIORAVANTI represented “[h]ere are the documents pertaining to the asbestos testing and abatement work at this property”; and to which FIORAVANTI attached thirty-three pages of documents, including five asbestos waste manifests.

16. FIORAVANTI did not produce “originals” or “legible, true, and complete copies of originals” of all of the documents that he was required to produce. Specifically, FIORAVANTI concealed and did not produce the original asbestos waste

manifests. Instead, the five asbestos waste manifests FIORAVANTI produced were altered to reflect that a different quantity of asbestos containing material had been removed from the Harvey Hotel site and delivered to Company B.

17. On or about October 25, 2018, at Lansing, Illinois, in the Northern District of Illinois, Eastern Division, and elsewhere,

CARL FIORAVANTI,

defendant herein, with intent to impede, obstruct, and influence the investigation and proper administration of a matter within the jurisdiction of a department or agency of the United States, namely, the United States Department of Housing and Urban Development, Office of the Inspector General, the Environmental Protection Agency, Criminal Investigation Division, and the Department of Justice, Federal Bureau of Investigation, and in relation to and contemplation of such a matter, did knowingly alter, conceal, cover up and make a false entry in a record and document, namely, by concealing and covering up the original asbestos waste manifests, sending an email falsely implying compliance with a subpoena, and producing altered asbestos waste manifests with the email;

In violation of Title 18, United States Code, Section 1519.

A TRUE BILL:

FOREPERSON

ACTING UNITED STATES ATTORNEY