

Hi-Po Officials Sentenced For RICO Guilty Pleas

A federal court has sentenced two former officials of Hi-Po, Inc. to over two years imprisonment each and a total of \$1 million in fines and restitution after their guilty pleas to environmental offenses under the federal Racketeering Influenced and Corrupt Organizations (RICO) Act. The guilty pleas were related to Hi-Po's admission that it intentionally released diesel fuel into a storm sewer and a pond in Ann Arbor in order to make a fraudulent claim and receive payment from the University of Michigan and the Michigan Department of Environmental Quality to clean up the releases.

Hi-Po's former president and owner, Aaron Smith, and Hi-Po's former operations manager, Steven Carbeck, admitted that they illegally profited from Hi-Po's unlawful activities. Smith's RICO plea included an admission of illegal money laundering, mail fraud and bribery of a public official. Carbeck's guilty plea included an admission of money laundering and mail fraud.

Smith received 33 months imprisonment and Carbeck 27 received months. In addition, Smith will pay restitution of approximately \$500,000 to several victims and he will also forfeit an additional \$500,000 in funds obtained through illegal activity. Carbeck will be responsible to join Smith in paying \$430,000 of the restitution. Hi-Po will pay a \$50,000 fine and will make a total of \$75,000 in restitution payments.