
ENVIRONMENTAL CRIMES SECTION



MONTHLY BULLETIN

January 2014

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 Associations Information Network](#).

REMINDER: We are now producing a *separate* public version of the Environmental Crimes Section 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 issued, then please only provide facts that are appropriate to disclose to the public.

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



Rhinoceros horns and cash exchanged. See [U.S. v. Li](#), below, for more details on this smuggling case.

Glossary for January Edition of the Bulletin:

The following Table of Cases is organized by District, the name of the case, the type of case, and the statutes. The Districts are spelled out within the chart, but they will be abbreviated within the summary of the case. For example: District of Alaska will be noted as D. of Ak. The case name will be noted as United States v. John Jones. The statutes are cited within the body of each case summary. The statutes will be abbreviated as follows:

APPS = Act to Prevent Pollution from Ships

CAA = Clean Air Act

CAFO = Concentrated Animal Feeding Operations

CWA = Clean Water Act

ESA = Endangered Species Act

MBTA = Migratory Bird Treaty Act

MMPA = Marine Mammal Protection Act

Other abbreviations:

ECS = Environmental Crimes Section

EPA = Environmental Protection Agency

NOAA = National Oceanic and Atmospheric Administration

USDOJ = United States Department of Justice

AT A GLANCE:

- United States v. John Emerson Tuma, ___ F.3d___, 2013 WL 6800526 (5th Cir. Dec. 23, 2013).
- United States v. James Mathis, ___ F.3d___, 2013 WL 6726933 (6th Cir. Dec. 23, 2013).

DISTRICT	CASES	CASE TYPE/ STATUTES
District of Alaska	<u>United States v. Charlotte Peyerk, et al.</u>	<i>Grizzly Hunting/Conspiracy, National Wildlife Refuge Act</i>
Central District of California	<u>United States v. Rene De La Peza</u> <u>United States v. Rodrigo Macedo</u>	<i>Wildlife Sales/ESA</i> <i>Wildlife Sales/ESA</i>
Southern District of California	<u>United States. v. Cheng Zhuo Liu</u>	<i>Wildlife Imports/Smuggling</i>
District of Colorado	<u>United States v. Exotic Skin Boots, Shoes, Belts and Hat Bands</u>	<i>Forfeiture</i>
Southern District of Florida	<u>United States v. Richard Perrin et al.</u> <u>United States v. Robert Jaques</u> <u>United States v. Toby Lamm</u> <u>United States v. Eric Pedersen et al.</u> <u>United States v. Ammon Covino et al.</u>	<i>Marine Wildlife Sales/ Lacey Act, Conspiracy</i> <i>Wildlife Sales/ESA</i> <i>Seafood Imports/Lacey Act</i> <i>Marine Wildlife Sales/Lacey Act, Conspiracy</i> <i>Marine Wildlife Sales/Lacey Act, Conspiracy</i>

DISTRICT	CASES	CASE TYPE/ STATUTES
Northern District of Illinois	<u>United States v. Brad Foote Gear Works, Inc.</u> <u>United States v. Theresa Neubauer et al.</u>	<i>Gear Manufacturer/CWA</i> <i>Municipal Employees/False Statements</i>
Eastern District of Louisiana	<u>United States v. Kurt Mix</u>	<i>Oil Spill/Evidence Destruction</i>
Eastern District of Michigan	<u>United States v. Khalil Mahmoud Saad</u>	<i>Asbestos Removal/CAA</i>
Southern District of Mississippi	<u>United States v. William R. Miller et al.</u> <u>United States v. Brent Buchanan</u>	<i>Wetlands Destruction/CWA</i> <i>Dolphin Killing/MMPA</i>
District of New Jersey	<u>United States v. Zhifei Li</u>	<i>Rhino Horn and Ivory Sales/ Lacey Act, Conspiracy, Smuggling</i>
Southern District of New York	<u>United States v. Qiang Wang a/k/a Jeffrey Wang</u>	<i>Rhino Horn and Ivory Sales/ Conspiracy, Smuggling, Lacey Act</i>
Western District of North Carolina	<u>United States v. Tap Root Dairy, LLC, et al.</u>	<i>CAFO/CWA</i>
Northern District of Ohio	<u>United States v. John Mayer et al.</u>	<i>Asbestos Removal/CAA</i>
Eastern District of Pennsylvania	<u>United States v. Robroy MacInnes et al.</u>	<i>Snake Trafficking/Lacey Act, Conspiracy</i>
District of South Dakota	<u>United States v. John Chauncey et al.</u>	<i>Hunting and Guiding/MBTA, Lacey Act, Conspiracy</i>

DISTRICT	CASES	CASE TYPE/ STATUTES
Eastern District of Virginia	<u>United States v. Lambros Katsipis</u>	Vessel/APPS, False Statements, Obstruction
	<u>United States v. Diana Shipping Services S.A., et al.</u>	Vessel/Conspiracy, APPS, Obstruction, Records Falsification

Additional Quick Links:

- ◇ [Significant Environmental Decisions](#) p. 7
- ◇ [Trials](#) p. 8
- ◇ [Informations/Indictments](#) p. 9
- ◇ [Plea Agreements](#) pp. 9 - 13
- ◇ [Sentencings](#) pp. 13 – 20

CORRECTION:

****In United States v. MacInnes, et al., as reported in the December edition of the Bulletin, we erroneously misnamed the species of snakes that were involved in the illegal trafficking. The Eastern timber rattlesnake and the Eastern indigo snake are the correct species, NOT the Eastern indigo timber rattlesnake. Additionally, the corporate defendant remains under indictment, after being severed from the individual defendants.****

United States v. Robroy MacInnes et al., No. 2:12-CR-00623 (E.D. Pennsylvania), ECS Trial Attorney Patrick Duggan, AUSA Mary Kay Costello, ECS Paralegal Ashleigh Nye, with assistance from ECS Paralegal Lisa Brooks.

On November 15, 2013, Robroy MacInnes and Robert Keszey were found guilty of a Lacey Act conspiracy for trafficking in protected reptiles. MacInnes also was convicted of trafficking in protected timber rattlesnakes in violation of the Lacey Act (18 U.S.C. § 371; 16 U.S.C. §§ 3372(a)(2)(A), 3373(d)(1)(B)). The convictions stem from the defendants' operation of a reptile farm known as Glades Herp Farm, Inc. The corporation has been indicted and will be tried separately from the individuals.

From 2007 through 2008, MacInnes and Keszey collected protected snakes from the wild in Pennsylvania and New Jersey, purchased protected Eastern timber rattlesnakes (which had been illegally collected from the wild in violation of New York law), and transported threatened eastern indigo snakes from Florida to Pennsylvania. MacInnes also violated the Lacey Act by illegally purchasing eastern timber rattlesnakes and then transporting them to Florida from Pennsylvania. The evidence at trial showed that the snakes were destined for sale at reptile shows in Europe, where a single timber rattlesnake can sell for up to \$800. Snakes that were not sold in Europe were sold through the defendants' business in the United States.

This case was investigated by the U.S. Fish and Wildlife Service Office of Law Enforcement, with assistance from the New York Department of Environmental Conservation.

[Back to Top](#)

Significant Environmental Decisions

United States v. John Emerson Tuma, ___ F.3d ___, 2013 WL 6800526 (5th Cir. Dec. 23, 2013).

On December 23, 2013, the Fifth Circuit Court of Appeals affirmed the defendant's conviction and sentence. The defendant was convicted of disposing of untreated waste water at Arkla Disposal Services, Inc., a company he ran. The court affirmed the district court's decisions to: 1) exclude evidence and testimony related to the lack of environmental harm caused by the discharges and about the plant's process; 2) deny Tuma's Federal Rule of Criminal Procedure 15(a) request to depose the foreign CEO of CCS Midstream Services (which purchased Arkla during the period of violations set forth in the indictment; however, Tuma continued to control Arkla) and; 3) restrict the cross-examination of his son, codefendant Cody Tuma, who pleaded guilty, and exclude certain defense witnesses, as either not error or at most harmless error.

The court of appeals also affirmed Tuma's sentence of 60 months' incarceration, finding no clear error by the district court in applying USSG § 2Q1.3(b)(4) ("if the offense involved a discharge without a permit or in violation of a permit, increase by 4 levels"); USSG § 2Q1.3(b)(1) ("if the offense resulted in an ongoing, continuous, or repetitive discharge, release, or emission of a pollutant into the environment increase by 6 levels"); and the four-level enhancement in USSG § 3B1.1(a) ("If the defendant was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive, increase by 4 levels"). The Fifth Circuit also decided that the district court did not abuse its discretion in declining to conduct a full evidentiary hearing and in weighing the applicable sentencing factors and applying a presumptively reasonable within-the-Guidelines sentence.

[Back to Top](#)

United States v. James Mathis, ___ F.3d ___, 2013 WL 6726933 (6th Cir. Dec. 23, 2013).

On December 23, 2013, the Sixth Circuit Court of Appeals upheld the convictions of James Mathis, Donald Fillers, and Watkins Street Project, LLC. These defendants, along with David Wood, were convicted in the Eastern District of Tennessee in 2012 of demolishing an abandoned textile mill without first removing all friable asbestos. In addition, the defendants failed to accurately notify EPA prior to the demolition, listed false information on demolition applications and notices, lied to federal investigators, and altered documents after the investigation began.

The defendants challenged their convictions based upon, among other claims, the warrantless search that precipitated the investigation (Chattanooga inspectors discovered and took samples during a routine foot-patrol when it came across the demolition project and saw asbestos-contaminated material scattered across the unfenced site, on the adjoining sidewalk, etc.). The Sixth Circuit upheld the legality of the search as the site qualified as an open-field and the defendants had no expectation of privacy. In addition, the court said that the samples seized during the search were equally admissible and did not violate Fourth Amendment protections.

The defendants also challenged their sentences claiming that the government did not prove by a preponderance of the evidence that the NESHAPs violations constituted a substantial risk of serious bodily injury justifying the enhancement under USSG § 2Q1.2(b)(2). The Sixth Circuit disagreed,

finding that the evidence at trial and sentencing established such a risk and that the enhancement was justified given the testimony of unprotected workers at trial, expert testimony, etc.

[Back to Top](#)

Trials

United States v. Kurt Mix, No. 2:12-CR-00171 (E.D. Louisiana), Fraud Section Senior Trial Attorney Jennifer L. Saulino and Trial Attorney Leo R. Tsao.

On December 18, 2013, Kurt Mix, a former engineer for BP, was convicted by a jury of intentionally destroying evidence from the April 20, 2010, *Deepwater Horizon* oil rig explosion. Mix was found guilty of one count of obstruction of justice and was acquitted on a second obstruction violation (18 U.S.C. § 1512(c)(1)).

Mix was a drilling and completions project engineer for the company. Following the blowout, he worked on company efforts to estimate the amount of oil leaking from the well and was involved in various efforts to stop the leak. Those efforts included Top Kill, the failed BP effort to pump heavy mud into the blown-out wellhead to try to stop the oil flow. BP sent numerous notices to Mix requiring him to retain all information concerning Macondo, including his text messages.

On or about October 4, 2010, after the defendant learned that his electronic files were to be collected by a vendor working for BP's lawyers, Mix deleted a text string containing more than 300 text messages with his BP supervisor from his iPhone. The deleted messages included a text sent on the evening of May 26, 2010, at the end of the first day of Top Kill. In the text, Mix stated, among other things, "Too much flowrate – over 15,000." Before Top Kill commenced, Mix and other engineers had concluded internally that Top Kill was unlikely to succeed if the flow rate was greater than 15,000 barrels of oil per day (BOPD). At the time, BP's public estimate of the flow rate was 5,000 BOPD – one third the minimum flow rate indicated in Mix's text.

By the time Mix deleted these texts, he had received numerous legal hold notices requiring him to preserve such data.

This case was investigated by the Deepwater Horizon Task Force, which includes the FBI; Department of the Interior, Office of Inspector General; Environmental Protection Agency, Criminal Investigation Division; Environmental Protection Agency, Office of Inspector General; National Oceanic and Atmospheric Administration, Office of Law Enforcement; U.S. Coast Guard; U.S. Fish and Wildlife Service; and the Louisiana Department of Environmental Quality.

[Back to Top](#)

Informations/Indictments

United States v. Cheng Zhuo Liu, No. 3:13-CR-04347 (S.D. California), AUSA Melanie Pierson.



On December 12, 2013, a one-count indictment was returned charging Cheng Zhuo Liu with a smuggling violation (18 U.S.C. § 545) for smuggling sea cucumbers from Mexico into the United States in October of 2013. Trial is scheduled to begin on January 27, 2014.

This case was investigated by NOAA, with assistance from Homeland Security Investigations, and the U.S. Fish and Wildlife Service.

[Back to Top](#)

Sea Cucumbers

Plea Agreements

United States v. Zhifei Li, No. 13-CR-00113 (D. New Jersey), ECS Senior Counsel Richard Udell, AUSAs Kathleen O'Leary and Tom Watts-FitzGerald, and ECS Paralegal Lisa Brooks.

On December 20, 2013, Zhifei Li pleaded guilty to being the organizer of an illegal wildlife smuggling conspiracy in which 30 raw rhinoceros horns and numerous objects made from rhino horn and elephant ivory (worth more than \$4.5 million) were smuggled from the United States to China.

Li, the owner of Overseas Treasure Finding in Shandong, pleaded guilty to a total of 11 counts: one count of conspiracy to smuggle and to violate the Lacey Act, six smuggling violations, one Lacey Act trafficking violation, and two counts of making false wildlife documents (16 U.S.C. §§ 3372(a)(1), 3373(d)(1)(A), 3373(d)(3)(A); 18 U.S.C. §§ 371, 554).



Elephant Ivory Tusks

Shortly after arriving in the United States in January 2013, Li was arrested in Florida on federal charges brought under seal in New Jersey. Before he was arrested, he had purchased two endangered black rhinoceros horns from an undercover U.S. Fish and Wildlife Service agent in a Miami Beach hotel room for \$59,000 while attending an antique show. Li sold the raw rhino horns to factories where they would be carved into fake antiques. The horns were hidden by a variety of means, including: wrapping them in duct tape, hiding them in

porcelain vases and falsely describing them on customs and shipping documents, and labeling them as porcelain vases or handicrafts. The leftover pieces from the carving process were sold for alleged “medicinal” purposes.

Li admitted that he was the “boss” of three antique dealers in the United States whom he paid to help obtain wildlife items and smuggle to him through Hong Kong. One of those individuals was Qiang Wang, aka “Jeffrey Wang,” who was sentenced to serve 37 months’ incarceration. Rhino carvings valued at as much as \$242,500 were sold to Li’s customers in China. In early 2013, one of those customers, Shusen Wei, pleaded guilty in the Southern District of Florida to knowingly buying a smuggled rhino carving from Li.

Li was arrested as part of “Operation Crash, a nationwide effort led by the U.S. Fish and Wildlife Service and the Justice Department to investigate and prosecute those involved in the black market trade of rhinoceros horns and other protected species. This plea resolves charges filed in the District of New Jersey and the Southern District of Florida.

[Back to Top](#)

United States v. William R. Miller et al., No. 1:12-CR-00093 (S.D. Mississippi), ECS Senior Trial Attorney Jeremy Korzenik and AUSA Cleveland Gaines

In December 17, 2013, developer William R. “Rusty” Miller pleaded guilty to a Clean Water Act violation (33 U.S.C. §§ 1319(c)(2)(a), 1342, 1343) in connection with the destruction of wetlands in 2007 on a 1,700 acre site located in Hancock County, Mississippi.

Despite being notified in 2001 that the property was approximately 80% jurisdictional wetlands, and required Army Corps of Engineers’ permits to develop, the defendant and developer Hancock County Land, LLC, (HCL) created and implemented a plan to drain the site, eliminating the wetlands that would have slowed development and reduced the value of property.

HCL was sentenced to pay a \$1 million fine and ordered to restore the damaged wetlands. Miller is scheduled for sentencing on March 17, 2014.

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

[Back to Top](#)



Illegally constructed road in wetland

United States v. Tap Root Dairy, LLC, et al., No. 1:13-mj-00061 (W.D. North Carolina), AUSA Steven Kaufman.



On December 13, 2013, Tap Root Dairy, LLC, one of North Carolina’s largest dairy farms, and company owner, William F. Johnston, pleaded guilty to a Clean Water Act violation (33 U.S.C. §§ 1311(a), 1319(c)(1)(A)) for discharging manure into the French Broad River.

Tap Root maintains several hundred cows and manages hundreds of acres of crop fields in Fletcher, North Carolina. The farm annually disposes of millions of pounds of solid and liquid animal waste. Between September 3, 2012, and December 4, 2012 (for a total of 93 days), Tap Root failed to

Spillover from containment lagoons

monitor and maintain the levels of cow waste in their on-site waste containment lagoons. This resulted in the spillover and discharge of 11,000 gallons of cow feces and other waste into the French Broad River on December 4, 2012. Johnson also had allowed his certification as Operator in Charge of the farm’s animal waste management system to lapse, despite receiving repeated notices and warnings. The French Broad River supplies drinking water to more than one million people and is frequently used for recreational water activities.

This case was investigated by the U.S. EPA Criminal Investigation Division, and the N.C. State Bureau of Investigation, Diversion, and Environmental Crimes Unit.

[Back to Top](#)

United States v. Brent Buchanan, No. 1:13-CR-00098 (S.D. Mississippi), ECS Trial Attorney Colin Black and AUSA Cleveland Gaines.

On December 10, 2013, Brent Buchanan pleaded guilty to a violation of the Marine Mammal Protection Act (16 U.S.C. §§ 1372(a)(2)(a), 1375(b)) for shooting a dolphin. Buchanan admitted to knowingly killing a dolphin with a shotgun while shrimping in the Mississippi Sound in July or August 2012.

The defendant is scheduled to be sentenced on February 24, 2014. This case was investigated by the NOAA Office of Law Enforcement, with assistance from the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives, the U.S. Customs and Border Protection Office of Air and Marine, the Alabama Marine Police, and the Alabama Department of Conservation and Natural Resources, Marine Resource Division.

NOAA is actively investigating a number of other possible dolphin shootings along the northern Gulf Coast since 2012.

[Back to Top](#)

United States v. Richard Perrin et al., No. 4:13-CR-10027 (S.D. Florida), AUSA Tom Watts-FitzGerald.

On December 2, 2013, Richard Perrin and Joseph Franko pleaded guilty to conspiracy and Lacey Act charges (16 U.S.C. §§ 3372(a)(2)(A), 3373(d)(1); 18 U.S.C. § 371) stemming from the illegal transport, sale, and purchase of fish and marine wildlife.

From approximately December 2008 through December 2011, Perrin and Franko engaged in a conspiracy to purchase, harvest, and transport marine life and reptiles from Florida to Michigan for sale through a business known as Tropicorium, Inc. Perrin was the hands-on owner and Franko was an employee. The



Baby alligator

company was engaged in the purchase and retail sale of marine life and reptiles, including sharks, marine invertebrates, Sea Fans, ornamental tropical fish, and alligators.

The defendants did not have the required licenses to legally harvest marine life from the Keys. Additionally, the Sea Fans they took and sold in Michigan are prohibited from being harvested from state waters. The defendants also illegally poached juvenile alligators from the Big Cypress National Preserve, one of which they sold to an undercover agent. Sentencing is scheduled for March 25, 2014.

This case was investigated by the NOAA Office of Law Enforcement and the U.S. Fish and Wildlife Service Office of Law Enforcement, with assistance from the Michigan Department of Natural Resources.

[Back to Top](#)

United States v. Brad Foote Gear Works, Inc., No. 1:13-CR-00760 (N.D. Illinois), AUSA Peter Flanagan.

On November 13, 2013, Brad Foote Gear Works, Inc., (BFGW) pleaded guilty to a felony Clean Water Act violation (33 U.S.C. § 1319(c)(2)(A)) for illegally discharging industrial wastewater into the public sewer system.

The company is a manufacturer of precision gear parts for wind turbines. The defendant admitted to illegally discharging spent acid and alkaline wastewaters, industrial rinse waters, oil, grease, and metal-bearing wastewater into the local POTW without a permit between April 2007 and February 2011. The discharges occurred on 300 separate days.

Following the search of its premises in February 2011, BFGW began cooperating and implementing protocols to ensure the proper discharge and disposal of industrial wastewater from its facility. Sentencing is scheduled for February 19, 2014.

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

[Back to Top](#)

United States v. Rene De La Peza, No. 2:13-CR-00507 (C.D. California), AUSA Amanda Betinelli.



Jaguar skin

On November 1, 2013, Rene De La Peza pleaded guilty to a violation of the Endangered Species Act (16 U.S.C. §§ 1538(a)(1)(F), 1540(b)(1)) for advertising a jaguar skin for sale on Craigslist in August 2012. Sentencing is scheduled for February 24, 2014.

This case is a result of Operation Wild Web, an investigative task force that is targeting illegal online wildlife trafficking. It was investigated by the U.S. Fish and Wildlife Service.

[Back to Top](#)

Sentencings

United States v. Robert Jaques, No. 9:13-CR-80167 (S.D. Florida), AUSA Norman O. Hemming, III.

On December 27, 2013, Robert Jaques was sentenced to ten days time served. A fine was not assessed. Jaques previously pleaded guilty to a violation of the Endangered Species Act (16 U.S.C. §§ 1538(a)(1)(F), 1540(b)(1)) for selling or offering for sale two Largetooth Sawfish rostrums. The rostrum is the saw-like structure that grows out of the species' head. This transaction occurred in June 2013.

This case was investigated by the NOAA Office of Law Enforcement and the Florida Fish and Wildlife Conservation Commission.



Saw-like structure from a largetooth sawfish

[Back to Top](#)

United States v. John Chauncey et al., Nos. 3:13-CR-30164 – 30172 (D. South Dakota), AUSA Meghan Dilges.



On December 18, 2013, John Chauncey was sentenced after previously pleading guilty to Lacey Act and conspiracy violations (16 U.S.C. §§ 3372(a)(1), 3372(a)(2)(A), 3373(d)(1)(B)); 18 U.S.C. § 371) stemming from an illegal hunting and guiding operation. Chauncey is the ninth and final defendant in this case to be sentenced. He will serve two months' incarceration, followed by two years' supervised release, and will pay a \$40,000 fine and \$40,000 in restitution to South Dakota Game, Fish, and Parks.

Chauncey and his wife, Kathryn, own and operate Rock Creek Ranch, a commercial hunting operation. Between 2008 and 2012, hunting clients from Michigan, Texas, New Jersey, and elsewhere illegally took, possessed, and transported a variety of wildlife including approximately 56 deer (both white-tailed and mule deer), hawks, owls, badgers, and turkeys. All of his clients paid Chauncey thousands of dollars per hunt to participate in illegal hunts at the ranch. He knew that the hunters intended to hunt white-tailed and mule deer despite not possessing valid South Dakota State or Rosebud Sioux Tribe big-game licenses.

Deer mounts and antlers

Kathy Chauncey pleaded guilty to a Migratory Bird Treaty Act violation (16 U.S.C. §§ 703, 707(a)). The other seven hunter defendants (Anthony Tocco, Martin Schwehofer, Salvatore Serra, Apostolos Pozios, Alexandros Pozios, Anthony Galbo, and Liberato Petraglia) pleaded guilty to misdemeanor Lacey Act and MBTA offenses. They were sentenced to serve one-year terms of unsupervised probation and were banned from hunting between two and three years. Fines, restitution, and community service payments totaled \$150,250. The restitution and community service payments were made to the South Dakota Game, Fish, and Parks and the NFWF Dakota Eagle Restitution Fund.

These cases were investigated by the U.S. Fish and Wildlife; the South Dakota Game, Fish, and Parks; the Rosebud Sioux Tribe Wildlife Department; with assistance from the Iowa Department of Natural Resources.

[Back to Top](#)

United States v. Rodrigo Macedo, No. 2:13-CR-00508, (C.D. California), AUSA Amanda Bettinelli.

On December 16, 2013, Rodrigo Macedo was sentenced to complete a one-year term of probation, pay \$400 in restitution to the California Wildlife Center, pay a \$240 fine into the North American Wetlands Conservation Fund, and perform 25 hours of community service. The defendant previously pleaded guilty to a violation of the Migratory Bird Treaty Act (16 U.S.C. § 703) for offering for sale on Craigslist two Western Scrub Jays in August 2012.

This case is a result of Operation Wild Web, an investigative task force that is targeting illegal online wildlife trafficking. It was investigated by the U.S. Fish and Wildlife Service.



Western Scrub Jay

[Back to Top](#)

United States v. Toby Lamm, No. 2:13-CR-14049 (S.D. Florida), AUSA Norman O. Hemming, III.



On December 17, 2013, Toby Lamm was sentenced to pay a \$2,500 fine and will complete a two-year term of probation. Lamm previously pleaded guilty to a Lacey Act charge (16 U.S.C. §§ 3372 (a)(2)(A), 3373(d)(2)) for importing wildlife in June 2013 from the Bahamas in violation of the possessions limits.

Lamm imported and attempted to import approximately 338 queen conch, 11 wrung spiny lobster tails, 31 stone crab claws, and 140 pounds of Snapper and Grouper fillets, all of which are now subject to forfeiture. Florida law prohibits the possession of *any* queen conch, stone crab, or wrung spiny lobster tail, wherever harvested. Lamm also was only allowed to have 60 pounds of Snapper/Grouper fillets taken from Bahamian waters. He had harvested a total of 200 pounds.

This case was investigated by the NOAA Office of Law Enforcement, the Florida Fish and Wildlife Conservation Commission, and the U.S. Customs and Border Protection.

[Back to Top](#)

United States v. John Mayer et al., No. 3:13-CR-00242 (N.D. Ohio), AUSA Thomas A. Karol and SAUSA James J. Cha.

On December 16, 2013, John Mayer was sentenced to serve one year and one day of incarceration, followed by two years' supervised release. He also will pay a \$2,000 fine. Mayer and

co-defendant Timothy Bayes previously pleaded guilty to violating the Clean Air Act (42 U.S.C. § 7413(c)(1)) for the illegal removal of asbestos-containing material.

Between September 2010 and December 2010, Mayer directed individuals to remove insulation-containing asbestos from boilers, duct work, and pipes in a former manufacturing facility to sell the scrap metal. The insulation was not wetted during the removal process nor were regulators properly notified of the project.

Under Mayer's direction, Bayes dumped approximately 80 garbage bags filled with the asbestos-containing insulation at various locations throughout Toledo. Bayes is scheduled for sentencing on January 27, 2014.

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

[Back to Top](#)

United States v. Lambros Katsipis, No. 2:13-CR-00070 (E.D. Virginia), ECS Trial Attorneys Ken Nelson and Stephen DaPonte, and ECS Paralegal Jessica Pannett.



Only water pumped into sewage system and directly overboard

On December 13, 2013, chief engineer Lambros Katsipis was sentenced to serve four months' community confinement as a condition of a one-year term of probation. He was found guilty by a jury on seven of eight counts, including APPS, false statements, and obstruction of justice violations (18 U.S.C. §§ 1505, 1519; 33 U.S.C. § 1908).

This case stemmed from illegal overboard discharges of bilge waste from the *M/V Antonis G. Pappadakis* that had bypassed pollution prevention equipment. These discharges were not recorded in the oil record book (ORB). The falsified ORB was presented to Coast Guard inspectors during three separate boardings between July 2012 and April

2013.

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

United States v. Charlotte Peyerk et al., No. 4:13-CR-00016 (D. Alaska), AUSA Stephen Cooper.

On December 5, 2013, Charlotte Peyerk and her son, Mark Peyerk, were sentenced after pleading guilty to illegally killing a grizzly bear in Alaska's Arctic National Wildlife Refuge. The two were each sentenced to pay \$20,000 fines. Charlotte Peyerk was ordered to make a \$5,000 community service payment to the National Fish and Wildlife Fund, and Mark Peyerk will pay \$10,000 to NFWF. They will complete four and five-year terms of probation, respectively, and are banned from hunting during the terms of probation.

**Grizzly bear**

The two previously pleaded guilty to conspiracy and violations of the National Wildlife Refuge Act (18 U.S.C. § 371; 16 U.S.C. § 668dd(c)), for taking the bear out of season in 2009. The defendants admitted that they and their guides agreed they should take the bear the day before the hunting season opened. They even had the date stamps altered on their cameras to make pictures appear that the grizzly was killed on opening day. They also falsified the date of the kill on a state harvest tag.

Charlotte Peyerk won a “Diana Award” for ethics in hunting from the Safari Club International for the bear kill, and was ordered to offer to return the award. Both defendants were further ordered to write letters of apology to the Safari Club.

The Peyerks are among several out-of-state hunters convicted in a larger investigation that led to the conviction of Anchorage master guide Joe Hendricks. Hendricks was ordered to pay a \$125,000 fine in 2012 for illegal guiding activities in the Arctic National Wildlife Refuge.

This case was investigated by the U.S. Fish and Wildlife Service Office of Law Enforcement, with assistance from the Arctic National Wildlife Refuge officials, and the State of Alaska Wildlife Troopers.

[Back to Top](#)

United States v. Diana Shipping Services S.A., et al., No. 2:13-CR-00040 (E.D. Virginia.), ECS Trial Attorneys Ken Nelson and Stephen DaPonte, AUSA Joseph Kosky, and ECS Paralegal Jessica Pannett.

On December 5, 2013, ship's operator Diana Shipping Services, chief engineer Ioannis Prokakis, and second assistant engineer Antonios Boumpoutelos were sentenced after previously being convicted on all counts in a bench trial. They were found guilty of conspiracy, APPS, obstruction of justice, and falsification of records violations (18 U.S.C. §§ 371, 1505, 1519; 33 U.S.C. § 1908(a)) stemming from the illegal discharge of bilge wastes from the *M/V Thetis*.

The company will pay a \$1.1 million fine, implement an environmental compliance plan, and complete a three and one half year term of probation. Prokakis was sentenced to serve a one-year term of probation with a special condition of two months in a halfway house. Boumpoutelos was sentenced to complete a one-year term of probation. Fines were not assessed for the individuals.

Between October 2011 and September 2012, the defendants routinely caused the falsification of the ship's oil record book for the purpose of concealing overboard discharges of sludge and bilge

wastes. They also caused and directed others to conceal bypass piping that had been used to make these illegal discharges.

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

[Back to Top](#)

United States v. Qiang Wang a/k/a Jeffery Wang, No. 13-CR-00452 (S.D.N.Y.), ECS Senior Counsel Richard Udell, AUSA Janis Echenberg, and ECS Paralegal Lisa Brooks.

On December 5, 2013, Qiang Wang, also known as Jeffrey Wang was sentenced to serve 37 months' incarceration, followed by three years' supervised release. He also will forfeit all ivory in his possession and is banned from all future trade in elephant ivory and rhinoceros horn. Wang previously pleaded guilty to a smuggling and Lacey Act conspiracy violation (18 U.S.C. § 371) for his involvement in an illegal ivory smuggling ring.

Wang operated an antiques business known as Bao Qing Lou Gallery in Flushing, New York. Between approximately January 2011 and February 2013, Wang conspired with others to smuggle objects containing rhinoceros horn and elephant ivory out of the United States knowing that it was illegal to export such items without required permits. Due to their dwindling populations, all rhinoceros and elephant species are protected under international trade agreements. Wang made and used false U.S. Customs declarations for the packages containing rhinoceros horn and ivory objects in order to conceal the true contents of the packages.

This case was investigated by the U.S. Fish and Wildlife Service with assistance from the New York State Department of Environmental Conservation, Division of Law Enforcement, and U.S. Immigration and Customs Enforcement Homeland Security Investigations.

[Back to Top](#)

United States v. Eric Pedersen et al., No. 4:13-CR-10020 (S.D. Florida), AUSA Tom Watts-FitzGerald.

On December 3, 2013, Eric Pedersen and Serdar Ercan were sentenced after previously pleading guilty to conspiracy to violate the Lacey Act (18 U.S.C. § 371) for harvesting, capturing, and selling various species of marine wildlife from the Florida Keys National Marine Sanctuary and state waters. Pederson will serve 24 months' incarceration, followed by two years' supervised release, and was ordered to pay a \$10,000 fine. He is barred from any wildlife-related employment during the term of supervised release. Pedersen also was required to forfeit a vessel used in the harvesting activities. Ercan will complete one year and one day of incarceration, followed by one year of supervised release, and pay a \$6,000 fine.

Between October 2010 and February 2011, the defendants 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. They exceeded the legal limit on the harvest of coral as part of their illicit harvesting activities and did not possess any permits or licenses to remove or sell marine wildlife.

This case was investigated by the National Oceanic and Atmospheric Administration (NOAA) Office of Law Enforcement and the U.S. Fish and Wildlife Service Office of Law Enforcement.

[Back to Top](#)

United States v. Ammon Covino et al., Nos. 4:12-CR-10020, 4:13-CR-10010 (S.D. Florida), AUSA Tom Watts-FitzGerald.

On December 2, 2013, Ammon Covino and Christopher Conk were sentenced after previously pleading guilty to charges stemming from the illegal harvest, transport, and sale of marine wildlife. Covino was sentenced to serve one year and one day of incarceration, followed by two years' supervised release. He is barred from employment related to wildlife during the supervised release period. As a result of his cooperation, Conk received a reduced sentence of four months' incarceration, followed by two years' supervised release. He also will be required to spend six months in home confinement and is subject to employment restrictions. Conk will forfeit a motor vehicle used in perpetrating the crime.

Covino, Conk, and the Idaho Aquarium previously pleaded guilty to conspiracy and Lacey Act violations (16 U.S.C. §§ 3372(a)(1), (a)(4), 3373(d)(1)(B); 18 U.S.C. § 371) for purchasing spotted eagle rays and lemon sharks in the Florida Keys without permits over an eight-month period in 2012, and then transporting the wildlife to the aquarium in Boise. Conk was already serving a two-year term of probation imposed in Idaho for illegally shipping protected live corals to buyers around the world.

In a related case, Peter C. Covino, IV, was convicted by a jury of an obstruction violation (18 U.S.C. § 1512(b)(2)(B)) that was connected to the case 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 that individual's cooperation with federal authorities, those phone calls were recorded. The Aquarium is scheduled to be sentenced on March 24, 2014

These cases were investigated by the NOAA Office for Law Enforcement and the U.S. Fish Wildlife Service Office of Law Enforcement.

[Back to Top](#)

United States v. Theresa Neubauer et al., No. 1:11-CR-00533 (N.D. Illinois), AUSAs Erika Csicsila and Timothy Chapman, and SAUSA Crissy Pellegrin.

On November 21, 2013, Theresa Neubauer and Frank Scaccia were sentenced for making false statements concerning drinking water quality. Neubauer will pay a \$2,000 fine, complete a two-year term of probation, and perform 200 hours of community service. Scaccia will complete a two-year term of probation to include six months' home detention.

Neubauer, the former Supervisor of the Village of Crestwood Water Department, was convicted by a jury in 2013 of 11 counts of making false statements (18 U.S.C. § 1001(a)). She has been Crestwood's Chief of Police since 2008. Scaccia, a former Crestwood certified water operator, previously pleaded guilty to one count of engaging in a scheme to conceal a material fact (18 U.S.C. § 1001(a)).

The charges stem from a decades-long scheme to conceal from the government and Crestwood's residents that, beginning in the 1980s, Crestwood regularly supplemented its general drinking water supply, which consisted of "finished" water purified by the City of Chicago, with untreated groundwater pumped from an underground well. By concealing the use of the well, Crestwood avoided having to properly monitor its drinking water, as required by the Safe Drinking Water Act. Later testing of the well in 2007 revealed that it contained organic contaminants, including vinyl chloride.

Evidence at trial established that Neubauer engaged in the scheme with others (including Scaccia and a former Village mayor) to avoid the cost of (a) repairing Crestwood's leaking water

system, (b) purchasing more finished water, and (c) conducting the required contaminant monitoring. In addition to lying in monthly operating reports and annual consumer confidence reports, the Village also made false statements about the well's usage in reports submitted to the Illinois Department of Natural Resources that related to Crestwood's consumption of Lake Michigan water. As an employee of the Water Department for almost three decades, Neubauer accounted for all of Crestwood's water usage and distributed the false reports to the various government agencies.

As a certified water operator, Scaccia was responsible for directing laborers in the operation of the well and preparing monthly monitoring reports and consumer confidence reports. Scaccia directed Crestwood employees to conceal the well's usage from government officials during sanitary survey inspections by removing a well log book, disabling the well's pump timer, and taking steps to make it appear as if there had not been anyone inside the well house for an extended period of time.

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

[Back to Top](#)

United States v. Khalil Mahmoud Saad, No. 2:13-CR-20492 (E.D. Michigan), AUSA Jennifer Blackwell and RCEC James Cha.

On November 19, 2013, Khalil Mahmoud Saad was sentenced to serve 14 months' incarceration, followed by two years' supervised release, stemming from the illegal removal of asbestos during a demolition project, in violation of the Clean Air Act (42 U.S.C. § 7413(c)(1)). A fine was not assessed.

In November 2011, Saad was hired as a demolition contractor to tear down a vacant commercial warehouse building and dispose of the debris. Prior to the demolition, the defendant hired an asbestos consultant to inspect the building. After being advised that asbestos was present, Saad hired workers to commence the demolition, causing bricks and large pieces of concrete to fall onto dry asbestos insulation. He also made false statements to state inspectors when questioned about the asbestos in the building.

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

[Back to Top](#)

United States v. Exotic Skin Boots, Shoes, Belts and Hat Bands, No. 1:08-cv-01921(D. Colorado), ECS Senior Counsel Bob Anderson and AUSA Tonya Andrews.

On November 13, 2013, the district court issued a final judgment forfeiting to the government 1,208 pairs of boots, 1,160 belts, 163 hat bands, and several other items made from sea turtle, ostrich, caiman, and stingray seized in 2007 from Jose Cruz Rodriguez. Rodriguez was a Denver-based seller of boots, and one of the defendants in "Operation Central." Pursuant to a settlement between the government and Rodriguez, 200 pairs of ostrich skin boots will be returned to him.

Rodriguez pleaded guilty in 2012 to conspiracy to smuggle wildlife (18 U.S.C. §§ 371, 545). He was sentenced to probation, with home confinement, along with the forfeiture of 111 sea turtle boots and \$15,595 in proceeds found in his residence.

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

[Back to Top](#)