

# News Release



Office of Public Affairs  
Media Contact: Lance Klug  
916-341-6293 | lance.klug@calrecycle.ca.gov

Department of Justice  
916-210-6000 | agprossoffice@doj.ca.gov



September 27, 2021

## Recycling company to pay \$34 million for multi-year bottle and can smuggling scheme

SACRAMENTO – Recycling Services Alliance, Inc. (RSA) and its operations manager will pay over \$34 million for illegally filing claims for California Refund Value (CRV) based on thousands of fabricated weight tickets. The felony convictions for recycling fraud, forging/falsifying public documents and perjury are the result of plea agreements just approved by Sacramento Superior Court. The criminal judgment for RSA is \$33 million restitution to the California Department of Resources Recycling and Recovery (CalRecycle), plus a \$1 million criminal fine.

“California’s Beverage Container Recycling program reduces litter and trash pollution, recycling 426 billion bottles and cans since the 1980s,” CalRecycle Director Rachel Machi Wagoner said. “CalRecycle’s collaboration with the California Department of Justice (CDOJ) and other state and local partners protects funds that belong to consumers who recycle.”

“As a participant in the state’s Beverage Container Recycling Program, Recycling Service Alliance Corp. should have helped increase California’s environmental stewardship through conservation and waste reduction,” said Attorney General Rob Bonta. “Instead, the company employed a massive fraud scheme. Those who choose to take advantage of state programs in order to pad their pockets will be held accountable.”

Under the plea agreement, RSA and its operations manager admitted to fraudulently submitting claims for CRV refunds between January 2012 and September 2016. During that time, RSA fabricated weight tickets and other documents used to justify state payments and reimbursement claims, including:

- 44,555 weight tickets
- 44,555 shipping reports
- 2,727 processor invoices

### Investigation Background

CDOJ’s Recycling Fraud Team launched an investigation into RSA in May of 2015 after learning from CalRecycle investigators that the Sacramento facility may have been defrauding the Beverage Container Recycling Fund by receiving out-of-state beverage containers, then illegally redeeming the containers for CRV.

As CDOJ pursued its criminal inquiry, CalRecycle investigators completed an analysis of RSA claims and suspended the recycler's certification, putting RSA out-of-business. CalRecycle investigators continued to work with the CDOJ, California Department of Food and Agriculture's Division of Measurement Standards, and the Sacramento County Agricultural Commissioner's Weights and Measures Division to explore how RSA fabricated the weight tickets used to support their claims for CRV.

- Grand Jury proceedings from Dec. 4 through Dec. 7, 2017 resulted in criminal indictments against RSA and operations manager Maximina Perez. A copy of the indictment is available [here](#).
- On Sept. 2, 2021, RSA pleaded guilty to recycling fraud and will pay \$33 million in restitution and a \$1 million fine.
- On Sept. 3, 2021, Perez pleaded guilty to recycling fraud, forging/falsifying public documents and perjury. Perez was sentenced to seven years in prison, which will be suspended if she successfully completes five years of probation. Restitution for Perez will be decided at a future hearing.

### **At a Glance: California's Beverage Container Recycling Program**

Californians have recycled more than 426 billion bottles and cans since the passage of California's Beverage Container Recycling and Litter Reduction Act in 1986. The Bottle Bill incentivizes people to recycle through a California Redemption Value (CRV) fee paid by California consumers at the time of purchase and refunded upon return of the empty beverage containers to CalRecycle-certified recycling centers or obligated retailers.

CalRecycle safeguards California's Beverage Container Recycling Program through:

- Interagency agreements with the California Department of Justice and the California Department of Food and Agriculture to combat recycling fraud, resulting in 312 arrests since 2010.
- Enhanced precertification training of recycling center operators to ensure program compliance, including documentation requirements and enforcement of daily load limits.
- Probationary reviews and site inspections of recycling centers.
- Certified processor oversight, including load inspections of recycling center shipments.
- Monitoring and tracking of imported material reports, submitted by anyone hauling more than 25 pounds of aluminum, bimetals, or plastic, or more than 250 pounds of glass into California.
- Internal monitoring and risk assessment of daily claims for reimbursement and post-payment reviews/investigations of Beverage Container Recycling Program participants.

Californians are encouraged to report suspected recycling fraud or bottle redemption violations to CalRecycle's toll free number (1-800-RECYCLE) or via email at [complaints@calrecycle.ca.gov](mailto:complaints@calrecycle.ca.gov).