



Department of Justice

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**FORMER PROJECT MANAGER SENTENCED TO SERVE TIME IN PRISON FOR
ROLE IN BID RIGGING AND OTHER FRAUDULENT SCHEMES INVOLVING TWO
EPA SUPERFUND SITES IN NEW JERSEY**

Former Manager to Serve 14 Years in Prison

WASHINGTON – Gordon D. McDonald, a former project manager for a prime contractor at two U.S. Environmental Protection Agency (EPA) Superfund sites in New Jersey, was sentenced today to serve 14 years in prison for participating in multiple bid-rigging, fraud and kickback schemes, the Department of Justice announced. The prison term, which takes into account the multiple crimes McDonald committed, represents the longest prison sentence ever imposed involving an antitrust crime.

In addition to the prison sentence, McDonald was sentenced in U.S. District Court for the District of New Jersey in Newark by Judge Susan D. Wigenton to pay a \$50,000 fine. The court will order restitution at a later date.

After a two week jury trial, ending on Sept. 30, 2013, McDonald was convicted of engaging in separate bid-rigging, kickback and fraud conspiracies with three subcontractors at two New Jersey Superfund sites - Federal Creosote in Manville, N.J., and Diamond Alkali in Newark, in return for kickbacks of more than \$1.5 million. He was also convicted of engaging in an international money laundering scheme, major fraud against the United States, committing two tax violations and obstruction of justice. The various conspiracies took place at different time periods from approximately December 2000 until approximately April 2007. McDonald was initially charged in an indictment returned on Aug. 31, 2009.

“Today’s sentencing reflects the seriousness of the crimes committed,” said Bill Baer, Assistant Attorney General in charge of the Justice Department’s Antitrust Division. “The prison sentence imposed by the court shows that if you engage in bid-rigging, fraud and kickback schemes your illegal actions will result in a longer prison sentence.”

According to evidence presented at trial, McDonald accepted kickbacks from sub-contractors in exchange for the award of sub-contracts at Federal Creosote. McDonald provided co-conspirators at Bennett Environmental Inc., a Canadian-based company that treats and disposes of contaminated soil, with bid prices of their competitors, which allowed them to submit the highest possible bid prices and still be awarded the sub-contracts.

McDonald also accepted kickbacks in exchange for the award of sub-contracts at the Federal Creosote and Diamond Alkali sites from the owner of JMJ Environmental Inc., a wastewater treatment and chemical supply company, and the co-owner of National Industrial Supply LLC, an industrial pipe supplier. He also participated in a conspiracy with the owner of JMJ and co-conspirators to rig bids and allocate sub-contracts for wastewater treatment supplies and services at Federal Creosote.

Including McDonald, nine individuals and three companies have pleaded guilty or been convicted of charges arising out of this investigation. More than \$6 million in criminal fines and restitution have been imposed and six of the individuals have been sentenced to serve prison sentences ranging from five to 168 months. One individual was sentenced to six months home confinement and the remaining two were sentenced to pay criminal fines and restitution. An additional individual, John A. Bennett, a Canadian citizen, was also charged on Aug. 31, 2009, and is facing extradition to the United States.

The cleanup at Federal Creosote is partly funded by the EPA. An interagency agreement between the EPA and the Army Corps of Engineers designated that the Army Corps hire the prime contractors at Federal Creosote. According to a settlement with the EPA and the New Jersey Department of Environmental Protection, Tierra Solutions was required to fund remedial action and maintenance of Diamond Alkali. Tierra Solutions hired the prime contractor for the remedial action and maintenance of Diamond Alkali.

Today's conviction is the result of an ongoing federal antitrust investigation being conducted by the Antitrust Division's New York 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 subcontracts awarded at the Federal Creosote Superfund site or Diamond Alkali Superfund site should contact the Antitrust Division's New York Office at 212-335-8000 or visit www.justice.gov/atr/contact/newcase.htm.

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