

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

UNITED STATES OF AMERICA)	
)	
v.)	CRIMINAL NO. 24-CR-00117-KD
)	USAO No: 2017R00394
AM/NS CALVERT, LLC)	

PLEA AGREEMENT

The defendant, **AM/NS CALVERT, LLC** represented by its counsel, and the United States of America have reached a plea agreement in this case, pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the terms and conditions of which are as follows:

RIGHTS OF THE DEFENDANT

1. The defendant understands its rights as follows:
 - a. To be represented by an attorney;
 - b. To plead not guilty;
 - c. To have a trial by an impartial jury;
 - d. To confront and cross-examine witnesses and to call witnesses and produce other evidence in its defense; and
 - e. To not be compelled to incriminate itself.

WAIVER OF RIGHTS AND PLEA OF GUILTY

2. The defendant waives rights b through e, listed above, and pleads guilty to Count One, charging violations of Title 42, United States Code, Section 7413(c)(2)(B), of the Clean Air Act.
3. The defendant understands that the statements made under oath in the plea of guilty must be completely truthful and that it can be prosecuted for making false

statements or perjury, or receive a perjury enhancement at sentencing, for any false statements it makes intentionally in this plea of guilty.

4. The defendant expects the Court to rely upon statements made in the factual resume and respond to any questions that the company may be asked during the guilty plea hearing.
5. The defendant understands that the United States has the burden of proving each of the legal elements of the criminal charge beyond a reasonable doubt. The defendant and its counsel have discussed possible defenses to the charge. The defendant believes that its attorney has represented it faithfully, skillfully, and diligently, and is satisfied with the legal advice of its attorney.
6. A separate document, entitled Factual Resume, will be submitted to the Court as evidence at the guilty plea hearing. The Factual Resume is incorporated by reference into this Plea Agreement. The defendant and the United States agree that the Factual Resume is true and correct. Alterations to the Plea Agreement or Factual Resume initialed only by the defendant and its counsel are not part of this agreement and are not agreed to by the United States.
7. This plea of guilty is freely and voluntarily made and is not the result of force, threats, promises, or representations, apart from those representations set forth in this Plea Agreement. There have been no promises from anyone as to the particular sentence that the Court will impose. The defendant is pleading guilty because it is guilty.

8. The defendant also knowingly and voluntarily waives all rights, whether asserted directly or through a representative, to receive from the United States after sentencing any further records, reports, or documents pertaining to the investigation or prosecution of this matter. This waiver includes, but is not limited to, rights under the Freedom of Information Act and the Privacy Act of 1974.

PENALTY

9. The maximum penalty the Court could impose as to Count One of the Information is:
- 1) A fine of either Five Hundred Thousand (\$500,000) dollars, or twice the gross gain or loss resulting from the unlawful conduct, pursuant to 18 U.S.C § 3571 (c) and (d);
 - 2) A term of probation up to 3 years, pursuant to 18 U.S.C § 3561 (c)(1);
 - 3) A mandatory special assessment of \$400.00, pursuant to 18 U.S.C § 3013 (a)(2)(B); and
 - 4) Such restitution as may be ordered by the Court.

SENTENCING AND APPLICATION OF FED. R. CRIM. P. 11(c)(1)(C)

10. The defendant acknowledges the Court will impose the sentence in this case, and that the parties have reached a binding agreement as to the appropriate sentence in this case. Specifically, the defendant acknowledges that Federal Rules of Criminal Procedure 11(c)(1)(C) provides in relevant part:

4

If the defendant pleads guilty... to ... a charged offense..., the plea agreement may specify that an attorney for the government will: ... (C) agree that a specific sentence or sentencing range is the appropriate disposition of the case...(such a recommendation or request binds the court once the court accepts the plea agreement).

11. The defendant has reviewed Rule 11(c)(1)(C) with its attorney and understands that its provisions will govern the procedure for the sentence imposed by the Court in this case.
12. The parties agree that the following sentence is an appropriate disposition in this case:
 - a. As a condition of probation, **AM/NS** agrees it will be placed on organizational probation for a period of three years from the date of sentencing pursuant to 18 U.S.C. § 3561(c)(1) and U.S.S.G. §§ 8D1.1 and 8D1.2. The terms of probation will include the following specific provisions, in addition to the Court's standard conditions:
 - i. No further environmental violations. Defendant will commit no further violations of federal state, and local environmental laws.
 - ii. Payments. Defendant shall make payment in full of the monetary amounts set forth herein.
 - iii. Environmental compliance. Defendant understands and agrees that during the term of probation, the Defendant will be required to comply fully with any Settlement Agreement it executes with the U.S. EPA's Office of Debarment and Suspension. In the event the Defendant is unable to complete its obligation under the Settlement Agreement within

5

the three-year term of probation, the Defendant must inform the United States sixty (60) days before the end of the three-year term of probation and the Defendant and the United States shall jointly move the Court for extension of the term of probation for a period mutually agreed upon and will ask the Court to set compliance with and completion of the Settlement Agreement as the only terms of the extended probation period.

b. The parties agree that at sentencing **AM/NS CALVERT, LLC** will pay a criminal penalty in the form of a fine in the amount of 750,000 Dollars (\$750,000) to the clerk of court.

c. The parties jointly recommend that the defendant be placed on organizational probation for a period of three years from the date of sentencing pursuant to 18 U.S.C. § 3561(c)(1) and USSG §§ 8D1.1 and 8D1.2. The parties recommend that the terms of probation be as follows:

d. The defendant agrees that it shall commit no further violation of the Clean Air Act, or any other federal, state, or local law, including those laws and regulations which primary enforcement has been delegated to the state authorities, and shall conduct all its operations in accordance with the environmental laws of the United States.

e. This agreement shall bind the defendant and its subsidiaries and agents, including all subsidiaries and agents that technically manage and/or operate its assets, property and assigns, including but not limited to all successors-

6

in-interest if applicable, successors and assigns. The defendant shall provide notice within 10 days to the U.S. Probation Office for the Southern District of Alabama, the Criminal Division of the EPA in Atlanta and the United States Attorney's Office for the Southern District of Alabama of any of the following: any corporate name changes; any purchases or sale of assets, any purchases, sale or reorganization or divestiture; or any other change impacting upon or affecting this agreement; No change in name, change in corporate or individual control, business reorganization, change in ownership, merger, change in legal status, sale or purchase of assets, or similar action shall alter the defendant's responsibilities under this agreement. The defendant understands and agrees that it shall not engage in any action to seek to avoid the obligations and conditions set forth in this agreement.

13. The United States will provide all relevant sentencing information to the Probation Office for purposes of the pre-sentence investigation. Relevant sentencing information includes, but is not limited to, all facts and circumstances of this case and information concerning the defendant's conduct and background.
14. Both the defendant and the United States are free to allocute fully at the time of sentencing subject to the provisions of paragraph 13.
15. The defendant agrees to tender \$400.00 to the U.S. District Court Clerk in satisfaction of the mandatory special assessment in this case. The United States reserves the right to withdraw any favorable recommendations it may agree to

within this document if the defendant fails to pay the special assessment prior to or at the time of its sentencing.

UNITED STATES' OBLIGATIONS

16. The United States will not bring any additional charges against the defendant related to the facts underlying the Information. This agreement is limited to the United States Attorney's Office for the Southern District of Alabama and does not bind any other federal, state, or local prosecuting authorities.

**LIMITED WAIVER OF RIGHT TO APPEAL AND
WAIVER OF COLLATERAL ATTACK**

17. As part of the bargained-for exchange represented in this plea agreement, and subject to the limited exceptions below, the defendant knowingly and voluntarily waives the right to file any direct appeal or any collateral attack, including a motion to vacate, set aside, or correct sentence under 28 U.S.C. § 2255. Accordingly, the defendant will not challenge his guilty plea, conviction, or sentence in any district court or appellate court proceedings.

a. **EXCEPTIONS.** The defendant reserves the right to timely file a direct appeal challenging:

- (1) any sentence imposed in excess of the statutory maximum;
- (2) any sentence which constitutes an upward departure or variance from the advisory guideline range.

The defendant also reserves the right to claim ineffective assistance of counsel in a direct appeal or § 2255 motion.

18. If the United States files a notice of appeal and such appeal is authorized by the Solicitor General, the defendant is released from the appellate waiver.
19. The defendant further reserves the right to timely move the district court for an amended sentence under 18 U.S.C. § 3582 in the event of a future retroactive amendment to the Sentencing Guidelines which would affect the sentence.
20. If the defendant receives a sentence within or below the advisory guideline range, this plea agreement shall serve as the defendant's express directive to defense counsel to timely file a "Notice of Non-Appeal" following sentencing, signed by the defendant.

VIOLATION OF AGREEMENT

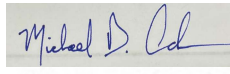
21. The defendant understands that if he breaches any provision of this Plea Agreement, the United States will be free from any obligations imposed by this agreement, but all provisions of the agreement remain enforceable against the defendant. In the exercise of its discretion, the United States will be free to prosecute the defendant on any charges of which it has knowledge. In such event, the defendant agrees not to assert any objections to prosecution that he might have under the Sixth Amendment and/or Speedy Trial Act.

ENTIRETY OF AGREEMENT

22. This document is the complete statement of the agreement between the defendant and the United States and may not be altered unless done so in writing and signed by all the parties.

Respectfully submitted,
SEAN P. COSTELLO
UNITED STATES ATTORNEY

Digitally signed by
MICHAEL ANDERSON
Date: 2024.07.22
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Date: _____

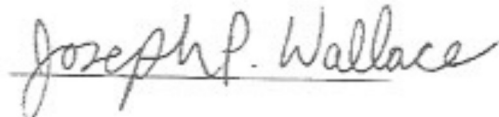
Michael D. Anderson
Assistant United States Attorney

Date: _____

s/Kasee Heisterhagen
Kasee Heisterhagen
Assistant United States Attorney
Deputy Chief, Criminal Division

On behalf of AM/NS Calvert, LLC, I have consulted with counsel and fully understand all rights with respect to the offense charged in the Information pending against AM/NS Calvert, LLC. On behalf of AM/NS Calvert, LLC, I have read this Plea Agreement and carefully reviewed every part of it with counsel for AM/NS Calvert, LLC. On behalf of AM/NS Calvert, LLC, I understand this agreement, and I voluntarily agree to it. AM/NS Calvert, LLC hereby stipulates that the Factual Resume, incorporated herein, is true and accurate in every respect, and that had the matter proceeded to trial, the United States could have proved the same beyond a reasonable doubt.

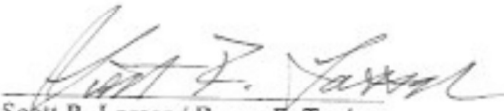
Date: 7/17/2024



For AM/NS CALVERT, LLC
Defendant

I am the attorney for the defendant. I have fully explained its rights with respect to the offense(s) charged in the Information in this matter. I have carefully reviewed every part of this Plea Agreement with AM/NS Calvert, LLC. To my knowledge, this decision to enter into this agreement is an informed and voluntary one. I have carefully reviewed the Factual Resume, incorporated herein, with the defendant and to my knowledge, the decision to stipulate to the facts is an informed, intelligent, and voluntary one.

Date: 7/22/24



Scott R. Lassar / Byron F. Taylor
Attorneys for Defendant

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

UNITED STATES OF AMERICA)
)
v.) **CRIMINAL NO.**
)
AM/NS CALVERT, LLC)

FACTUAL RESUME

The defendant, **AM/NS CALVERT, LLC** admits the allegations of Count One of the Information.

ELEMENTS OF THE OFFENSE

AM/NS CALVERT, LLC understands that in order to prove a violation of Title 42, United States Code, Section 7413(c)(2)(B), Clean Air Act, as charged in Count One of the Information, the United States must prove:

- First: The defendant is a person within the meaning of this statute;
- Second: The defendant knowingly failed to notify or report violations;
- Third: As required by the Clean Air Act.

OFFENSE CONDUCT

Defendant, **AM/NS CALVERT, LLC** admits in open court and under oath that the following statement is true and correct and constitutes evidence in this case. This statement of facts is provided solely to assist the Court in determining whether a factual basis exists for **AM/NS CALVERT, LLC's** plea of guilty. The statement of facts does not contain each and every fact known to **AM/NS CALVERT, LLC** and to the United States concerning the defendant's involvement in the charges set forth in the plea agreement.

2

At all times relevant this conduct occurred in the Southern District of Alabama:

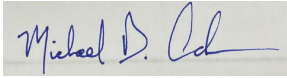
AM/NS CALVERT, LLC owned and operated a steel production facility in Calvert, Alabama, between February 2014 through June 2018. In February 2015, the Alabama Department of Environmental Management (ADEM) issued **AM/NS CALVERT** Clean Air Act (CAA) Title V permit - Permit No. 503-0095. Although the acid regeneration plant at the AM/NS facility was designed to run on water, AM/NS notified ADEM in approximately April 2015, about the need for caustic injections to the scrubber system because permit compliance could not be achieved as originally designed. Permit No. 503-0095 was amended to require the use of caustic solution at the acid regeneration plant to meet air emission standards.

On or about August 9, 2017, the U.S. Environmental Protection Agency (EPA) and ADEM conducted a joint inspection of the AM/NS acid regeneration facility. During the inspection, the facility was not using caustic solution in direct violation of its CAA permit. A series of interviews conducted by EPA and ADEM investigators revealed that the required caustic solution had not been used at the plant since at least April 2017. **AM/NS CALVERT, LLC** failed to notify ADEM of information that would have shown non-compliance under the facility's permit, as required under the Clean Air Act.

AGREED TO AND SIGNED.
Respectfully submitted,
SEAN P. COSTELLO UNITED
STATES ATTORNEY

Digitally signed by MICHAEL
ANDERSON
Date: 2024.07.22 14:58:23
-05'00'

Date: _____



Michael D. Anderson
Assistant United States Attorney

Date: _____

s/Kasee Heisterhagen

Kasee Heisterhagen
Assistant United States Attorney
Deputy Chief, Criminal Division

Date: 7/17/2024

Joseph P. Wallace
For AM/NS CALVERT, LLC
Defendant

Date: 7/22/24

Scott R. Lassar / Byron F. Taylor
Scott R. Lassar / Byron F. Taylor
Attorneys for Defendant