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For Immediate Release

Over the State's Objection Owner James Watts Granted a Deferred Judgement for
Failure to Maintain Workers Comp Insurance

May 21, 2026 (JOHNSON COUNTY, IA) –James Watts and his company Hawkeye Waste Systems, Inc. were sentenced today for Failure to Maintain Workers Compensation Insurance, a Class D Felony. Watts pled guilty to the Class D Felony charges in January 2026. Over objection from Johnson County Attorney Rachel Zimmermann Smith, District Associate Court Judge Jason Burns granted Watts's request for a deferred judgment and placed him on probation for a period of 3 years. Along with the standard conditions of probation, Watts will also be required to maintain appropriate insurance on every business for which he is responsible. Watts owns businesses that operate in several counties in Iowa.

If Watts successfully completes probation, his record will be expunged.

Zimmermann Smith said, "Regardless of the sentence, holding the Defendant accountable shows that disregard for workers and the laws that protect them will not be tolerated."

In April 2025, charges were filed against Hawkeye Waste Systems, James Watts, and three of its employees and corporate officers for Failure to Maintain Worker's Compensation Insurance after an employee died after a workplace accident at their Iowa City location. Matthew Reuwsaat died on November 9, 2024, from injuries sustained in a workplace incident. An investigation by the Iowa Division of Worker's Compensation revealed that Hawkeye Waste Systems did not have worker's compensation.

To check on whether a business carries worker's compensation insurance, you can go to the Workers Compensation Verification Website at <https://www.ewccv.com/cvs/>

-END-

Attached: Judgment and Sentencing Order, James Watts
Judgment and Sentencing Order, Hawkeye Waste, Inc.

IN THE IOWA DISTRICT COURT IN AND FOR JOHNSON COUNTY

52DEFR

STATE OF IOWA, vs. JAMES LYLE WATTS	06521 FECR146317 DEFERRED JUDGMENT
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The defendant appears by written plea, with the approval of counsel, and asks permission to withdraw the previously entered plea of not guilty for the purpose of entering a plea of guilty to the crime of **Failure to Maintain Worker's Compensation Insurance in violation of Iowa Code Section 87.14A**.

From an examination of the written plea, the Court finds it is voluntarily made with full knowledge of defendant's constitutional rights and of the potential penal consequences. From examining the trial information, the minutes of testimony, and the plea, the Court finds an adequate factual basis. Accordingly, the guilty plea is accepted by the Court and entered of record.

Defendant waives personal appearance at the time of sentencing and the right to file a motion in arrest of judgment and consents to the entry of immediate judgment and sentence. Based upon the record made, and pursuant to the criteria set forth in Iowa Code Section 901.5, the Court finds a deferred judgment is appropriate. Therefore, pursuant to Sections 907.3 and 901.5, pronouncement of judgment is deferred for three years. Defendant is placed on probation for a period of three years to the 6th District Iowa Department of Corrections under such terms and conditions as the Department may set.

Court-ordered conditions of probation

- * Have no further law violations.
- * Keep the Clerk of Court informed of any change of address.
- * Pay the civil penalty, any victim restitution, and all other amounts due.
- * Pay the supervision fee imposed by the 6th District Iowa Department of Corrections.
- * Defendant is advised that the public record of the deferred judgment will not be expunged until all amounts are paid.
- * Defendant must maintain appropriate insurance on all businesses in which he is responsible or receive an approved exemption by the State

Financial obligations

Defendant shall pay a civil penalty in the amount of **\$1,025** and other amounts assessed by the court, which may include surcharges, court costs, attorney fees, and victim restitution, as set out in the Statement of Pecuniary Damages. If no Statement of Pecuniary Damages is on file and restitution is sought, the County Attorney shall file a Statement of Pecuniary Damages within 30 days. Defendant is granted 15 days after the filing of a Statement of Pecuniary Damages to file a written objection to restitution.

PAYMENT PLAN: Defendant shall pay amounts due in monthly installments of at least \$50.00 no later than the 21st day of each month beginning June 21, 2026 and continuing until paid in full. This finding is based upon a finding of indigency made by the Court prior to the date of sentencing or a motion and/or a financial affidavit filed prior to sentencing.

Payments may be made online at www.iowacourts.gov or through the Clerk of Court, Johnson County Courthouse, 417 South Clinton Street, Iowa City, Iowa 52240. The Court finds that community service will be prudent and effective for defendant; therefore, defendant may elect to pay some or all of the amounts due through the performance of community service at the minimum wage rate (currently \$7.25). If defendant elects to perform community service, he/she must provide proof of completion of 7 hours of community service per month per each \$50.00 owed.

NOTICE: FAILURE TO COMPLY WITH PAYMENT ORDER

Defendant is notified that if he/she fails to pay as ordered above within 30 days of the due date, action regarding his/her motor vehicle registration or suspension of his/her driver's license, or both, may be initiated and the total remaining court debt will be considered delinquent and sent to the Johnson County Attorney for collection.

Pursuant to Iowa Code Section 81.2, the defendant shall submit a DNA sample for DNA profiling within 60 days. Failure to timely submit a DNA sample may result in Contempt of Court Proceedings pursuant to Iowa Code Chapter 665.

Bond is exonerated. The Clerk shall allocate bond in accordance with authorization from the surety as set forth in the Authorization for Return of Cash Bond Following Arrest and Bond Information form, if any. If bond is currently subject to forfeiture, pending proceedings are cancelled.

Applicable Category B restitution (which may include filing fees, interpreter fees, service fees, court reporter fees, etc.) is assessed against the defendant. Based upon the record, any updated financial information, and the authorization for a payment plan and community service, the Court finds that the defendant is reasonably able to pay these costs, plus court-appointed attorney fees and expenses in the maximum amount of \$60.00, unless a different amount is ordered below.

If counsel is court-appointed, the attorney and/or the attorney's office is withdrawn from representation in this matter upon satisfaction of the requirements of Iowa R. Crim. P. 2.30(1) without further order of the Court. To be removed from EDMS indexing, counsel should file a notice of withdrawal pursuant to Iowa R. Elec. P. 16.315(1)(d) and 16.318.

The Clerk of Court shall report this deferment of the judgment to the Supreme Court Administrator as required by the Code of Iowa.

Any open warrants are recalled.



State of Iowa Courts

Case Number
FECR146317
Type:

Case Title
STATE OF IOWA VS WATTS, JAMES LYLE
Order of Disposition

So Ordered

Jason A. Burns, District Associate Judge,
Sixth Judicial District of Iowa

Electronically signed on 2026-05-21 11:44:50

IN THE IOWA DISTRICT COURT IN AND FOR JOHNSON COUNTY

52PROB

STATE OF IOWA, vs. HAWKEYE WASTE SYSTEMS INC	06521 FECR146312 CHANGE OF PLEA JUDGMENT AND SENTENCE
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The defendant appears by written plea, with the approval of counsel, and asks permission to withdraw the previously entered plea of not guilty for the purpose of entering a plea of guilty to the crime of **Failure to Maintain Worker's Compensation Insurance in violation of Iowa Code 87.14A, a Class D Felony.**

From an examination of the written plea, the Court finds it is voluntarily made with full knowledge of defendant's constitutional rights and of the potential penal consequences. From examining the trial information, the minutes of testimony, and the plea, the Court finds an adequate factual basis. Accordingly, the guilty plea is accepted by the Court and entered of record.

Defendant waives personal appearance at the time of sentencing and the right to file a motion in arrest of judgment and consents to the entry of immediate judgment and sentence. Accordingly,

IT IS THE JUDGMENT OF THE COURT that the defendant be sentenced as follows:

Incarceration

Court-ordered conditions of probation

- * Have no further law violations.
- * Keep the Clerk of Court informed of any change of address.
- * Pay the fine, surcharge(s), victim restitution, and any other amounts due. Defendants who do not pay all amounts due are not eligible for early discharge from probation.
- * Pay the supervision fee imposed by the 6th District Iowa Department of Corrections.
- * Defendant must maintain appropriate insurance or receive an approved exemption by the State

Financial obligations

IT IS THE JUDGMENT OF THE COURT that the defendant be sentenced to pay a fine in the amount of \$10,245.00 (SUSPENDED) plus the 15% crime services surcharge, court costs, attorney fees, and victim pecuniary damages, if any. If restitution is sought, the County Attorney shall file a Statement of Pecuniary Damages within 30 days. Defendant is granted 15 days after the filing of a Statement of Pecuniary Damages to file a written objection to restitution.

PAYMENT PLAN: Defendant shall pay amounts due in monthly installments of at least \$50.00 no later than the 21st day of each month beginning June 21, 2026 and continuing until paid in full. This finding is based upon a finding of indigency made by the Court prior to the date of sentencing or a motion and/or a financial affidavit filed prior to sentencing.

Payments may be made online at www.iowacourts.gov or through the Clerk of Court, Johnson County Courthouse, 417 South Clinton Street, Iowa City, Iowa 52240. The Court finds that community service will be prudent and effective for defendant; therefore, defendant may elect to pay some or all of the amounts due through the performance of community service at the minimum wage rate (currently \$7.25). If defendant elects to perform community service, he/she must provide proof of completion of 7 hours of community service per month per each \$50 owed.

NOTICE: FAILURE TO COMPLY WITH PAYMENT ORDER

Defendant is notified that if he/she fails to pay as ordered above within 30 days of the due date, action regarding his/her motor vehicle registration or suspension of his/her driver's license, or both, may be initiated and the total remaining court debt will be considered delinquent and sent to the Johnson County Attorney for collection.

The fine in this matter is suspended and the corporate defendant is placed on probation to the Sixth Judicial District Department of Corrections for a period of THREE YEARS.

Sentence is imposed pursuant to the plea agreement between the parties and/or any applicable mandatory sentencing requirements.

Bond is exonerated. The Clerk shall allocate bond in accordance with authorization from the surety as set forth in the Authorization for Return of Cash Bond Following Arrest and Bond Information form, if any.

Applicable Category B restitution (which may include filing fees, interpreter fees, service fees, court reporter fees, etc.) is assessed against the defendant. Based upon the record, any updated financial information, and the authorization for a payment plan and community service, the Court finds that the defendant is reasonably able

to pay these costs, plus court-appointed attorney fees and expenses in the maximum amount of \$60.00, unless a different amount is ordered below.

If counsel is court-appointed, the attorney and/or the attorney's office is withdrawn from representation in this matter upon satisfaction of the requirements of Iowa R. Crim. P. 2.30(1) without further order of the Court. To be removed from EDMS indexing, counsel should file a notice of withdrawal pursuant to Iowa R. Elec. P. 16.315(1) (d) and 16.318.

Any open warrants are recalled.

RIGHT TO APPEAL

The defendant is advised of the right to appeal this judgment and sentence. An appeal must be filed with the Clerk of Court in writing within 30 days from the date of this order. If a notice of appeal is not timely filed, the right to appeal is waived. Defendant may qualify for court-appointed counsel and transcripts at State expense. Bond on appeal is set in the amount of \$5000.



State of Iowa Courts

Case Number
FECR146312
Type:

Case Title
STATE OF IOWA VS HAWKEYE WASTE SYSTEMS INC
Order of Disposition

So Ordered

Jason A. Burns, District Associate Judge,
Sixth Judicial District of Iowa

Electronically signed on 2026-05-21 11:48:27