

Dept. of Natural Resources: Defendant sentenced in Wisconsin electronics recycling federal fraud case

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MADISON, Wis. – The Wisconsin Department of Natural Resources (DNR) announced the end of a multi-year federal fraud case involving former Wisconsin-based electronics recycler 5R Processors and related firms.

On Feb. 21, 2023, Chief U.S. District Judge James D. Peterson sentenced Kevin Shibilski, 61, of Merrill, to 33 months in federal prison, followed by three years of supervised release, for failure to pay \$858,101 in employment taxes from 2014-2016. Shibilski was the former CEO/CFO and minority owner of 5R Processors.

Shibilski was also ordered to pay \$100,000 in restitution to the DNR and \$100,000 to Paint Oak LLC, in Tennessee, where 5R and its related companies also conducted business operations. Details on the charges against Shibilski and his co-defendants in the case were provided in the [U.S. Department of Justice announcement](#) after final sentencing.

5R Processors was established in 1990 and processed primarily electronic waste, including cathode ray tubes from televisions and computer monitors. These wastes are classified as hazardous wastes due to the high lead content in the glass. Initial inspections and investigation by the DNR found evidence of illegal storage and transport of these materials.

The case was further developed by criminal investigation teams from the U.S. Environmental Protection Agency and the U.S. Internal Revenue Service, and was

brought to federal court by the U.S. Attorney for the Western District of Wisconsin, Timothy M. O'Shea. Co-defendants James Moss and Bonnie Dennee previously received prison sentences for their parts in 5R's illegal activities.

The DNR will use restitution monies paid by Shibilski and former company president Moss to hire contractors to remove waste and restore the properties that housed 5R's operations in Ladysmith, Glen Flora, Catawba and West Bend. An additional \$2.5 million for the cleanups was appropriated by the Wisconsin legislature in [2021 Wisconsin Act 234](#). The combination of restitution and state-appropriated funds will help ensure that the properties affected by 5R's illegal activities can be restored to productive use.