

## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, May 5, 2016

## **District of Columbia Man Indicted for Environmental Crimes**

### ***Defendant Accused of Improperly Removing Asbestos and Defrauding Investors***

James Powers, 59, of Washington, D.C., was indicted today for violating the Clean Air Act and for fraud stemming from a scheme to improperly remove asbestos from a historic building in the District of Columbia.

The seven-count indictment, returned by a grand jury in the U.S. District Court for the District of Columbia, was announced by Assistant Attorney General John C. Cruden of the Justice Department's Environment and Natural Resources Division, U.S. Attorney Channing D. Phillips for the District of Columbia, and Jennifer Lynn, Acting Special Agent in Charge of the Environmental Protection Agency's (EPA) criminal enforcement program in the Mid-Atlantic States. It charges Powers with violations of the Clean Air Act, wire fraud and first-degree fraud, which is a District of Columbia offense. The indictment also includes a forfeiture allegation seeking all proceeds that can be traced to the fraud scheme.

According to the indictment, asbestos, a once-popular fireproofing insulation, is now known to cause lung cancer, asbestosis and mesothelioma in people who inhale the fibers released when asbestos is disturbed. Congress has determined that there is no safe level of exposure to asbestos. The Clean Air Act requires that renovation in asbestos-containing properties follow specific protocols designed to safely remove asbestos from the property prior to any renovation or demolition activity, so as not to expose workers to the risk of deadly respiratory diseases.

"The Clean Air Act asbestos standards exist to protect the public, especially demolition and renovation workers, from harmful and potentially fatal exposure to asbestos," said Assistant Attorney General Cruden. "The Justice Department and the EPA will fully investigate and prosecute those individuals who skirt the law and put workers in danger."

"This businessman is accused of endangering his own work crew by not taking the proper steps to renovate a building containing asbestos," said U.S. Attorney Phillips. "The indictment in this case reflects our determination to enforce the federal Clean Air Act and other laws that protect the health and safety of workers and citizens of the District of Columbia."

"Asbestos must be removed and disposed of safely and legally," said Acting Special Agent in Charge Lynn. "The federal Clean Air Act helps protect not only workers' health and safety, but that of the entire community. Today's charges demonstrate that EPA and its partner agencies are committed to enforcing important environmental and public health protection laws."

The development project at issue involved renovating the historic Friendship House, located at 619 D Street SE in Washington, D.C., into condominiums, a development known as the Maples. The indictment alleges that, in March 2010, Powers formed a partnership with a local real estate development firm to purchase and

renovate the property. According to the indictment, an asbestos survey of the property documented asbestos throughout the property, including in floor tiles, wall board, and pipe insulation. After the survey, the partnership received bids from licensed professional asbestos abatement and renovation firms in the area. The indictment alleges that, despite receiving those bids and despite knowing that the building contained asbestos, Powers hired Larry Miller, 58, of Palmetto, Georgia, a general contractor from Atlanta with no training, certification, or experience in asbestos abatement, to conduct interior demolition and renovation of the building. Powers represented to his partners that a qualified entity would conduct appropriate asbestos abatement at the property and emailed them a proposed contract, but the contract was with a corporation that, unbeknownst to his partners, was an alter-ego for Powers.

The indictment further alleges that Miller and his crew of workers conducted interior demolition at the Maples during September and October 2011, without any asbestos abatement having occurred. Even after an inspection by local environmental authorities revealed asbestos in the building, Powers had the workers continue demolition. Over the course of the project, the workers disturbed substantial quantities of asbestos, exposing themselves to a substantial risk of serious illness later in life.

Miller pleaded guilty on Nov. 19, 2015, to one count of negligent endangerment under the Clean Air Act. He is awaiting sentencing by the Honorable Amy Berman Jackson in the U.S. District Court for the District of Columbia. The charge carries a maximum sentence of not more than one year of imprisonment, a fine of up to \$100,000, and a term of supervised release and/or probation.

If convicted, Powers faces up to five years in prison and a fine of up to \$250,000 or twice the gross gain or loss to victims under the Clean Air Act, and a maximum of 20 years in prison and a fine of up to \$250,000 or twice the gross gain or loss to victims under the wire fraud statute.

After the acts described in this Indictment, a licensed asbestos abatement firm conducted abatement at the Maples. The District of Columbia Department of the Environment subsequently conducted inspections and found the property to be free of all asbestos-containing materials.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until, and unless, proven guilty.

In announcing the charges, Assistant Attorney General Cruden, U.S. Attorney Phillips, and Acting Special Agent in Charge Lynn expressed appreciation for the work performed by Special Agents from EPA and the Department of Transportation. They also acknowledged the efforts of Trial Attorney Cassandra J. Barnum, Senior Trial Attorney Lana Pettus and Paralegal Specialist Cynthia Longmire of the Environmental Crimes Section and those working at the U.S. Attorney's Office, including Paralegal Specialists Kaitlyn Krueger, John Lowell, and former Paralegal Specialist Krishawn Graham and Assistant U.S. Attorneys Jonathan Hooks and Zia Faruqui.

---

16-532

Environment and Natural Resources Division

**Topic:**

Environment

*Updated May 5, 2016*