



Monthly

# Bulletin

## Environmental Crimes Section

May 2019

### Inside this Issue:



<a href="#">Trials</a>	4-5
<a href="#">Indictments</a>	6-8
<a href="#">Guilty Pleas</a>	9-13
<a href="#">Sentencings</a>	14-22
<a href="#">Announcements</a>	23
<a href="#">ECS Contacts</a>	24

Send your federal case updates  
to:



A jury convicted Joseph Maldonado-Passage of hiring someone to murder a woman in Florida, and violating the Lacey Act and Endangered Species Act, for killing tigers and selling tiger cubs. The photo of this captive tiger [taken by Frank Kohn, USFWS] is not one of the tigers killed. See *U.S. v. Maldonado-Passage*, [inside](#), for more details on this case.

District/Circuit	Case Name	Case Type/Statutes
District of Arizona	<a href="#">United States v. William Schwartz</a>	Cacti Sales/Drugs, Lacey Act, Smuggling
Central District of California	<a href="#">United States v. Ernesto Alvarez, Jr.</a>	Fireworks Transportation/HMTL
Eastern District of California	<a href="#">United States v. Mauricio Vaca-Bucio et al.</a>	Marijuana/Drug, Depredation
Southern District of California	<a href="#">United States v. Diamond Environmental Services, LP, et al.</a>	Emissions Testing Tampering/Conspiracy, CAA, Tampering with Evidence
District of Connecticut	<a href="#">United States v. Kliton Rakaj et al.</a>	Asbestos Abatement/CAA
District of Delaware	<a href="#">United States v. Chartworld Shipping Corporation et al.</a>	Vessel/APPS, Falsifying Records, Obstruction, Ports and Waterways Safety Act, Witness Tampering
Northern District of Illinois	<a href="#">United States v. Brian Brundage</a>	E-Waste/Tax Evasion, Wire Fraud
District of Massachusetts	<a href="#">United States v. Derrick Semedo</a>	Monitor Lizard Sales/Lacey Act
Western District of Michigan	<a href="#">United States v. John H. Cross III et al.</a>	Fish Harvesting/Lacey Act
Eastern District of Missouri	<a href="#">United States v. Terry Zintel</a>	Bio-Diesel Fuel/False Claims on Tax Documents
District of Nebraska	<a href="#">United States v. Fabian Castro</a>	Game Bird Fights/ Animal Fighting Venture
District of New Jersey	<a href="#">United States v. d'Amico Shipping Italia S.p.A.</a> <a href="#">United States v. Robert Arellano et al.</a>	Vessel/APPS Dog Fighting/ Animal Fighting Venture
Eastern District of New York	<a href="#">United States v. Cindi Seafood Corporation et al.</a>	Seafood Harvesting/Falsifying Documents
Western District of Oklahoma	<a href="#">United States v. Joseph Maldonado-Passage</a>	Exotic Animal Zoo/Murder-for-Hire, Lacey Act, ESA
Middle District of Pennsylvania	<a href="#">United States v. Keystone Biofuels Inc., et al.</a>	RINs Fraud/Conspiracy, False Statement, Tax

District/Circuit	Case Name	Case Type/Statutes
District of South Carolina	 <a href="#">United States v. Eric Stajos et al.</a>	 Fireworks Sales/Illegal Transportation of Fireworks
District of Vermont	<a href="#">United States v. Jeremiah Ruhl</a>	Vulture Killing/MBTA
Eastern District of Virginia	<a href="#">United States v. Gregory Wheatley Parks, Jr.</a> <a href="#">United States v. Paul Potter</a>	Oyster Harvesting/Lacey Act Building Renovation/TSCA
District of Virgin Islands	<a href="#">United States v. Ionian Management, Inc., et al.</a>	Vessel/APPS, Obstruction
Northern District of West Virginia	<a href="#">United States v. Timothy Peer</a>	Water Treatment Operator/CWA
Western District of Washington	<a href="#">United States v. Craig Lorch et al.</a>	E-waste/Conspiracy, Wire Fraud

## Trials

***United States v. Keystone Biofuels, Inc. et al.***, Nos. 1:17-CR-00143, 1:18-CR-00278 (M.D. Pa.), ECS Senior Litigation Counsel Howard Stewart, AUSA Geoffrey W. MacArthur, Tax Division Attorney Mark Kotila, and ECS Law Clerks Amanda Backer and John Jones.

On April 23, 2019, a jury convicted Keystone Biofuels, company president Ben Wootton, and chief executive officer Race Miner, on all counts. The defendants conspired to make false statements to the Environmental Protection Agency (EPA) in addition to conspiring to defraud the Internal Revenue Service (IRS) and creating fraudulent tax records (18 U.S.C. § 371; 18 U.S.C. § 1001; 26 U.S.C. § 7206(2)).

According to the evidence presented at trial, Wootton and Miner co-owned and operated Keystone, originally in Shiremanstown, Pennsylvania, and later in Camp Hill, Pennsylvania. Keystone purported to be a producer and seller of biodiesel. From August 2009 through September 2013, Wootton and Miner conspired to fraudulently generate renewable fuel credits, identified by renewable identification numbers (RINs) on Keystone fuel. They also fraudulently claimed tax refunds based on the Biodiesel Mixture Tax Credit through January 2012.

As part of the conspiracy, Wootton and Miner caused inflated fuel amounts to be reported to the IRS. The inflated fuel numbers supported their fraudulent claims for tax refunds on fuel Keystone was not producing. To account for the inflated fuel amounts, they created false books and records and engaged in a series of sham financial transactions intended to mirror the false books and records. In addition, Miner doctored fuel samples and test results to fraudulently claim tax refunds and RINs on fuel that did not meet the requisite quality standards to qualify for them. The defendants generated more than \$10 million from the fraudulent RIN sales, resulting in a total tax loss to the government of approximately \$4,149,983.

David Tielle, director of business development, previously pleaded guilty to conspiring to defraud the IRS (18 U.S.C. § 371).

This case was investigated by the IRS Criminal Investigation and the U.S. EPA Criminal Investigation Division.

## Trials

***United States v. Joseph Maldonado-Passage*, No. 5:18-CR-00227 (W.D. Okla.), AUSAs Amanda Green and Charles Brown, with assistance from ECS Trial Attorney Shennie Patel.**

On April 2, 2019, a jury convicted Joseph Maldonado-Passage aka Joseph Allen Schreibvogel, and "Joe Exotic, on two counts of hiring someone to murder a woman in Florida, eight counts of violating the Lacey Act for falsifying wildlife records, and nine counts of violating the Endangered Species Act (ESA), for killing tigers and selling tiger cubs (18 U.S.C. § 1958(a); 16 U.S.C. §§ 1538(a)(1)(B), (a)(1)(F), 3372(d)(2), 3373(d)(3)(A)).

A jury heard how Maldonado gave Allen Glover \$3,000 to travel from Oklahoma to South Carolina and then to Florida to murder Carole Baskin, with a promise to pay thousands more after the deed. Baskin, a critic of Maldonado's animal park, owns a tiger refuge in Florida and secured a million-dollar judgment against Maldonado's park after he used her logos and images to solicit donations. Glover turned out to be an FBI agent. Beginning in July 2016, Maldonado-Passage repeatedly sought someone to murder Baskin in exchange for money, leading to his meeting with an undercover FBI agent in December 2017. Baskin was never harmed.

Maldonado violated the Lacey Act and the ESA by selling tigers and cubs to people out of the state, but then claiming the sales as "donations." He also shot numerous healthy tigers in his zoo to make space for other businesses, such as circuses, to house their own exotic animals.

This case was investigated by the U.S. Fish and Wildlife Service, the Federal Bureau of Investigation, and the Oklahoma Department of Wildlife Conservation, with assistance from the U.S. Marshals Service.



*Skull of a tiger shot by the defendant discovered on his property.*

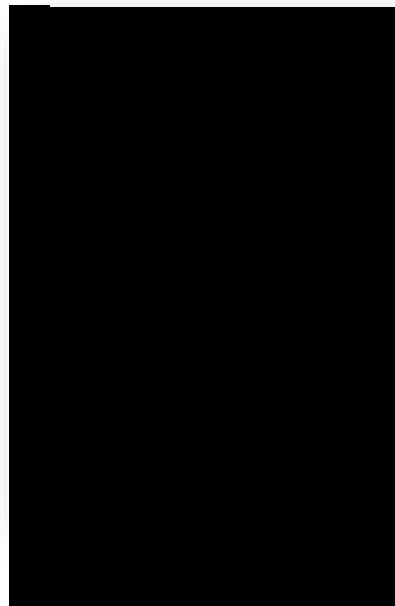


## Indictments/Informations

### ***United States v. Jeremiah Ruhl, No. 5:19-CR-00066 (D. Vt.), AUSA Joseph Perella.***

On April 29, 2019, prosecutors charged Jeremiah Ruhl with violating the Migratory Bird Treaty Act for the unlawful killing of a crow and woodcock without a license and for unlawfully possessing a dead turkey vulture in 2016 (16 U.S.C. §§703(a), 707(a)). Ruhl also was charged with possessing a shotgun and rifle ammunition as a convicted felon (18 U.S.C. §§ 922(g)(1), 924(a)(2)).

This case was investigated by the Vermont Fish and Wildlife Department, the Colchester Police Department, and the U.S. Fish and Wildlife Service.



### ***United States v. Chartworld Shipping Corporation et al., No.19-CR-00058 (D. Del.), ECS Senior Trial Attorney David Kehoe and AUSA Edmund Falgowski.***

On April 23, 2019, prosecutors charged Chartworld (Chartworld) Shipping Corporation, Nederland Shipping Corporation (Nederland), and Chief Engineer Vasileios Mazarakis in a six-count indictment with violating the Act to Prevent Pollution from Ships, falsifying records, obstruction of justice, failure to notify of a hazardous condition, and witness tampering (33 U.S.C. § 1908(a); 18 U.S.C. §§ 1519, 1505, 1512; 46 U.S.C. § 70036 (b)(1)).

Nederland owned the *M/V Nederland Reefer* and Chartworld managed the vessel. On February 21, 2019, the ship entered the Port of Delaware Bay with a false and misleading Oil Record Book (ORB) available for inspection by the U.S. Coast Guard. The ORB failed to accurately record transfers and discharges of oily wastewater on the vessel. The defendants falsified records, obstructed justice, and tampered with witnesses by directing lower level crewmembers to withhold evidence from the Coast Guard.

The companies also failed to report a hazardous condition to the Coast Guard, namely a breach in the vessel's hull that allowed seawater to flow into the bilge holding tank.

This case was investigated by the U.S. Coast Guard.



*M/V Nederland Reefer*

## Indictments/Informations

### ***United States v. Diamond Environmental Services, LP, et al., No. 18-CR-05382 (S.D. Calif.), AUSA Melanie Pierson.***

On April 11, 2019, a grand jury returned a six-count indictment naming three companies, two managers, and a technician with violations related to tampering with emission control devices on heavy-duty diesel trucks. Diamond Environmental Services, LP (DES), Diamond Maintenance Services, LLC (DMS) and Diamond Solid Waste Services, Inc. (DSW) (collectively “Diamond”), plus owner and manager Arie Eric De Jong III, manager Warren Van Dam, and technician Jorge Leyva Rodriguez of ECM Diesel Programming, are charged with conspiring to manipulate the electronic control module (ECM) on Diamond’s fleet of heavy duty diesel trucks.

In 2008, the Environmental Protection Agency promulgated regulations requiring companies to equip all heavy-duty diesel trucks with a computerized system of electronics and sensors that monitored all emission-related engine systems and components. If a problem occurred within the emission system (i.e. the Diesel Particulate Filter, or DPF,) became dirty with soot requiring “regeneration” or burning off) the monitoring system would cause a “Malfunction Indicator/Check Engine Light” to turn on in the truck’s cabin. Failure to resolve this hardware emission system problem caused the monitoring system to limit the truck’s top speed to as low as five miles per hour (commonly referred to as “limp mode” or “power reduced mode”), providing an incentive for the truck’s operator to repair the truck.

Between 2015 and 2018, the defendants agreed to reprogram the ECMs to avoid the costs associated with cleaning the DPFs on Diamond’s trucks. Employees removed the ECMs from their trucks and shipped them out of California for reprogramming. Rodriguez travelled from Mexico to Diamond locations in San Marcos and San Diego to reprogram the ECMs.

In order to keep trucks operating with dirty DPFs, employees punched holes through the filters’ cores, allowing air to flow through this portion of the emission system, without filtration. Employees prepared false opacity (smog) test results on trucks with emissions problems, or ran tests on entirely different trucks to achieve passing results on faulty trucks.

When the defendants learned that a grand jury had been convened to investigate this matter in May 2018, Rodriguez returned to the Diamond facilities to reprogram the software of the fleet’s ECMs to conceal the 2016 alterations. Prosecutors charged all defendants charged with conspiracy (18 U.S.C. § 371). Additionally, DES, Jong, and Rodriguez are charged with Clean Air Act tampering with a monitoring device and tampering with evidence (42 U.S.C. § 7413(c)(2)(C), 18 U.S.C. § 1512(c)(1)). Jong also is charged with committing an offense while on pre-trial release (18 U.S.C. § 3147).

This case was investigated by the Federal Bureau of Investigation and the U.S. Environmental Protection Agency Criminal Investigation Division.

[illegible]



May 2019

## Guilty Pleas

***United States v. Ionian Management, Inc., et al.*, No. 1:19-CR-00009 (D.V.I.),  
ECS Senior Trial Attorney Kenneth Nelson and AUSA Kim Chisholm.**

On April 23, 2019, Ionian Management Inc. (Ionian M), Ionian Shipping & Trading Corp. (Ionian ST), and Lily Shipping Ltd. (Lily), pleaded guilty to violating the Act to Prevent Pollution from Ships and obstruction of justice related to the burning of dirty fuel on the *M/T Ocean Princess* (33 U.S.C. § 1908(a), 18 U.S.C. § 1505).

In July 2018, U.S. Coast Guard inspectors boarded the vessel in St. Croix to conduct a routine Port State Control inspection. The inspection revealed that the vessel used high-sulfur diesel fuel as it transited through, and operated within, the U.S. Caribbean Emission Control Area (ECA) back to January 2016. MARPOL Annex VI and related Environmental Protection Agency regulations prohibit the use of this fuel within the ECA. As the vessel's management company, Ionian M authorized transferring high-sulfur diesel fuel from the ship's cargo tanks for use as bunker for the main engine, generators, and auxiliary equipment. Lily and Ionian ST owned and operated the ship, respectively.

During the Coast Guard inspection, Chief Mate Rey Espulgar instructed lower level crewmembers to lie to the inspectors about where the ship took on its fuel. The Master, Stamatios Alekidis, would email Ionian M and request authorization to transfer high-sulfur diesel cargo to be used as fuel. After Ionian M authorized the transfer, Alekidis informed Espulgar. Chief Engineer, Athanasios Pittas, and Espulgar oversaw the fuel transfer. Espulgar falsified the Oil Record Book, Part II, by failing to log the transfer of cargo to the engine room. Pittas falsified the Oil Record Book, Part I, by indicating that the bunkers had actually been loaded from a shore-side facility in St. Martin, French West Indies (F.W.I.). Pittas would then create a fictitious Bunker Delivery Note stating the bunkers originated in St. Martin, F.W.I.

This case was investigated by the U.S. Coast Guard and the U.S. Environmental Protection Agency Criminal Investigation Division

## Guilty Pleas

### ***United States v. Derrick Semedo*, No. 1:19-CR-10118 (D. Mass.), ECS Trial Attorneys Gary Donner and Erica Pencak, and AUSA Seth Kosto.**

On April 23, 2019, Derrick Semedo pleaded guilty to violating the Lacey Act for illegally trafficking water monitor lizards from the Philippines (16 U.S.C. §§ 3372(a)(1), 3373 (d)(1)(B)).

Between March and December 2016, Semedo imported more than 20 live water monitor lizards from the Philippines, a CITES-protected species. To avoid detection by United States customs authorities, the lizards were placed in socks, sealed with tape, and then concealed in the back panels of audio speakers or other electronic equipment. The equipment was shipped via commercial carriers to Semedo in Massachusetts. The customs declarations accompanying the shipments identified the contents as audio speakers or similar electronics.



*Water monitor lizard seized from Semedo*

This case is part of Operation Sounds of Silence, an ongoing effort by the U.S. Fish and Wildlife Service, in coordination with the Department of Justice, to prosecute those involved in the illegal taking and trafficking in protected species.

This case was investigated by the U.S. Fish and Wildlife Service.

### ***United States v. Mauricio Vaca-Bucio et al.*, No. 1:18-CR-00158 (E.D. Calif.), AUSA Karen Escobar.**

On April 22, 2019, Mauricio Vaca-Bucio pleaded guilty to conspiring to manufacture, distribute, and possess with intent to distribute marijuana. Co-defendants Felipe Angeles Valdez-Colima and Rodolfo Torres-Galvan previously entered similar pleas (21 U.S.C. §§ 841, 846).

Officers apprehended Valdez, Torres, and Vaca on July 6, 2018, in the Kiavah Wilderness area of the Sequoia National Forest, a federally-designated wilderness area. They saw Valdez and Torres emerge from the forest at a known drop point used by marijuana cultivators to access grow sites in this remote area. The men entered a vehicle driven by Vaca that law enforcement later stopped and searched. Officers found freshly harvested marijuana in their vehicle and located more than 1,000 plants at the grow sites on the interconnected trails from the drop point. They also found illegal pesticides, including carbofuran and zinc phosphide, in the vehicle and on site.

This case was investigated by the U.S. Forest Service, with assistance from the U.S. Immigration and Customs Enforcement's Enforcement and Removal Operations, the Campaign Against Marijuana Planting, the California Department of Fish and Wildlife, the California National Guard, the Kern County Sheriff's Office, and the Kern County Probation Office.

## Guilty Pleas

### ***United States v. d'Amico Shipping Italia S.p.A., No. 19-CR-00284 (D.N.J.), former ECS Trial Attorney John Cashman and AUSA Kathleen O' Leary.***

On April 17, 2019, ship owner d'Amico Shipping Italia S.p.A. (DSI) pleaded guilty to violating the Act to Prevent Pollution from Ships (APPS) for the illegal dumping of oily bilge wastes from the *M/T Cielo di Milano*. Sentencing is scheduled for July 23, 2019.

Between August 2014 and January 2015, DSI, through engine room crew members, failed to maintain an accurate oil record book (ORB) regarding oily waste discharges from the vessel. In January 2015, crew members presented this falsified ORB to Coast Guard inspectors during a port call in New Jersey. Many of the overboard discharges were made without the use of a properly functioning oil water separator or oil monitoring equipment.

A court sentenced chief engineer Girolamo Curatolo to eight months' incarceration, followed by one year of supervised release, and ordered him to pay a \$5,000 fine. Curatolo pleaded guilty to conspiracy, admitting that the crew intentionally bypassed pollution prevention equipment by discharging oily waste from the engine room through its sewage system into the sea, and that he falsified the ORB (18 U.S.C. § 371). Curatolo also made false statements to the Coast Guard during the ship's inspection in January 2015, instructing lower-level crew members to make false statements. First assistant engineer Danilo Maimone admitted to concealing the discharge of oily waste, as well as causing a false ORB to be presented to the Coast Guard during the inspection. He admitted to making false statements and instructing lower-level crew members to do the same during the January 2015 inspection. Maimone previously pleaded guilty to conspiring to obstruct justice and his sentencing is pending (18 U.S.C. § 371).

This case was investigated by the U.S. Coast Guard.

### ***United States v. Paul Potter, No. 1:19-CR-00106 (E.D. Va.), AUSA Gordon Kromberg.***

On April 4, 2019, Paul Potter pleaded guilty to violating the Toxic Substance Control Act (15 U.S.C. § 2615(b)). Sentencing is scheduled for July 26, 2019.

Potter owned the Chelsea Environmental Corporation (Chelsea Environmental), an asbestos abatement company in Virginia. The Hunting Point Apartment Complex consisted of three buildings, one of which was torn down during a bridge expansion project. The other two buildings, both eight-stories high, were slated for renovation. After a survey revealed significant amounts of asbestos, a real estate developer hired Potter's company to remove and dispose of non-friable asbestos from 530 apartments.



*Hunting Point Apartment Complex in Alexandria, Virginia*

*(Continued on page 13)*

## Guilty Pleas

*(Continued from page 12)*

Between October 2013, and March 2014, under Potter's supervision, workers improperly removed asbestos-containing material from the apartments. During the renovation work, tenants occupied most of the apartments. Tenants found dry chunks of asbestos in their apartments, and inspectors located approximately 50-60 garbage bags containing vinyl asbestos tile and linoleum in an open dumpster. Many of the workers failed to wear protective equipment and were not certified to handle asbestos.

This case was investigated by the Department of Transportation Office of Inspector General with assistance from the U.S. Environmental Protection Agency Criminal Investigation Division.

***United States v. Timothy Peer*, No. 3:18-CR-00066 (N.D.W.V.), AUSA David J. Perri and SAUSA Perry McDaniel.**

On April 3, 2019, Timothy Peer pleaded guilty to violating the Clean Water Act for discharging untreated sewage from his sewage treatment plant (33 U.S.C. §§ 1311(a); 1319(c)(2)(A); (c)(4)). Sentencing is scheduled for August 5, 2019.

Between 2008 and July 2016, Peer owned and operated Mountaineer Village Utility, LLC, a sewage water treatment plant serving the residents of Mountaineer Village near Ridgeley, West Virginia. Peer failed to maintain the treatment plant between 2014 and 2016. As a result, the plant discharged untreated and undertreated sewage into the North Branch of the Potomac River, in violation of its National Pollutant Discharge Elimination System permit. Peer also submitted falsified discharge monitoring reports.

This case was investigated by the U.S. Environmental Protection Agency Criminal Investigation Division and the West Virginia Department of Environment Protection.



## Sentencings

***United States v. William Schwartz*, No. 18-CR-08333 (D. Ariz.), AUSA Paul Stearns, with assistance from ECS Trial Attorney Ryan Connors.**

On April 29, 2019, a court sentenced William Schwartz to 24 months' imprisonment, followed by three years' supervised release. Schwartz also will pay \$22,655 to the National Fish and Wildlife Foundation.

Schwartz previously pleaded guilty to theft of government property, smuggling, Lacey Act false labeling, and possession of methamphetamine with intent to deliver (21 U.S.C. § 841; 18 U.S.C. § 554; 16 U.S.C. §§ 3372(d)(2), 3373) (d)(3)(A)).

Between October 2014 and August 2018, Schwartz stole, and directed others to steal, more than 500 federally-protected cactus plants from the Lake Mead National Recreation Area in Arizona. Schwartz sold the stolen cacti through the Internet, and illegally shipped the cacti from Meadview to more than 20 countries. In August 2018, agents executed a search warrant and recovered numerous cacti and a large quantity of methamphetamine from Schwartz's residence.

This case was investigated by the U.S. Fish and Wildlife Service, with assistance from the National Park Service and the United States Postal Inspection Service.



*Stolen cacti*

***United States v. Fabian Castro*, No. 4:18-CR-03088 (D. Neb.), AUSA Leslie Woods.**

On April 25, 2019, a court sentenced Fabian Castro to 16 months' incarceration for his participation in an animal fighting venture led by Juan Pablo Sanchez-Delgado (7 U.S.C. § 2156(b)). Employing a wiretap, federal investigators initially targeted Sanchez-Delgado, for conspiring to harbor illegal aliens at work sites across Nebraska. Sanchez-Delgado operated illegal labor companies that often used false identities to place aliens at agricultural work sites with co-conspirator corporations. He also ran a grocery store, multiple restaurants, and a side business training and selling gamecocks to participate in

*(Continued on page 15)*



## Sentencings

(Continued from page 14)

animal fighting ventures in Las Vegas, Nevada, and western Nebraska. Authorities suspected Sanchez-Delgado of harboring hundreds of illegal aliens. An extensive search and arrest operation, following the wiretap investigation, led to the identification of approximately 133 exploited aliens and exposed Sanchez-Delgado's cockfighting operations at his ranch.

In November 2019, prosecutors charged 18 individuals and four companies for their participation in Sanchez-Delgado's cockfighting rings. The wiretap investigation revealed that Sanchez-Delgado trained the gamecocks at his ranch, and Castro served as the birds' primary caregiver and trainer. Authorities recorded Sanchez-Delgado offering to sell the birds and to transport them to Las Vegas. Castro and Sanchez-Delgado placed orders and received the birds through the mail. The ranch became a target of an extensive search warrant operation that included dozens of work sites, businesses, and residential locations involved in Sanchez-Delgado's conspiracy. After executing a search warrant at the ranch, agents found dozens of mistreated and injured gamecocks in individual cages. They also recovered paraphernalia and substances used to train and prepare the birds to fight. Several of the birds seized sustained visible injuries and deformities from both their training and from participating in fights.

This case was investigated by the U.S. Department of Agriculture and Homeland Security Investigations.

### ***United States v. Eric Stajos et al.*, No. 7:18-CR-00644 (D.S.C.), AUSA Winston Holliday.**

On April 23, 2019, a court sentenced Eric Stajos, owner of Phoenix Imports, to six months' probation for transporting fireworks into a state prohibiting their use (18 U.S.C. § 836). Phoenix Imports is scheduled to be sentenced on June 28, 2019.

Between May and July 2015, Stajos transported and caused to be transported several containers of fireworks into South Carolina. He did not prepare the proper manifests or documentation for the fireworks and did not have a valid approval from the Pipeline and Hazardous Materials Safety Administration (PHMSA) as required. The containers were subsequently seized by Custom and Border Protection (CBP).

This case was investigated by the Department of Transportation Office of Inspector General, with assistance from CBP and the PHMSA.

## Sentencings

### ***United States v. Craig Lorch et al.*, No. 2:18-CR-00277 (W.D. Wash.), AUSAs Seth Wilkinson and Andrew Friedman.**

On April 23, 2019, a court sentenced Craig Lorch and Jeff Zirkle to 28 months' incarceration, followed by three years' supervised release. Both were held jointly and severally responsible for \$945,663 in restitution payable to six victim entities.

Lorch and Zirkle, owner/operators of Total Reclaim, the Northwest's largest recycler of electronic waste, previously pleaded guilty to conspiracy to commit wire fraud (18 U.S.C. § 371). Lorch and Zirkle collected millions of dollars from



*E-waste*

public agencies and other organizations claiming that the company would properly recycle used electronics products domestically. In fact, the defendants secretly shipped millions of pounds of mercury-containing flat screen monitors to Hong Kong, where the monitors were dismantled in a manner that risked serious health consequences to workers and damage to the environment.

Total Reclaim promoted itself as a responsible electronics recycler. Its website stated that “our commitment to environmental responsibility is at the core of everything Total Reclaim does.” Total Reclaim signed a public pledge in which it promised not to “allow the export of hazardous E-waste we handle to be exported” to developing countries, without safety precautions, where workers are known to disassemble electronics that contain dangerous materials such as mercury. Total Reclaim signed agreements with customers, including the City of Seattle, in which the customers agreed to pay Total Reclaim to recycle electronics in accordance with these standards. Total Reclaim was also the biggest participant in the “E-Cycle Washington” program. This program allows consumers to drop off used electronics at places stations such as Goodwill Industries, and pays companies to properly recycle them.

In 2008, Total Reclaim began secretly exporting flat screen monitors to Hong Kong to avoid the cost of safely recycling the monitors in the United States. Lorch and Zirkle caused the shipment of approximately 8.3 million pounds of monitors to Hong Kong between 2008 and 2015. To prevent customers and auditors from learning of the practice, they falsified documents, made false statements to customers, and stored the monitors at an undisclosed facility prior to shipping.

The Basel Action Network (BAN) discovered the fraud in 2014 after placing electronic trackers on flat screen monitors and depositing them for recycling. The trackers showed that Total Reclaim collected the monitors and exported them to Hong Kong. When BAN representatives followed the tracking devices to Hong Kong, they discovered that

*(Continued on page 17)*

This case was investigated by the U.S. Environmental Protection Agency Criminal Investigation Division.

\_\_\_\_\_

\_\_\_\_\_

[illegible]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

## Sentencings

***United States v. Cindi Seafood Corporation et al.*, No. 2:15-CR-00278 (E.D.N.Y.), ECS Trial Attorney Christopher Hale and ECS Paralegal Ashley Patterson.**

On April 18, 2019, a court sentenced Cindi Seafood Corporation to pay a \$5,000 fine and complete a four-year term of probation. The company previously pleaded guilty to falsifying more than 40 Fishing Vessel Trip Reports and aiding and abetting the falsification of more than 40 dealer reports (18 U.S.C. § 1519). Company president, Thomas Kokell, entered into a Deferred Prosecution Agreement in connection with the unlawful harvest of more than 150,000 pounds of summer flounder (fluke) in 2011 and 2012. In 2016, prosecutors indicted Kokell for the cover-up and fraud related to the illegal fluke. Following a hung jury in February 2018, the court declared a mistrial. Successful completion of the DPA would result in the dismissal of the outstanding charges against Kokell.

This case was investigated by National Oceanic and Atmospheric Administration National Marine Fisheries Service.

***United States v. Terry Zintel*, No. 4:19-CR-00050 (E.D. Mo.), AUSA Gwendolyn Carroll.**

On April 17, 2019, a court sentenced Terry Zintel to 12 months' and one day incarceration, followed by three years' supervised release. He also will pay \$531,948 in restitution to the Internal Revenue Service (IRS). Zintel previously pleaded guilty to making false claims on tax documents related to the production of bio-diesel fuel (18 U.S.C. § 287).

Between 2012 and 2014, Zintel co-owned and operated Midwest Biodiesel, a bio-diesel fuel company. As such, the company qualified for a tax credit from the IRS. Zintel oversaw the fuel mixing process and directed the preparation of Form 8849, which allowed Midwest Biodiesel to claim the fuel tax credits for multiple sales on different days. In order to claim this credit, the fuel had to meet certain standards set by the American Society of Testing and Materials (ASTM).

On various occasions, Zintel altered (and directed others to alter) certain aspects of the computerized fuel test results to show that the fuel met the ASTM standards, when in fact it had failed to meet a number of parameters. Between May 2013 and September 2013, Zintel submitted Forms 8849 claiming refunds for a total of \$25,785 in excise taxes on fuel that failed to meet one or more ASTM standards.

This case was investigated by the U.S. Environmental Protection Agency Criminal Investigation Division with assistance from the Federal Bureau of Investigation, the U.S. Postal Inspection Service, and the Internal Revenue Service.

## Sentencings

### ***United States v. Brian Brundage*, No. 16-CR-00812 (N.D. Ill.), AUSAs Sean Franzblau and Kelly Greening, and SAUSA Crissy Pellegrin.**

On April 10, 2019, a court sentenced Brian Brundage to 36 months' incarceration, followed by three years' supervised release. He also will pay \$1,281,756 in restitution to be divided among six victims. Brundage, the owner of two recycling businesses, previously pleaded guilty to wire fraud and tax evasion violations (18 U.S.C. § 1343, 26 U.S.C. § 7201).

Brundage owned Intercon Solutions Inc. and EnviroGreen Processing LLC, which purported to recycle electronic waste on behalf of corporate and governmental clients. Brundage represented to clients that the materials would be disassembled and recycled in an environmentally sound manner. In reality, between 2005 and 2016, Brundage caused thousands of tons of e-waste and other potentially hazardous materials to be landfilled, stockpiled, or re-sold at a profit to companies who shipped the materials overseas. Brundage evaded paying \$743,984 in federal taxes by concealing the income he earned from re-selling the e-waste and from paying himself funds that he falsely recorded as Intercon business expenses. Brundage used the money to, among other things, buy jewelry, gamble, and pay the wages for a nanny and housekeeper.

Brundage caused employees to sell some of the e-waste and other materials to vendors whom Brundage knew would ship it overseas. Some of the waste contained Cathode Ray Tubes (CRT) that contain potentially hazardous amounts of lead. Brundage caused the destruction of multiple tons of CRT glass and other potentially hazardous materials.

This case was investigated by the U.S. Environmental Protection Agency Criminal Investigation Division, the Internal Revenue Service Criminal Investigation Division, the U.S. Immigration and Customs Enforcement's Homeland Security Investigations; and the U.S. General Services Administration Inspector General's Office.

### ***United States v. Ernesto Alvarez, Jr.*, No. 2:16-CR-00818 (C.D. Calif.), AUSA Heather Gorman.**

On April 9, 2019, a court sentenced Ernesto Alvarez, Jr., to one year and one day of incarceration, followed by six months' community confinement (as a special condition of three years' supervised release), for transporting hazardous materials (specifically consumer-grade fireworks) without proper placarding (49 U.S.C. § 5124).

On May 23, 2016, Alvarez drove a truck containing illegal fireworks to a warehouse in South Gate, California. Upon arrival Alvarez and four others started unloading the truck, but fled and hid in the warehouse when investigators arrived. The truck contained more than 8,000 pounds of illegal fireworks, including at least 7,000 pounds of fireworks manufactured in China with a hazard classification of "1.4G." The truck did not contain any placards identifying the contents as "Explosives 1.4G".

The warehouse held more than 75,000 pounds of illegal fireworks, including those with hazard classifications of "1.1G," "1.3G," and "1.4G," as well as approximately 7,500 explosive devices commonly known as "M-80s" and additional materials used to

*(Continued on page 20)*



## Sentencings

(Continued from page 19)

manufacture “M-80s.” Four semi-trailers located in the parking lot also contained substantial quantities of illegal fireworks. In total, emergency responders removed approximately 210,000 pounds of consumer-grade fireworks (hazard class “1.4G”), professional-grade fireworks (hazard class “1.3G”), mass explosion fireworks (hazard class “1.1G”), and explosives manufacturing materials from the warehouse, the truck, and four semi-trailers.

This case was investigated by the U.S. Environmental Protection Agency Emergency Response Unit and the Los Angeles Fire Department’s Arson Investigation Unit, with assistance from the Department of Transportation Office of Inspector General.

***United States v. Robert Arellano et al.*, No. 3:17-CR-00051 (D.N.J.), ECS Trial Attorney Ethan Eddy, AUSAs Paul Mysliwiec and Letitia Simms, and ECS Law Clerk John Jones.**

On April 4, 2019, a court sentenced Robert Arellano to four years’ incarceration for his role in an extensive dog fighting ring (7 U.S.C. § 2156(b), 18 U.S.C. § 49)

In October 2018, a jury convicted Arellano, along with Justin Love, Dajwan Ware, and Robert A. Elliott, Sr., of conspiracy to violate the animal fighting prohibitions of the federal Animal Welfare Act; selling, transporting, and delivering dogs intended for use in an animal fighting venture; and possessing dogs intended for use in animal fighting ventures. Arellano also pleaded guilty to an additional charge in a case that was transferred from the District of New Mexico. Between May 2012 and June 2016, Arellano participated in thirteen different dog fights in New Mexico.

The evidence at trial established that Arellano sold and shipped two fighting dogs to Love and co-conspirator Anthony “Monte” Gaines by air cargo in December 2014. Gaines also transported a fighting dog named “Bubbles” to Ware in order to hide her from law enforcement after local authorities in New Jersey located Gaines’s dog fighting yard. For his part, Elliott, Sr., housed a fighting dog named “Fancy” on behalf of Gaines and co-conspirator Frank Nichols, and possessed twelve fighting dogs of his own.

This case is part of Operation Grand Champion, a multi-jurisdictional dog fighting investigation. It was investigated by the U.S. Department of Agriculture Office of Inspector General, Homeland Security Investigations, and the Federal Bureau of Investigation. To date, eleven defendants from five states have been convicted and sentenced to a total of 164 months in prison. Additionally, 113 dogs have been rescued, and either surrendered or forfeited to the government.



*Dog trapped in box*



## Sentencings

***United States v. Kliton Rakaj et al.*, No. 3:18-CR-00294 (D. Conn.), AUSAs Elena L. Coronado and Sarala V. Nagala.**

On April 2, 2019, a court sentenced Kliton Rakaj and Rezart Rakaj to each pay a \$9,500 fine, complete a one-year term or probation, and perform 50 hours' community service. Both pleaded guilty to violating the Clean Air Act National Emission Standards for Hazardous Air Pollutants (NESHAPs) for the illegal removal of asbestos (42 U.S.C. §§ 7412 and 7413(c)(1)).

In November 2015, the Rakajs owned 206 Wallace Street, LLC, a company with a commercial property located at 206-220 Wallace Street in New Haven, Connecticut. Prior to purchasing this property, inspectors informed the defendants of asbestos in the building. After they bought it, they began to remove the asbestos without following the NESHAPs provisions, including: failing to adequately wet regulated asbestos-containing material while removing it from pipes, failing to notify local officials ten days prior to beginning the job, and failing to properly dispose of the material.

After a local health department inspector conducted an unannounced inspection of the facility, he observed the ongoing activities as well as approximately 100 to 150 garbage bags of dry and unlabeled suspected asbestos-containing material. None of the personnel engaged in the abatement were wearing the proper protective equipment, nor were they trained or certified in asbestos removal. After agents executed a search warrant a few weeks later, they confirmed the presence of asbestos.

This case was investigated by the U.S. Environmental Protection Agency Criminal Investigation Division, with assistance from the City of New Haven Health Department and the U.S. Department of Labor, Occupational Safety and Health Administration.

## Sentencings

***United States v. John H. Cross III et al.*, No.1:18-CR-00135 (W.D. Mich.), ECS Senior Counsel Elinor Colbourn and AUSA Nils Kessler.**

On April 1, 2019, a court sentenced John H. Cross III to 12 months' intermittent incarceration, as a condition of a five-year term of probation. The judge wanted Cross to serve the time during the winter months when his business is not operating. John Cross Fisheries, Inc., will complete a five-year term of probation and both are jointly and severally responsible for \$1,032,132 in restitution to be paid to the National Fish Hatcheries, which stock Lake Michigan with lake trout. In addition, the court ordered the company to create and implement a compliance plan.

The defendants previously pleaded guilty to violating the Lacey Act for trafficking in illegally caught lake trout and falsely labelling the fish (16 U.S.C. §§ 3372(a)(2)(A), (d)(2), 3373(d)(2), (d)(3)(A)). The company sold more than 48,000 pounds of lake trout that it should have known had been illegally harvested, transported, and sold in violation of Michigan fishery laws.

Between September 2011 and October 2013, Cross and Cross Fisheries repeatedly purchased lake trout from "Fisherman A," a tribal fisherman who fished from a boat converted to trap net gear at taxpayers' expense (and thus barred from lawfully harvesting lake trout). Instead, the defendants made and submitted records and accounts of these purchases indicating the seller was a licensed gillnet fisherman ("Fisherman B") who could legally harvest lake trout.

Between approximately September 2011 and October 2013, the defendants made approximately 42 purchases of lake trout from "Fisherman A," totaling approximately 48,498 pounds, all of which Cross Fisheries falsely claimed it received from "Fisherman B."

This case is a result from Operation Fishing for Funds, a two-year U.S. Fish and Wildlife Service undercover operation. The operation investigated the illegal harvest and sale of fish (primarily walleye and trout) taken from the Great Lakes. Agents established an undercover wholesale fish business in Baraga, Michigan, named Upper Peninsula North Fish Company (UPNFC). UPNFC bought and sold fish wholesale and retail across the region.

This case was investigated by the U.S. Fish and Wildlife Service, with assistance from the Michigan and Wisconsin Departments of Natural Resources.

## Announcements

\*\*\*[The Environmental Crimes Website](#) has been redesigned. Information has been arranged by subject matter, we have added additional images, and generally streamlined the site. The brief bank update is ongoing. For those who have access, we welcome your feedback. \*\*\*

When submitting a press release for posting with the Executive Office of U.S. Attorneys <https://www.justice.gov/usao/pressreleases>, please be sure it is tagged for the “Environment/Wildlife” topic. This will help ensure that your case is not overlooked for reporting in the Bulletin.

News from state, local, and Canadian cases is posted on the Regional Environmental Enforcement Associations [website](#) .

Please send [REDACTED] any pleadings you believe would be useful for posting in the [Brief Bank](#). Older materials are still available on the [Document Bank Archives](#) page.

If you are in need of sentencing data for your wildlife or pollution cases, please contact [REDACTED] with your search requests.

Please notify ECS of any appeals taken in your cases, as per [Section 5-11.118](#) of the U.S. Attorneys’ Manual.

A public version of the [Bulletin](#) is available for non-law enforcement readers.

Position		Phone
Chief		██████
Deputy Chief		██████
Assistant Chief		██████
Assistant Chief		██████
Assistant Chief		██████
Assistant Chief		██████
Senior Litigation Counsel		██████
Senior Litigation Counsel		██████
Senior Counsel for Wildlife		██████
Senior Counsel		██████
Senior Trial Attorney		██████
Senior Trial Attorney		██████
Senior Trial Attorney		██████
Senior Trial Attorney		██████
Senior Trial Attorney		██████
Senior Trial Attorney		██████
Senior Trial Attorney		██████
Senior Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney		██████
Trial Attorney	Lauren Steele	██████