



# Enforcement News

## **Placer County Firm to Pay \$200,000, Cease All Cleanup Work for Alleged Abuses of Underground Storage Tank Fund**

**FOR IMMEDIATE RELEASE**  
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**SACRAMENTO** – The State Water Resources Control Board (State Water Board) has reached a settlement agreement with Applied Engineering and Geology (AEG) of Placer County over allegations of overbilling and other abuses against the [Underground Storage Tank Cleanup Fund](#). The Lincoln-based company will pay an administrative civil liability of \$200,000 and will cease all work on projects funded by the Cleanup Fund and the [Cleanup and Abatement Account](#).

This settlement between the State Water Board and AEG is the first action taken under [Senate Bill 445](#), which took effect Sept. 25, 2014. The bill addresses underground storage tank issues related to hazardous substances, petroleum, groundwater and surface water contamination, and provides the State Water Board authority to investigate fraud in the Cleanup Fund and issue enforcement actions.

“This settlement is the first administrative action taken under the new authority afforded to the State Water Board under Senate Bill 445,” said Cris Carrigan, director of the Office of Enforcement. “In addition to expediting the enforcement process significantly compared to civil and criminal enforcements, Senate Bill 445 provides the State Water Board with administrative authority to issue penalties of up to \$500,000 for each misrepresentation knowingly made to the Cleanup Fund, and to impose those penalties directly on consultants.”

AEG provides environmental consulting services for cleanup of petroleum releases from underground storage tanks in Northern California, including Placer, Sutter, Yuba, and other counties. Inconsistencies were identified in AEG costs submitted to the Cleanup Fund for reimbursement. Allegations included billing for remediation equipment not used and ineligible markup on subcontractor invoices.

As part of the settlement, AEG and its owner, Earl Stephens, agreed that certain costs that have yet to be paid by the State Water Board are not reasonable and necessary and therefore will not be reimbursed.

The stipulated agreement can be viewed on the Office of Enforcement’s [website](#).

For more information on the State Water Board’s efforts to prevent, investigate and prosecute fraud against the Cleanup Fund, visit the State Water Board’s [website](#).

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