



REPORT FRAUD:

COMPLETE THE

[FRAUD COMPLAINT FORM](#)

EMAIL TO:

REPORTFRAUD@WATERBOARDS.CA.GOV

OFFICE OF ENFORCEMENT

TOLL FREE: (855) 263-0863

PHONE: (916) 341-5272

FAX: (916) 341-5896

OFFICE OF ENFORCEMENT - FRAUD, WASTE AND ABUSE PREVENTION UNIT

The Fraud, Waste and Abuse (Fraud) Prevention Unit is part of the State Water Resources Control Board's (State Water Board's) Office of Enforcement, which specializes in investigating and developing cases where state funds are being used inappropriately or where false information is being provided for monetary gain.

The goal of the Fraud Prevention Unit is to deter funding recipients and their contractors from submitting false or misrepresented information to the State Water Board's Underground Storage Tank (UST) Cleanup Fund and other State Water Board financial assistance programs.

UNIT'S VISION

The Fraud Prevention Unit's vision is to continue growing an antifraud culture within all State Water Board programs to ensure that state funds are used for the benefit of all Californians.

BACKGROUND & HISTORY

UNDERGROUND STORAGE TANK CLEANUP FUND

The UST Cleanup Fund, created in 1989, and administered by the State Water Board, reimburses eligible reasonable and necessary costs for corrective action of petroleum fuel releases from eligible USTs. For more on this visit [State Water Board's UST Cleanup Fund website.](#)

OTHER STATE WATER BOARD FINANCIAL ASSISTANCE PROGRAMS

The State Water Board administers other financial assistance programs, including loan and grant funding for planning and construction of municipal wastewater and water recycling facilities; drinking water treatment; remediation or prevention of groundwater contamination; and sustainable drinking water and wastewater solutions for small, disadvantaged communities. For more on this visit [State Water Board's financial assistance programs website.](#)

STATE WATER BOARD ENFORCEMENT

The State Water Board launched an enforcement initiative in 2011 to deter, investigate and prosecute fraud against the UST Cleanup Fund. The initiative detected significant invoice discrepancies by several UST cleanup contractors working for claimants that receive reimbursement from the UST Cleanup Fund. In April 2013, the initiative was made permanent, which resulted in the establishment of the Fraud Prevention Unit. For more on this visit [State Water Board's Fraud Prevention Unit website.](#)

INVESTIGATION & PROSECUTION OF SUSPECTED FRAUD

The investigation and prosecution of fraud, waste, abuse, and professional negligence believed to be perpetrated against the UST Cleanup Fund has been aggressively pursued by the State Water Board. Cases of fraud have been prosecuted criminally and/or civilly with the assistance of the Office of the Attorney General and other prosecutorial agencies. Effective Sept. 25, 2014, the Health and Safety Code was amended to authorize additional safeguards to combat fraud against the UST Cleanup Fund. The passage of Senate Bill 776 on Sept. 16, 2021, authorized the State Water Board to address fraud in the State Water Board's financial assistance programs. As a result, the State Water Board has the authority to disqualify funding recipients and their consultants from participating in the UST Cleanup Fund, and other State Water Board financial assistance programs, impose penalties of up to \$500,000 per violation, recover costs for investigation and prosecution, and prosecute cases administratively.

QUICK FACTS

- > **11** Businesses Disqualified from State Water Board Programs
- > **16** Persons Disqualified from State Water Board Programs
- > **3** Criminal Actions
- > **4** Civil Actions
- > **6** Administrative Actions
- > UST Cleanup Fund Claim Settlements Involving
 - **15** Claimants
 - **3** Consultants

OUTCOMES

The Fraud Prevention Unit has referred cases to the Office of the Attorney General that have resulted in criminal and civil complaints being filed and search warrants being conducted at several consultant and contractor offices. Many of these cases have resulted in the permanent disqualification of over a dozen businesses and persons from participating in the UST Cleanup Fund and other State Water Board financial assistance programs. To view this list visit [Fraud Prevention Unit's disqualified businesses and persons, and related criminal, civil, and administrative enforcement actions website](#).

RECENT ENFORCEMENT ACTIONS

- > **Allterra Environmental, Inc.:** In March 2020, a settlement between Allterra Environmental Engineering, Inc. (Allterra) and the State Water Board was reached over allegations of inflating invoices tied to work with the UST Cleanup Fund. The State Water Board alleged Allterra of submitting invoices that included padded expenses, exaggerated hours for project management and excessive mileage tallies. As part of the settlement, Allterra paid a \$106,533 penalty and its chief executive officer, James Allen, was banned from participating in any State Water Board financial assistance programs.
- > **GSA Engineering, Inc.:** In Feb. 2019, a settlement between GSA Engineering Inc. (GSA) and the State Water Board was reached over allegations that GSA submitted inflated invoices to the UST Cleanup Fund and made kickback payments to a laboratory that conspired to falsify reports. The laboratory was Cal Tech Environmental Laboratories, LLC, and its owner Roobik Yaghoubi, pled guilty to a felony false data charge in Los Angeles County (Case No. BA450757). GSA paid a \$90,000 penalty, and the company and its principal, Daniel Louks, was disqualified from participating in any State Water Board financial assistance programs.

Fraud is most commonly detected by a tip
If you see a red flag, report it