



Idaho Case Study – Identifying Environmental Contractor Fraud and the Implications

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Identification of Fraud

- Idaho DEQ personnel was evaluating laboratory data reports for a sampling event at a petroleum contaminated soil landfarm site associated with the cleanup and noticed a discrepancy between the batch numbers for the metals analysis report and the quality control data report.
- DEQ asked the contractor about it, who indicated it was the correct quality control data. DEQ contacted the lab. The lab indicated the quality control data was not theirs and indicated some inconsistencies with the chain of custody form for the samples.

Following Potential Fraud Identification

- DEQ notified the contractor via email that DEQ cannot accept the data due to the identified inconsistencies regarding the metals data for that site.
- Other lab reports identified VOC and PAH inconsistencies for the soil landfarm site.
- Following – Numerous sites on which this contractor worked were identified with similar data discrepancies. At this point fraud had not been determined and was only suspected.

Client:

Address:

Attn:



Batch #:

170418046

Project Name:



Analytical Results Report

Sample Number: 170418046-001 Sampling Date: 4/18/2017 Date/Time Received: 4/20/2017 10:40 AM
 Client Sample ID: LS-1 Sampling Time: 10:10 AM
 Matrix: Soil
 Comments:

Parameter	Result	Units	PQL	Analysis Date	Analyst	Method	Qualifier
Arsenic	ND	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Barium	83.3	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Beryllium	ND	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Cadmium	ND	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Chromium	2.30	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Copper	10.4	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Lead	4.75	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Mercury (CV)	0.0178	mg/kg	0.0115	5/3/2017	ETL	EPA 7471A	
Nickel	9.76	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Selenium	0.43	mg/kg	0.050	5/3/2017	HSW	EPA 8020A	
Silver	ND	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
Zinc	55.3	mg/kg	0.575	5/3/2017	HSW	EPA 8020A	
% Solids	10.4	Percent		4/24/2017	BMM	Smolstone	

Batch #'s

Analytical Results Report

Batch #:

170418046

Analytical Results Report Quality Control Data

Batch #:

170421033

Identical Surrogate Recoveries

Lab ID: L096423-002

Collection Date: 01/19/06 10:30 AM

Client Sample ID: MW2

Matrix: AQUEOUS

Analyses	Result	Limit	Qual	Units	DF	Date Analyzed
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VOLATILES BY GC/MS

SW8260B

Analyst: [REDACTED]

Benzene	ND	2.0	L1	µg/L	1	01/25/06
Ethylbenzene	5.0	2.0		µg/L	1	01/25/06
Naphthalene	8.1	5.0		µg/L	1	01/25/06
Toluene	ND	2.0		µg/L	1	01/25/06
Total Xylenes	48.1	4.0		µg/L	1	01/25/06
Surr: 4-Bromofluorobenzene	100	74.5-150		%REC	1	01/25/06
Surr: Dibromofluoromethane	111	65.7-146		%REC	1	01/25/06
Surr: Toluene-d8	96.6	71.7-132		%REC	1	01/25/06

Lab ID: L053817-002

Collection Date: 03/25/07

Client Sample ID: MW3

Matrix: AQUEOUS

Analyses	Result	Limit	Qual	Units	DF	Date Analyzed
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VOLATILES BY GC/MS

SW8260B

Analyst: [REDACTED]

Benzene	3.0	2.0	L1	µg/L	1	04/6/07
Ethylbenzene	8.1	2.0		µg/L	1	04/6/07
Naphthalene	ND	5.0		µg/L	1	04/6/07
Toluene	7.0	2.0		µg/L	1	04/6/07
Total Xylenes	32.7	4.0		µg/L	1	04/6/07
Surr: 4-Bromofluorobenzene	100	74.5-150		%REC	1	04/6/07
Surr: Dibromofluoromethane	111	65.7-146		%REC	1	04/6/07
Surr: Toluene-d8	96	71.7-132		%REC	1	04/6/07

MISSING ELEMENTS
(CHECK DATE, MATTER)
✓

170418 046 ENMT Lab ID 5/3/2017
1st SAMP 4/18/2017 1st RCVD 4/20/2017

Chain of Custody Record

[Redacted]

[Redacted]

[Redacted]

Fac: [Redacted]

Turn Around Time & Reporting

Please refer to our normal turn around times at:
<http://www.aratolabs.com/services/guidelines/reporting.asp>

Non-urgent
 Next Day
 2nd Day
 Other

*All rush order requests must be prior approved

Phone
 Mail
 Fax
 Email

Provide Sample Description

List Analyses Requested

Lab ID	Sample Identification	Sampling Date/Time	Matrix	Preservative	Sample Volume	Analysis	Analysis	Analysis	Analysis	Analysis	Analysis	Analysis	Analysis	Analysis	Analysis
1	LS-1	4/18/2017 10:10 AM	Soil		500g	PCPA	Metals	PCPA	Metals						

Note Special Instructions/Comments

This one soil is collected for PCPA metals and I will ship a lunch sample on 4/20/2017 for the evidence. I have done the right thing.

[Redacted]

Inspection Checklist

Received Intact? N
Labels & Chains Agree? N
Containers Sealed? N
VOC Head Space? Y N

Temperature (°C) 10
Preservative

Date & Time: 4/20/2017
Accepted By: [Signature]

Relinquished by [Redacted]
Received by [Redacted]
Relinquished by [Redacted]
Received by [Redacted]
Relinquished by [Redacted]
Received by [Redacted]

LAB ASSISTS THE HANDWRITING HERE IS NOT [Redacted]

LAB S.O.P.'S WOULD ROUND ONE DIGIT AFTER DECIMAL SUCH AS 10.0 SHIPPING COMPANY

Lab Identifies Inconsistencies

- The batch number shown on this report is for a different location.
- The batch number shown ##### would be assigned to a project received on April 18th, but the chain and the label indicate that the project was received on April 20, 2017.
- The date and time received shown on the report do not match what is shown on the chain of custody.
- The report shows no print or report number in the lower left corner of the report, nor pagination in the lower right corner.
- The report does not include the signature of our Lab Director.

Lab Identifies Inconsistencies

- The Received By name on the chain of custody appears to read 'James Doe,' although our employee's name is Billy Bob, and the signature, initials and handwriting are not Billy Bob's.
- The label in the upper right corner of the chain of custody lacks several elements automatically generated by our LMS system (check date, matrix).
- The temperature reading on the chain of custody does not reflect the thermometer used to take the reading, our employees would record the temperature with one decimal (10.0).
- There is no indication of the shipping company used on the chain of custody.
- No project analyzed or reported by the lab includes all of the tests and results shown on this report.

DEQ Referred Sites to Criminal Division of the Idaho Attorney General's Office

- 6 sites where referred.
- An investigation was conducted by the Attorney General's Office which ultimately resulted in charges being filed.
- Contractor pleaded guilty to four counts: forgery, offering false or forged instrument for record, computer crime and an environmental quality violation, all of which are felonies except for the environmental quality violation. 2 year process.
- Final verdict with the opportunity to appeal. The judge suspended contractors prison and jail sentences and placed him on 8 years of probation. He also ordered restitution in the amount of \$318,985.35 to be paid to each of the victims.

Enhanced QA / QC Proves Effective

- Compliance programs fundamentally rely on self-reporting. DEQ relies on professional conduct by contractors and standards of practice being followed by contractors.
- DEQ's enhanced quality assurance program beginning in 2017 requiring internal verification of data and information submitted by external third parties resulted in the staff identifying data discrepancies.

Future Issues

- DEQ will evaluate sites on a case-by-case basis to determine what, if anything, may need to occur.
- New owners.
- Sites with closure (LUST, GR, VCP).
- Possible lawsuits against contractor from site owners.



Questions?