

MD Man Accused Of Selling Bogus Energy Credits

Alex Dominguez, Associated Press

BALTIMORE (AP) — A Maryland man faces trial in a \$9.1 million fraud case that is shedding light on problems in a renewable energy credits program run by the U.S. Environmental Protection Agency.

Federal prosecutors accuse Rodney Hailey of Perry Hall of selling renewable fuel credits even though his company, Clean Green Fuel LLC, did not produce any renewable fuel. Instead, prosecutors say he pocketed the money and bought Ferraris and other luxury cars, as well as tractor-trailers, homes, jewelry and computers.

Jury selection is scheduled to begin in the case Monday in U.S. District Court. If Hailey is convicted, prosecutors are seeking forfeiture of the \$9.1 million, including the cars, homes and other items, of which nearly \$3 million has been recovered, said Marcia Murphy, a spokeswoman for the U.S. Attorney's office.

Joseph Evans, a federal public defender representing Hailey, declined comment.

The case is one of several nationwide, including similar fraud cases in Texas and Alabama, that have led to calls in Congress for a review of the program. It has also prompted a lawsuit against the EPA by those defrauded by the Maryland company because the federal agency is not recognizing the credits they thought were genuine.

Companies that market petroleum in the United States are being required to produce renewable fuels such as biodiesel made from vegetable oils or purchase credits, known as renewable identification numbers, or RINs, from producers of those fuels to satisfy the requirement designed to increase clean energy.

In Congress, Republican leaders of the House Energy and Commerce Committee say the EPA's management of the situation appears to have made a bad situation worse, punishing innocent participants who were defrauded.

"As a result, the risk of unknowingly buying problematic RINs is great and so the renewable fuels marketplace is in turmoil," Reps. Fred Upton, R-Mich., and Ed Whitfield, R-Ky., said in a letter earlier this year to an EPA official about problems in the program.

The EPA says program regulations make it clear that buyers must make sure they use valid credits, but changes are being made to reduce the potential for fraud. Those changes include requiring that renewable fuel producers provide independent third-party verification that they have the equipment to produce the fuel they say they will produce. Auditors also must review records and reports submitted by renewable fuel producers to the EPA, the EPA said in a statement.

MD Man Accused Of Selling Bogus Energy Credits

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

A consortium responsible for assuring the validity of the credits is also being discussed by industry stakeholders, the EPA said.

The EPA's efforts were met with skepticism by George Parsells, an attorney representing OceanConnect, one of the companies suing the EPA.

"Nothing's been solved, in fact, there's been a lot of attention on Capitol Hill and congressmen and senators all making hay with the EPA over the RIN program," Parsells said.

Source URL (retrieved on 04/25/2015 - 9:50pm):

http://www.impomag.com/news/2012/06/md-man-accused-selling-bogus-energy-credits?qt-recent_content=0