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UNITED STATES OF AMERICA

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA,

Plaintiff,

v.

ENVIRONMENTAL SAFETY  
INTERNATIONAL, INC., a New Jersey  
corporation, also d/b/a Environmental Products  
International, Inc., and EPI,

JOSEPH CARNEY, individually and as an officer  
of Environmental Safety International, Inc.,

SEAN CARNEY, individually and as an officer of  
Environmental Safety International, Inc., and

RAYMOND CARNEY, individually,

Defendants.

**Case No. 2:21-13350**

**COMPLAINT FOR  
PERMANENT INJUNCTION  
AND CIVIL PENALTIES**

Plaintiff, the United States of America, located at 950 Pennsylvania Avenue, N.W., Washington, D.C., acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“FTC”), pursuant to Section 16(a)(1) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 56(a)(1), for its Complaint against Defendants Environmental Safety International, Inc., also doing business as Environmental Products International, Inc., and EPI (“ESI”), with a principal place of business at 216 Anderson Avenue, Fairview, New Jersey 07022; Joseph Carney, residing at 20 Appletree Lane, Hillsdale, New Jersey 07642; Sean Carney, residing at 245 Wierimus Lane, Hillsdale, New Jersey 07642; and Raymond Carney, residing at 165 Mistletoe Court, Toms River, New Jersey 08753 (collectively, “the Defendants”), alleges:

1. Plaintiff brings this action under Sections 5(a), 5(m)(1)(A), 13(b), 16(a), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 45(m)(1)(A), 53(b), 56(a), 57b, and Section 6 of the Telemarketing and Consumer Fraud and Abuse Prevention Act (the “Telemarketing Act”), 15 U.S.C. § 6105, to obtain monetary civil penalties, a permanent injunction, and other equitable relief for the Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and in violation of the FTC’s Telemarketing Sales Rule (“TSR”), as amended, 16 C.F.R. pt. 310.

### **JURISDICTION AND VENUE**

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), (b)(2), (c)(1), and (c)(2), and 15 U.S.C. § 53(b). The Defendants reside and transact business in this District.

**DEFENDANTS**

4. Defendant ESI is a New Jersey corporation with its principal office or place of business at 216 Anderson Avenue, Fairview, New Jersey 07022. ESI transacts or has transacted business in this District and throughout the United States. Defendant ESI sells septic tank cleaning products under the brand name “Activator 1000” or “Activator 2000” to consumers who own a septic system or cesspool. At all times relevant to this Complaint, acting alone or in concert with others, ESI has advertised, marketed, distributed, or sold septic tank cleaning products to consumers throughout the United States.

5. Defendant Joseph Carney is the President of ESI and is ESI’s co-owner. Joseph Carney, along with his brother Sean, supervises and approves marketing activities conducted by Raymond Carney and Carbro Sales & Survey, L.L.C. (“Carbro”). He is actively involved in ESI’s day-to-day operations, including speaking directly to customers to confirm their addresses for shipment. He is the primary signatory to the bank account from which ESI transferred funds to pay for Carbro’s expenses, including the means to deliver prerecorded telephone messages such as Voice over Internet Protocol (“VoIP”) minutes and Carbro’s predictive and automatic dialing equipment and software, further demonstrating his knowledge of Carbro’s illegal calls. During the past two decades, Joseph Carney served as ESI’s President while ESI has been the subject of at least four federal and state government investigations involving the use of illegal telemarketing practices, including personally signing a stipulation on behalf of ESI to settle the action brought by the State of Wisconsin and unsuccessfully defending ESI against the Federal Communication Commission’s action for delivering unsolicited prerecorded advertising messages. Twice he was sued individually for engaging in illegal telemarketing practices, including the use of prerecorded messages to sell septic tank cleaning products. At all times relevant to this Complaint, acting

alone or in concert with others, Joseph Carney has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of ESI and Carbro, including the acts and practices set forth in this Complaint. Joseph Carney resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

6. Defendant Sean Carney, the brother of Joseph Carney, is the Vice President of ESI and is ESI's other co-owner. Sean Carney has been the Vice President of ESI for at least the last two decades. In addition to approving, along with his brother Joseph Carney, marketing activities conducted by Raymond Carney and Carbro, Sean Carney was the secondary signatory to the bank account from which ESI transferred funds to pay for Carbro's expenses, including payroll, VoIP minutes, predictive and automatic dialing software and equipment, and postage, further demonstrating his knowledge of Carbro's illegal calls. Sean Carney received invoices and a report from Carbro's VoIP provider, which showed hundreds of thousands of calls consisting of tens of thousands of minutes to United States-based telephone numbers. During a July 2019 investigative hearing, Sean Carney, testifying on behalf of ESI, admitted that he understood that legal responsibility for ensuring compliance with the National Do Not Call Registry remains with ESI and Carbro. Further, Sean Carney directed that letters be mailed to customers threatening to direct their purportedly delinquent accounts to a collection agency or legal department even though ESI never intended to send customer accounts to either a collections agency or legal department. At all times relevant to this Complaint, acting alone or in concert with others, Sean Carney has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of ESI and Carbro, including the acts and practices set forth in this Complaint. Sean

Carney resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

7. Together, ESI, Joseph Carney, and Sean Carney shall be referred to as “the ESI Defendants.”

8. Defendant Raymond Carney was the sole owner and head of Carbro, a New Jersey limited liability company that was dissolved on January 11, 2021. He is the younger brother of Defendants Joseph Carney and Sean Carney. At all times relevant to this Complaint, acting alone or in concert with others, Raymond Carney formulated, directed, controlled, had the authority to control, or participated in the acts and practices of Carbro, including the acts and practices set forth in this Complaint. Raymond Carney resides in this District and, in connection with the matters alleged herein, transacts or has transacted business in this District and throughout the United States.

### **COMMON ENTERPRISE**

9. Defendant ESI and Carbro operated as a common enterprise while engaging in the deceptive and unlawful acts and practices alleged below. ESI and Carbro conducted these business practices through interrelated, family-owned companies that have common control and business functions. Since its founding in 2009, Carbro had only one customer—ESI. ESI paid Carbro’s expenses, including but not limited to rent, VoIP minutes, predictive dialer equipment, payroll, and the health insurance and car payments of Raymond Carney and his wife. Further, ESI and Carbro shared branding, advertising, and website maintenance costs. ESI and Carbro communicated interchangeably with vendors regarding Carbro’s bills and vendors did not distinguish between the two companies. ESI treated Carbro’s employees and contractors as if they worked for ESI, including by reviewing their hours worked and terminating or threatening to

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