



Monthly

Bulletin

Environmental Crimes Section

September 2018

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This is an Indigo Bunting that was rescued as a result of Operation Ornerly Bird, an investigation involving the trafficking of more than 400 migratory birds and the prosecution of six defendants. Many of the birds were released back into the Everglades. See [U.S. v. Hernandez](#) and [U.S. v. Loureiro](#) for more details.

District/Circuit	Case Name	Case Type/Statutes
Sixth Circuit Court of Appeals	<u>United States v. William S. Jackson, Jr.</u>	Asbestos Cleanup
██████████ ██████████	██	████████████████████ ████████████████████
Eastern District of California	<u>United States v. Enrique Alvarez-Valle et al.</u> <u>United States v. Marco Lizandro Duarte-Beltran</u> <u>United States v. Carlos Gutierrez Gonzalez et al.</u>	Marijuana Grow/Conspiracy, Drugs, Depredation to Natural Resources
██████████ ██████████	██	██
Southern District of Florida	████████████████████ <u>United States v. Carlos Hernandez</u> <u>United States v. Miguel Loureiro</u> <u>United States v. Victor H. Gonzalez</u>	████████████████████ Migratory Bird Sales/False Statement, MBTA, Smuggling Inhumane Swine Slaughter/ Federal Meat Inspection Act, Humane Methods of Slaughter Act
Southern District of Illinois	<u>United States v. Joseph Kehrer</u>	Asbestos Abatement/CAA
District of Kansas	<u>United States v. Ret Thach</u>	Tiger Pelt Sale/Lacey Act
██████████ ██████████	██	██ ██████████
District of Minnesota	<u>United States v. Rene P. Vargas</u>	Turtle Shipments/Lacey Act
Southern District of Mississippi	<u>United States v. Ricard C. Boozer et al.</u>	Hunting over Baited Field/MBTA
Western District of Missouri	<u>United States v. Brian D. Fleming et al.</u>	Grease Disposal/CWA, Recidivist

District/Circuit	Case Name	Case Type/Statutes
District of Montana	United States v. Zachary D. Flanagan et al.	Wastewater Discharges/CWA, False Statement
District of Nebraska	United States v. Ricard D. Peacock Nebraska Railcar Cleaning Services LLC et al.	OSHA Employee/False Statement Worker Deaths/Conspiracy, Falsifying Documents, Obstruction, OSHA, RCRA
Western District of New Jersey	United States v. Wlodzimie Lapkiewicz United States v. Joseph Kelley et al.	Scorpion Shipments/Lacey Act, Smuggling Eel Smuggling/ Lacey Act
Eastern District of New York	United States v. Thomas Kokell et al.	Fish Harvesting/Falsifying Documents, DPA
Middle District of North Carolina	United States v. Brexton Lloyd	Dog Fighting/Animal Welfare Act
Western District of North Carolina	United States v. Parts Cleaning Technology of North Carolina et al.	Hazardous Waste Storage/ Accessory After-the-Fact, RCRA
Southern District of Ohio	United States v. Gregory Schnabel	RINs Fraud/Conspiracy
District of Puerto Rico	United States v. MORA Development Corporation et al.	Septic Waste Discharge/CWA
██████████ ██████████	████████████████████	████████████████████
Eastern District of Texas	United States v. Arongkron Malasukum	Wildlife Parts/Lacey Act
Southern District of Texas	United States v. Daniel O'Sullivan	Animal Killing/Animal Crush
District of Utah	United States v. Jacob Kingston et al.	Biodiesel Company/Mail Fraud, Money Laundering
██████████ ██████████	████████████████████	████████████████████
Western District of Wisconsin	United States v. MacFarlane Pheasants, Inc., et al.	Hawk Killing/MBTA

Decisions

United States v. William S. Jackson, Jr., No. 18-3490 (6th Cir. Sept. 13, 2018.)

William S. Jackson, Jr., is one of several people involved in an illegal asbestos removal operation in Cleveland. Jackson pleaded guilty to violating the Clean Air Act, but reserved the right to appeal that part of his sentence holding him jointly and severally liable for restitution owed to EPA and the City of Cleveland. He argued that he was not the most culpable of the parties engaged in the illegal asbestos removal, and as such, should have been liable for only a portion of the restitution costs.

On September 13, 2018, in an unpublished opinion, the Sixth Circuit reversed on the narrow ground that the district court did not adequately explain its reasons for imposing joint and several liability on Jackson. The Sixth Circuit stated that it was unclear whether the district court had known that it had the discretion to apportion the restitution among the various parties involved in the illegal asbestos removal. The Court of Appeals also concluded that, if the district court had chosen to impose joint and several liability over a proportionate share, the district court had not explained its reasons for doing so. The Court remanded for resentencing so that the district court could expressly address these issues.

Indictments/Informations

***United States v. Enrique Alvarez-Valle et al.*, No. 1:18-CR-00197 (E.D. Calif.), AUSA Laurel Montoya.**

On August 30, 2018, prosecutors charged Enrique Alvarez-Valle, Juan Augustin Santiago Ventanzos, Epifanio Raymundo Hernandez-Reyes, and Artemio Faustino Santiago-Tapia with conspiring to cultivate marijuana and damaging public land and natural resources (21 U.S.C. §§ 841 (a)(1), 846; 18 U.S.C. § 1361).

According to the indictment, the defendants cultivated an illegal marijuana operation in the Sequoia National Forest. Between March and August 2018, law enforcement officers observed them on the trail to and from the site and at a supply drop point. Officers found numerous plants, along with irrigation equipment, a large water impoundment, and interconnected trails all of which caused extensive damage to the area.

This case was investigated by the U.S. Forest Service, the Fresno County Sheriff's Office, and the Madera County Sheriff's Office.

***United States v. Marco Lizandro Duarte-Beltran*, No. 1:18-CR-00198 (E.D. Calif.), AUSA Karen Escobar.**

On August 30, 2018, prosecutors charged Marco Lizandro Duarte-Beltran with conspiring to possess, manufacture, and distribute marijuana, damaging public lands and natural resources, being a previously deported alien, and in possession of firearms (21 U.S.C. 841(a)(1), 846; 18 U.S.C. 1361; 8 U.S.C. §1326; 18 U.S.C. 922, 924).

Between March and August 2018, law enforcement officers located 1,865 marijuana plants in the Millwood Creek area of the Sequoia National Forest after a two-month investigation. When officers apprehended Duarte-Beltran at the site, he was armed with a loaded revolver and had access to a loaded rifle at his campsite.

The cultivation operation caused significant damage to the land and natural resources. Native vegetation and tree limbs were cut to make room for the plants. Three areas had been terraced for the campsite and water was diverted for irrigation. Trash, fertilizers, and pesticides were strewn throughout the site.

This case was investigated by the U.S. Forest Service, with assistance from Homeland Security Investigations and Enforcement and Removal Operations, the Campaign Against Marijuana Planting, the California National Guard, and the Fresno Sheriff's Office.

Indictments/Informations

***United States v. Jacob Kingston et al.*, No. 2:18-CR-00365 (D. Utah), Tax Division Trial Attorneys Richard M. Rolwing, Leslie A. Goemaat, and Arthur J. Ewencyk, and Senior Litigation Counsel John E. Sullivan.**

On August 24, 2018, prosecutors unsealed an indictment charging the Chief Executive Officer and the Chief Financial Officer of Washakie Renewable Energy (WRE), a Utah-based biodiesel company, and a California businessman, with laundering proceeds from a mail fraud scheme (18 U.S.C. §§ 1956(a)(1)(B), 1957; 26 U.S.C. § 7206 (2)). Trial is scheduled to begin on October 29, 2018.

Jacob Kingston was the Chief Executive Officer and Isaiah Kingston was the Chief Financial Officer of WRE, which described itself as the “largest producer of biodiesel and chemicals in the intermountain west.” The Kingstons and Lev Aslan Dermen (the owner of the California-based fuel company NOIL Energy Group), allegedly conspired to file false claims for renewable fuel tax credits, which caused the Internal Revenue Service to issue more than \$500 million to WRE. Jacob Kingston is separately charged with filing nine false claims for a tax refund on behalf of WRE in 2013.

Between 2010 and 2016, the defendants allegedly created false production records and other paperwork routinely created in qualifying renewable fuel transactions along with other false documents. To make it appear that they were making legitimate fuel transactions, they rotated products through locations around the United States and at least one foreign country. They also allegedly used “burner phones” and other covert means to communicate.

The defendants are further charged with laundering part of the proceeds through a series of financial transactions related to the purchase of a \$3 million residence for Jacob Kingston. The Kingstons also allegedly laundered approximately \$1.72 million to purchase a 2010 Bugatti Veyron. Jacob Kingston and Lev Aslan Dermen are additionally charged with money laundering related to an \$11.2 million loan.

This case was investigated by the Internal Revenue Service Criminal Investigations, the U.S. EPA Criminal Investigation Division, and the Defense Criminal Investigative Service.

***United States v. Ricardo D. Peacock*, No. 1:18-CR-00218 (D. Neb.), AUSA Lecia Wright.**

On August 22, 2018, prosecutors charged Richard D. Peacock in an 11-count indictment with making false statements while acting as a representative of the Occupational Safety and Health Administration (OSHA) (18 U.S.C. § 1001).

According to the indictment, Peacock was employed with OSHA as a compliance and safety officer. Between January 2015 and March 2016, he submitted reports claiming to have conducted inspections of a number of businesses when, in fact, he had not.

This case was investigated by the Occupational Safety and Health Administration.

Indictments/Informations

***United States v. Nebraska Railcar Cleaning Services LLC et al.*, No. 8:18-CR-00216 (D. Neb.), ECS Senior Counsel Kris Dighe, AUSA Donald J. Kleine, and ECS Law Clerk Nate Borrelli.**

On August 21, 2018, prosecutors charged Nebraska Railcar Cleaning Services LLC (NRCS), its President and owner, Stephen Michael Braithwaite, and Vice President and co-owner, Adam Thomas Braithwaite, in a 22-count indictment with conspiracy, Resource Conservation and Recovery Act (RCRA), and Occupational, Safety and Health Act (OSHA) violations, as well as falsifying documents submitted to a federal agency. Adam Braithwaite also is charged with perjury. According to the indictment, the defendants failed to implement worker safety standards and then tried to cover up this failure during an OSHA inspection. They also allegedly mishandled hazardous wastes removed from rail tanker cars during the cleaning process (18 U.S.C. §§ 371, 1621; 1519; 42 U.S.C. § § 6928(d)(1), (d)(5), (d)(2)(A); 29 U.S.C. § 666(e)).

NRCS is in the business of cleaning rail cars. The cleaning process often involved workers entering the tanker cars to scrape and remove various commodities including gasoline, ethanol, petroleum by-products, pesticides, and food-grade products. After a 2013 inspection, Steve Braithwaite entered into a written Corrective Action Agreement where he represented that NRCS had been testing for benzene since July 2014. In March 2015, Steve Braithwaite refused to allow OSHA inspectors on-site for a follow-up inspection. Soon thereafter, the Braithwaites falsified documents submitted to OSHA to show that the company had been purchasing equipment to test the contents of railcars for benzene and had taken other safety precautions. During inspections by the Nebraska Department of Environmental Quality and the U.S. EPA in 2013 and 2014 respectively, inspectors informed NRCS that it was required to test its wastes to determine if they were hazardous in order to properly dispose of them, rather than send all untested waste to an unpermitted landfill. They failed to test the wastes, however, until April 2015.

On April 14, 2015, the contents of a railcar ignited while being cleaned by NRCS employees. Two employees were killed and a third was injured. Two days after the explosion, NRCS tested three railcars and found that two of them were determined to be hazardous.

This case was investigated by the U.S. EPA Criminal Investigation Division and the U.S. Department of Labor Office of Inspector General.

***United States v. Wlodzimie Lapkiewicz*, No. 2:18-mj-07160 (D.N.J.), AUSA Shawn Barnes.**

On August 13, 2018, prosecutors filed a complaint charging Wlodzimie Lapkiewicz with smuggling shipments of live scorpions, giant millipedes, and other species that were mislabeled to avoid detection.

Lapkiewicz is charged with smuggling and violating the Lacey Act for falsely labelling wildlife (18 U.S.C. § 545; 16 U.S.C. §§ 3372, 3373). Between July 2015 and July 2018, Lapkiewicz illegally imported and exported scorpions, giant millipedes, and other invertebrate species. On multiple occasions, he imported emperor and dictator scorpions, both of which are listed in the Convention on International Trade in Endangered Species

(Continued on page 8)

Indictments/Informations

(Continued from page 7)

treaty as protected species. Postal inspectors learned of his activities after live scorpions and millipedes had escaped from a parcel originating from Tanzania while in transit to Lapkiewicz in July 2015.

The investigation revealed that Lapkiewicz participated and assisted others in intentionally mislabeling parcels of live wildlife to avoid detection, including labeling a shipment of multiple live giant millipedes as “Plush Toys for my Friends Child about to be born.” He also solicited buyers using social media.

This case was investigated by the U.S. Fish and Wildlife Service Office of Law Enforcement, with assistance from the U.S. Postal Inspection Service.

United States v. Rene P. Vargas, No. 18-CR-00188 (D. Minn.), AUSA Miranda E. Dugi.

On August 7, 2018, prosecutors charged Rene P. Vargas with violating the Lacey Act for illegally exporting turtles to Hong Kong (16 U.S.C. §§ 3372 (d)(2), 3373(d)(3)(A)(i)). Trial is scheduled for January 7, 2019.

As alleged in the indictment, from approximately June 1, 2017 through June 14, 2017, Vargas attempted to submit three packages for international shipment containing a total of 38 box turtles. The packages were falsely labeled as “toys” or “components.”

North American box turtle populations, native to the United States and Mexico, are in decline due to loss of habitat and illegal trade, including export to Hong Kong and China for use in food, traditional medicine, and the pet trade. Although box turtles are not currently threatened with extinction, they are protected under the Convention on International Trade in Endangered Species, to prevent their further decline.

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



North American box turtle rescued from package

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Abstract

The purpose of this study was to determine whether there were differences in the prevalence of self-reported depression between men and women who had been exposed to violence during childhood and adulthood. Data from the National Longitudinal Study of Adolescent Health (*N = 9,800*) were used to examine the association between exposure to violence and self-reported depression among adolescents. Results showed that exposure to violence during childhood and adulthood was associated with higher rates of self-reported depression. The association between exposure to violence and self-reported depression was stronger for women than for men. These findings suggest that exposure to violence during childhood and adulthood may have a greater impact on the mental health of women than men.

[REDACTED]

Guilty Pleas

***United States v. Brian D. Fleming et al.*, Nos. 3:15-CR-03109, 05002; 3:17-CR-03068 (W.D. Mo.), AUSA Abram McGull, II.**

On August 28, 2018, Brian D. Fleming pleaded guilty to violating the Clean Water Act for knowingly discharging used grease into the Big Piney River, without a permit (33 U.S.C. §§ 1311 (a), 1319(c)(2), 1342(a)). Sentencing is scheduled for December 20, 2018.

Fleming is the owner of BF Byproducts, LLC, a grease-recycling business. BF Byproducts employed trucks to collect used grease from hundreds of restaurants in Missouri, Arkansas, and elsewhere. The grease was transported to their facility, where it was recycled for resale.

Drivers who collected the grease were instructed by Fleming to pump the waste grease down the hill from the main plant processing facility. The grease then flowed into an unnamed tributary that leads into the Big Piney River. In 2015, numerous residents complained about the discharges, prompting the execution of a search warrant in April 2015, and a criminal investigation.

Fleming has already served a year and a day of incarceration, after being convicted in two other separate criminal cases. Fleming pleaded guilty to conspiracy and money laundering for stealing used cooking oil from restaurants in 2011 and transporting it across state lines to a grease recycling business in Tulsa, Oklahoma. Additionally, he was sentenced to 15 months' concurrent for being a felon in possession of a firearm in 2015.

This case was investigated by the U.S. EPA Criminal Investigation Division, the U.S. Coast Guard, the Missouri Department of Natural Resources, the Texas County, Missouri, Sheriff's Department, and the Cabool, Missouri, Police Department.



Grease dumped into water

United States v. Joseph Kelley et al., No. 18-CR-00022 (D.N.J.), ECS Senior Trial Attorney Todd Gleason, ECS Trial Attorney Cassie Barnum, and ECS Paralegal Ashley Patterson.

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

Guilty Pleas

***United States v. Thomas Kokell et al.*, Nos. 2:16-CR-00595, 2:18-CR-00399 (E.D.N.Y.), ECS Trial Attorney Christopher Hale and ECS Paralegal Ashley Patterson.**

On August 14, 2018, Thomas Kokell entered into a Deferred Prosecution Agreement (DPA) in connection with the unlawful harvest of more than 150,000 pounds of summer flounder (fluke) in 2011 and 2012. In 2016, Kokell was indicted for the cover-up and fraud related to the illegal fluke. He was tried in February 2018, but, following a hung jury, the court declared a mistrial. The outstanding charges will be dismissed if Kokell successfully completes the terms of the DPA.

In a related matter, Kokell's company, Cindi Seafood Corporation pleaded guilty on September 4, 2018, to one count of 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). This violation stems from the same concealment of overharvested fluke that was the basis for the indictment against Kokell. Sentencing is scheduled for January 9, 2019.

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

***United States v. Ret Thach*, No. 6:18-CR-10081 (D. Kans.), AUSA Matt Treaster.**

On August 7, 2018, Ret Thach pleaded guilty to violating the Lacey Act for arranging to buy two tiger pelts (16 U.S.C. §§3372(a)(1), 3373(d)(1)(B)). Sentencing is scheduled for October 26, 2018.

In June 2018, Thach agreed to pay \$8,000 for two tiger pelts to be delivered to him in Wichita. Thach also agreed to pay traveling expenses for a seller from Wisconsin to drive to Wichita to deliver them. Thach did not know that the seller was an undercover agent. The agent informed Thach that selling the pelts across state lines was "absolutely illegal." Thach responded that he already owned "a lion and a lot of bears" and wanted to go ahead with the deal to buy the pelts for his home office.

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



Tiger pelt

Guilty Pleas

***United States v. Zachary D. Flanagan et al.*, Nos. 2:18-CR-00013, 00014 (D. Mont.), AUSA Bryan Whitaker and RCEC Eric Nelson.**

On August 2 and 9, 2018, two former corporate officers of USA Brass Company, Inc. pleaded guilty to charges related to the company's unauthorized discharges of lead-contaminated wastewater into the City of Bozeman's Publicly Owned Treatment Works (POTW) in 2013.

USA Brass is a company that cleaned and polished used ammunition casings for resale and reuse. Zachary D. Flanagan is a former Chief Executive Officer and Nolan M. Schimpf is a former Chief Production Officer. Flanagan pleaded guilty to making a false statement to POTW personnel regarding the wastewater discharges (18 U.S.C. § 1001(a)(2)). In November 2013, he sent an email claiming that the wastewater had been analyzed and approved for discharge to the POTW, which was false.

Schimpf pleaded guilty to violating the Clean Water Act for discharging the wastewater into the POTW in violation of a permit, from September through December 2013 (33 U.S.C. §§ 1317(d), 1319(c)(1)(A)). Flanagan is scheduled to be sentenced on November 15, 2018 and Schimpf is set for November 16, 2018.

The investigation of this company by the EPA followed a 2013 OSHA inspection into workers' exposure to lead at the facility resulting in OSHA citations for worker safety violations. USA Brass has since closed the Bozeman business.

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

Sentencings

***United States v. Carlos Hernandez*, No. 17-CR-20759 (S.D. Fla.), AUSA Jaime Raich.**

On August 31, 2018, Carlos Hernandez was sentenced to two months' incarceration, followed by one year of supervised release. He previously pleaded guilty to violating the Migratory Bird Treaty Act for trapping, selling, and offering to sell migratory birds (16 U.S.C. §§ 703(a), 707(b)(2)).

On January 13, 2016, the Florida Fish and Wildlife Conservation Commission (FWCC) received a complaint about a person illegally trapping birds along a canal. The complaint included photos of a Nissan Xterra and bird traps. FWCC agents responded and confronted Hernandez in the vehicle along with a large amount of birdseed, wood pieces (typically used for traps), and an eight-inch butcher knife.



Blue Grosbeak rescued from defendant

An undercover agent later entered a private Facebook chat group called “Palomeros de Miami” (pigeon-enthusiasts of Miami). Hernandez had advertised Blue Grosbeaks for sale, along with their photos on the site. In March and April 2017, Hernandez sold Blue Grosbeaks to a confidential informant who recorded the transactions. Hernandez can be heard saying that owning the birds was illegal.

Operation Ornery Bird culminated in the filing of charges against six defendants for trafficking more than 400 migratory birds over two migration seasons. This case was investigated by the U.S. Fish and Wildlife Service, the Florida Fish and Wildlife Conservation Commission, Customs and Border Protection, the National Park Service, and the U.S. Postal Inspection Service.

***United States v. Richard C. Boozer et al.*, No. 3:18-CR-00157 (S.D. Miss.), AUSA Dave Fulcher.**

On August 31, 2018, 11 hunters pleaded guilty to, and were sentenced for violating the Migratory Bird Treaty Act for hunting mourning doves over a baited field (16 U.S.C. §§ 703, 704(b)(1)). The following hunters were prosecuted: Richard Carl Boozer, George Mitchell Davis, James Nicholas Davis, Dink Rainey Gibson IV, John Nick Harrison, Mark Edward Holifield, Michael L. Parks, Hiram Luther Richardson, Justin Cochran Russell, Preston Lamar Woods, and Roger Douglas Woods.

On September 2, 2017, agents from the U.S. Fish and Wildlife Service found the group hunting mourning doves over a field that had been baited with cracked corn, millet, and rice. The field was under surveillance after agents previously observed illegal baiting.

For placing the bait in the field, Gibson was ordered to pay a \$3,000 fine and complete a two-year term of probation. Russell and Boozer will pay \$1,200 fines and complete one-year terms of probation. The rest were ordered to pay a \$600 fine and must complete a one-year term of probation, with all barred from hunting while on probation.

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

Sentencings

United States v. MacFarlane Pheasants, Inc. et al., No. 3:18-mj-00095 (W.D. Wisc.), AUSA Robert A. Anderson.

On August 29, 2018, MacFarlane Pheasants, Inc. (MPI), and production manager Chris Theisen pleaded guilty to, and were sentenced for taking or killing migratory birds in violation of the Migratory Bird Treaty Act (16 U.S.C. § 703).

MPI raises and sells pheasants commercially. The company possessed permits from the U.S. Fish and Wildlife Service prior to 2014 that allowed it to kill hawks that were undeterred by other measures and preyed on the MPI pheasants, sometimes resulting in thousands of dollars in losses to the business. In 2014, MPI held a permit which allowed the taking or killing of up to ten red-tailed hawks during the year. In 2015, agents received information that the company had taken more than ten hawks in 2014, even though it claimed none had been killed that year.

MPI was sentenced to pay a \$15,000 fine and Theisen was ordered to pay \$5,000. They also were banned from applying for any depredation permits for five years.

This case was investigated by the U.S. Fish and Wildlife Service and the Wisconsin Department of Natural Resources.



Hawks and pheasant

United States v. Gregory Schnabel, No. 2:17-CR-00169 (S.D. Ohio), ECS Trial Attorney Adam Cullman, ECS Senior Trial Attorney Jeremy Korzenik, and AUSA Mike Marous.

On August 27, 2018, Gregory Schnabel was sentenced to 63 months' incarceration, followed by a three-year term of supervised release, and pay \$26,244,437 in restitution. Schnabel previously pleaded guilty to conspiracy for his role in a scheme that generated over \$47 million in fraudulent renewable fuels credits (RIN credits), and more than \$12 million in fraudulent tax credits connected to the purported production of renewable fuel (18 U.S.C. § 371).

Schnabel, owner of GRC Fuels of Oneonta, New York, engaged in a scheme with other co-conspirators to fraudulently claim renewable fuels credits and tax credits on fuel that did not qualify for the credits, on fuel that had already been used to generate credits, and on fuel that was exported or otherwise used contrary to EPA and Internal Revenue Service regulations. Schnabel bought and sold fuel from several individuals who have already pleaded guilty to similar charges for their roles in the scheme, including: Fred Witmer and Gary Jury, formerly of Triton Energy, who pleaded guilty in the Northern District of Indiana; Malek Jalal, formerly of Unity Fuels, who pleaded guilty in the Southern District of Ohio; and, Dean Daniels, William Bradley, Ricky Smith, and Brenda Daniels, of New Energy Fuels and Chieftain Biofuels, who pleaded guilty in the Southern District of Ohio.

This case was investigated by the Internal Revenue Service, the U.S. EPA Criminal Investigation Division, and the Federal Bureau of Investigation.

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Sentencings

***United States v. Joseph Kehrer*, No. 18-CR-30030 (S.D. Ill.), AUSA Liam Coonan and RCEC David Mucha.**

On August 14, 2018, Joseph Kehrer was sentenced to five months' incarceration, followed by five months' home confinement as a condition of a one-year term of supervised release. Kehrer also will pay a \$50,000 fine. Kehrer previously pleaded guilty to violating the Clean Air Act for failing to notify regulatory authorities prior to the removal of asbestos material from a school (42 U.S.C. §7413(c)(1)).

Kehrer, the owner of multiple roofing businesses, purchased a former grade school in January 2014. He hired Farmer Environmental Services (Farmer) to conduct an asbestos survey of the building. Farmer gave Kehrer the survey that identified numerous asbestos-containing materials (ACM) in the building, including 174 linear-feet of piping wrap and 20,600 square-feet of floor tiles and mastic.

He then received a bid of \$150,000 from environmental consulting company, Cenpro Services, to remove the material. Shortly thereafter, however, Kehrer directed employees (including Hispanic individuals on work visas) to remove the ACM. They were not properly trained to remove asbestos and did not wear proper protective equipment.

Based upon a complaint in February 2015, Occupational Safety and Health Administration inspectors toured the building noting "plumes of dust down the hallways" and other potential hazards. Kehrer gave false information to the inspectors and instructed workers to hide equipment and chemicals used to remove the asbestos.

This case was investigated by the U.S. EPA Criminal Investigation Division and the U.S. Department of Labor Office of Inspector General.

***United States v. Miguel Loureiro*, No. 18-CR-20164 (S.D. Fla.), AUSA Jaime Raich.**

On August 10, 2018, Miguel Loureiro was sentenced to nine months' incarceration, followed by two years' supervised release. Loureiro previously pleaded guilty to conspiring to trap, barter, and sell migratory birds (18 U.S.C. 371).

Between January 2016 and December 2017, Loureiro and a co-conspirator trafficked in migratory birds, including Indigo Buntings, Blue Grosbeaks, Rose-breasted Grosbeaks, Painted Buntings, and White-crowned Sparrows. Loureiro used multiple traps augmented by solar-powered electronic birdcall broadcasting systems in order to trap migratory birds. Three of those traps were in secluded areas of forest near Everglades National Park. He sold his illegally captured migratory birds to buyers throughout the United States. During the execution of a search warrant at Loureiro's residence, law enforcement rescued more than 100 birds that were later returned to the wild.

Operation Ornergy Bird culminated in the filing of charges against six defendants for trafficking more than 400 migratory birds over two migration seasons. This case was investigated by the U.S. Fish and Wildlife Service, the Florida Fish and Wildlife Conservation Commission, Customs and Border Protection, the National Park Service, and the U.S. Postal Inspection Service.



Solar-powered trap

Sentencings

This case was investigated by the U.S. Forest Service with assistance from the U.S. Bureau of Land Management, the California Department of Fish and Wildlife, the North State Marijuana Investigation Team, and the Trinity County Sheriff's Office.

Sentencings

***United States v. MORA Development Corporation et al.*, Nos. 3:16-CR-00018, 00594 (D. P. R.), ECS Senior Litigation Counsel Howard Stewart and USAO Criminal Chief Jose Ruiz.**

On August 2, 2018, MORA Development Corporation was sentenced to pay a \$3 million fine, complete a five-year term of probation, and make \$24,000 in restitution to a family for medical expenses.

MORA previously pleaded guilty to violating the Clean Water Act for discharging an estimated 29 million gallons of septic waste collected from a housing development into the Quilan Creek between July 2012 and January 2013 (33 U.S.C. § 1319(c)(2)(A)). The creek flows into the La Plata River, which serves approximately 80,000 people in Puerto Rico. A family of four was impacted when their property was saturated with this waste water, causing two people to become ill.

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

***United States v. Daniel J. O'Sullivan*, No. 2:18-CR-00206 (S.D. Tex.), AUSA Hugo Martinez.**

On August 2, 2018, former Navy sailor Daniel J. O'Sullivan was sentenced to 21 months' incarceration, followed by three years' supervised release. O'Sullivan previously pleaded guilty to distributing an animal crush video depicting the drowning of puppies (18 U.S.C. §§ 48(b)(2), (d)).

In June 2016, Naval Criminal Investigative Service (NCIS) agents were notified that O'Sullivan was in possession of disturbing videos depicting the torture and killing of animals. Authorities interviewed him at Naval Air Station Corpus Christi where he was stationed at the time. O'Sullivan admitted he distributed a video to an individual in Montana that depicted the drowning of puppies in a river. That individual admitted to receiving the video.

This is the second such case prosecuted in this district. Brent Justice was sentenced to 57 months' incarceration in August 2016 for similar behavior. O'Sullivan received an other than honorable discharge from the Navy in September 2017, effectively ending his naval career.

This case was investigated by the Naval Criminal Investigative Service.

Sentencings

***United States v. Brexton Lloyd*, No. 1:17-CR-000270 (M.D.N.C.), ECS Trial Attorney Erica Pencak, AUSA JoAnna McFadden, and ECS Law Clerk Fred Ingram.**

On August 2, 2018, Brexton Lloyd was sentenced to one year and one day of incarceration, followed by three year's supervised release, and a \$7,500 fine. Lloyd is barred from owning any dogs during the first six months of supervision, and thereafter must obtain permission from the court prior to obtaining a single dog.

Lloyd previously pleaded guilty to conspiracy and to violating the animal fighting prohibitions of the Animal Welfare Act (18 U.S.C. §§ 49(a), 371; 7 U.S.C. § 2156(b)).

He kept more than a dozen dogs at his residence that were subsequently seized during the execution of a search warrant in March 2017. Between June 2015 and March 2017, Lloyd conspired with others to participate in dog fighting in North Carolina and other states.

This case is part of Operation Grand Champion, a coordinated effort across numerous federal judicial districts to combat organized dog fighting. The phrase "Grand Champion" is used by dog fighters to refer to a dog with more than five dog-fighting "victories." To date, approximately one hundred dogs have been rescued as part of Operation Grand Champion, and either surrendered or forfeited to the government.

This aspect of the operation was investigated by the U.S. Department of Agriculture Office of the Inspector General and the Federal Bureau of Investigation, with assistance from the North Carolina State Highway Patrol, and the Moore County Sheriff's Office.

***United States v. Arongkron Malasukum*, No. 4:17-CR-00162 (E.D. Tex.), ECS Trial Attorney Gary Donner and AUSA Jim Noble.**

On August 1, 2018, Arongkron Malasukum was sentenced to nine months' incarceration, followed by one year of supervised release. Malasukum previously pleaded guilty to illegally trafficking parts from endangered African lions and tigers in violation of the Lacey Act (16 U.S.C. §§ 3372(a)(1), 3373(d)(1)(B)).

In April 2016, Malasukum purchased a tiger skull from undercover agents, as well as lion skulls from a Texas auction house. Knowing his out-of-state purchases may draw law enforcement attention, Malasukum gave cash to the undercover agents, telling them which items to bid on. After purchasing the items, he shipped the tiger and lion skulls from Texas to his home in New York. From New York, Malasukum shipped the skulls to



Lion and tiger skulls

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Sentencings

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Thailand for sale to a wholesale buyer.

Between April 2015 and June 2016, he exported close to 70 packages containing skulls, claws, and parts from endangered and protected species, with a total fair market value in excess of \$150,000. All of the exports were sent to Thailand where an associate made jewelry from the teeth and claws.

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

United States v. Parts Cleaning Technology of North Carolina et al., Nos. 3:17-CR-00136, 3:18-mj-00033, 00034, and 00037 (W.D.N.C.), AUSA Steven Kaufman.

On August 1, 2018, Vincent Peters, Timothy Connelly, and Jason Ridenour were sentenced for their involvement in the illegal storage of more than 10,000 gallons of liquid hazardous waste and more than five tons of solid hazardous waste. All three pleaded guilty to being accessories after-the-fact to violations of the Resource Conservation and Recovery Act (RCRA). All will complete two-year terms' of probation (to include 12 months' home detention) and will each perform 100 hours of community service. Connelly will pay a \$5,000 fine, Ridenour \$3,000, and Peters \$2,000. Company owner, David Crandell, was sentenced on September 21st to pay a \$60,000 fine, complete a two-year term of probation (to include nine months' home confinement), and perform 50 hours of community service. Crandell also pleaded guilty to being an accessory-after-the-fact.



Hazardous and non-hazardous waste containers stored in trailer.

Connelly, Peters, and Ridenour were employees of Parts Cleaning Technology of North Carolina (PCT), a business engaged in the collection and transportation of hazardous waste. From approximately 2011 through 2014, the defendants stored hazardous waste on unpermitted trailers on PCT's property, as a result of not paying the disposal companies. As the owner, Crandall was responsible for paying the bills (to the disposal companies) which ultimately turned away PCT's loads since payments were behind, causing the employees to store the waste in unpermitted trailers and beyond the regulatory timeframe.

When PCT was evicted from the property in July 2014, it abandoned the waste. PCT pleaded guilty to two RCRA storage violations and has not yet been scheduled for sentencing.

This case was investigated by the U.S. EPA Criminal Investigation Division, the North Carolina State Bureau of Investigation, and the North Carolina Department of Environmental Quality).

Announcements

*** 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.

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