



News Release

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DTSC Investigation Leads to Arrest and Felony Charges Related to Hazardous Waste Transportation Business

SACRAMENTO, Calif. – The Department of Toxic Substances Control (DTSC) announced today that a DTSC investigation referred to Alameda County District Attorney Nancy E. O’Malley’s office has resulted in the arrest of two operators of Clearwater Environmental Management, Inc. Kirk Hayward, the former owner of the Union City business, and Charles Seaton, the former vice president, were arrested on Feb. 11, 2014, and each charged with four felony counts of grand theft by false pretenses and one felony count of conspiracy.

“Safe management of hazardous waste relies on the accurate tracking of waste shipments,” said Reed Sato, DTSC Chief Counsel. “Investigating the falsification of transportation documents is a high priority for DTSC and we are grateful for the partnership with the District Attorney in prosecuting these threats to public safety.”

Clearwater has transported and disposed of hazardous and non-hazardous waste for local businesses since at least 1995. The company lost its license to transport hazardous waste in 2007 as the result of an investigation by DTSC’s Office of Criminal Investigations (OCI). That case culminated in the felony conviction of Hayward, who was sentenced to 60 days in jail and fined \$70,000. Clearwater continued to operate the non-hazardous waste portion of its business after losing its hazardous waste transport license. The company also continued operating the hazardous waste portion of the business, using the identity of another licensed transporter on official records.

DTSC discovered Clearwater was illegally transporting hazardous waste without a license and using the identity of another transporter, and in July, 2011, served a search warrant at the facility. Investigators discovered that Clearwater was documenting transports of hazardous waste to an oil recycling facility in Nevada also owned by Clearwater, but in many instances the waste went elsewhere.

The law requires generators of hazardous waste to transport their waste to a facility permitted to accept such waste and to file records that document lawful transportation and the final disposal site. Typically, businesses that generate hazardous waste pay a hazardous waste transporter to perform all of these services for them. Clearwater customers paid Clearwater to transport and dispose of their waste according to hazardous waste laws, including the requirement that the customer accurately document the transport and disposal of the waste in records filed with the state.

“My Office is committed to ensuring that hazardous waste is properly transported and disposed of,” said O’Malley. “Thanks to the diligence and excellent investigation by DTSC, we are today able to prosecute these defendants for their illegal conduct.”

Many Clearwater customers paid for these services, but never got them. Instead, Clearwater illegally transported customers' waste, disposed of the waste at locations unknown, and falsified customers' transportation and disposal records. The four charges of grand theft by false pretenses are based on Clearwater defrauding four such customers.

The felony charge of conspiracy is based on Hayward and Seaton's agreement to commit three crimes: to transport hazardous waste without a license; to use the identity of another transporter on hazardous waste records; and to obtain payment from Clearwater customers by means of false pretenses.

OCI is a special investigation unit within DTSC consisting of peace officers, scientists, and a computer forensic specialist who investigate criminal misconduct and other serious violations of hazardous waste laws in California. They are the only criminal investigation unit within the California Environmental Protection Agency.

View documents related to these arrests [here](#).

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FOR GENERAL INQUIRIES: Contact the Department of Toxic Substances Control by phone at (800) 728-6942 or visit www.dtsc.ca.gov. To report illegal handling, discharge, or disposal of hazardous waste, call the Waste Alert Hotline at (800) 698-6942.

The Mission of DTSC is to protect California’s people and environment from harmful effects of toxic substances by restoring contaminated properties, identifying and promoting safer ingredients in consumer products, and ensuring stewardship through enforcement, regulation and pollution prevention.