



## U.S. Department of Justice

### *United States Attorney Eastern District of Arkansas*

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### **FORMER OPERATOR OF OSCEOLA WASTE INCINERATOR SENTENCED TO PRISON ON FEDERAL FRAUD CONVICTIONS**

**Little Rock** – Jane W. Duke, United States Attorney for the Eastern District of Arkansas, and Vernon L. Jackson, Special Agent in Charge, United States Environmental Protection Agency, Criminal Investigation Division, Dallas Field Office, announced today that Wally K. El-Beck of Springfield, Illinois was sentenced to 18 months imprisonment for multiple acts of fraud committed during the time he leased and operated the Osceola municipal incinerator. El-Beck was also ordered to pay close to \$905,000 in restitution. After announcing the sentence, United States District Judge G. Thomas Eisele ordered El-Beck, age 62, immediately remanded to the custody of the United States Marshal.

On October 20, 2006, a jury for the Eastern District of Arkansas found El-Beck, doing business as Arkansas Municipal Waste to Energy, Inc. and other similar names, guilty of 37 counts of mail fraud and one count of wire fraud. El-Beck's fraud convictions stemmed from an indictment originally returned by the grand jury against him and his business associate, Mike Kuziez, of Missouri. Kuziez, who proceeded to trial with El-Beck, was acquitted of multiple mail and wire fraud charges.

According to proof presented at trial, as the lessee and operator of the Osceola incinerator, El-Beck reached agreements with various waste brokers in 2000 to accept and incinerate industrial waste. In exchange for this service, El-Beck, through his company, would be paid a fee. The fee was customarily paid by the waste brokers in the form of a check sent through the mail to El-Beck's company. After reaching the initial agreements, the waste brokers began to ship industrial waste, most of it in 55-gallon drums, to El-Beck for disposal. Contrary to his representations to the waste brokers, El-Beck did not incinerate the waste as promised. Nevertheless, El-Beck assured his customers that he had appropriately incinerated the waste by periodically mailing Certificates of Destruction ("CDs") to the customers.

When the fraud was finally discovered, officials with the Arkansas Department of Environmental Quality and the EPA were brought in. The EPA obtained a search warrant and found approximately 10,000 55-gallon drums of industrial waste, along with other medical waste, which were stored in unsafe conditions at the Osceola site. The EPA took necessary steps to insure the public safety and oversaw the reclamation of the waste. At additional expense to El-Beck's customers, they were required to reclaim the waste, have it destroyed elsewhere, and contribute towards the cost of clean-up at the incinerator and storage site. The victims of the fraud incurred a loss of approximately \$1.16 million. The EPA spent over \$4 million in clean-up costs associated with the site. The discovery of the drums led to a joint criminal investigation conducted by the EPA and the United States Postal Inspection Service.

"Today's sentence sends the clear message that EPA will not tolerate individuals whose actions endanger public health by improperly handling hazardous and medical wastes," said Warren G. Amburn, Special Agent in Charge for the EPA's criminal program in Dallas. Duke agreed, stating, "The handling and disposal of hazardous waste is a highly regulated field because of the potential for public harm. We expect and demand – as should the general public – strict compliance with environmental laws and regulations."

This case was investigated by agents of the Environmental Protection Agency, the United States Postal Inspection Service and the Arkansas Department of Environmental Quality. Prosecutors for this case were Assistant United States Attorneys Angela Jegley and Patrick Harris.

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