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County of Warren

PRESS RELEASE

As of this date the Warren County Prosecutor's Office has completed its investigation relative to the rate discrepancy in the 2011 Agreement between Covanta Corporation and the Pollution Control Authority. Covanta Corporation owns and operates the waste incinerator in White Township, NJ. A normal by-product of the incinerator is ash which is disposed of at the Warren County landfill. The rate is set and authorized by Warren County Pollution Control Financing Authority and placed in writing so as to give proper notice to Covanta as well as entities involved in bringing materials to the site for disposal.

In January of 2011, an agreement was signed by Richard Sanders of Covanta Corporation and James Williams, Director of Operations of W.C.P.C.F. A. for an amount of \$28.25 a ton for ash disposal at the Warren County landfill. This agreement was negotiated by Covanta employee Lorenzo Rizzi and Mr. Williams beginning in late 2010. The contract was executed at the end of January 2011 with Mr. Sanders' signature and Mr. Williams' signature.

In the summer of 2011, numerous individuals on the board of Warren County Pollution Control Financing Authority, as well as legal counsel employed by the W.C.P.C.F.A., became aware of the January 2011 contract with Covanta. These individuals were concerned because the authorized rate of \$30.50 was not the agreed upon rate relative to the aforementioned agreement.

The investigation revealed that Mr. Williams had no authority to negotiate rates, which had been previously established by the W.C.P.C.F. A. board. Mr. Williams had no explanation for his actions other than he thought he was protecting the financial stability of the W.C.P.C.F. A. The difference between the agreed upon rate and the established rate resulted in \$112,542.60 less in funds to the W.C.P.C.F. A., as calculated by Chief Financial Officer Charles Houck.

Subsequently, in 2012, the WCPCFA board entered into an agreement with Covanta for \$19.00 a ton, which was considerably less than the amount Mr. Williams entered into in an unauthorized agreement. The disposal of ash is a competitive business as can be seen between these discrepancies in fees on a year to year basis and the fact that W.C.P.C.F. A. is competing against private entities for ash covering.

In 2011, there were other agreements entered into by the "Finance Board" of the W.C.P.C.F. A. at different rates with Essex Covanta for ash cover at \$25.00 per ton in a proper fashion.

It is the position of this office that there will be no forthcoming criminal charges against Mr. Williams. This office has no comment on the internal investigation by the W.C.P.C.F.A. or the discipline rendered to Mr. Williams. There is no evidence that Mr. Williams received any financial benefit from his actions relative to the agreement, nor did anyone else affiliated with the board in any capacity. The investigations did not reveal any evidence of any illegal benefit to anyone at the W.C.P.C.F.A. nor any criminal intent by Mr. Williams.

Approved by:

Thomas S. Ferguson ^{re}

THOMAS S. FERGUSON
Warren County Prosecutor

Date: February 8, 2012