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# ENVIRONMENTAL CRIMES SECTION



## MONTHLY BULLETIN

*March 2013*

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### 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: [www.regionallassociations.org](http://www.regionallassociations.org).

REMINDER: We are now producing a *separate* public version of the ECS Monthly Bulletin. When submitting details on 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 U.S. Fish and Wildlife Service and ECS recently collaborated with West Services on the publication of an updated, slim book of federal fish and wildlife statutes. To obtain a free copy, or for more information, please contact [REDACT]

The Environmental Crimes Intranet Site is available to those who have access to USDOJ operated sites: <http://dojnet.doj.gov/ecs/>.



Click on link below for more information on the “We Love Wildlife Campaign” being launched by the Central District of California.

<http://www.justice.gov/usao/cac/Events/index.html>

**AT A GLANCE:**

DISTRICT	CASES	CASE TYPE/STATUTES
D. Ariz.	<a href="#"><u>United States v. Patrick Scott</u></a> <a href="#"><u>United States v. Kenneth B. Cobb</u></a>	<i>Feather Sales/MBTA</i> <i>Saguaro Cacti/ESA, Theft of Government Property</i>
N.D. Calif.	<a href="#"><u>United States v. Fleet Management Ltd.</u></a>	<i>Vessel/ OPA, Obstruction, False Statement</i>
D. Colo.	<a href="#"><u>United States v. Dennis E. Rodebaugh et al.</u></a>	<i>Elk Killing/Lacey Act</i>
D.D.C.	<a href="#"><u>United States v. Pacific International Lines et al.</u></a>	<i>Vessel/ APPS, False Statement</i>
S.D. Fla.	<a href="#"><u>United States v. Ammon Covino al.</u></a> <a href="#"><u>United States v. Zhifei Li et al.</u></a> <a href="#"><u>United States v. Walter Bloecker et al.</u></a>	<i>Marine Wildlife Harvesting/ Lacey Act</i> <i>Rhino Horn Smuggling/ Conspiracy, Lacey Act, Smuggling, Bribery</i> <i>Marine Wildlife Harvesting/ Lacey Act, Conspiracy</i>
S.D. Ga.	<a href="#"><u>United States v. John K. Rosenbaum, Jr.</u></a>	<i>Snake Bite Hoax/ False Statement</i>
D. Idaho	<a href="#"><u>United States v. Pete Covino, IV</u></a> <a href="#"><u>United States v. Douglas Greiner et al.</u></a>	<i>Marine Wildlife Harvesting/ Obstruction</i> <i>Asbestos Abatement/ CAA</i>
E.D. La.	<a href="#"><u>United States v. TIN d/b/a Temple Inland</u></a> <a href="#"><u>United States v. Transocean Deepwater, Inc.</u></a>	<i>Paper Mill/ CWA, National Wildlife Refuge Act</i> <i>Oil Spill/ Clean Water Act</i>

DISTRICT	CASES	CASE TYPE/ STATUTES
D.N.J.	<a href="#">United States v. Zhifei Li</a>	<i>Rhino Horn Smuggling/ Conspiracy, Lacey Act, Smuggling</i>
S.D.N.Y.	<a href="#">United States v. Quiang Wang</a> <a href="#">United States v. David Hausman</a>	<i>Rhino Horn Smuggling/ Conspiracy, Lacey Act, Smuggling</i> <i>Rhino Horn Smuggling/ Obstruction, Lacey Act</i>
E.D.N.C.	<a href="#">United States v. Angel Dario Rodriguez Nunez et al.</a>	<i>Emissions Testing/ CAA, Conspiracy</i>
M.D.N.C.	<a href="#">United States v. House of Raeford Farms, Inc.</a>	<i>Turkey Processor/ CWA</i>
S.D. Ohio	<a href="#">United States v. RCA Oil and Gas LLC et al.</a>	<i>Oil Company/ CWA</i>
N.D. Ok.	<a href="#">United States v. James Chapman et al.</a>	<i>Paddlefish Egg Harvesting/ Lacey Act</i>
D.S.D.	<a href="#">United States v. Jeff Blachford</a>	<i>Whooping Crane Killing/ESA</i>
E.D. Va.	<a href="#">United States v. William W. "Duby" Lowery, IV, et al.</a>	<i>Striped Bass Harvesting/ Lacey Act</i>
D.V.I.	<a href="#">United States v. Ashu Bhandari</a>	<i>Black Coral Sales/ False Classification of Goods</i>

### *Additional Quick Links:*

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## *Trials*

### **United States v. John K. Rosenbaum, Jr., No. 2:12-CR-0007 (S.D. Ga.), AUSAS T. Shane Mayes and Brian T. Rafferty.**

On February 14, 2013, John K. Rosenbaum was convicted by a jury after a three-day trial of a false statement violation (18 U.S.C. § 1001) for lying to agents after orchestrating a hoax concerning a deadly snake bite. The government argued at trial that the defendant was seeking to become famous as someone who had survived a deadly bite from a Black Mamba.

Rosenbaum told an emergency room physician in November 2011 that he had driven across the Florida border for the purpose of buying a Black Mamba, but that the snake had escaped after biting him. Rosenbaum had puncture wounds and had written "Black Mamba" (along with the name of the antivenom) on his arm. The physician began snake-bite treatment, and then alerted law enforcement. The ensuing search for the non-existent Black Mamba required more than 500 man-hours and involved investigators with the United States Fish and Wildlife Service, the Georgia Department of Natural Resources, the Kingsland Police and the Camden County Sheriff's Office. Rosenbaum's lawyer said his client was delirious after being bitten by his pet cobra, but never intended to mislead anyone.

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

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## *Informations/Indictments*

### **United States v. Ammon Covino et al., Nos. 1:13-mj-2258; 4:12-CR-10020 (D. Idaho, S.D. Fla.), AUSAs Tom Watts-FitzGerald and George Breitsameter.**



**Children visiting the Idaho Aquarium**

On February 27, 2013, a complaint was filed in Idaho charging Ammon Covino with violating pretrial release conditions for a case in South Florida where he is charged with Lacey Act violations. The complaint alleges that Covino directed his nephew to contact a person in Florida to destroy information concerning an order Covino placed for undersized nurse sharks. Pete Covino, IV, has been charged with obstruction (18 U.S.C. § 1512(b)(2)(B)).

Ammon Covino and Christopher Conk were arrested on an indictment (recently unsealed in Florida) charging violations stemming from the illegal harvest

of marine wildlife. The defendants, along with Idaho Aquarium, Inc., are charged with conspiracy to violate the Lacey Act and Lacey Act substantive charges (16 U.S.C. §§ 3372(a)(1), (a)(4), 3373(d)(1)(B); 18 U.S.C. § 371) relating to the purchase of four spotted eagle rays and two lemon sharks for approximately \$6,300. The indictment alleges that the wildlife was harvested illegally and without a permit from Monroe County, Florida, between March and November 2012. It was then transported to the Idaho Aquarium collection in Boise.

At the time of this offense, Conk was already serving a two-year term of probation imposed in Idaho for illegally shipping protected live corals to buyers around the world.

This case was investigated by the United States Fish and Wildlife Service, the National Oceanic and Atmospheric Administration Office of Law Enforcement, and the Idaho Department of Fish and Game.

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**United States v. Zhifei Li et al., Nos. 1:13-CR-20083 and 20085, 2:13-CR-00113, 1:13-mj-00389, (S.D. Fla., D.N.J., S.D.N.Y.), ECS Senior Trial Attorney Richard Udell, ECS Trial Attorney Gary Donner, ECS Paralegal Lisa Brooks, AUSAs Tom Watts-FitzGerald, Kathleen O’Leary, and Janis Echenberg.**

On February 11, 12, and 13, 2013, three people were charged in Newark, Miami, and New York City with wildlife smuggling and related charges for their alleged roles in an international rhino horn smuggling ring.

Zhifei Li was indicted in Newark and Miami for international smuggling of rhinoceros horns (16 U.S.C §§ 3372(a)(1), (a)(4), 3373(d)(1)(B); 18 U.S.C. § 554). Chinese business executive Shusen Wei has also been charged in Miami with offering to bribe a federal agent in the Li case (18 U.S.C § 201(b)(1)(C)). Qiang Wang was charged in a related criminal complaint in New York City for his role in smuggling libation cups carved from rhinoceros horns from New York to Li via Hong Kong (18 U.S.C. § 544).

According to the Newark indictment, Li, a Chinese national, conspired to smuggle more than 20 raw rhinoceros horns from the United States to Hong Kong in 2011 and 2012. Li wired hundreds of thousands of dollars during this period to a co-conspirator in the United States to buy the horns. Li’s co-conspirator smuggled the horns in porcelain vases and mailed them to Hong Kong and China to a third person in an effort to evade detection by U.S. officials. Li and his co-conspirator allegedly bought many of the horns in New Jersey from other members of the conspiracy.

As noted above, Li also was charged in Miami on wildlife trafficking and smuggling charges. Shortly after arriving in Florida in January 2013, Li allegedly purchased two endangered Black Rhinoceros horns from an undercover agent for \$59,000. Li asked if the undercover officer could obtain additional rhinoceros horns and mail them to his company in Hong Kong.

Wei was arrested in Miami on a related criminal complaint. Wei admitted to knowing about Li’s smuggling activities and to purchasing rhinoceros carvings from Li that apparently had been purchased in the United States. On February 1<sup>st</sup> and 2<sup>nd</sup>, Wei engaged in recorded calls and texts with a CI suggesting that as much as \$10,000 be paid to a female agent who had interviewed him and arrested Li. Wei was subsequently arrested on bribery charges as he attempted to board a flight bound for China at JFK International Airport.

Wang faces charges in a criminal complaint in New York for his role in smuggling libation cups carved from rhinoceros horns from New York to Li in Hong Kong. Wang is alleged to have purchased several cups for Li in United States. In China, there is a tradition dating back centuries involving intricately carved rhinoceros horn cups. Drinking from such a cup was believed to bring

good health and such carvings are highly prized by collectors. Wang is alleged to have been smuggling rhinoceros horn cups as well as ivory carvings to Li in Hong Kong.

These cases are being investigated by the United States Fish and Wildlife Service Office of Law Enforcement, with assistance from the Department of Homeland Security.

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**United States v. Walter Bloecker et al., No. 4:12-CR-10017 (S.D. Fla.), AUSA Tom Watts-FitzGerald.**

On February 7, 2013, an indictment was unsealed charging the owners of a wholesale aquarium supply company with conspiring with Florida Keys divers to illegally harvest juvenile nurse sharks and other protected fish.

Aquatic Trading Co., an importer and seller of ornamental fish, corals, and other aquarium supplies, was charged along with owners Walter and Lila Bloecker in a four-count indictment with conspiracy and Lacey Act charges (16 U.S.C. §§ 3372(a)(2)(A), 3373(d)(1)(B); 18 U.S.C. § 371).

The indictment alleges that between June and October 2012, the defendants engaged in a series of transactions involving the illegal sale and interstate transportation of shark pups and oversized angelfish. Walter Bloecker did not have the required permits to legally sell sharks across states lines. He allegedly concealed the sale of shark pups by filing false documents stating that they were imported from Nicaragua, or that the containers contained moray eels. Lila Bloecker is responsible for the day-to-day operation of Aquatic Trading. She is alleged to have sold oversized angelfish that had been illegally harvested from the Keys to a buyer in Michigan.

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

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## ***Plea Agreements***

**United States v. Douglas Greiner et al., Nos. 3:13-CR-00021, 00022 (D. Idaho), ECS Senior Trial Attorney Ron Sutcliffe.**

On February 26, 2013, Douglas Greiner and Bradley Eberhart pleaded guilty to a Clean Air Act NESHAPs felony violation (42 U.S.C. § 7413(c)(1)).

The defendants were employees of Owyhee Construction Inc., and were assigned as the onsite supervisor and superintendent of a project known as the Riverside Water and Sewer District. The project involved the renovation/replacement of the City of Orofino's water lines during the spring and fall of 2009 and the spring of 2010. Existing waterlines were known to consist of asbestos-containing concrete pipe that was approximately 5,000 feet in length. When Eberhart and other employees removed the regulated asbestos-containing material (RACM), they failed to: adequately wet all RACM exposed during cutting or disjoining operations; place the RACM in sealed, leak-tight containers with appropriate warning labels; and dispose of the asbestos as soon as practicable at a licensed facility. Greiner caused the disposal of RACM removed from trenches on private property in Orofino.

The two are scheduled for sentencing on June 3, 2013. This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division.

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**United States v. James Chapman et al., Nos. 4:13-CR-00032-00035 (N.D. Okla.), ECS Senior Trial Attorney Claire Whitney.**

On February 20, 2013, James Chapman, Lee A. Jobe, Jeremy Waldrip, and Jay C. Witt pleaded guilty to Lacey Act trafficking violations (16 U.S.C. §§ 3372(a)(2)(A), 3373 (d)(2)). In 2007 and 2008, the defendants knowingly transported and sold in interstate commerce paddlefish eggs knowing that the eggs had been possessed and transported in violation of Oklahoma law, which prohibits the comingling of paddlefish eggs and their transportation out of the state. Paddlefish eggs, which are sold as caviar, have become more popular as traditional sturgeon caviar, such as Beluga, has become scarce.

Paddlefish are shark-like plankton-eaters that can grow to weigh as much as 200 pounds, making them one of the largest freshwater fish. Chapman admitted to taking these fish on multiple occasions in 2007 and 2008. He further stated that in 2007 he sold about 250 pounds of paddlefish eggs to a commercial fisherman in Missouri for approximately \$6,000 to \$7,000.

Witt, Waldrip, and Jobe stated that they gave away the eggs from paddlefish they caught in Oklahoma; however, they knew that the eggs would be sold, which was illegal. All defendants are scheduled to be sentenced on May 23, 2013.

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

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**United States v. TIN d/b/a Temple Inland, No. 2:12-CR-00323 (E.D. La.), AUSAs Dorothy Taylor and Spiro Latsis.**

**Fish killed in the Pearl River: *Times-Picayune***

On February 6, 2013, TIN d/b/a Temple Inland, pleaded guilty to a two-count information for charges stemming from a fish kill that occurred in the Pearl River in August 2011. TIN, the former owner of a paper mill, was charged with a Clean Water Act negligence violation (33 U.S.C. §1319 (c)(1)(A)) after a liquid produced during pulp processing was discharged over a period of five days causing a fish kill in the river. At the time of the spill, the biological oxygen demand limit for the wastewater was 116,000 pounds a day, exceeding the plant's permitted BOD limit of 35,610 pounds a

day.

Approximately 1,000 of the fish and mussels killed were located in the 36,000-acre Bogue Chitto National Wildlife Refuge, which was a violation of the National Wildlife Refuge Act (16 U.S.C. § 668dd(c)). Sentencing is scheduled for May 1, 2013.

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

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

On February 5, 2013, RCA Oil and Gas LLC and company owner and operator Robert D. Armstrong pleaded guilty to a felony Clean Water Act violation (33 U.S.C. § 1319(c)(2)(A)) for the unpermitted discharge of mining wastewater.

RCA provides services for oil and gas wells, including hydrofracturing (or fracking). In June 2010, a well was installed. A large reservoir was built near the well 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 United States Environmental Protection Agency 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 v. William W. “Duby” Lowery, IV, et al., Nos. 2:12-CR-00164 - 168 (E.D. Va.), ECS Trial Attorney Jim Nelson and AUSA Stephen W. Haynie.**

On February 4, 2013, William W. “Duby” Lowery, IV, pleaded guilty to a Lacey Act trafficking violation (16 U.S.C. §§ 3372(a)(1), 3373 (d)(1)(B)). Lowery, the captain of the *Anna Lynn*, is one of five charter fishing boat captains who had been charged with Lacey Act and other violations stemming from the sale of illegally harvested Striped Bass between 2009 and 2011.

Raymond Carroll Webb, the captain of the *F/V Spider Webb*, and his corporation, Peake Enterprises, Ltd., and Jeffrey Adams, the captain of the *F/V Providence II*, and his company, Adams Fishing Adventures, recently pleaded guilty to taking charter boat clients into the EEZ to harvest striped bass, in violation of the Lacey Act.

Nolan L. Agner, captain of the *Flat Line*, and his corporation, Agner, Inc., are scheduled for trial to begin on May 7, 2013. David Dwayne Scott, the captain of the *Stoney's Kingfisher*, is scheduled for trial to begin on May 14, 2013.

This case was 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.

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## Sentencings

### **United States v. House of Raeford Farms, Inc., No. 1:12-CR-00248 (M.D.N.C.), ECS Trial Attorney Mary Dee Carraway, ECS Senior Trial Attorney Daniel Dooher, and ECS Paralegal Lisa Brooks.**



**Aerial view of Raeford Farms**

On February 26, 2013, House of Raeford Farms (Raeford Farms) was sentenced to pay a \$150,000 fine and will complete a two-year term of probation. The company was previously convicted by a jury of ten felony Clean Water Act violations (33 U.S.C. § 1319(c)(2)(A)) stemming from the operation of a turkey processing plant.

Raeford Farms is a turkey slaughtering facility located in Raeford, North Carolina. In 2005 and 2006, plant employees were directed to bypass the facility's pretreatment system and to send untreated wastewater directly to the local POTW. In addition, employees discharged thousands of gallons of wastewater into a pretreatment system that did not have the capacity to adequately treat the wastewater before it was discharged to the POTW. This wastewater was contaminated with blood, grease, and turkey parts. A former employee testified that the facility continued to kill turkeys in large numbers despite being warned that the unauthorized bypasses were adversely impacting the city's wastewater treatment plant. Many of these bypasses took place while Raeford Farms was subject to a local consent order requiring that it construct a new pretreatment system and that it comply with all permit requirements.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the North Carolina State Bureau of Investigation.

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### **United States v. Patrick Scott, No. 3:12-CR-08257 (D. Ariz.), ECS Trial Attorney Todd Mikolop and AUSA Jennifer Levinson.**

On February 26, 2013, Patrick Scott was sentenced to serve 30 days' incarceration, followed by five months' home confinement and one year of supervised release. He also was ordered to pay a \$2,000 fine. Scott previously pleaded guilty to a felony violation of the Migratory Bird Treaty Act (16 U.S.C. §§ 703, 707(b)) for his involvement in the sale of a golden eagle fan to law enforcement officials for \$900. Scott admitted that, between July 2007 and February 2009, he engaged in 12 sales, offers to sell, and/or purchases of migratory bird parts, including red-tailed hawk, golden eagle, crested caracara, anhinga, and rough-legged hawk.

This case was investigated by the United States Fish and Wildlife Service and the Navajo Nation Department of Fish and Wildlife.

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**United States v. Pacific International Lines et al., Nos. 1:13-CR-00019 and 00020 (D.D.C.), ECS Senior Litigation Counsel Howard Stewart.**

On February 22, 2013, Pacific International Lines (PIL), a Singapore-based container ship company, was sentenced to pay a \$2 million fine and an additional \$200,000 in community service projects. The projects will be administered by the National Fish and Wildlife Foundation and the National Marine Sanctuary Foundation. PIL also will complete a three-year term of probation and will implement an environmental compliance plan.

After the Coast Guard boarded the ship in American Samoa in June 2012, they discovered that the ship's oil water separator had not been functioning for several months. Illegal overboard discharges were made during this time, which were not recorded in the ORB. The company pleaded guilty to two APPS violations and a false statement charge (33 U.S.C. § 1908(a); 18 U.S.C. § 1001) for concealing illegal wastewater discharges from the *M/V Southern Lily 2* and for falsifying the ship's oil record book.

Qing Cao, the ship's second engineer, previously pleaded guilty to an APPS violation (33 U.S.C. § 1908(a)). Cao was sentenced to serve a three-year term of probation and was ordered to leave the United States immediately. As a condition of probation, the court ordered Cao not to work on any vessels that call at U.S. ports during the term of his probation.

This case was investigated by the United States Coast Guard.

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**United States v. Angel Dario Rodriquez Nunez et al., Nos. 5:12-CR-00083, 00193, 00263 (E.D. N.C.), AUSA Banu Rangarajan.**

On February 20, 2013, Angel Nunez was sentenced to pay a \$500 fine and will complete a five-year term of probation that includes six months' home detention. Nunez previously pleaded guilty to conspiring to violate the Clean Air Act and to a CAA false statement violation (18 U.S.C. § 371; 42 U.S.C. § 7413(c)(2)(A)) stemming from his involvement in a scheme to falsify vehicle emissions tests.

Nunez worked as a licensed North Carolina emissions inspector at both Express Auto Sales and Services and Car Care Express Auto Sales and Services. The scheme involved entering the VIN of a surrogate vehicle built between 1996 and 1999 into the analyzer. (Cars from this period generally would not automatically generate a VIN). Emissions reports run on the surrogate vehicle were then provided to customers paying to receive a "clean scan."

Co-defendants Clinton Matthews and Milton Smith are scheduled to be sentenced on May 13, 2013. These cases were investigated by the United States Environmental Protection Agency, Criminal Investigation Division; North Carolina State Bureau of Investigations; and the North Carolina Department of Motor Vehicles, License and Theft Bureau.

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**United States v. David Hausman, No. 1:12-CR-00576 (S.D.N.Y.), ECS Senior Trial Attorney Richard Udell and AUSA Janis Echenberg.**



**Black Rhino horn mount**

On February 14, 2013, David Hausman was sentenced to serve six months' incarceration, followed by one year of supervised release, after previously pleading guilty to obstruction and Lacey Act violations (16 U.S.C. §§ 3372 (d)(2), 3373 (d)(2)(A); 18 U.S.C. § 1519) for his involvement in the trafficking of rhinoceros horns. Hausman also will pay a \$10,000 fine to the Lacey Act Reward Fund and \$18,000 to the Rhino Tiger Conservation Fund.

At the time of the offenses, Hausman was acting as a confidential informant for investigators during Operation Crash, a nationwide, multi-agency proactive law enforcement effort aimed at stemming the black market trade in endangered rhinoceros horns. Despite acting as a CI, in September 2011, Hausman arranged via the Internet to purchase a taxidermied head of an endangered Black Rhinoceros with two horns attached. Hausman did not know that the seller was an undercover U.S. Fish and Wildlife Service agent. Before purchasing the horns Hausman took several steps to conceal his involvement from law enforcement and insisted that there be no email communications to avoid creating a trail. After purchasing the rhino mount at a truck stop, he was later observed sawing off the horns in a motel parking lot.

The investigation also determined that prior to this incident Hausman paid a straw buyer to purchase a Black Rhinoceros mount from a Pennsylvania auction house. Hausman had alerted the FWS that this was an illegal sale, but not that he was the ultimate purchaser. Again the defendant directed that the buyer not send any email. After telling the buyer to remove the horns and mail them to him, Hausman made a set of fake horns and directed the straw buyer to attach them to the rhino head in the event that he came under investigation.

This case was investigated by the United States Fish and Wildlife Service in coordination with other federal and local law enforcement agencies including U.S. Immigration and Customs Enforcement Homeland Security Investigations.

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**United States v. Transocean Deepwater, Inc., No. 2:13-CR-00001 (E.D. La.), Deepwater Horizon Task Force, including ECS Trial Attorney Colin Black.**

On February 14, 2013, Transocean Deepwater, Inc., pleaded guilty to a misdemeanor violation of the Clean Water Act (33 U.S.C. §§ 1319(c)(1)(A), 1321(b)(3)), for its role in the *Deepwater Horizon* disaster on April 20, 2010. Transocean was sentenced to pay a total of \$400 million. In addition to a \$100 million criminal fine payable to the Oil Spill Liability Trust Fund, Transocean will pay \$150 million to the National Academy of Sciences for the purposes of oil spill prevention and response in the Gulf



**Controlled burn of spilled oil –Reuters**

of Mexico, and another \$150 million to the National Fish and Wildlife Foundation for conservation projects along the Gulf Coast to remedy harm to resources caused by the oil spill. Transocean also will enter into a partial consent decree pursuant to which it will pay \$1 billion in civil penalties under the Clean Water Act.

This case was investigated by the Deepwater Horizon Task Force, which included the Federal Bureau of Investigation, the United States Environmental Protection Agency Criminal Investigation Division and the Office of Inspector General, the Department of Interior Office of Inspector General, the National Oceanic and Atmospheric Administration Office of Law Enforcement, the United States Coast Guard, the United States Fish and Wildlife Service, and the Louisiana Department of Environmental Quality.

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**United States v. Jeff Blachford, No. 3:12-30075 (D.S.D.), AUSA Meghan Dilges.**

On February 13, 2013, Jeff Blachford was sentenced after pleading guilty to an Endangered Species Act violation (16 U.S.C. §§ 1538(a)(1)(B), 1540(b)(1)) for the killing of an endangered Whooping Crane and a hawk in April 2012. Blachford will pay \$85,000 in restitution and complete a two-year term of probation. He also will forfeit his rifle and is prohibited from hunting or fishing during the term of probation. The restitution will be paid to the International Crane Foundation.

Whooping Cranes are one of the rarest bird species in the world with a known population of approximately 600 birds. The Whooping Crane killed in this case was one of approximately 300 cranes that migrate from wintering grounds along the gulf coast of Texas to the Woods Buffalo State Park located in Alberta and the Northwest Territories of Canada. This population of Whooping Cranes is the only self-sustaining population in the world.

This case was investigated by the United States Fish and Wildlife Service and the South Dakota Game, Fish, and Parks.

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**United States v. Dennis E. Rodebaugh et al., No. 1:10-CR-00444 (D. Colo.), ECS Senior Trial Attorney Ronald Sutcliffe and ECS Trial Attorney Mark Romley.**



**Elk kneeling to reach salt on the ground**

Rodebaugh has operated a Colorado big game outfitting business called AD&S Guide and Outfitters since 1988, offering multi-day elk and deer hunts to numerous non-resident clients in the White River National Forest.

Each summer between 2002 and 2007, Rodebaugh guided and outfitted numerous clients on hunts in which deer and elk were shot from tree stands near which Rodebaugh had placed hundreds of pounds of salt as bait. The use of bait to hunt big game is unlawful in Colorado and a violation of the Lacey Act. As part of his sentence Rodebaugh will be responsible for remediating the areas of the forest where the salt had been illegally placed.

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

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**United States v. Ashu Bhandari, No. 3:11-CR-00028 (D.V.I.), ECS Trial Attorney Christopher Hale and AUSA Nelson Jones.**



**Black coral jewelry and figurines**

On February 13, 2013, Dennis E. Rodebaugh was sentenced to serve 41 months' incarceration, followed by three years' supervised release. He also will pay a \$7,500 fine and \$37,390 in restitution to the state of Colorado for the value of the illegally taken elk and deer. Rodebaugh was convicted by a jury of six Lacey Act violations (16 U.S.C. §§ 3372(a)(2)(A), 3373(d)(1)(B)).

Co-defendant Brian Kunz was sentenced to complete a one-year term of probation and will be banned from hunting or fishing while on probation. Kunz previously pleaded guilty to two Lacey Act violations for assisting Rodebaugh in the illegal taking of two bull elk.

On February 7, 2012, Ashu Bhandari was sentenced to serve one month of incarceration followed by one month of home confinement and a year of supervised release. Bhandari will pay a \$918,950 fine and will make a \$229,687 community service payment to the University of the Virgin Islands to be used to fund projects designed to research and protect black corals. He also will perform 300 hours of community service and is banned from any business venture involving coral or coral products.

Bhandari is the former president and CEO of GEM Manufacturing, a company that

makes black coral jewelry. The coral was used to make high-end jewelry and art objects that were subsequently sold through GEM-operated retail galleries. Because the company's former coral supplier (Peng Chia) could not obtain the required export permits, Bhandari and GEM falsely labeled boxes that contained coral. He previously pleaded guilty to a false classification of goods violation (18 U.S.C. § 541). GEM was sentenced to pay \$2.3 million in fines and community service payments, as well as forfeitures valued at \$2.2 million. Ivan and Gloria Chu, the owners of Peng Chia, were sentenced to jail time for their roles in supplying the coral to GEM.

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

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### **United States v. Kenneth B. Cobb, No. 2:12-CR-01594 (D. Ariz.), AUSA Jennifer Levinson.**

On January 28, 2013, Kenneth B. Cobb was sentenced to serve a five-year term of probation that includes weekend incarceration over an eight-month period. Cobb also was ordered to pay \$32,000 in restitution. Cobb previously pleaded guilty to theft of government property and to violating the Endangered Species Act (16 U.S.C. §§ 1538(c)(1), 1540(b)(1); 18 U.S.C. § 641) for stealing saguaro cacti from public lands.

Cobb admitted to taking eight cacti from federal land managed by the Bureau of Land Management between January 1, 2010, and February 28, 2010. He later sold the cacti for approximately \$2,000 each. Additionally, in January 2011, Cobb exported two



**Saguaro cacti**

saguaro cacti from the United States to Austria without a valid export permit. Saguaros can live to be between 150 and 200 years old.

This case was investigated by the United States Department of the Interior Bureau of Land Management and the United States Fish and Wildlife Service.

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## ***Other Litigation Events***

### **United States v. Fleet Management Ltd et al., No. 3:08-CR-00160 (N.D. Calif.), ECS Senior Trial Attorney Richard Udell and AUSAs Stacey Geis and Jonathan Schmidt.**

On February 5, 2013, the court ordered Fleet Management Ltd. to serve an additional 15-month term of probation. Fleet had been serving a three-year term that was due to end in February 2013. The company also will have to meet additional compliance plan requirements.

In February 2010, this Hong Kong ship management company was sentenced for its role in the collision of the *M/V Cosco Busan* into the San Francisco Bay Bridge in November 2007. The company pleaded guilty to Oil Pollution Act, obstruction, and false statement violations for acting negligently and being a proximate cause of the oil discharge from the ship and for the killing of migratory birds.

Fleet further admitted to obstructing justice and to making false statements by falsifying ship records after the vessel crashed. The company was ordered to pay a \$10 million fine and to make a \$2 million community service payment to fund marine environmental projects in San Francisco Bay.

The collision ruptured two of the ship's fuel tanks, resulting in a significant environmental clean-up. At least 2,000 migratory birds died, including Brown Pelicans, Marbled Murrelets and Western Grebes. The Brown Pelican is a federally endangered species and the Marbled Murrelet is a federally threatened species and an endangered species under California law.

This case was investigated by the United States Coast Guard Criminal Investigative Service, the United States Environmental Protection Agency Criminal Investigation Division, the Federal Bureau of Investigation, the United States Fish and Wildlife Service, and the California Department of Fish and Game, Office of Spill Prevention and Response.