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Southern District of New York***

**FOR IMMEDIATE RELEASE
OCTOBER 5, 2010**

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**MANHATTAN U.S. ATTORNEY CHARGES EIGHT LONGSHOREMEN AND
THREE OTHERS WITH COCAINE TRAFFICKING AT
THE PORT OF NEW YORK AND NEW JERSEY**

*1.3 Metric Tons Of Cocaine Worth More Than \$34 Million Seized;
Investigation Also Leads To Charges Against 11 Others, Including
An Additional Longshoreman, For \$7 Million Stock Fraud Scheme
That Used Social Networking Sites*

PREET BHARARA, the United States Attorney for the Southern District of New York, JOHN G. McCABE, JR., the Acting Special Agent-in-Charge of the New Jersey Division of the Drug Enforcement Administration ("DEA"), VICTOR W. LESSOFF, the Special Agent-in-Charge of the New Jersey Office of the Internal Revenue Service, Criminal Investigations ("IRS-CI"), PETER T. EDGE, the Special Agent-in-Charge of the Newark Office of Homeland Security Investigations ("HSI"), JOSEPH FISCH, the Inspector General of New York State, RONALD GOLDSTOCK, the Commissioner of the Waterfront Commission of New York Harbor, ROBERT E. PEREZ, the Director of Field Operations of the New York Field Office of U.S. Customs and Border Protection, and MARJORIE FRANZMAN, Special Agent-in-Charge for the New York Regional

Office of the United States Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, announced today charges against 22 defendants, including 9 longshoremen, arising out of a two-year investigation into criminal conduct connected to the Port of New York and New Jersey (the "Port").

21 of the 22 charged defendants have been arrested. The defendants arrested in the New York area are expected to appear in Manhattan federal court later today. One defendant, ARNOLD EUGENE RODGERS, is still being sought.

Manhattan U.S. Attorney PREET BHARARA said: "The public places great trust in the longshoremen who work at our ports. But their integrity is all that stands between our border and those who seek to bring contraband - and worse - into our country. The Port of New York and New Jersey is one of the most important hubs for commerce and trade in the world. And, in today's world, we simply can't afford to have a single corrupt longshoreman. We will continue to work tirelessly with our federal, state, and local partners to ensure that the Port does not become a hub of criminal activity."

Acting Special Agent-in-Charge of the New Jersey Division of the DEA JOHN G. McCABE, JR., said: "The DEA New Jersey Division utilized its global investigative arm and netted an international drug trafficking organization that operated a multifaceted criminal enterprise within the New York and New Jersey area, particularly the Port Newark-Elizabeth Marine Terminal. International drug trafficking crosses all criminal boundaries. Through DEA's single mission investigative process, we hampered this organization's ability to traffic tons of cocaine and disrupted a significant stock market manipulation scheme."

Special Agent-in-Charge of the New Jersey Office of the IRS-CI VICTOR W. LESSOFF said: "The crimes alleged in this case show how something that appears to be a sure thing can be a mask for a tangled web of financial lies."

Special Agent-in-Charge of the Newark Office HSI PETER T. EDGE said: "Drug trafficking organizations moving illegal drugs through our seaports and ports of entry will be aggressively attacked and dismantled. This investigation with our law enforcement partners also uncovered and shut down a multimillion-dollar 'pump and dump' stock fraud scheme, dealing a major blow to this criminal organization."

Commissioner of the Waterfront Commission of New York Harbor RONALD GOLDSTOCK said: "These arrests are another step in the continuing battle to rid the Port of organized criminal activity. The Waterfront Commission is committed to working with its law enforcement partners through both criminal and administrative actions to achieve that objective."

New York Inspector General JOSEPH FISCH said: "I wish to commend U.S. Attorney Preet Bharara, as well as the DEA, the Waterfront Commission, the IRS, and the Office of Homeland Security, for their intensive investigations and the prosecution of 22 people accused of financial schemes and the trafficking of massive amounts of cocaine through the Port of New York and New Jersey. This action was the result of close cooperation between the various law enforcement agencies and offers encouragement to achieving the ultimate goal of eliminating corruption at the Port of New York and New Jersey. I am confident that the current leadership of the Waterfront Commission will continue its efforts towards such a goal."

Special Agent-in-Charge for the New York Regional Office of the DOL OIG, Office of Labor Racketeering and Fraud Investigations MARJORIE FRANZMAN said: "Today's charges demonstrate our ongoing efforts to combat crime on the waterfront in New York and New Jersey. Among those arrested were several members of the International Longshoremen's Association, who allegedly used their membership - and the access it granted them at the ports - to facilitate the crimes outlined in today's charges. The Office of Inspector General is committed to working with our law enforcement partners to investigate labor-related fraud taking place on the ports."

Director of New York Field Operations for U.S. Customs and Border Protection ROBERT E. PEREZ said: "CBP is committed to protecting the American public from any type of external threat. CBP officers in the greater New York area are some of the best trained and most successful in detecting and intercepting contraband items despite many cunning concealment methods."

In three separate complaints, U.S. Attorney BHARARA charged the 22 defendants with participating in, among other crimes: (1) conspiring to import more than 1.3 metric tons of cocaine, valued at over \$34 million, into and through the Port; and (2) a "pump and dump" stock fraud scheme that allegedly resulted in a loss of at least \$7 million in shareholder value.

The Complaints (the "Narcotics Complaint," the "Rodgers Complaint," and the "Pump and Dump Complaint") unsealed today in Manhattan federal court are described in greater detail below.

The Narcotics Complaint

Ten defendants are charged in a Complaint with one count of conspiracy to distribute cocaine and one count of conspiracy to import cocaine. Both charges carry a mandatory sentence of ten years in prison and a maximum sentence of life in prison.

An investigation led by the DEA in New Jersey revealed that a Panamanian drug trafficking organization (the "Panamanian DTO") was importing hundred-kilogram shipments of cocaine hidden inside containers traveling through the Panama Canal, worth millions of dollars each, into secure areas of the Port. The cocaine then was distributed in the Bronx and Manhattan, among other places. During the course of the investigation, federal and Panamanian law enforcement authorities identified a freight-forwarding operation that removed the cocaine-laden containers from secure areas of the Port, and seized more than 1.3 metric tons of cocaine, valued at over \$34 million, from the Panamanian DTO and at the Port itself.

The investigation later identified a local drug-trafficking operation (the "Local DTO") that relied on longshoremen to remove the cocaine from containers while they were in secure areas of the Port. An extensive DEA-led wiretap investigation resulted in the identification of members of the Local DTO, including: SHON NORVILLE, a/k/a "Forty," a/k/a "Forty Dog," a/k/a "Shawn Norville," a longshoreman who received the drugs from other longshoremen working at the Port upon the cocaine's arrival in the United States from Panama; BOLIVAR VASQUEZ-GAMBOA, a/k/a "Luis Antonio Roman," a/k/a "Ricardo Antonio Roman," a Panamanian national who entered the United States illegally after being transferred to Panama to serve the remainder of a prior 270-month drug trafficking sentence, and who arranged for the shipment of cocaine to the Port from Panama; YOVANA DOLPHY, a/k/a "Jova," a/k/a "Yova," a/k/a "Little Sister," who assisted NORVILLE and VASQUEZ-GAMBOA with various aspects of their narcotics trafficking operation; and AYIND LEWIS, a/k/a "Ayino," a/k/a "Boom," who assisted with distribution of the narcotics upon their arrival in the United States. Defendants HENRY MACHADO, Jr., ROBERT MACHADO, a/k/a "Greek," ANDRE LORD DAVIS, a/k/a "Dre," JERED LAWRENCE, YAMPIER ODOARDO, and JOHN DEMADIO, a/k/a "Chingy," were also all identified as longshoremen who illegally assisted with removing the smuggled narcotics from containers in secure areas of the Port and delivering it to the Local DTO.

The Rodgers Complaint

ARNOLD EUGENE RODGERS, a supervisory longshoreman at the Port, is charged in a Complaint with one count of conspiracy to distribute cocaine and one count of conspiracy to import cocaine. Both charges carry a mandatory sentence of ten years in prison and a maximum sentence of life in prison.

As alleged in the Complaint, RODGERS, 46, of New Jersey, was identified by a DEA undercover officer ("UC") who entered an International Longshoremen's Association ("ILA") local union hall as part of the investigation into criminal conduct at the Port. The UC recognized RODGERS as an individual who had previously been identified as an importer of kilogram-quantities of heroin from Afghanistan, including from Afghan heroin trafficker MOHAMMAD ESSA, who was convicted of heroin importation by the U.S. Attorney's Office for the Southern District of New York.

RODGERS was later captured during this investigation on secret recordings and wiretaps describing his involvement in narcotics trafficking activities in Manhattan and elsewhere, selling a gun that he believed would be used to facilitate narcotics trafficking activities, and negotiating to purchase multiple kilograms of cocaine that he believed would be illegally imported into the United States from Panama through the Port.

The Pump and Dump Complaint

Eleven defendants are charged in a Complaint with one count of conspiracy to commit wire fraud, which carries a maximum sentence of 20 years in prison. These defendants, with the exception on WILLIAM MACKEY and DONNA LEVY, are also charged with one count of conspiracy to commit financial transactions involving unlawful proceeds, which carries a maximum sentence of ten years in prison.

The investigation into criminal conduct at the Port uncovered a sprawling, multimillion-dollar "pump and dump" stock fraud scheme that used multiple web sites, Facebook pages, and Twitter "feeds" to defraud the investing public into purchasing stocks that were being manipulated by participants in the conspiracy. The scheme was uncovered when investigators identified a longshoreman operating at the Port who received money from others to generate trading volume that "pumped" stock prices in penny stocks (i.e., low-priced stocks that tend to have lower trading volume and higher volatility).

The discovery of the longshoremen involvement led to a wiretap and financial investigation that revealed links among over 15 web sites, Facebook pages, and Twitter feeds (collectively the "Internet Stock Tips") that purported to provide penny stock picks based on the authors' expertise and independent research. In truth and in fact, however, the Internet Stock Tips were orchestrated by participants in the stock fraud scheme to dupe unsuspecting investors into purchasing the stock in order to cause an increase in the stock price and generate trading volume. Once those goals were achieved, participants in the scheme sold their interests in the stock and realized gains, the fraudulent recommendations ceased, and victims who purchased while stock prices were on the rise lost a significant portion of their investment, sometimes within hours. Issuers of the Internet Stock Tips were often compensated by other participants in the scheme who were orchestrating the "pump and dump" operation.

Financial analysis to date has identified over \$3 million in illegal gains by participants in the scheme and a loss in shareholder equity of over \$7 million in four stocks that are referenced in the Complaint. The investigation of the stock manipulation scheme to date has resulted in charges against BRADLEY SUSSER of Manhattan; MICHAEL OIRING and THOMAS PREZIOSO of Brooklyn; JEFFREY HURWITT, RICARDO FERNANDEZ, DONNA LEVY, MICHAEL STEINBERG, and WILLIAM MACKEY of Florida; JEFFERY HALBIRT and STINSON BLAND of Texas; and JUAN RODRIGUEZ of Pennsylvania.

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The charges announced today evidence the continued commitment of the U.S. Attorney's Office for the Southern District of New York to combating corruption and other criminal conduct at the Port. The Office previously obtained consent decrees against several International Longshoremen's Association ("ILA") locals -- ILA Locals 1804-1 and 1588 in New Jersey; ILA 824, 1809, and 1909 in Manhattan; and ILA Local 1814 in Brooklyn -- as well as several other entities and individuals operating at the Port, barring them from racketeering activity and related criminal conduct. In addition, the Office also currently works with a monitor appointed by the U.S. District Court for the Southern District of New York to protect ILA Local 1588 in Bayonne, New Jersey, from the influence of organized crime and other criminal conduct.

This case is being led by the Office's Public Corruption Unit, with the assistance of the Office's Organized Crime, Narcotics, and Asset Forfeiture Units, as well as its Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys HOWARD S. MASTER, STEVE C. LEE, and CHI T. STEVE KWOK

are in charge of the prosecution, and Assistant U.S. Attorney DAVID I. MILLER is in charge of the forfeiture aspects of the investigation.

Mr. BHARARA thanked all of the law enforcement agencies for their outstanding work. He also thanked the Panamanian National Police for its assistance in the case. He added that the investigation is very much ongoing.

The charges contained in the Complaints above are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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Narcotics Complaint

Defendant	Residence	Age
SHON NORVILLE (Longshoreman)	Brooklyn, NY	38
YOVANNA DOLPHY	Brooklyn, NY	48
BOLIVAR VASQUEZ-GAMBOA	Germantown, MD	46
HENRY MACHADO (Longshoreman)	Roselle Park, NJ	49
ROBERT MACHADO (Longshoreman)	Roselle Park, NJ	49
AYIND LEWIS	Jamaica, NY	28
ANDRE DAVIS (Longshoreman)	South Orange, NJ	35
JERED LAWRENCE (Longshoreman)	Newark, NJ	35
YAMPIER ODOARDO (Longshoreman)	Elizabeth Port, NJ	34
JOHN DEMAIO (Longshoreman)	Bridgewater, NJ	49

Rodgers Complaint

Defendant	Residence	Age
ARNOLD RODGERS (Longshoreman)	Newark, NJ	46

Pump and Dump Complaint

Defendant	Residence	Age
MICHAEL OIRING	Brooklyn, NY	29
BRADLEY SUSSE	Glen Cove, NY	40
JEFFREY HALBIRT	Houston, TX	51
JEFFREY HURWITT	Ft. Lauderdale, FL	42
RICARDO JESUS FERNANDEZ	Palmetto Bay, FL	39
WILLIAM MACKEY	Plantation, FL	59
MICHAEL STEINBERG	Boca Raton, FL	54
THOMAS PREZIOSO	Brooklyn, NY	38
JUAN RODRIGUEZ (Longshoreman)	Allentown, PA	45
DONNA LEVY	Ft. Lauderdale, FL	55
STINSON BLAND	Dallas, TX	38