ENVIRONMENTAL CRIMES

MONTHLY BULLETIN

October 2008

EDITOR'S NOTE:

Please continue to submit information on relevant case developments in federal prosecutions for inclusion in the Bulletin. If you have any significant and/or interesting photographs from the case, you may email these, along with your submission, to Elizabeth Janes: [redacted]). Material also may be faxed to Elizabeth at (202) 305-0396. If you have information to submit on state-level cases, please send this to the Regional Environmental Enforcement Associations' website: http://www.regionalassociations.org.

You may navigate quickly through this document using electronic links for *Active Cases*, *Additional Quick Links* and *Back to Top*. (Some of you may need to hold down the **ctrl key** while clicking on the link.)

AT A GLANCE

Districts	Active Cases	*Case Type* / Statutes
C.D. Calif.	United States v. Pacific Operators Offshore	*Natural Gas Drilling Station/* Outer Continental Shelf Lands Act
N.D. Calif.	United States v. Wassim Mohammad Azizi	*Building Demolition/* CAA
S.D. Ga.	United States v. Daniel Cason	*POTW Director/* CWA
D. Idaho	United States v. Robert Webb United States v. Kent Dahle, et al	*Methamphetamine Lab Cleanup/* RCRA storage Dredge and Fill Project/ CWA misdemeanor, CWA
E.D. La.	United States v. Cypress Bayou Industrial Painting, Inc.	*Painting Company/* CWA misdemeanor
W.D. La.	United States v. Citgo Petroleum Group	*Oil Spill/* CWA misdemeanor
[redacted]	[redacted]	[redacted]
E.D. Mich.	United States v. Comprehensive Environmental Solutions, Inc.	*Waste Disposal Facility/* CWA, False Statement
D. Minn.	United States v. Keith Rosenblum et al. United States v. Steven Taylor	*Metal Finisher/* Conspiracy to violate CWA, CWA misdemeanor *Wolf Hunt/* ESA
E.D. Mo.	United States v. Matthew Burghoff	*Building Renovation/* CAA, Bank Fraud
W.D. Mo.	United States v. John Richards United States v. Thomas Jerry Nix, Jr.	*Reptile Sales/* Lacey Act *Caviar Harvest/* Conspiracy to violate Lacey Act
D. Mont.	United States v. Randall Reis et al.	*Chemical Manufacturer/* RCRA storage
E.D.N.Y.	United States v. Parkway Village Equity Corporation et al.	*Asbestos Abatement/* Conspiracy to violate CERCLA, TSCA
N.D.N.Y.	United States v. Mark Desnoyers United States v. John Wood et al.	*Asbestos Abatements/* Conspiracy to violate CAA and Mail Fraud, CAA, False Statement, Mail Fraud *Asbestos Abatements/* Conspiracy to violate CAA and Mail Fraud, Pre-trial release violations
N.D. Ohio	United States v. Tania Siyam	*Ivory Smuggling/* Lacey Act, Smuggling
M.D. Pa.	United States v. Hershey Creamery Company	*Ice Cream Manufacturer/* CAA failure to implement risk management plan
W.D. Pa.	United States v. Charles Victoria et al.	*Asbestos Abatement/ Conspiracy to violate CAA*
E.D. Tenn.	United States v. Gerald Lakota	*Film Developing Facility/* CWA

Districts	Active Cases	*Case Type* / Statutes
E.D. Tex.	**United States v. John Mazoch et al.** **United States v. William Stoner**	***Gas Cylinder Storage/* Conspiracy to violate RCRA** ***Harmful Fish Importation/* Lacey Act**
D. Utah	[redacted] **United States v. Johnson Matthey, Inc., et al.**	[redacted] ***Gold and Silver Refinery/* CWA, False Statement**
W.D. Wash.	**United States v. Craig James et al.**	***Tree Destruction/* Conspiracy to commit depredation against Forest Service property**
S.D. W. Va.	**United States v. Michael Joe Clark**	***Methamphetamine Lab/* CAA Negligent Endangerment, Controlled Substances Act**

Additional Quick Links

Trials

United States v. Randall Reis et al., No. 2:07-CR-00009 (D. Mont.), ECS Trial Attorney Kevin Cassidy [redacted] and AUSA Kris McLean [redacted]

On September 17, 2008, after a two-day jury trial, Randall Reis was found guilty of two RCRA counts for the illegal storage of hazardous lead waste.

Reis, the CEO of MR3 Systems, Inc. ("MR3"), and the company were charged in 2007 in a three-count indictment with illegal storage of hazardous waste. The defendants operated a chemical manufacturing facility in Butte, Montana, from 1999 through December of 2001. During the operation of the facility, they both used and generated hazardous wastes, including toxic lead filter cake and corrosive liquids. Inspections conducted by the Montana Department of Environmental Quality ("MDEQ") revealed that the defendants were illegally storing hazardous wastes on site. They failed to take corrective action despite being warned by MDEQ. The defendants eventually stopped paying

their local employees, causing them to close down the facility in 2001, and left hazardous wastes behind.

In June 2002, the owner of portable storage units rented by MR3 repossessed his storage units. He then emptied the contents, which included hazardous waste, onto MR3's parking lot. This prompted MDEQ to respond to an emergency situation in order to contain these wastes. During this process, officials discovered additional hazardous wastes stored at the defendants' facility, including approximately 5,000 gallons of corrosive and cadmium toxic liquid in approximately ten storage vessels.

The company is scheduled for a change of plea hearing on October 30, 2008, and Reis is scheduled to be sentenced on January 16, 2009. This case was investigated by Montana Department of Environmental Quality.

Back to Top

United States v. Mark Desnoyers, No. 1:06-CR-00494 (N.D.N.Y.), ECS Trial Attorney Colin Black and AUSA Craig Benedict

On September 18, 2008, a jury convicted Mark Desnoyers on five of the six counts charged: conspiring to violate the mail fraud statute and the Clean Air Act, aiding and abetting CAA violations, mail fraud, and two false statement violations. He was acquitted of the remaining false statement charge.

Desnoyers, owner of Adirondack Environmental Associates, was an air monitor who took samples required to document the purported full and safe removal of asbestos from numerous commercial buildings and private homes. Evidence at trial established that Desnoyers secretly entered into agreements with the owners of asbestos removal companies to falsify his results.

Desnoyers and co-defendants John Wood and Curt Collins were charged in March 2007 for their involvement in a scheme where they performed illegal "rip and run" asbestos abatements and covered it up by falsifying the air monitoring results. Wood and Collins previously pleaded guilty.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division.

Back to Top

Indictments

United States v. Daniel Cason, No. 1:08-CR-00099 (S.D. Ga.), AUSAs David Stewart and Charlie Bourne

On September 17, 2008, Daniel Cason, public works director for the City of Harlem, Georgia, was charged with 11 counts of violating the Clean Water Act and making false statements in records and reports. Cason is responsible for operating the city's POTW. According to the indictment, in January 2004 Cason used a hose to pump wastewater directly from the oxidation pond into the Uchee Creek tributary, located adjacent to the plant, without a permit. Cason is further charged with making CWA false statements for submitting discharge monitoring reports between 2003 and 2005 that contained false readings for levels of fecal coliform and biochemical oxygen demand from the city's POTW.

The case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the Federal Bureau of Investigation.

Back to Top

United States v. John Richards, No. 6:08-CR-03098 (W.D. Mo.), ECS Trial Attorney Georgiann Cerese [redacted].

Western chicken turtle

On September 16, 2008, John Richards was charged in an indictment with four Lacey Act false labeling violations. Richards, using the name of Loggerhead Acres Turtle Farm, was in the business of buying and selling reptiles in Missouri and via the Internet. Between 2003 and 2004, Richards is alleged to have exported endangered species of turtles, including Blandings and the western chicken species to Japan. Specifically, he is charged with providing documentation with four different shipments falsely indicating that there had been no charge for the turtles despite Richards' having received payment for them.

This case was investigated by the United States Fish and Wildlife Service.

Back to Top

United States v. Parkway Village Equity Corporation et al., No.1:08-mj-00669 (E.D.N.Y.), AUSA Taryn Merkl [redacted]

On August 18, 208, Parkway Village Equity Corporation ("Parkway Village"), a residential cooperative located in Queens, New York, and George Halpin, its former property manager, were charged with conspiring to violate the Comprehensive Environmental Response, Compensation, and Liability Act for their involvement in the illegal removal and disposal of asbestos at the property from approximately 2002 through 2006. Another employee, former superintendent Layton Cervantes, has been charged with violating the Toxic Substances Control Act.

Parkway Village employees allegedly were not licensed to conduct asbestos abatements nor were they provided with protective equipment. In fact it is alleged that employees periodically removed asbestos from residential units with their bare hands and buried it on the grounds.

A deferred prosecution agreement has been submitted on behalf of Parkway Village. Pursuant to that agreement, the company accepted a number of conditions, including removal of asbestos from multiple areas within the cooperative, future compliance with all relevant environmental laws, and the payment of $490,612 to EPA to cover the cost of the agency's environmental remediation work in 2006. If Parkway Village complies with the terms and provisions of the deferred prosecution agreement, the government has agreed to move to dismiss the criminal complaint in three years.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the National Enforcement Investigations Center.

Back to Top

Pleas

United States v. Matthew Burghoff, No. 4:08-CR-00199 (E.D. Mo.) SAUSA Anne Rauch (and AUSA Michael Reap

On October 1, 2008, Matthew Burghoff pleaded guilty to one Clean Air Act violation and one bank fraud violation. Burghoff previously was charged with multiple counts of bank fraud, money laundering, false statements, and violations of the CAA stemming from his renovation of a building in St. Louis, Missouri, and numerous other buildings and businesses in the St. Louis area.

In September 2007, the City of St. Louis Air Pollution Control Division received an anonymous tip stating that unqualified personnel were removing asbestos-insulated piping at the Ford Building. On October 1, 2007, an inspector with the Missouri Department of Natural Resources conducted an inspection and observed asbestos debris swept into piles and approximately 60 black bags containing dry asbestos material. Burghoff as the owner and operator of the building was present during this inspection.

The indictment also had alleged that Burghoff falsely told an EPA agent that he had employed an environmental company to inspect the Ford Building for the presence of asbestos before commencing any demolition work and that none had been found.

The bank fraud and money laundering charges stem from a loan the defendant made from the Montgomery Bank in order to purchase and renovate the Ford Building. The indictment states that Burghoff had a subcontractor inflate a bill by approximately $133,000 that was then forwarded to the bank, which subsequently paid the extra money to the subcontractor. The subcontractor then kicked back the money to Burghoff. Finally, the defendant was charged with diverting money from bank loans on other buildings he renovated, representing the money as funds to be paid to subcontractors.

Sentencing is scheduled for December 19, 2008. This case was investigated by United States Environmental Protection Agency Criminal Investigation Division and the Missouri Department of Natural Resources.

Back to Top

United States v. Robert Webb, No. 2:08-CR-00216 (D. Idaho), ECS Senior Trial Attorney Ron Sutcliffe and AUSA Nancy Cook .

Drums stored behind garage

On September 29, 2008, Robert Webb pleaded guilty to two RCRA storage counts and is scheduled to be sentenced on December 15, 2008. Webb is the owner of Alliance Environmental Inc., which performed methamphetamine laboratory cleanups throughout the Pacific Northwest under various DEA contracts. Webb failed to properly store the wastes accumulated from the lab cleanups, instead storing them at the Little Tree Storage, an unpermitted facility. DEA alerted the EPA after discovering the illegal storage as a result of an audit of their cleanup contracts.

A subsequent EPA investigation led to the additional discovery of 71 containers of hazardous waste inside Webb's mother's garage in Spokane, Washington. The waste had been stored at the property for at least three years. No security measures were taken to reduce the risk that the stored containers of hazardous waste could be accessed by the general public and neighboring property owners. The garage door was left open at various times during storage of the hazardous waste.

The ensuing cleanup has cost the EPA approximately $67,000.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the Drug Enforcement Administration.

Back to Top

United States v. Hershey Creamery Company, No. 1:08-CR-00353 (M.D. Pa.), AUSA Bruce Brandler (and SAUSA Martin Harrell (

On September 24, 2008, Hershey Creamery Co., the manufacturer of Hershey ice cream (not the chocolate company), agreed to plead guilty to an information charging it with knowingly violating the Clean Air Act for failing to develop and implement a Risk Management Plan ("RMP" and "Plan") at two of its facilities in Pennsylvania despite providing false prior certification that it had done so. This is only the second prosecution involving an RMPs in the country.

The CAA charge concerns the company's failure to develop and implement a RMP concerning the storage and use of a regulated substance, anhydrous ammonia, between September 30, 2004, and April, 2007. Hershey uses refrigeration systems to manufacture and store ice cream at its plants in Harrisburg and Middletown, Pennsylvania. It used approximately 42,000 pounds of anhydrous ammonia at its plant in downtown Harrisburg and approximately 23,000 pounds at the Middletown facility.

Despite providing EPA with certification in 1999 and in 2004 that it had a Plan in place for both plants, a subsequent inspection concluded that the company actually lacked viable RMPs at either of the facilities. After repeated information requests and inadequate company responses, EPA issued Hershey a detailed CAA civil compliance order in December 2006, identifying specific areas where the company had failed to comply with RMP requirements. EPA ordered Hershey to develop and implement Plans for both plants, with specific dates identified for compliance with major tasks. Hershey submitted RMPs in April, 2007 and, after inspecting both facilities, EPA found that the company was executing the Plans satisfactorily. The company came into compliance after a criminal investigation had commenced, which was based on Hershey's failure to produce the actual Risk Management Plans after certifying their existence.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division.

Back to Top

United States v. Cypress Bayou Industrial Painting, Inc., No. 2:08-CR-00211 (E.D. La.), ECS Senior Trial Attorney David Kehoe ECS Senior Counsel Rocky Piaggione and AUSA Dorothy Manning Taylor

On September 24, 2008, Cypress Bayou Industrial Painting, Inc. ("Cypress Bayou"), an industrial painting company, pleaded guilty to a misdemeanor violation of the Clean Water Act.

Cypress Bayou was hired to clean and remove rust and paint from an oil drilling rig owned by Rowan Companies, Inc. The company provided the materials and its own employees for the cleaning operation, which was performed in March and April, 2004, by sand blasting the rig off the Gulf of

Mexico at Port Fourchon, Louisiana. During the sand blasting process, Cypress Bayou failed to install tarps to prevent the over spray of sand blasting debris into the water. Its employees also failed to notify the government that the sand blasting operations resulted in the discharge of pollutants into U.S. waters off the Gulf of Mexico.

The plea agreement requires Cypress Bayou to implement an environmental compliance plan and to pay a $60,000 fine. Sentencing is scheduled for December 17, 2008.

This case was investigated by the Environmental Protection Agency and the United States Coast Guard.

Back to Top

United States v. Craig James et al., No. 3:07- CR-05642 (W.D. Wash.), AUSA Jim Oesterle ([redacted]

On September 19 and 22, 2008, guilty pleas were taken in this case stemming from the destruction of old growth trees in the Olympic National Forest. Craig James and Bruce Brown pleaded guilty to conspiracy to commit depredation against Forest Service property. A third co-defendant, Floyd Stutesman, previously pleaded guilty to the same charge.

For the period between November 2006 and February 2007, the defendants were charged with having damaged and stolen a variety of trees including 31 old growth western red cedar trees, some of which were more than six hundred years old, to sell to timber mills for processing. They also were alleged to have obtained legitimate forest harvesting permits and then used those permits to illegally transport this old growth wood. The three were initially charged with conspiracy to commit depredation against Forest Service property, one count of damage to United States property, and one count of theft of government property.

Stutesman is scheduled to be sentenced November 7, 2008, and Brown and James are scheduled for sentencing on December 19, 2008.

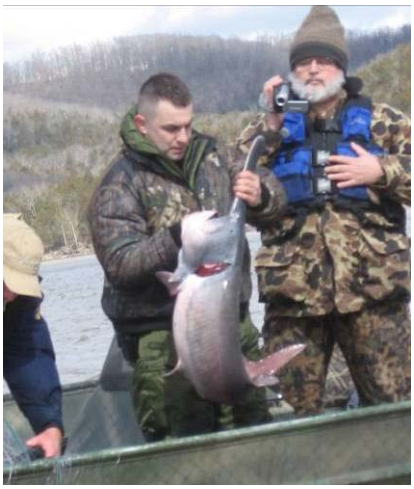
This case was investigated by the United States Forest Service Office of Enforcement and Investigations.

Back to Top

United States v. Thomas Jerry Nix, Jr., No. 3:08-CR-05015 (W.D. Mo.), AUSA Steven M. Mohlhenrich [redacted]**.**

September 10, 2008, Thomas Jerry Nix, Jr., pleaded guilty to conspiracy to violate the Lacey Act. Nix originally was charged in a seven-count indictment with violations stemming from using illegal nets to harvest the roe (eggs) from paddlefish that subsequently was processed into caviar and sold to a Tennessee company. Between January 11 and February 11, 2008, Nix is alleged to have sold approximately 387 pounds of paddlefish caviar out of state for $35,820.

The indictment states that from December 31, 2007, to February 17, 2008, Nix and an unindicted co-conspirator participated in a conspiracy to transport and sell paddlefish roe that was taken in violation of state and federal laws. Nix set gill nets (a commercial fishing net set vertically in the water so that fish swimming into it are entangled by the gills in its mesh) in Table



Live paddlefish returned to lake

Rock Lake ("the Lake"). Nix returned to check the nets every one to three days, removing the fish that were caught, and relocating the nets on the Lake as the paddlefish moved upstream to spawn.

After removing and packaging the roe from the fish he had caught, and in order to conceal his illegal activities, Nix weighted the dead fish with rocks so that they would sink in the lake. The defendant processed the roe into caviar, which was weighed, packaged, transported and sold in Tennessee. According to the indictment, Nix represented that the caviar had been lawfully taken in Arkansas, which was untrue since he did not possess a fishing license from the state, nor did he possess the required permits and documents from the state of Missouri, where he resides.

In February 2008, Nix and his co-conspirator were apprehended by Missouri Department of Conservation agents with approximately 78 pounds of unprocessed paddlefish roe. A search of the defendant's residence revealed approximately 91 pounds of paddlefish roe that had been processed into caviar and packaged in containers labeled for sale to a company located in Tennessee.

In addition to conspiracy, Nix was charged with one Lacey Act violation for possessing and transporting unprocessed paddlefish roe taken in violation of federal regulations and five Lacey Act counts for transporting and selling paddlefish caviar across state lines. A forfeiture allegation will require Nix to forfeit equipment and vehicles, including a 20-foot Bumblebee 200 Pro boat and trailer.

The American paddlefish is native to the Mississippi River drainage system and is taken for both its meat and roe. Once common throughout the Midwest, over-fishing and habitat changes have caused major population declines. The paddlefish is a close relative of the sturgeon from which most commonly known caviars are obtained. With diminishing worldwide sturgeon populations and increased international protection for declining stocks, American paddlefish has become an increasingly popular and valuable substitute for sturgeon caviar. Female paddlefish reach reproductive maturity at nine to 11 years of age, producing up to 10 pounds of roe, and can weigh 100 pounds or more.

This case was investigated by the United States Fish and Wildlife Service and the Missouri Department of Conservation.

Back to Top

Back to Top

[redacted]

Back to Top

United States v. CESI et al., Nos. 2:07-CR-20037 and 20030 (E.D. Mich.), ECS Senior Counsel James Morgulec [redacted] AUSA Mark Chutkow [redacted] and SAUS Dave Mucha [redacted]

On September 4, 2008, Comprehensive Environmental Solutions, Inc. ("CESI"), a business which operates an industrial waste treatment and disposal facility in Dearborn, Mich., pleaded guilty to violating the Clean Water Act and making false statements in connection with illegal discharges of untreated liquid wastes from the facility.

According to court documents, CESI took over ownership and operations in 2002 at a plant that had a permit to treat liquid wastes and then discharge them to the Detroit sanitary sewer system. The facility contained 12 large above-ground tanks capable of storing more than 10 million gallons of liquid industrial wastes. Although the facility's storage tanks were at or near capacity, the company continued to accept millions of gallons of liquid wastes that it could not adequately treat or store. Furthermore, in order to reduce costs and maintain storage space at the facility for additional wastes, the defendant often bypassed treatment processes and discharged untreated wastes directly to the sewer, made false statements, and engaged in other surreptitious activities in order to conceal their misconduct.

As part of its guilty plea, CESI has agreed to pay a fine of $600,000, plus an additional $150,000 to fund a community service project for the benefit, preservation and restoration of the environment and ecosystems in the waters adjoining the Rouge River and the Detroit River. In addition to accepting responsibility today for its past misconduct, CESI, which is under new management, has taken a number of steps during the last several years to install new equipment and systems to treat liquid industrial waste before it is discharged to the sewer.

As a condition of probation, CESI has further agreed to abide by the terms of a consent order with the Michigan Department of Environmental Quality for the cleanup of the facility, at an estimated cost of about $1.5 million, which includes the proper disposal of the liquid waste previously stored in the facility's tank farm. CESI has further agreed to develop, adopt, implement and fund an environmental management system/compliance plan at its facility, which will include an annual

program to train employees on environmental compliance and ethics to ensure that all CESI employees understand the requirements imposed by the facility's discharge permit.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the Federal Bureau of Investigation, with assistance from the United States Coast Guard and the Michigan Department of Environmental Quality Office of Criminal Investigations.

Back to Top

United States v. Johnson Matthey, Inc., et al., No. 2:06-CR-00169 (D. Utah), ECS SeniorTrial Attorney Ron Sutcliffe [redacted], AUSAs Richard Lambert ([redacted]) Jarred Bennett [redacted] and Aunnie Steward ([redacted]), and former ECS Senior Trial Attorney Richard Poole.

On September 3, 2008, Johnson Matthey Inc., ("JMI") the owner and operator of a gold and silver refining facility, pleaded guilty to a felony violation of the Clean Water Act for failing to properly report wastewater discharges at the facility. The former plant manager and former general manager both pleaded guilty to making false statements and were previously sentenced.

The Salt Lake City facility opened in 1982 and refines both gold and silver from a semi-refined product called Dore. As part of the refining process, pollutants such as selenium, among other materials, accumulated in the wastewater. JMI's wastewater was treated at several stages in order to remove selenium before it was discharged to a sewer leading to Central Valley Water Reclamation Facility ("Central Valley"), where it was subsequently treated and discharged to the Jordan River.

From approximately 1996 through 2002, JMI had difficulty consistently limiting selenium discharges to meet its permit limit. An internal audit conducted by the company's auditor in 1999 discovered that the facility had exceeded its permit limit for selenium and that employees had screened samples before submitting them to an outside laboratory for analysis. The auditor warned the general manager that this violated the terms of JMI's industrial discharge permit, which required that representative samples be provided.

In January 2000, to avoid disclosing true concentrations of the selenium-contaminated wastewater discharged from the facility, employees again screened the samples they reported in their discharge monitoring reports provided to Central Valley by analyzing in-house the selenium concentrations and then submitting samples with low selenium concentrations to an outside laboratory for eventual reporting to Central Valley.

Former plant manager Paul Greaves and former general manager John McKelvie previously pleaded guilty to making false statements on the discharge monitoring reports. Both were sentenced to complete a one-year term of probation as well as to perform 20 hours' community service. Greaves was ordered to pay a $500 fine and McKelvie was ordered to pay a $1,000 fine. The company is scheduled to be sentenced on December 2, 2008.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division, with assistance from the Utah Attorney General's Office.

Back to Top

United States v. John Wood, et al. No. 1:06-CR-00494 (N.D.N.Y.), ECS Trial Attorney Colin Black ([redacted]) and AUSA Craig Benedict ([redacted])

On September 2, 2008, John Wood pleaded guilty to conspiracy to violate the Clean Air Act and the mail fraud statute. He further pleaded guilty to violating several conditions of his pretrial release. His guilty plea was entered one week prior to the start of the trial against Wood and co-

defendant Mark Desnoyers. Wood, the owner of asbestos removal company J & W Construction, Inc., admitted to his role in directing the illegal removal of asbestos from numerous commercial facilities and private homes and in utilizing Desnoyers' false air reports to fool clients into believing all the asbestos had been safely removed. He also pleaded guilty to contempt of court for violating numerous conditions of pretrial release, including committing additional illegal asbestos abatements after he already had been indicted for such conduct. Desnoyers was convicted at trial on September 18th.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division.

Back to Top

Sentencings

United States v. Gerald Lakota, No. 3:07-CR-00163 (E.D. Tenn.), ECS Assistant Chief Joseph Poux (and AUSA Matthew Morris

On October 2, 2008, Gerald Lakota was sentenced to complete a two-year term of probation. A fine was not assessed due to an inability to pay. Lakota, a former employee of Fujicolor Processing, pleaded guilty earlier this year to a Clean Water Act violation for falsifying discharge monitoring reports ("DMRs").

As an employee at Fujicolor's film developing facility in Terrell, Texas, Lakota was responsible for environmental compliance at the plant, which included preparing and submitting the plant's wastewater DMRs. In order to ensure compliance, from January 1999 through May 2002, Lakota selectively screened samples of the facility's wastewater effluent and did not report those results that contained unpermitted levels of silver.

Because of the defendant's health problems, he agreed to waive venue and agreed to plead guilty in the Eastern District of Tennessee, where he now resides.

In a related matter, after disclosing the findings of an internal investigation to federal and state officials, Fujicolor pleaded guilty in September 2007 to negligently operating a source in violation of a pretreatment permit at its facility in Terrell and was sentenced to pay a $200,000 fine.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the Texas Commission on Environmental Quality.

Back to Top

United States v. Keith Rosenblum et al., No. 2:07-CR-00294 (D. Minn.), AUSA David Genrich

Inside metal finishing plant

On October 1, 2008, Keith Rosenblum was sentenced to serve 15 months' incarceration and was ordered to pay a $250,000 fine. Rosenblum, president and CEO of the Eco Finishing Company ("EFC"), a metal finishing business, was convicted earlier this year, along with plant manager Martin Meister, following a nine-day trial. Rosenblum was convicted of a Clean Water Act conspiracy, two felony CWA violations and 10 negligent CWA

counts. Meister was convicted on eight negligent CWA violations.

The charges arose from several violations of CWA permit conditions related to, among other things, violations of limits on EFC's discharge of metals and cyanide in its industrial wastewater. The metal finisher, which operates around the clock, typically discharges approximately 60,000 gallons of industrial wastewater per day. Investigation began after the Metropolitan Council Environmental Services ("MCES") was contacted in January 2005 by an ECF environmental manager who was concerned about the company's wastewater treatment practices. The manager reported that violations documented during internal wastewater monitoring were not reported to MCES and that the facility's cyanide destruction system was not working properly. Internal documents revealed that the company was discharging levels of metals and cyanide that were well above the permitted limits.

Investigation further revealed that ECF on several occasions changed its production and wastewater treatment practices when regulators were conducting on-site compliance testing and limited the company's discharge of pollutants when it was being monitored. When regulators ended compliance testing, the company would resume normal operations, often resulting in violations.

ECF pleaded guilty to one knowing CWA violation and was sentenced in February 2007 to pay a $225,000 fine, plus $25,000 in restitution to the Federal Transport Program, and is completing a three-year term of probation. Ted Gibbons, a former chemist for ECF, was sentenced in May 2006 to serve 18 months' incarceration followed by one year of supervised release. Gibbons previously pleaded guilty to one felony CWA pretreatment violation and two felony CWA tampering violations.

Meister is scheduled to be sentenced on October 6, 2008. This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division with assistance from the Federal Bureau of Investigation, the Minnesota Pollution Control Agency, and the Metropolitan Council Environmental Services.

Back to Top

United States v. Pacific Operators Offshore, No. 2:08-CR-00189 (C.D. Calif.), ECS Senior Trial Attorney David Kehoe [redacted] and AUSA Joe Johns [redacted].

On September 23, 2008, Pacific Operators Offshore was sentenced to pay a $450,000 fine, complete a five-year term of probation, and implement an environmental compliance plan.

The company pleaded guilty to a one-count information charging a violation of the Outer Continental Shelf Lands Act, 43 U.S.C. § 1350(c)(1), for illegally storing natural gas in a degraded pipeline in January 2002.

The company operates an oil and natural gas drilling station with two platforms a few miles off Santa Barbara. The illegal conduct involved storing or "stacking" natural gas from 2000 to 2002 in deteriorating underground pipes after the pipes had been found by the Minerals Management Service ("MMS") to be unfit for service and then attempting to hide this illegal conduct from the MMS. Although there was no actual leak into the environment, the risk to human health, to the workers on the platforms, and to the environment from a potential leak or explosion of natural gas from the pipeline, which ran underneath Coastal Highway 101, was significant.

This case was investigated by the United States Department of Interior.

Back to Top

United States v. Kent Dahle et al., 4:08-CR-00055 (D. Idaho), ECS Trial Attorney Jim Nelson [redacted] and AUSA Michael Fica [redacted]

Dredging with backhoe

On September 23, 2008, Kent Dahle and Dahle Construction each was sentenced to pay a $15,000 fine and to complete a one-year term of unsupervised probation. The defendants pleaded guilty earlier this year to misdemeanor Clean Water Act violations for their involvement in an unlawful dredge and fill project in the Salmon River and a related tributary. Co-defendant Abner Shultz was sentenced September 8th to pay a $30,000 fine and will serve three years' probation including six months' home detention. Schultz also was ordered to remove all fill material from the Salmon River and the tributary subject to approval by the Army Corps of Engineers ("Corps").

Schultz pleaded guilty to a felony CWA violation for the dredge and fill operation, which occurred in 2005 on the Wagonhammer Campground property he owned in North Fork, Idaho. A spring-fed tributary to the Salmon River flows across the Wagonhammer Campground and into the Salmon River.

Schultz discharged dredge and fill material below the ordinary high water mark of both the Salmon River and the tributary. He directed employees of Dahle Construction, L.L.C., to place more than 400 linear feet of perforated irrigation pipe into the tributary and to cover the pipe with approximately 300 cubic yards of rock and topsoil. Schultz later directed Dahle employees to dredge approximately 500 cubic yards of dirt and rock from the tributary and place that dredged material along the bank of the Salmon River, below the ordinary high water mark, and in low-lying wetland areas connected to the tributary. The dredge and fill work was in violation of a permit issued by the Corps.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and National Oceanic and Atmospheric Administration.

Back to Top

United States v. Citgo Petroleum Group, No. 2:08-CR-00077 (W.D. La.), ECS Senior Counsel Rocky Piaggione [redacted] ECS Trial Attorney Eric Heimann [redacted] and AUSA Stephanie Finley [redacted].

On September 17, 2008, Citgo Petroleum Group ("CITGO") pleaded guilty to a negligent violation of the Clean Water Act for illegally discharging petroleum after a heavy rainfall overran the company's stormwater system in June of 2006. The company was sentenced to pay a $13 million fine, which is the largest fine thus far for a misdemeanor CWA violation.

In 1994, the CITGO Refinery in Sulphur, Louisiana, converted its previous lagoon system to a tank system for handling its wastewater and storm water

View of spill area

operations. The original plans called for three storm water tanks and one "Equalization" tank. The system was designed to address a "once-in-a-25-year-storm" which would amount to 10.25 inches of rain in 24 hours. CITGO decided for economic reasons to build only two storm water tanks. The two storm water tanks were fitted with "skimmers" that were supposed to remove any waste oil that would be diverted to the storm water tanks during heavy rainfalls. It became evident early on in the operations of the tank system that there was a need for a third tank despite initial engineering assurances that two tanks would be adequate. Finally in 2006, CITGO approved the building of this third tank. On June 19, 2006, however, before construction could be completed, a storm developed that turned out to be the equivalent of a "once-in-a-25-year" storm.

When the rain began, the storm water tank levels were at 17 feet despite requirements that the levels were to be maintained between five and six feet. Within a few hours the storm water tanks began to overflow. Because the skimmers had not been adequately maintained, large quantities of waste oil from the tanks flowed into the containment area. By the morning of June 20th it was evident that significant quantities of oil were being released through the surface run-off channel to the Clacasieu Estuary. It was estimated that 53,000 barrels of oil were released to United States waters, and the local water ways were limited in navigation for approximately 10 days.

In addition to the fine, CITGO will implement an environmental compliance plan ("ECP") to ensure that a spill of this type will not occur in the future. The ECP includes new reporting requirements within the corporate structure regarding environmental issues and tank maintenance, the completion of the third storage tank and the installation of new and more effective oil removal equipment for the storm water tanks.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division, and the United States Coast Guard.

Back to Top

United States v. Charles Victoria et al., No. 2:06-CR-00230 (W.D. Pa.), AUSA Brendan Conway [redacted]

On September 16, 2008, Charles Victoria was sentenced to complete a three-year term of probation. A fine was not imposed.

Victoria pleaded guilty earlier this year to conspiracy to violate the Clean Air Act. Victoria was a foreman for Industrial Commercial Consulting International, Inc. ("ICCI"), which had been hired to remove asbestos-containing material from a portion of the decommissioned Woodville State Hospital in 1998.

During several inspections by U.S. Environmental Protection Agency and the Allegheny County Health Department a variety of violations were found, including the dry removal of asbestos and failure to properly contain the asbestos-containing material. One inspection revealed that insulation-containing asbestos that had been ripped from a steam pipe was allowed to sit on the ground for nearly a year. Some of this asbestos eventually made its way into a nearby creek. ICCI previously was sentenced to pay a $300,000 fine and complete a three-year term of probation. The company may offset $25,000 of the fine by implementing an environmental compliance plan designed to prevent further violations. Up to $150,000 of the fine additionally may be offset through payments to support environmental projects in the vicinity of the former hospital.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division with assistance from the EPA National Enforcement Investigations Center and the Allegheny County Health Department.

Back to Top

United States v. Michael Joe Clark, No. 2:08-CR-00063 (S.D.W.V.), SAUSA Perry McDaniel [redacted]

On September 3, 2008, Michael Joe Clark was sentenced to serve 37 months' incarceration followed by three years' supervised release. He also will pay $8,816.48 in restitution to emergency responders. Clark pleaded guilty this past May to violating the negligent endangerment provision of the Clean Air Act and also to a violation of the Controlled Substances Act for the theft of anhydrous ammonia and for causing the release of this extremely hazardous substance.

On February 27, 2008, Clark broke into a 1,000 gallon tank of anhydrous ammonia that was used to treat acidic water at a former coal mining site, with the intent to steal ammonia to manufacture methamphetamine. As Clark was siphoning the ammonia into a propane tank, the valve broke and caused a release of anhydrous ammonia. The release burned Clark's hands and lungs, resulting in his being hospitalized. Several emergency responders also required medical attention. The chemical release further resulted in a voluntary shelter-in-place for residents adjacent to the site. The release lasted for several hours and required numerous attempts by emergency personnel to stop the leak.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division.

Back to Top

United States v. Steven Taylor, No. 0:07-mj-00339 (D. Minn.), AUSA LeAnn Bell [redacted].

On September 3, 2008, Steven Taylor was sentenced to pay a $2,500 fine and complete a two-year term of probation after being found guilty this summer, following a bench trial, of killing an endangered species during a hunting trip in November 2002. The killing of a gray wolf occurred during a hunting trip, during which, according to witnesses, Taylor admitted to shooting two of them.

On December 12, 2002, a Department of Natural Resources warden found a dead gray wolf lying next to a deer stand. A necropsy of the wolf determined it could have been shot by someone in the stand, which had been used by Taylor's hunting party. Two spent shell casings from a semi-automatic rifle also were found near the stand.

Witnesses testified at trial that Taylor was using a semi-automatic rifle over the weekend. The weapon later was allegedly destroyed in 2003 when the defendant determined that he was under investigation.

This case was investigated by the United States Fish and Wildlife Service and the Minnesota Department of Natural Resources.

Back to Top

United States v. John Mazoch et al., No. 1:07-CR-00086 (E.D. Tex.), AUSA James Noble ([redacted])

Compressed gas cylinders

On August 29, 2008, John Mazoch was sentenced to serve eight months' incarceration followed by eight months' home confinement and three years of supervised release. He also must pay a $500,000 fine and approximately $700,000 in restitution to the United States Environmental Protection Agency and the Louisiana Department of Environmental Quality ("LDEQ"). Mazoch, the vice president of Coastal Welding Supply ("CWS"), located in Texas, previously pleaded guilty to a RCRA conspiracy violation stemming from the unlawful storage of compressed gas cylinders.

In January 2006, state and federal investigators discovered 555 compressed gas cylinders, containing various types of industrial gases, in a self storage facility in Sulphur, Louisiana.

Investigators determined that Mazoch had directed the transportation of the cylinders, first from one CWS site to another in Louisiana. Then he directed James Hebert, a contractor working for CWS, to remove them from a second site. In March 2005, Mazoch paid Hebert $30,000 to take possession of the cylinders, and in April 2005 Hebert rented the storage unit where the cylinders were discovered.

Hebert and Mark Sample, a CWS employee who supervised Hebert and assisted with transporting the cylinders, both previously pleaded guilty to a RCRA conspiracy violation. Each of the defendants was sentenced to serve six months' home confinement and will perform 200 hours of community service. Hebert further will pay a $10,000 fine and complete a five-year term of probation. Sample will pay a $5,000 fine and complete a three-year term of probation. Both Sample and Hebert were also held jointly and severably liable for the entire restitution; however, it is anticipated that Mazoch will pay the sum in full pursuant to his plea agreement. Hebert and Sample received reduced sentences for assisting with the government's investigation.

The court further ordered that $100,000 of the restitution will be paid as follows: $40,000 to a Calcasieu Parish, Louisiana, environmental project; $25,000 to the LDEQ Criminal Investigations Contingency Account; $25,000 to the Louisiana State Police Emergency Response Program; and $10,000 to the Southern Environmental Enforcement Network.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the Louisiana Department of Environmental Quality Criminal Investigation Division.

Back to Top

United States v. Wassim Mohammad Azizi, No. 3:06-CR-00548 (N.D. Calif.), AUSA Stacey Geis

On August 28, 2008, Wassim Mohammad Azizi was sentenced to serve ten months' incarceration followed by two years' supervised release. Azizi was convicted by a jury in May of this year after a seven-day jury trial of three felony counts for violating the Clean Air Act stemming from the illegal demolition of a building that contained significant amounts of asbestos.

Demolished building

Azizi purchased a commercial building with the intent to demolish it and construct a new building. Following the purchase and the discovery that the building contained asbestos, the defendant hired an unlicensed handyman to commence with the demolition.

Between December 1, 2002, and February 1, 2003, Azizi illegally demolished the building and placed workers and the public at risk. He was convicted of violating several work practice standards, including the failure to properly notify the Air District, failure to wet the asbestos-containing material, failure to keep it in leak-tight containers, and failure to dispose of it at an authorized location.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division.

Back to Top

United States v. Tania Siyam, No.1:04-CR-00098 (N.D. Ohio), AUSA Phillip Tripi

On August 7, 2008, Tania Siyam, a Canadian citizen, was sentenced to serve 60 months' imprisonment and will pay a $100,000 fine for illegally smuggling ivory from the West African country of Cameroon into the United States.

Siyam was charged in 2004 with two felony Lacey Act violations and two felony smuggling counts for the illegal commercial trafficking of raw African elephant tusks (ivory) from Cameroon to the United States. At the time of the indictment Siyam was held by Canadian officials pending extradition to the United States. She finally was extradited in December 2007 and pleaded guilty in March of this year to all four charges.

Siyam originally operated art import and export businesses in Montréal, Canada, and Cameroon that were fronts for smuggling products from endangered and protected wildlife species, including raw elephant ivory.

In the summer of 2002, after moving her base of operation from Canada to Cameroon, Siyam orchestrated a sophisticated scheme to smuggle illegal wildlife products by soliciting the cooperation of local artists and craftsmen, operatives within international commercial shipping companies, contacts in the illegal ivory trade, a partner in Canada, a partner in the United States, and her father, Alphonse Siyam Siwe, who was the General Manager of Ports in Cameroon from 1998-2005. As part of the scheme, Siyam operated numerous Internet-based art businesses and also used other telecommunications to advertise and to sell regulated and protected wildlife products to customers throughout the world.

In the fall of 2002, officials were alerted by concerned citizens that endangered species products, including raw elephant ivory, were being advertised for sale on the Internet. In November 2002, with the assistance of a local Ohio business owner, United States Fish and Wildlife agents purchased a shipment of illegal raw elephant ivory from the defendant. The raw ivory tusks were concealed inside pottery, labeled as art, and sent by international courier from Cameroon, to Montréal, Canada. Once in Canada, the goods were repackaged and shipped by Siyam's Canadian partner, via the Canadian and United States Postal Service, to the Ohio business address.

In December 2003, a second purchase was arranged from the defendant and this shipment was sent directly from Cameroon to the local Ohio business owner, acting on behalf of the agents. The shipment consisted of three wooden crates, with the 125 pounds of raw ivory concealed inside terra cotta flower pots packaged within each crate. In addition, other shipments of ivory were sent in 2003 to other customers, including wildlife agents in New York. Raw elephant tusks, and elephant ivory carvings, were again concealed inside pottery and declared as art.

The two ivory shipments to Ohio were valued together at more than $158,000 and included parts from at least 21 African elephants.

This case was investigated by the United States Fish and Wildlife Service and Environment Canada.

Back to Top

United States v. William Stoner, No. 5:08-CR-00024 (E.D. Tex.), AUSA Jim Noble [redacted]

On September 9, 2008, William Stoner was sentenced to pay a $2,000 fine, $3,186.56 in restitution to Texas Parks and Wildlife, and $5,000 in restitution to the National Fish and Wildlife Foundation's Native Plant Conservation Initiative. Stoner also will complete a three-year term of probation.

Asian Grass Carp

Stoner pleaded guilty in April of this year to a misdemeanor Lacey Act violation for the importation of harmful fish without a permit across state lines. Stoner admitted that he transported approximately 50 unsterilized Asian Grass Carp from Arkansas into Texas without a permit.

On November 21, 2007, the defendant delivered the carp to the Quail Creek Country Club golf course to put them in the ponds to help keep down the weeds. Stoner would scuba dive in the depths of the six ponds at the club, raking through weeds and algae to find as many as 3,000 balls each time, for which he was paid ten cents a ball. He bought the carp so that he could more easily locate the golf balls.

Acting on a tip from an Arkansas fish farmer, federal agents stopped Stoner in Texarkana and arrested him with a load of unsterilized carp, which devour marine vegetation and other fish so aggressively that they can alter an entire ecosystem. Fish and Wildlife agents ultimately were forced to recover and destroy the carp from five different water hazards at the country club, due to the risk that a flood event on the San Marcos River would allow the fish to escape the golf course and threaten native vegetation, including endangered Texas wild rice.

This case was investigated by Arkansas Game and Fish Commission, Texas Parks and Wildlife, and the United States Fish and Wildlife Service.

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Back to Top