

U.S. Department of Justice

***United States Attorney
Eastern District of Virginia***

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NEWS RELEASE

**For Immediate Release
March 23, 2004
Alexandria, Virginia**

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that a federal jury in Alexandria, Virginia, found Ethel Mae Holmes guilty today of conspiracy, mail fraud, and submitting false claims to the United States Government.

Holmes is president and owner of Holmes Environmental, Inc., located in Virginia Beach, Virginia. Holmes Environmental, Inc. worked in the asbestos and lead abatement industry as an abatement inspector, designer and project monitor. Holmes' business performed work for the Pentagon, the Virginia Department of Mental Health, Mental Retardation and Substance Abuse, Sentara Norfolk General Hospital, Virginia Employment Commission, the United States Army at Fort Eustis, the United States Coast Guard, as well as at other federal and non-federal facilities, such as an elementary school, day care centers, mental health hospitals, and a public housing project.

Holmes was convicted obtaining and buying false asbestos and lead training certificates for herself and her conspirators, who fraudulently presented the certificates to licensing authorities in the Commonwealth of Virginia. With the falsely obtained licenses, Holmes was able to submit bids during 1998-2001 on asbestos and lead abatement projects throughout the Commonwealth of Virginia, Maryland, and North Carolina.

Holmes oftentimes used untrained and unlicensed receptionists, office managers, and other employees to oversee asbestos and lead abatement projects, which involved highly toxic and hazardous materials. During the 1998-2001 conspiracy Holmes' business received approximately \$600,000 in contracts, to which she was not entitled because her workers and herself were not properly trained and licensed.

Under Federal and State law, individuals who intend to work on asbestos and lead abatement projects are required to undergo an extensive training course instructing them on how to properly and safely remove asbestos and lead without contaminating themselves, co-workers, or members of the public.

Asbestos has been designated by the United States Environmental Protection Agency and Congress in the clean air act as a "hazardous" air pollutant. Asbestos causes a wide range of illnesses, including various forms of cancer and asbestosis, a usually fatal lung disease. The EPA has determined that there is no safe level of exposure to asbestos.

The indictment is part of a continuing investigation into the improper training of workers in the asbestos and lead abatement industry in Virginia, Maryland and District of Columbia.

Joining Mr. McNulty with the announcement today was Thomas J. Sansonetti, Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice.

The trial prosecutors were Noreen McCarthy, Trial Attorney, Environmental Crimes Section of the U.S. Justice Department, and Gene Rossi, Assistant U.S. Attorney, in Alexandria, Virginia. Investigation of this case was conducted by special agents of the Federal Bureau of Investigation, the Criminal Investigation Division of the United States Environmental Protection Agency, NASA Office of Inspector General, the Defense Criminal Investigative Services, the Naval Criminal Investigative Service, Army Criminal Investigations Division, Defense Contract Audit Office, and the Virginia Department of Professional and Occupational Regulation.

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