State Water Board Seeks $150,000 in Penalties From Bakersfield Firm for Continued Underground Storage Tank Fraud
Violations involve gas stations in Chico, Tulare and Reedley

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SACRAMENTO – The State Attorney General's Office, on behalf of the State Water Resources Control Board (State Water Board), has filed a motion to enforce a 2010 judgment against E2C Remediation, Inc. (E2C) to obtain $150,000 in penalties after the firm failed to follow terms of a $1.2 million 2010 enforcement action.

E2C is an environmental engineering and consulting firm headquartered in Bakersfield, California. E2C provides environmental cleanup and consulting services to gas stations throughout central California.

Under the terms of the 2010 judgment, E2C must pay $150,000 in stayed penalties if it submits any further fraudulent invoices to the State Water Board's Underground Storage Tank Cleanup Fund (Cleanup Fund).

The Attorney General's motion alleges that after the 2010 judgment was entered, E2C continued to submit invoices to the Cleanup Fund containing false or misleading information and that the $150,000 stayed penalty is due. The motion alleges that E2C attempted to receive double payment of funds for a $1,167 utility invoice from Southern California Edison for a Valero gas station in Tulare and $6,168 for well installation at a Shell gas station in Chico. The motion also alleges that E2C billed the Cleanup Fund at least $7,620 for costs incurred at a Chevron gas station in Reedley where E2C operated a treatment system for fifty-six days without approval.

"Remarkably, E2C continues to attempt to defraud the Cleanup Fund," said Cris Carrigan, Director of the State Water Board's Office of Enforcement. "We will continue to take enforcement until E2C corrects its business practices."

On February 26, 2010 a civil judgment of $1.2 million was entered against E2C to settle allegations of submitting fraudulent reimbursement requests between 2005 and 2008 to the Cleanup Fund (*See original press release link below*). The civil case against E2C came on the heels of a criminal case against E2C President, Philip Goalwin, brought by the Attorney General's Office in 2007. In the 2007 case, Mr. Goalwin plead no contest to one misdemeanor count of submitting fraudulent claims to the state and paid $9,586 in restitution. Mr. Goalwin also received three years of probation and was ordered to serve 354 hours of community service.

The motion to enforce judgment is on the State Water Board's website at:
http://www.waterboards.ca.gov/water_issues/programs/enforcement/orders_actions.shtml

A copy of the 2010 judgment entered by the Sacramento County Superior Court, is at:
http://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/e2c_judgment2.pdf

A copy Mr. Goalwin's 2007 criminal plea entered by the Sacramento County Superior Court, is at:
http://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/goalwin_e2c_crimplea021407.pdf

A copy of the original enforcement press release is at:
http://www.waterboards.ca.gov/press_room/press_releases/2010/pr_e2c031116.pdf

Additional Information

The Cleanup Fund is financed by a two-cent per-gallon gasoline storage fee. Fund monies are used to reimburse up to $1.5 million per site for cleanup of petroleum releases at underground storage tank facilities. As of fiscal year 2011-2012, there are approximately 3,700 active claims to the Cleanup Fund for reimbursement. The Cleanup Fund has reimbursed $2.9 billion for eligible costs since 1992; including approximately $255 million in fiscal year 2010-2011. Approximately 6,500 Cleanup Fund sites have been cleaned up and closed since the program's inception in 1989.

A fact sheet about Cleanup Fund fraud prevention is at:
http://www.waterboards.ca.gov/publications_forms/publications/factsheets/docs/fraud_efforts_factsheet.pdf

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