



Enforcement News

Consultant settles fraud allegations involving state Underground Storage Tank Cleanup Fund

Consultant to pay \$175,000 in penalties

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SACRAMENTO – A Los Angeles-based consulting company accused of inflating invoices submitted to the Underground Storage Tank Cleanup Fund will pay a \$175,000 penalty to the State Water Resources Control Board to resolve the fraud allegations.

The settlement resolves allegations against ENCON Technologies, Inc. over its submission of unreasonable and unnecessary labor hours. The company habitually charged the cleanup fund engineer rates for tasks performed by an employee that had no formal education, certification, or license in civil engineering. Additionally, ENCON failed to record its actual costs for labor hours and instead billed the fund in lump sum amounts in violation of Health and Safety Code requirements.

As part of the settlement approved by the State Water Board on Dec. 3, ENCON, Inc. and its principal, G. Joseph Scatoloni, are disqualified from participating in State Water Board-funded programs.

“Contractors that seek reimbursement from state funds have a legal obligation to keep an accurate accounting of labor hours and to report those hours truthfully,” said Yvonne West, director of the board’s Office of Enforcement. “Here, the failure to do so resulted in enforcement actions that we hope will discourage others from engaging in similar behavior.”

The scheme became apparent when the board’s fraud prevention staff audited invoices and discovered that ENCON employees submitted bills for 24, 32 and 40-hour work shifts involving several projects. Previously, employees denied working more than eight hours per day. Further, ENCON did not require employees to document their work hours.

More information on the [Underground Storage Tank Cleanup Fund](#) and a list of businesses and individuals [disqualified](#) from working for the state is available on the board website.





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The State Water Board's mission is to preserve, enhance and restore the quality of California's water resources and drinking water for the protection of the environment, public health and all beneficial uses, and to ensure proper allocation and efficient use for present and future generations.