



U.S. Department of Justice

United States Attorney  
District of Maryland

Rod J. Rosenstein  
United States Attorney

Vickie E. LeDuc  
Public Information Officer

36 S. Charles Street  
Fourth Floor  
Baltimore, Maryland 21201-2692

410-209-4800  
TTY/TDD: 410-962-4462  
410-209-4885  
FAX 410-962-3091  
Vickie.LeDuc@usdoj.gov

October 3, 2011  
FOR IMMEDIATE RELEASE  
[www.justice.gov/usao/md](http://www.justice.gov/usao/md)

CONTACT AUSA VICKIE E. LEDUC or  
MARCIA MURPHY at (410) 209-4885

**OWNER OF CLEAN GREEN FUEL CHARGED IN SCHEME TO SELL OVER  
\$9 MILLION IN FRAUDULENT RENEWABLE FUEL CREDITS**

*Information Alleges that the Company Falsely Claimed it Was Producing Renewable Fuel*

**Baltimore**, Maryland - A criminal information was filed today charging Rodney R. Hailey, age 33, of Perry Hall, Maryland, with wire fraud, money laundering and a violation of the Clean Air Act, in connection with a scheme in which he allegedly sold \$9 million in renewable fuel credits purportedly produced by his company, Clean Green Fuel, LLC, when in fact the company did not produce any renewable fuel.

The criminal charges were announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge David G. McLeod of the Environmental Protection Agency's (EPA) Criminal Investigation Division - Philadelphia Area Office; Postal Inspector in Charge Daniel S. Cortez of the U.S. Postal Inspection Service - Washington Division; Acting Special Agent in Charge Jeannine A. Hammett of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office; Special Agent in Charge Thomas Muskett of the EPA Office of Inspector General - Office of Investigations - Washington Field Office; U.S. Marshal for Maryland Johnny Hughes; and Chief James W. Johnson of the Baltimore County Police Department.

"The information alleges that as the owner of Clean Green Fuel LLC, Rodney Hailey specialized in producing 38-digit 'renewable identification numbers,' each of which supposedly corresponded to the production of two-thirds of a gallon of biodiesel fuel; in fact, he allegedly sold more than 32 million RINs for over \$9 million," said U.S. Attorney Rod J. Rosenstein. "Oil companies bought RINs in order to comply with EPA regulations requiring them to support the production of renewable fuel. However, the information alleges that in reality Mr. Hailey did not produce any renewable fuel; he just made up RINs."

According to the criminal information, Rodney Hailey was the owner of Clean Green Fuel, LLC, with several locations in the Baltimore area. Hailey registered Clean Green Fuel with the EPA as a producer of bio-diesel fuel, a motor vehicle fuel derived from renewable resources that can be used like any other motor vehicle fuel.

In order to encourage the production of renewable fuel and lessen the nation's dependence on foreign oil, all oil companies that market petroleum in the U.S. are required to produce a given quantity of renewable fuel or to purchase credits, called renewable identification numbers (RINs) from producers of renewable fuels to satisfy their renewable fuel requirements.

The criminal information alleges that between March 2009 and December 2010, Hailey sold over 32 million RINs (representing 22 million gallons of bio-diesel fuel) to brokers and oil companies for at least \$9 million, when in fact Clean Green Fuel had produced no fuel at all. According to the criminal information, Hailey did not have a facility capable of producing bio-diesel fuel and his business operation consisted solely of generating false RINs on his computer and marketing them to brokers and oil companies.

Hailey allegedly used the proceeds of the wire fraud scheme to purchase luxury vehicles, including BMWs, Mercedes Benz', a Rolls Royce Phantom, a Lamborghini, Ferrari, Maserati and others, as well as real estate and jewelry. According to the information, during the investigation Hailey made numerous false statements to EPA investigators, including that he manufactured the fuel from waste vegetable oil collected from 2700 restaurants.

Finally, the criminal information seeks the forfeiture of over \$9 million, alleged to be the proceeds of the scheme.

Hailey faces a maximum sentence of 20 years in prison for wire fraud; ten years in prison for money laundering and two years in prison for violating the Clean Air Act. An initial appearance and arraignment are scheduled for October 13, 2011 at 1:00 p.m. before U.S. District Judge William D. Quarles, Jr.

A criminal information is not a finding of guilt. An individual charged by criminal information is presumed innocent unless and until proven guilty at some later criminal proceedings.

For their work in this investigation, United States Attorney Rod J. Rosenstein praised the members of the District of Maryland Asset Forfeiture/Money Laundering Task Force, including the U.S. Marshals Service, the Baltimore County Police Department and IRS - Criminal Investigation; and the EPA Criminal Investigation Division, U.S. Postal Inspection Service, and EPA Office of Inspector General - Office of Investigations. Mr. Rosenstein thanked Assistant United States Attorneys Stefan Cassella and Tonya Kelly Kowitz, who are prosecuting the case.