
ENVIRONMENTAL CRIMES SECTION



MONTHLY BULLETIN

August 2013

EDITOR'S NOTES:

If you have significant updates and/or interesting photographs from a case, please email them to [REDACTED]. If you have information concerning state or local cases, please send it directly to the Regional Environmental Enforcement Associations' website: [regionalassociations webpage](#).

REMINDER: We are now producing a *separate* public version of the ECS Monthly Bulletin. When submitting details about your case developments please bear in mind that the information you provide could be disclosed to the public. As such, it would be very helpful if you would include a press release whenever possible to help ensure that the facts we are using are publically available. If a press release was not generated, then please only provide facts that are appropriate to disclose to the public.

NOTICE: The United States Fish and Wildlife Service and Environmental Crimes Section collaborated with West Services on the publication of an updated book of federal fish and wildlife statutes. To obtain a free copy please contact [REDACTED].

The Environmental Crimes Intranet Site is available to those who have access to United States Department of Justice operated sites: [Environmental Crimes Section Webpage](#).



Corals growing on large rock that had been illegally removed from the Florida Keys National Marine Sanctuary. See [*United States versus Key Marine, Inc., et al.*](#), below, for more details.

AT A GLANCE:

► [United States versus Dov Shellef et al.](#), No. 2:03-CR-00723 (E.D.N.Y.).

DISTRICT	CASES	CASE TYPE/STATUTES
District of Alaska	<u>United States versus John Katzeek et al.</u> <u>United States versus Miles W. Martin</u> <u>United States versus Sixty M. Arkanakyak et al.</u>	<i>Big Game Hunts/Lacey Act, Smuggling, Conspiracy</i> <i>Wildlife Exports/ Smuggling, Lacey Act, MBTA, Conspiracy</i> <i>Walrus Hunting/ MMPA, Felon in Possession of Firearm</i>
Northern District of California	<u>United States versus Hasan Ibrahim</u>	<i>Shipping Hazardous Chemicals/ Aircraft Destruction, False Export Documentation, HMTA</i>
Southern District of California	<u>United States versus Song Shen Zhen et al.</u>	<i>Fish Smuggling/ Lacey Act, Conspiracy</i>
District of Delaware	<u>United States versus Columbia Shipmanagement et al.</u>	<i>Vessel/ APPS, Obstruction</i>
Northern District of Florida	<u>United States versus Brian R. D'Isernia et al.</u>	<i>Wetlands Destruction/CWA, Rivers and Harbors Act</i>
Southern District of Florida	<u>United States versus Peter C. Covino, IV, et al.</u> <u>United States versus Key Marine, Inc., et al.</u>	<i>Marine Wildlife Trade/Obstruction, Lacey Act, Conspiracy</i> <i>Marine Wildlife Trade/Lacey Act, Conspiracy</i>
Eastern District of Louisiana	<u>United States versus Anselmo Capillanes et al.</u>	<i>Vessel/ APPS, Obstruction</i>
District of Montana	<u>United States versus Gayle Patrick Skunkcap, Jr. et al.</u>	<i>Big Game Hunt/ Lacey Act, Theft of Tribal Funds</i>

DISTRICT	CASES	CASE TYPE/STATUTES
District of New Jersey	United States versus Columbia Shipmanagement et al. United States versus Ira Eisenstein	<i>Vessel/APPS, Obstruction</i> <i>Lead Inspections/TSCA</i>
Northern District of New York	United States versus Upstate Laboratories, Inc.	<i>Lab Fraud/Mail Fraud</i>
Southern District of New York	United States versus Joseph Russo	<i>Coral Imports/Smuggling</i>
Eastern District of North Carolina	United States versus Benjamin Franklin Pass et al.	<i>Waste Oil Collection/TSCA, False Statement, Tax</i>
District Northern Mariana Islands	United States versus Juan Manglona Ayuyu et al.	<i>Fruit Bat Shipment/ESA, Obstruction, Conspiracy, Perjury</i>
Southern District of Ohio	United States versus RCA Oil and Gas LLC et al.	<i>Oil Company/CWA</i>
District of Puerto Rico	United States versus Roberto Guzman-Herpin et al.	<i>Sea Turtle Sales/Lacey Act, ESA</i>
Eastern District of Virginia	United States versus Raymond Carroll Webb et al.	<i>Striped Bass Fishing/Lacey Act</i>

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Significant Environmental Decisions

District Court

United States versus Dov Shellef et al., No. 2:03-CR-00723 (E.D.N.Y.).

On May 23, 2013, the Second Circuit Court of Appeals affirmed Dov Shellef's conviction on 53 counts, including conspiracy to defeat the excise taxes on ozone-depleting chemicals, money laundering, wire fraud, and a variety of tax violations. On July 2, 2013, the district court heard argument on the government's motion to revoke Shellef's bail pending the appeal. The court found that: (1) the district court retains jurisdiction to review/alter conditions of release notwithstanding that the case is still pending before the Second Circuit on a petition for rehearing; (2) the factors delineated in 18 U.S.C. § 3143(b)(1)(B) are no longer satisfied because the Second Circuit's ruling extinguishes the "substantial question of law or fact that is likely to result in a reversal"; (3) the court does not believe that immediate remand is appropriate, because the Bureau of Prisons needs time to designate the defendant to FCI Otisville as Judge Bianco had originally ordered; and (4) Shellef is ordered to self surrender to this facility no later than September 30, 2013.

Shellef's recent appeal had challenged his conviction on grounds that the government had violated his Speedy Trial Act rights on retrial. The Second Circuit's opinion expanded that Circuit's Speedy Trial Act jurisprudence, holding that the Speedy Trial Act does not place a limitation on the time within which a district court may grant an extension for retrial pursuant to 18 U.S.C. § 3161(e). *United States versus Shellef*, No. 11-876, *slip. opinion* (May 23, 2013).

A jury convicted Shellef in January 2010 in a retrial on 86 counts, which included conspiracy to defeat the excise taxes on ozone-depleting chemicals, money laundering, wire fraud, and a variety of tax violations. In August 2010, the court granted a partial judgment of acquittal, finding that the jury had properly convicted on 53 of the 86 counts charged in the indictment. It concluded, however, that the evidence was insufficient to support the convictions on money laundering charged in 33 counts, stating that they were duplicative of several wire fraud counts. It further found that the evidence was insufficient to show that those transactions involved the proceeds of unlawful activity. Shellef was sentenced to serve 60 months' imprisonment, followed by three years' supervised release, and was ordered to forfeit \$1,102,540, which was derived from the value of the funds that he laundered.

Shellef and his co-conspirator William Rubenstein, operating as Dunbar Sales, Inc., and Steven Industries, Inc., originally were convicted by a jury in July 2005 on 130 counts, stemming from their failure to pay approximately \$1.9 million in taxes due on domestic sales of trichlorotrifluoroethane, an ozone-depleting chemical commonly referred to as CFC-113. Once widely used as an industrial solvent and as a refrigerant in centrifugal chillers for large buildings, CFC-113 now has a limited domestic market and is used in relatively small quantities for laboratory and analytical purposes. The original convictions, however, were reversed on misjoinder grounds in March 2008, and a superseding indictment was filed. Shellef was retried in a five-week trial that began in December 2009. Shellef and Rubenstein had represented to manufacturers that they were purchasing CFC-113 for export, causing the manufacturers to sell it to them tax-free. They then sold the product in the domestic market without notifying the manufacturers or paying the excise tax. In addition to conspiracy to defeat the excise tax, Shellef also was convicted of personal income tax evasion, subscribing to false corporate tax returns, wire fraud, and money laundering.

Rubenstein was sentenced in August 2011 to time-served (four months) followed by two years of supervised release. He was ordered to pay \$940,230 in restitution to the U.S. Treasury in excise

taxes and an additional \$10,000 fine. Rubenstein pleaded guilty in February 2009 to conspiracy to defraud the U.S. by interfering with the IRS's collection of excise taxes.

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Trials

United States versus Peter C. Covino, IV, et al., Nos. 4:12-CR-10020, 4:13-CR-10010 (S.D. Fla.), AUSA Tom Watts-FitzGerald.

On July 24, 2013, a jury convicted Peter C. Covino, IV, of an obstruction violation (18 U.S.C. § 1512(b)(2)(B)) related to a case pending against his uncle, Ammon Covino.

Evidence at trial established that Peter Covino made two phone calls in February 2013 to a business in the Florida Keys involved in the wholesale marine life trade. He told one of the business owners “to erase all the text messages, and emails, or any other evidence” linking the Florida business to his uncle. As a result of this business owner’s cooperation with federal authorities, those phone calls were recorded.

Ammon Covino is charged with Lacey Act and conspiracy violations (16 U.S.C. §§ 3372(a)(1), (a)(4), 3373(d)(1)(B); 18 U.S.C. § 371) for allegedly purchasing spotted eagle rays and lemon sharks from the Keys without any permits over an eight-month period in 2012, and then transporting the wildlife to the Idaho Aquarium in Boise. Co-defendant Christopher Conk was already serving a two-year term of probation imposed in Idaho for illegally shipping protected live corals to buyers around the world. The three are scheduled for trial to begin on September 23, 2013.

These cases were investigated by the National Oceanic and Atmospheric Administration Office for Law Enforcement and the United States Fish Wildlife Service Office of Law Enforcement.

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United States versus Hasan Ibrahim, No. 11-CR-00811 (N.D. Calif.), AUSAs Peter Axelrod and Brian Stretch.

On July 3, 2013, Hasan Ibrahim was convicted by a jury of attempting to place destructive substances on an airplane. The jury found that Ibrahim intended to place nine different hazardous materials on a Lufthansa passenger airplane bound for Frankfurt, Germany, in June 2010, with those materials ultimately destined for Jeddah, Saudi Arabia. In related charges, he also was convicted of failing to properly label the packages containing the hazardous materials, failing to complete the required shipping documents, and attempting to smuggle goods. (13 U.S.C. § 305(a)(1); 18 U.S.C. §§ 32(a)(2), 554(a); 49 U.S.C. § 5124(c) and (d)).

Evidence at trial established that Ibrahim, doing business as MechChem Corporation, ordered and shipped hazardous materials for more than a decade. Many of the chemicals the defendant handled were flammable, corrosive, and highly toxic. Most of them were prohibited from transport on a passenger airplane, and two in particular were forbidden to be placed on any type of aircraft.

Sentencing is scheduled for October 9, 2013. This case was investigated by the Federal Bureau of Investigation, the United States Department of Transportation Office of Inspector General, the Federal Aviation Administration, the United States Customs and Border Protection, and the United States Department of Commerce Bureau of Industry and Security.

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Informations/Indictments

United States versus John Katzeek et al., No. 1:13-CR-00007 (D. Ak.), AUSA Steve Skrocki.

On July 19, 2013, an Alaskan big game guide and three Canadian citizens were charged with violations stemming from illegal hunting. Guide John Katzeek is charged with conspiracy, Lacey Act, and smuggling violations (18 U.S.C. §§ 371, 545; 16 U.S.C. §§ 3372(d)(1), 3373(d)(3)(A)). Canadian nationals, Brian Hicken, Kenneth Cox, and Tyler Antal, are charged with conspiracy and Lacey Act violations.

Between October 2010 and November 2011, the defendants are alleged to have taken and illegally transported Mountain goats by exporting the horns and hides from these goats to Canada. Katzeek is further charged with importing a trophy Dall sheep and sheep horns from Yukon, Canada, into the United States using falsified documentation between December 2008 and March 2009. He is further alleged to have imported a second Dall sheep in 2010.

The indictment is the result of a joint investigation between the United States and Canada. Beginning in January 2013, Canada Crown prosecutors in Alberta, and Yukon Territory Canada charged approximately 17 subjects with 55 violations under the Wild Animal and Plant Protection and the Regulation of International and Interprovincial Trade Act. The Canadian trials are scheduled to begin in the fall of 2013.

This case was investigated by the United States Fish and Wildlife Service, the Alaska Wildlife Troopers, Environment Canada, the Yukon Conservation Officer Service, Alberta Fish and Game, Parks Canada, the British Columbia Conservation Officer Service, and the Public Prosecution Service of Canada.

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United States versus Roberto Guzman-Herpin et al., Nos. 3:13-CR-00393, 00402 - 00404 (D.P.R.), AUSA Carmen Márquez, with assistance from ECS Senior Litigation Counsel Howard Stewart.

On July 19, 2013, the newly formed Puerto Rico Environmental Crimes Task Force announced the arrests of eight people on felony and misdemeanor Lacey Act and Endangered Species charges for the illegal take, possession, and sale of endangered sea turtles and their parts for human consumption (16 U.S.C §§ 1538(a)(1)(D), 1540(b)(1), 3372(a)(1), 3373(d)(2)).

Roberto Guzman-Herpin, Madelyne Montes-Santiago, Edwin Alamo-Silva, Juan Soto-Rodriguez, Ricardo Dejesus-Alamo, Jose Javier Rodriguez-Sanchez, Iris Lebron-Montanez, and Miguel Rivera-Delgado, were recently arrested and have made their initial appearances in federal court.

The takedown was led by the United States Fish and Wildlife Service (USFWS), with assistance from the United States Marshals Service, the Puerto Rico Police Department, the Puerto Rico Department of Natural Resources, and the newly formed Task Force. The Puerto Rico Environmental Crimes Task Force is being headed by ECS Senior Litigation Counsel Howard Stewart, in cooperation with the United States Attorney's Office in the District of Puerto Rico, and includes agents from the USFWS, the U.S. EPA Criminal Investigation Division, the United States Immigration and Customs Enforcement- Homeland Security Investigations, the National Oceanic and Atmospheric

Administration, and the Federal Bureau of Investigation. In 2011, the USFWS initiated an undercover operation to investigate the illegal trade in sea turtles for human consumption. During this investigation, preliminary DNA analysis indicates that 15 individual endangered Hawksbill sea turtles and seven endangered green sea turtles were illegally taken.

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United States versus Key Marine, Inc., et al., No. 4:1 3-CR-10020 (S.D. Fla.), AUSA Tom Watts-FitzGerald.



Rock with coral

On June 28, 2013, Key Marine, Inc., Eric Pedersen, and Serdar Ercan were charged with conspiracy to violate the Lacey Act (18 U.S.C. § 371) for allegedly harvesting, capturing, and selling various species of marine wildlife (including nurse sharks, lemon sharks, and sea fans) from the Florida Keys National Marine Sanctuary and State waters.

According to the information, between October 2010 and February 2011, the defendants illegally collected, exported, and sold in interstate and foreign commerce various species of marine life, including Live Rock and attached invertebrates, coral, sea fans, and several species of sharks. The information further charges that the defendants exceeded the legal limit on the harvest of coral as part of their illicit harvesting activities. The defendants allegedly did not possess any permits or licenses to remove or sell marine wildlife.

This case was investigated by the National Oceanic and Atmospheric Administration and the United States Fish and Wildlife Service.

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Plea Agreements

United States versus Juan Manglona Ayuyu et al., Nos. 1:12-CR-00033, 00036, 00039 (D.N.M.I), AUSAs Garth Backe and Ross K. Naughton.

On July 17, 2013, Senator Juan Manglona Ayuyu pleaded guilty to conspiracy to violate the Endangered Species Act and to conspiracy to obstruct an official proceeding (18 U.S.C. §§ 371, 1512(k), 1512(c)(2); 16 U.S.C. §§ 1538(a)(1)(G), 1540(b)(1)). Ayuyu admitted that he conspired with

his legislative assistant, Ryan James Inos Manglona, to transport eight protected Mariana fruit bats (which had been hidden in a box containing 40 pounds of lemons) that were placed on board a flight from Rota to Saipan in October 2010. After the bats were discovered, the defendant attempted to obstruct the grand jury investigation by instructing his assistant to lie about their involvement. Manglona previously pleaded guilty to perjury and conspiracy violations (18 U.S.C. §§ 371, 1623(a)) and is scheduled to be sentenced on October 7, 2013. Ayuyu is scheduled for sentencing on November 8, 2013.

This case was investigated by the United States Fish and Wildlife Service and the Commonwealth of the Northern Mariana Islands Division of Fish and Wildlife.

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United States versus Upstate Laboratories, Inc., 5:13-CR-00229 (N.D.N.Y.), AUSA Craig Benedict.

On July 17, 2013, Upstate Laboratories, Inc., pleaded guilty to a mail fraud violation (18 U.S.C. § 1341) stemming from the falsification of over 3,300 laboratory results between 2008 and 2010.

Upstate Laboratories is a certified laboratory in the business of performing chemical analysis of water and soil samples supplied by public and private clients. The company admitted to routinely “backdating” samples that were required to be analyzed within a particular time frame to ensure the quality of the samples. Samples requiring a quicker turnaround were billed and invoiced at a more expensive rate. The lab further promised to utilize required procedures to ensure that the samples did not degrade.

Investigation determined that more than 30 clients from the public and private sector received fraudulent sample analysis reports for samples they had paid Upstate to test.

Sentencing is scheduled for December 4, 2013. This case was investigated by the U.S. EPA Office of Inspector General and the U.S. EPA Criminal Investigation Division.

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United States versus Benjamin Franklin Pass et al., No. 7:12-CR-00085 (E.D.N.C.), ECS Trial Attorney Shennie Patel and AUSA Banu Rangarajan.

On July 15, 2013, Benjamin Franklin Pass and his company P&W Waste Oil Services, Inc. (P&W) pleaded guilty to two TSCA violations, a false statement charge, and other tax-related charges (15 U.S.C. §§ 2605, 2614(1)(c), 2615(b); 18 U.S.C. §§ 1001, 7203).

P&W is a company engaged in the business of collecting used oil for blending for industrial use. The operation included a tank farm consisting of multiple tanks ranging from 20,000 gallons to 500,000 gallons. The facility is located near the Cape Fear River and a federally-recognized wetland. As part of its operations, P&W transported, processed, and marketed used oil contaminated with polychlorinated biphenyls (PCBs). The company received the used oil from a variety of companies, including automotive service stations, transformer repair companies, and marinas. It also conducted tank cleaning and waste removal. Some of this oil, which was processed for resale, was only permitted to contain less than two parts per million of PCBs.

In July 2009, an employee transported waste oil containing fluid from five transformers that was contaminated with PCB concentrations in excess of 500 parts per million. Despite knowledge of the investigation into the defendants’ illegal handling of PCB-contaminated used oil, Pass and a company employee (at Pass’ direction) continued to unlawfully dilute the contaminated used oil. The

mishandling of the PCB-contaminated used oil led to wide-spread contamination at the site and other sites, resulting in millions of dollars in cleanup costs.

This case was investigated by the U.S. EPA Criminal Investigation Division, the IRS Office of Criminal Investigations, and the U.S. Coast Guard Criminal Investigative Services.



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Fish bladders

United States versus Song Shen Zhen et al., Nos. 2:13-CR-02039; 3:13-CR-01311, 01671 (S.D. Calif.), AUSAs Melanie Pierson and Valerie Chu.

On June 19 and 27, 2013, Jason Jin Shun Xie and Anthony Sanchez-Bueno pleaded guilty for their roles in a conspiracy to smuggle 170 Totoaba swim bladders (weighing 225 lbs) from Mexico into the U.S. Xie pleaded guilty to conspiracy and is scheduled to be sentenced on September 13, 2013. Bueno pleaded guilty to a smuggling violation and is scheduled to be sentenced on September 6, 2013 (18 U.S.C. §§ 371, 545).

Earlier this year, border officers began to notice the rare *Totoaba macdonaldi* fish was being concealed in coolers and under floor mats in cars crossing the border from Mexico. Defendant Song Shen Zhen was charged with smuggling and Lacey Act violations (18 U.S.C. § 545; 16 U.S.C. §§ 3372, 3373) after a search by a border officer revealed Zhen had 27 dried swim bladders that had been removed from the endangered fish. The Totoaba's large swim bladder (an internal gas-filled organ that helps a fish control its buoyancy) is highly prized for use in Chinese soups and is considered a very expensive delicacy. Zhen is scheduled for trial to begin on September 30, 2013.

Defendant Oi Chung was sentenced to time served in May of this year after pleading guilty to a Lacey Act violation. Chung attempted to import 11 bladders from Mexico in February 2013. The black market resale value of the bladders was estimated to be approximately \$55,000.

These cases were investigated by the United States Fish and Wildlife Service, Homeland Security Investigations, and the United States Customs and Border Protection.

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Sentencings

United States versus Columbia Shipmanagement et al., Nos. 2:13-CR-00193, 00205 (D.N.J., D. Del.), ECS Senior Counsel Richard Udell, ECS Trial Attorney Stephen DaPonte, and AUSAs Kathleen O'Leary, Edmond Falgowski, and Stacey Geis.

On July 23, 2013, Columbia Shipmanagement (Deutschland) GmbH (CSM-D) and Columbia Shipmanagement Ltd. (CSM-CY) were sentenced after previously pleading guilty in three districts to APPS and obstruction violations (33 U.S.C. § 1908(a); 18 U.S.C. §§ 1505, 1519). The companies will pay a \$7.8 million fine and an additional \$2.6 million as a community service payment to the National Fish and Wildlife Fund. The money will be used to help restore the coastal environment of New Jersey and Delaware hit by Hurricane Sandy. The companies also will complete four-year terms of probation and will implement environmental compliance plans. The pleas stem from the intentional bypass of pollution prevention equipment and the falsification of the oil record book on three oil tankers and one container ship.

An investigation of the *M/T King Emerald* was launched in May 2012, after several crew members provided cell phone photos and other evidence to Coast Guard officers conducting a routine inspection. The *King Emerald* was engaged in various types of illegal discharges of bilge waste dating back to August 2010. The illegal discharges of both sludge and oily bilge waste were made at night off the coast of Central America, including a discharge within the Exclusive Economic Zone of Costa Rica where a national park is located.

The Delaware investigation began in September 2012, after several crew members from the *M/T Nordic Passat* provided the Coast Guard with photographs and video of illegal discharges that had been made through the ship's sewage system. Other evidence indicated that sludge had been put into the ship's cargo tanks, not incinerated onboard as reported. A whistleblower was involved in reporting the violations on the *M/V Cape Maas* to the Coast Guard in San Francisco. He provided a video showing the operation of the oily water separator pumping overboard without the use of the oil content monitor.

Violations on a fourth ship, the *M/T Cape Taft*, were disclosed as it was anchored in New York waters and destined for New Jersey. After the company was told that the ship had problems, an internal investigation revealed that the ship's oily water separator had been flushed with fresh water by the crew. The oil record book on the vessel had been altered as well.

This case was investigated by the United States Coast Guard.

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United States versus Ira Eisenstein, No. 2:12-mj-07366 (D.N.J.), AUSA Kathleen O'Leary.

On July 17, 2013, Ira Eisenstein was sentenced to pay a \$1,500 fine and will complete a two-year term of probation, after pleading guilty to three TSCA violations (15 U.S.C. § 2615) for performing illegal residential lead inspections.

Eisenstein owned a home inspection business and performed lead inspections on residential properties. On three separate occasions between March 2007 and September 2009, the defendant performed lead inspections on houses without the required New Jersey state certification.

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

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United States versus Brian R. D'Isernia et al., Nos. 5:13-CR-00029, 00030 (N.D. Fla.), AUSA Randall Hensel.**Eastern Shipbuilding Group**

On July 17, 2013, Brian R. D'Isernia and Lagoon Landing, LLC, a corporation controlled by D'Isernia, were sentenced for illegal dredging and wetlands violations in Panama City (33 U.S.C. §§ 403, 1344). D'Isernia was sentenced to pay a \$100,000 fine. The company will pay a \$2.15 million fine, make a \$1 million community service payment to the National Fish and Wildlife Foundation, and complete a three-year term of probation. D'Isernia pleaded guilty to a violation of the Rivers and Harbors Act for an unpermitted dredging project undertaken between December 2009 and February 2010. Lagoon Landing pleaded guilty to a felony Clean Water Act wetlands violation for filling and dredging activities in a wetland adjacent to the East Bay between 2005 and 2010. The defendants also entered into five separate civil consent orders to remediate several other properties.

This case was investigated by the U.S. EPA Criminal Investigation Division and the United States Coast Guard, with assistance from the United States Department of Transportation Office of Inspector General, the United States Army Corps of Engineers, the United States Department of Agriculture, and the Florida Department of Environmental Protection.

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United States versus RCA Oil and Gas LLC et al., No. 1:12-CR-00243 (S.D. Ohio), AUSA Mike Marous and RCEC Brad Beeson.

On July 16, 2013, RCA Oil and Gas LLC (RCA) and company owner and operator Robert D. Armstrong were sentenced after previously pleading guilty to Clean Water Act violations (33 U.S.C. § 1319(c)(2)(A)). Armstrong was sentenced to serve eight months' home confinement and two days' incarceration followed by one year of supervised release. RCA will complete a three-year term of probation and both defendants were ordered to jointly and severally pay a \$5,000 fine.

RCA provides services for oil and gas wells, including hydrofracturing (or fracking). After the installation of a well in June 2010, a large reservoir was built nearby and filled with approximately 2.2 million gallons of fresh water. At a later date, 90,000 gallons of brine taken from other nearby wells was added to this water. In June 2010, the well was fracked, adding an additional 800,000 gallons of waste water to the reservoir. Using a backhoe, Armstrong breached a wall of the reservoir, causing contaminated water to flow into Rockcamp Run, a tributary of the Little Muskingum River, a water of the U.S.

This case was investigated by the Central Ohio Environmental Crimes Task Force, which includes the U.S. EPA Criminal Investigation Division, the Ohio Bureau of Criminal Identification and

Investigation, the Ohio Environmental Protection Agency, and the Ohio Department of Natural Resources.

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United States versus Joseph Russo, No. 12-CR-00980 (S.D.N.Y.), AUSA Martin Bell.

On July 12, 2013, Joseph Russo, the co-owner of Russo's Reef, a New York wholesale marine supplier, was sentenced to serve one year and one day of incarceration, followed by three years' supervised release, after previously pleading guilty to smuggling rare live coral (18 U.S.C. § 545). Russo also will pay a \$6,000 fine and forfeit \$523,835, which was the estimated value of the coral.

The investigation began when a wildlife inspector discovered live stony coral hidden in a shipment to Russo at JFK Airport. Searches of subsequent shipments revealed that between 2006 and 2012, Russo routinely illegally imported live stony corals from foreign suppliers. He also altered documents and falsely labeled coral shipments.

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

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United States versus Anselmo Capillanes et al., Nos. 2:13-CR-00049, 00073 (E.D. La.), AUSA Emily Greenfield.

On July 9, 2013, Anselmo Capillanes, a second engineer for the *M/T Stolt Facto*, was sentenced to pay a \$15,000 fine and will complete a two-year term of probation. Capillanes previously pleaded guilty to an APPS violation (33 U.S.C. § 1908).

From October 2012 through January 2013, Capillanes admitted that he directed other crew members to bypass the oil water separator (OWS) and to dump untreated bilge wastes overboard. Fresh water was used to trick the OWS to make it appear that it was being used. These events were not noted in the oil record book, which was subsequently presented to Coast Guard inspectors when they boarded the vessel in New Orleans in January 2013. Chief engineer Indigo Albina previously pleaded guilty to an obstruction violation (18 U.S.C. § 1505) and is scheduled to be sentenced on August 7, 2013.

This case was investigated by the United States Coast Guard.

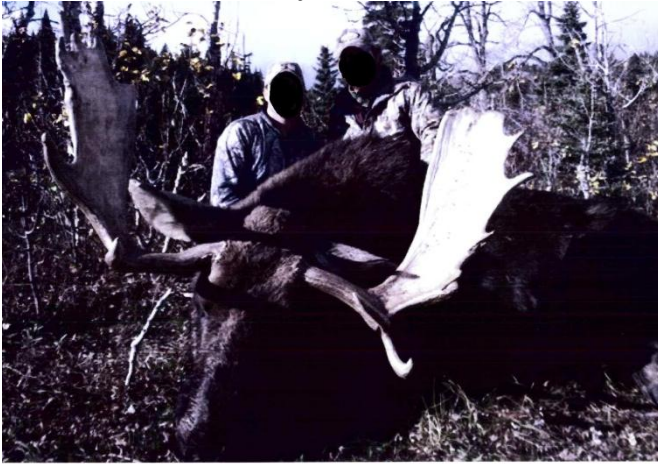
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United States versus Raymond Carroll Webb et al., Nos. 2:12-CR-00164 - 168 (E.D. Va.), ECS Trial Attorney Jim Nelson.

On July 2, 2013, Raymond Carroll Webb and his company, Peake Enterprises, were sentenced to pay a \$3,000 fine and \$1,000 in restitution to be paid jointly and severally. As part of a three-year term of probation, Webb and the company were ordered to maintain a Vessel Monitoring System (VMS) unit on any vessel used for charter fishing during the term of their probation. The VMS unit will allow law enforcement officers to track the vessel in real-time. The \$3,000 fine was directed to the Lacey Act Reward Fund, and the restitution will be paid to NOAA.

The defendants previously pleaded guilty to a Lacey Act trafficking violation (16 U.S.C. §§ 3372(a)(1), 3373 (d)(1)(B)) stemming from the sale of illegally harvested Striped Bass between 2009 and 2011. A total of five charter fishing boat captains have been prosecuted.

These cases were investigated by the National Oceanic and Atmospheric Administration Fisheries, Office of Law Enforcement; and the Virginia Marine Police, with assistance from the Federal Communications Commission Enforcement Bureau.

[Back to Top](#)**United States versus Gayle Patrick Skunkcap, Jr., et al., No. 4:12-CR-00094 (D. Mont.), AUSAs Carl E. Rostad and Ryan G. Weldon****Dead Moose**

On June 21, 2013, Blackfeet tribal members Gayle Patrick Skunkcap, Jr., Jessie Jay St. Goddard, and Woodrow Jay Wells were sentenced after pleading guilty to violations of the Lacey Act and theft of tribal funds (16 U.S.C. § 3372(a)(1); 18 U.S.C. § 666(a)(1)(A)). All three will complete three-year terms of probation and were held jointly and severally liable for \$56,625 in restitution to be paid to the Blackfeet Tribe.

All wildlife on the Blackfeet Indian Reservation is owned by the Blackfeet Tribe. Hunting is allowed by non-members on the Reservation, but is highly regulated. A limited number of licenses are issued and as such are highly lucrative. Between five and ten hunting licenses for each big-game species are available annually to non-tribal members at a cost between \$1,500 and \$12,000, depending on the animal.

Skunkcap was the Director of the Blackfeet Fish and Wildlife Department; St. Goddard and Wells were Tribal Councilmen on the Blackfeet Tribal Business Council. Between 2010 and 2011, the defendants held four big-game hunts for musicians participating in an outdoor television show on the Reservation without obtaining the required non-tribal licenses for shooting elk, moose, deer, and black bear. They also used tribal funds and personnel to outfit and guide the musicians, television show hosts, and a fly fishing expert.

This case was investigated by the United States Fish and Wildlife Service, the Federal Bureau of Investigation, and the Blackfeet Internal Affairs Office.

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United States versus Miles W. Martin, No. 4:12-CR-00015 (D. Ak.), AUSA Yvonne Lamoureux.

On June 7, 2013, Miles W. Martin was sentenced after previously pleading guilty to conspiracy, smuggling, Lacey Act, and Migratory Bird Treaty Act violations (



18 U.S.C. § 371; 16 U.S.C. §§ 703(a), 707(b)(2), 3372(a)(1), 3373(d)(1)(B)) stemming from the smuggling and illegal sale of migratory birds and marine mammal parts. Martin will serve six months' incarceration followed by three years' supervised release. He also will pay a \$6,500 fine (to be paid into the Lacey Act Reward Fund) and forfeit more than 900 pounds of wildlife parts including lion, bear, seal, and polar bear, along with elephant and walrus ivory.

Between February 2007 and November 2012, the defendant and co-conspirators engaged in a scheme involving the sale of a variety of wildlife and wildlife parts within the U.S. as well as the export of such wildlife to other countries. Among the transactions was Martin's purchase of approximately 275 pounds of walrus tusks; his sale of 20 seal claws and a variety of migratory bird parts to an undercover agent; the export of walrus ivory to a customer in Denmark; and his export overseas of approximately 30 packages containing various wildlife parts over a two-year period.

This case was investigated by the United States Fish and Wildlife Service, with assistance from the Alaska Wildlife Troopers and the National Park Service.

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United States versus Sixty M. Arkanakyak et al., No. 3:12-CR-00099 (D. Ak.), AUSA Steven Skrocki.

On June 6, 2013, Sixty M. Arkanakyak was sentenced to serve 30 months' incarceration followed by three years' supervised release. He also will pay \$5,000 in restitution. The defendant and Jessie Arnariak were charged with Lacey Act, MMPA, and conspiracy violations for the illegal take of a walrus in May 2011. Arkanakyak pleaded guilty to a MMPA violation and to being a felon in possession of a firearm (16 U.S.C. § 1372(a)(4)(A); 18 U.S.C. §§ 922(g)(1), 924(a)(2)). Arnariak has been ordered to undergo a competency evaluation.

Arkanakyak admitted that he approached a herd of walrus that were on a beach and began shooting at the animals, wounding five of them. The herd stampeded and four of the wounded walrus escaped into the sea. The one remaining walrus was trapped against a cliff and killed. The tusks were hacked off and the rest of the animal was abandoned.

This case was investigated by the United States Fish and Wildlife Service and Alaska Department of Public Safety Wildlife Troopers.

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