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NEWS RELEASE

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Boise Couple Sentenced for Defrauding Idaho DEQ

Jorge Garcia, 50, and Karen Damberg Garcia, 47, both of Boise, were sentenced today in federal court for conspiring to defraud the Idaho Department of Environmental Quality of federal grant funds that were to be used to install diesel emission reduction equipment on Idaho school buses. Garcia was sentenced to 30 months in prison to be followed by three years of supervised release. His wife, Karen, was sentenced to 5 months probation with 10 months of home detention with electronic detention, also to be followed by three years of supervised release. The defendants appeared in federal court in Boise this morning in front of U.S. District Court Judge Edward J. Lodge. The Court noted that it will also order the defendants to pay a substantial restitution amount to the Idaho Department of Environmental Quality, but asked the party to submit further briefing on the final amounts.

The Garcias pleaded guilty to the charge on October 13, 2010. According to court documents, at the time of the offense in 2008, Garcia was a project manager for the Idaho Department of Environmental Quality. As part of his job duties, Garcia was in charge of a school bus diesel emission reduction project. Garcia was to identify school districts in Idaho eligible for the project, identify vendors to provide the necessary parts for the diesel retrofits, and determine how to complete installation of the diesel emission reduction technology. Using the name Emission Control Systems, Inc. (ECS), Garcia and Damberg Garcia submitted a bid to the Idaho Department of Environmental Quality to install the devices on school buses throughout Idaho. In the bid, which was submitted only in Karen Damberg's name, the defendants did not describe Jorge Garcia's role in the business. The defendants also falsely listed seven Meridian School District bus mechanics as ECS employees who would perform the installation work. The Meridian School District bus mechanics did not actually work for ECS, and the defendants did

not hire them to install any of the diesel emission reduction devices. The Idaho Department of Environmental Quality paid ECS \$332,320.33 under the contract.

“The Garcias violated the public trust,” said United States Attorney Wendy J. Olson. “Jorge Garcia used his position at the Idaho Department of Environmental Quality to obtain a contract and to try to profit at taxpayer expense. His wife was complicit in his activity. Today’s sentencings make clear that abuse of positions of trust and intentional misuse of taxpayer money will result in sure punishment.”

During the sentencing hearing, federal law enforcement agents testified that the mechanic defendant Jorge Garcia hired to perform the installations was not a bus mechanic and was not experienced in the work he was asked to do. DEQ Deputy Director Curt Fransen testified that many school districts reported that school buses were damaged as a result of the improper installations. Mr. Fransen also testified that DEQ will spend approximately \$477,000 to properly install the diesel emission reduction devices and another \$208,000.00 to repair the buses.

“The Garcias criminal conduct resulted in the failure and disconnection of pollution control devices that were installed on hundreds of buses throughout Idaho,” said Deputy Director Fransen. “These devices help protect air quality for thousands of school children. The hard work of state and federal investigators and the United States Attorney have made the Garcia’s accountable. The concern and efforts of the Idaho Department of Education, school districts and private bus companies have ensured that nearly all these school bus pollution control devices are once again protecting our children.”

In imposing sentence on defendant Jorge Garcia, Judge Lodge emphasized that Garcia had violated a public trust and that a prison sentence was necessary to get people's attention. He stated that for public employees, "temptation is always there" but it is "not worth the risk to take advantage, cut corners, or commit fraud."

"By fraudulently manipulating the process, the defendants' actions in this case prevented public funds from going to qualified contractors who could properly retrofit school buses so that Idaho's children have cleaner air to breathe. The OIG will vigorously pursue those who attempt to corrupt the competitive contracting process for their own personal gain at the expense of taxpayer dollars," said Arthur Elkins, Jr., EPA Inspector General.

The case was investigated by the United States Environmental Protection Agency, Office of the Inspector General.

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