

Department of Justice
U.S. Attorney's Office
Western District of Pennsylvania

FOR IMMEDIATE RELEASE

Friday, October 21, 2016

Colorado Energy Company Executive Pleads Guilty to Filing a False Claim Against the U.S.

PITTSBURGH – The President and owner of North American Power Group Ltd. (NAPG) pleaded guilty in federal court to a charge of filing a False Claim against the United States, United States Attorney David J. Hickton announced today.

Michael J. Ruffatto, 70, of Englewood, Colorado, pleaded guilty to one felony count before United States Chief District Court Judge Joy Flowers Conti.

In connection with the guilty plea, the court was advised that on Dec. 8, 2009, the Department of Energy's National Energy Technology Laboratory, located in Pittsburgh, Pennsylvania, awarded a multi-million dollar cooperative agreement to NAPG, a corporation headquartered in Denver, Colorado, that is owned and controlled by Ruffatto, an attorney and graduate of Stanford University.

The purpose of the agreement was to study the carbon sequestration potential of an 880-acre site in Campbell County, Wyoming. The agreement required NAPG to conduct field studies and to drill wells necessary for the study.

Instead of performing the work required under the cooperative agreement, Ruffatto fraudulently transferred millions of dollars of award monies into his personal bank account and used the award monies to fund an extravagant lifestyle. Ruffatto secretly filtered millions of dollars of award monies through Ruffatto's wholly owned subsidiary, North American Land and Livestock, LLC, while falsely representing to the Department of Energy that the subsidiary was doing work on the project.

"Protecting federal taxpayer funds dedicated to energy-related development projects is an important responsibility," stated U.S. Attorney Hickton. "Recovery Act funds were awarded to spur job creation, not to provide personal enrichment."

Chief Judge Conti scheduled sentencing for Feb. 3, 2017. The law provides for a maximum total sentence of five years in prison, a fine of \$250,000 or both. Under the Federal Sentencing Guidelines, the actual sentence imposed would be based upon the seriousness of the offense and the prior criminal history, if any, of the defendant.

Pending sentence, the court released Ruffatto on bond.

Assistant United States Attorney Mary McKeen Houghton is prosecuting this case on behalf of the government.

The United States Department of Energy, Office of Inspector General, conducted the investigation leading to the conviction in this case.

USAO - Pennsylvania, Western

Updated October 21, 2016