



Department of Justice

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Utah Gold and Silver Refining Company Pleads Guilty to Clean Water Act Violation

Two Former Managers Plead Guilty and are Sentenced for Making False Statements

WASHINGTON—Johnson Matthey Inc., the owner and operator of a gold and silver refining facility in Salt Lake City, pleaded guilty today to a felony violation of the Clean Water Act for failing to properly report wastewater discharges at the facility, the Justice Department announced. The former plant manager and former general manager both pleaded guilty to making false statements and were sentenced by Dee Benson, U.S. District Judge for the District of Utah.

Federal prosecutors and the corporation have agreed, as a part of today's plea agreement, to a total fine of \$3 million. U.S. District Judge Dee Benson set sentencing for the corporation for Dec. 2, 2008 at 2:30 p.m.

Former plant manager Paul Greaves and former general manager John McKelvie admitted to one felony violation for making false statements in relation to requirements for reporting pollutants under the Clean Water Act at the precious metals refining facility. Greaves was sentenced to 1 year probation, a \$500 fine and 20 hours community service and McKelvie was sentenced to 1 year probation, a \$1,000 fine and 20 hours community service.

The case arose out of an Environmental Protection Agency (EPA) investigation into JMI's discharge monitoring reports required under the Clean Water Act. The Salt Lake City facility opened in 1982 and refines both gold and silver from a semi-refined product called dore. As part of the refining process, pollutants such as selenium, among other materials, accumulated in the wastewater. JMI's wastewater was treated at several steps in the facility to remove selenium before JMI discharged the wastewater to a sewer leading to Central Valley Water Reclamation Facility (Central Valley), where it was subsequently treated and discharged to the Jordan River.

From approximately 1996 through 2002, JMI had difficulty consistently limiting selenium discharges to meet its permit limit. An internal audit conducted by JMI's auditor in 1999 discovered that the facility had exceeded its permit limit for selenium and that employees had screened samples before submitting them to an outside laboratory for analysis. The auditor warned the general manager that this violated the terms of JMI's industrial discharge permit, which required that samples be representative of the reported discharge.

In January 2000, to avoid disclosing true concentrations of the selenium-contaminated wastewater discharged from the facility, employees again screened the samples they reported to Central Valley by analyzing in-house the selenium concentrations and then submitting samples with low selenium concentrations to an outside laboratory for eventual reporting to Central Valley.

"Greaves and McKelvie knowingly submitted false reports to environmental regulators and today they

are facing the consequences of their actions,” said Ronald J. Tenpas, Assistant Attorney General for the Justice Department’s Environment and Natural Resources Division. “Today’s penalty is a reminder that the Justice Department is committed to protecting the environment and insuring a level playing field for corporations that follow the law.”

Brett L. Tolman, U.S. Attorney for the District of Utah, said: “This case reaffirms the United States’ commitment to work with local governments to ensure that industry honors the community’s rights to clean water and accurate information about industry’s activities that impact the environment. When, as in this case, industry fails to honor either of these commitments, the United States will take the necessary civil or criminal actions to help industry remember its commitments to the community.”

“Accurate information about pollution discharges is essential for government to protect the public and the environment,” said Lori A. Hanson, Special Agent in Charge of EPA’s Criminal Investigation Division in Denver. “Our criminal investigations will go as high up the corporate hierarchy as the evidence permits. Companies and their senior managers who submit false reports or bogus data will be vigorously prosecuted.”

The case was investigated by the EPA’s Criminal Investigation Division and prosecuted by Assistant U.S. Attorneys Richard Lambert and Jared Bennett and Trial Attorney J. Ronald Sutcliffe of the Justice Department’s Environmental Crimes Section.

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