



Department of Justice

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**CANADIAN NATIONAL SENTENCED TO SERVE 50 MONTHS IN PRISON FOR
ROLE IN FRAUD AND MONEY LAUNDERING CONSPIRACIES INVOLVING NEW
JERSEY ENVIRONMENTAL PROTECTION AGENCY AT SUPERFUND SITE**

*Executive Also Sentenced for Obstructing a Securities and Exchange
Commission Proceeding*

WASHINGTON — A former executive at Bennett Environmental Inc. (BEI), a Canada-based company that treats and disposes of contaminated soil, was sentenced today to 50 months in prison for participating in money-laundering and fraud conspiracies in connection with contracts at a Superfund site in New Jersey, as well as impeding a proceeding before the U.S. Securities and Exchange Commission (SEC), the Department of Justice announced. The U.S. Environmental Protection Agency (EPA)-designated Superfund site, Federal Creosote, is located in Manville, N.J.

Robert P. Griffiths was also sentenced in U.S. District Court in Newark, N.J., by Judge Susan D. Wigenton to pay a \$15,000 criminal fine and to pay \$4,644,378.56 in restitution, joint and severally with co-conspirators to the victim, the EPA. On July 6, 2009, Griffiths pleaded guilty to defrauding the EPA with others by inflating the prices he charged to a prime contractor of the EPA and providing kickbacks to employees of that prime contractor from approximately December 2001 until approximately August 2004 at the Federal Creosote site. Griffiths and his co-conspirators were given the bid prices of BEI's competitors, which allowed BEI to submit the highest possible bid prices and still be awarded the sub-contracts. On one occasion, Griffiths and his co-conspirators inflated the bid prices to cover approximately \$1.3 million in kickbacks and amounts BEI kept for itself. 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, various entertainment tickets, pharmaceuticals and home entertainment electronics. The department said that the co-conspirators were able to allocate at least \$43 million in fraudulently awarded sub-contracts to BEI for the removal, treatment and disposal of contaminated soil at the Federal Creosote site and to fraudulently conceal from the U.S. Army Corps of Engineers that BEI had submitted false invoices for the disposal of approximately 20,000 tons of soil.

According to court documents, Griffiths and his co-conspirators also conspired to commit international money laundering, the purpose of which was for Griffiths to profit personally from the fraud and kickback scheme. From approximately February 2003 through approximately September 2004, Griffiths and a co-conspirator who received more than \$1 million in kickbacks through his shell company, laundered approximately \$207,000 of the kickback proceeds from the

co-conspirator's bank account in New Jersey to a bank account controlled by Griffiths in Ontario, Canada.

In addition, the department said that Griffiths obstructed an official proceeding before the SEC. On or about Nov. 3, 2005, Griffiths made false statements in response to questions asked by the SEC for the purpose of deceiving the SEC and concealing his conduct in the fraudulent scheme. At that time, the SEC was investigating whether Griffiths and others had obtained information not available to the public and relied upon that information to conduct certain securities transactions improperly.

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.

Including Griffiths, a total of three companies and 10 individuals have been charged as part of the investigation. More than \$6 million in criminal fines and restitution have been imposed and five individuals have been sentenced to serve prison time.

Today's sentence is the result of an ongoing investigation being conducted by the Antitrust Division's New York Field Office, the EPA Office of Inspector General and the Internal Revenue Service-Criminal Investigation. Anyone with information concerning bid rigging, kickbacks, tax offenses or fraud relating to sub-contracts awarded at the Federal Creosote site or Diamond Alkali sites should contact the Antitrust Division's New York Field Office at 212-335-8000 or visit www.justice.gov/atr/contact/newcase.htm.

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