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Underground Storage Tank Fund/California State Water Resources Control Board: Los Angeles Environmental Consulting Firm Enters into Settlement Addressing Alleged Inflated Invoices

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The California State Water Resources Control Board (“Board”) and Associated Consulting Civil & Environmental Services, Inc. (“Associated Consulting”) along with an individual entered into a January 17th document styled:

Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order (“Settlement Agreement”)

See WQ 2023-XXXX-EXEC.

The Settlement Agreement resolves allegations that Associated Consulting inflated invoices submitted to the Board’s Underground Storage Tank Cleanup Fund (“Fund”) for remediation work.

The federal and state petroleum underground storage tank (“UST”) regulations require that a UST owner or operator undertake certain investigative and/or corrective actions in response to a release. The UST owner or operator will be required by the relevant federal or state UST regulations to undertake investigative and/or corrective action to delineate and, if necessary, remediate the release.

A number of states (including Arkansas) have UST funds that provide reimbursement for certain investigative and/or corrective action costs related to releases from petroleum USTs. The reimbursability of such costs is typically conditioned upon meeting certain statutory and/or regulatory eligibility requirements. Environmental professionals of various types are often utilized to perform the required work and submit the invoices for reimbursement.

California is one of the states that provides a petroleum UST fund.

The previously referenced Settlement Agreement alleges that Associated Consulting made certain misrepresentations in multiple reimbursement requests to the California UST Fund which included the following:

- 346 instances of inflating labor hours
- 6 instances of inflating the cost of rental units

- 4 instances of inflating subcontractor costs

The Settlement Agreement provides that Associated Consulting and the individual dispute the allegations and admit no wrongdoing.

The Settlement Agreement also provides the following:

- Assessment of \$150,000 in penalties
- Disqualification of Associated Consulting and the individual from participating in future Board funding programs

A copy of a news release and the Settlement Agreement can be downloaded [here](#).