

**UNITED STATES ATTORNEY'S OFFICE
DISTRICT OF NEBRASKA
2016 ANNUAL REPORT**



**DEBORAH R. GILG
UNITED STATES ATTORNEY**



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UNITED STATES ATTORNEY'S OFFICE
DISTRICT OF NEBRASKA



The United States Attorney serves as the chief federal law enforcement officer in the District of Nebraska, and is responsible for coordinating multiple agency investigations within the District. The United States Attorney and her Assistants represent the federal government in virtually all litigation involving the United States in the District of Nebraska, including all criminal prosecutions for violations of federal law, civil lawsuits in which the United States is a party, and actions to collect judgments and restitution on behalf of victims and taxpayers.

Deborah R. Gilg was sworn in as the 32nd United States Attorney for the District of Nebraska on October 1, 2009. She is the first female United States Attorney for the District of Nebraska and a native of Omaha. During 2016, she served on U.S Attorney General Loretta Lynch's Advisory Committee (AGAC). She also serves on Attorney General Loretta Lynch's Subcommittees on National Security and Terrorism, Civil Rights Enforcement, Native American Issues and Cyber/Intellectual Property Issues. She is the former chair of the Attorney General's Subcommittee on Child Exploitation and Obscenity Working Group.

Previously, Ms. Gilg served as the Keith County Attorney from 1987-2002. After relocating to the Omaha area, she worked in the Saunders County Attorney's Office as the chief felony prosecutor until 2009. Ms. Gilg has also served as a Special Prosecutor, Special Deputy County Attorney and/or County Attorney in 21 Nebraska counties as well as maintained a private civil practice. During several of her years as a county prosecutor, she was on the Board of Directors of the Nebraska County Attorney Association and served as President. She is the recipient of several public service awards including the Nebraska Women's Bar Association Outstanding Contributor to Women in the Law; Nebraska Bar Foundation Award for Outstanding Public Service; the Nebraska State Patrol Award for Exceptional Public Service and the Nebraska County Officials Association Award for Outstanding Public Service.

Ms. Gilg received her Juris Doctorate degree in 1977 from the University of Nebraska College of Law, and her Bachelor of Arts degree (major in Latin-American Studies) from the University of Nebraska-Lincoln in 1974.

As United States Attorney for the District of Nebraska, Ms. Gilg oversees a staff of 26 Assistant U.S. Attorneys (AUSAs) and more than 32 support staff working in offices located in Omaha and Lincoln. Three attorneys from the County Attorney's offices, in Douglas and Hall Counties have offices in the U.S. Attorney's Office, one Tribal Special Assistant Attorney and 23 attorneys from the Northern District of Iowa, Nebraska Attorney General's Office, Internal Revenue Service, Social Security Administration, Small Business Administration and Judge Advocate General's Office also serve as Special Assistant U.S. Attorneys (SAUSAs) to assist with criminal and civil litigation in the District.

The Criminal Division of the office, which includes the General Crimes Unit and the Drug Prosecution Unit, prosecutes violations of federal criminal law. The attorneys in the General Crimes Unit are supervised by Jan Sharp, Criminal Chief, while John Higgins, Organized Crime Drug Enforcement Task Force (OCDETF) Chief, supervises the Drug Unit and Asset Forfeitures. Assistant United States Attorney Michael Norris is the Appellate Coordinator/Senior Litigation Counsel.

The Civil Division is headed by Robert Homan, and Joseph Jeanette coordinates the Law Enforcement and Community Coordination (LECC) Unit, which maintains partnerships between law enforcement agencies, provides services to crime victims and witnesses, and coordinates training conferences.

The Administrative Unit, which supports the operations of all components of the office, is supervised by Denise Smith, Administrative Officer. Robert C. Stuart, serves as First Assistant United States Attorney and functions as Chief of Staff and Chief Legal Advisor to the United States Attorney .



Members of the United States Attorney General's Advisory Committee.



MESSAGE FROM THE UNITED STATES ATTORNEY

2016 was a productive year within the United States Attorney's Office for the District of Nebraska. The District of Nebraska is fortunate to have one of the most productive criminal federal District Court benches, ranking 8th nationally and 2nd within the 8th Circuit. The United States Attorney's office is responsible for the majority of the judicial caseload.

For the year 2016, the United States Attorney's office filed 466 criminal cases involving 653 defendants. General criminal cases include child pornography, financial crimes, criminal immigration, identity theft, robbery, Indian Country major crimes, etc. The drug unit cases include drugs, guns, money laundering, structuring and interstate transportation in aid of racketeering. Between the two units, there were a total of 14 trials and 53 civil and criminal 8th Circuit court appeals. The median time for felony criminal cases from filing to disposition was 9 months.



*Deborah R. Gilg
United States Attorney
District of Nebraska*

In cooperation with federal and local law enforcement and prosecutors, Project Safe Neighborhoods continues to be a high priority of this office. In 2016, 1,126 guns were traced and tracked as part of Project Safe Neighborhoods. The Grand Jury returned numerous indictments which included firearms associated with the delivery or conspiracy to deliver controlled substance. As you will note elsewhere in this report, Project Safe Neighborhoods and the Omaha Police Department sponsored a Gun Amnesty event. 77 firearms and 700 pounds of ammunition as well as 900 pounds of fireworks and a variety of military ordnance were surrendered for destruction.

In May, we co-sponsored the Law Enforcement Coordination Conference with the Nebraska County Attorney's Association and Nebraska Sheriff's Association in Kearney, Nebraska. It is always a pleasure to have the opportunity to talk with so many of our county attorneys, police chiefs, sheriffs and Nebraska State Patrol leaders. It is important to keep the communication and collaboration strong with our state and local partners to enhance public safety. Elsewhere in this report, we have included photos of the award winners from the Conference. I am always impressed with the awesome law enforcement collaborations and teamwork we have in Nebraska that results in very significant and productive prosecutions.

Community outreach with at-risk juveniles continues to be an important part of our work. Mentoring or spending time with these juveniles gives our Assistant United States Attorneys an opportunity to engage with these juveniles one-on-one. This year we added the non-profit Bike Union as part of this community outreach. Young adults with little to no life skills to support themselves spend time at the Bike Union training to repair bikes and also train as baristas in the coffee shop. In addition, many AUSAs spent time at the King Science Magnet Middle School in North Omaha.

We have actively participated in mentoring children, participating in various school trainings with the students as well as judging the science fair and discussing the science projects with the students.

MESSAGE FROM THE UNITED STATES ATTORNEY

I believe that it is important that our prosecutors be involved with younger at-risk children in order to understand their daily living issues as well as provide positive role models for the children. I know that each of us comes away from these contacts recognizing that we receive a lot of professional and personal satisfaction in this hands-on interaction.

A lot of planning, effort and work goes into the annual Save Our Children Conference which is held in co-sponsorship with the Omaha Children's Hospital and Project Harmony. Over 600 attendees have an opportunity to learn from experts in the field of investigating and prosecuting child abuse, human trafficking and domestic violence. Having medical professionals attend the training has greatly enhanced our opportunity to network with our colleagues in the medical field that deal with the devastating physical, psychological and emotional trauma that child victims of these crimes endure. We always welcome comments about this conference as well as encourage attendance. In 2017, our Save Our Children Conference will be held at the Embassy Suites, LaVista, Nebraska in April.

Our drug unit had a busy spring. The largest round-up of drug defendants in West Central Nebraska took place with 62 arrests after a very intense investigation involving multiple state and federal law enforcement agencies. I found it particularly gratifying to return to my old stomping grounds in the North Platte area and meet with members of the investigative team responsible for such stellar work.

The opioid and prescription drug abuse crisis has not yet hit Nebraska but it is all around us. In recognition that we need to be pro-active about this crisis, an opioid and prescription drug abuse conference was held in October, 2016 at the University of Nebraska Medical Center, jointly sponsored by the Nebraska Attorney General's Office, UNMC and our office. The conference put together for the first time law enforcement officials and medical practitioners to identify the problem and explore prosecutorial as well as treatment objectives.

Another first ever conference took place in South Sioux City, when U.S. Attorneys from the Northern District of Iowa, South Dakota and, of course, Nebraska, as well as state and federal law enforcement met for a Tri-State Law Enforcement Conference. The purpose was to network and discuss criminal justice issues affecting the tri-state area. We anticipate that this conference will become a recurring event as it was valuable to have one-on-one time with our colleagues in our area as we often have overlapping cases.

Project Safe Childhood also remains a high priority for this office. In calendar year 2016, we filed charges involving the receipt or production of child pornography against 31 people. In total, 65 people were convicted and sentenced in 2016 for charges involving child pornography. In addition, charges were brought against 19 people who failed to register as sex offenders. Indictments were also brought against several individuals for other crimes involving the exploitation of children via the Internet.

Those indictments included charges for interstate travel to engage in sexual acts with a juvenile. The Nebraska Attorney General's office has collaborated with our office on child pornography cases and we have cross-designated certain assistant attorney generals to assist on bringing federal charges on individuals throughout the state.

On the Civil side, work on 204 civil cases and matters were completed in 2016. Included in that number are defensive cases in which the validity of federal laws, or the acts of federal agencies and employees, was challenged. Also included were affirmative cases brought to enforce federal statutory and regulatory requirements, and to collect debts owed to the United States. The chart on page 38 depicts the types of civil cases and matters completed during 2016.

MESSAGE FROM THE UNITED STATES ATTORNEY

The Internal Revenue Service, Housing and Urban Development, and Department of Justice, were the agencies involved in the largest number of civil cases in the District during 2016. There was a sharp rise in the number of condemnation actions filed this past year and a slight increase in the number of defensive employment litigation and affirmative actions pursued for several agencies under a variety of theories. The number of defensive tort and Social Security Administration appeals dropped in 2016. As has been the case in recent years, foreclosure cases showed slight decreases from recent years. A variety of cases involving the agencies within the Department of Justice also made up a significant portion of the overall civil workload again this past year. The percentage of cases completed for various federal agencies is reflected in the chart on page 40.

A primary function of the Civil Division is to provide quality representation to the United States and its agencies and officers in defensive litigation in federal and state court. During 2016, the Civil Division AUSAs defended a number of cases brought in federal court to set aside or modify the actions of federal agencies and officers. Civil Division AUSAs also handled several cases seeking damages for alleged negligence or other wrongful conduct by federal employees, as well as cases alleging discrimination in federal employment.

In the area of affirmative litigation, the Civil Division continued its Affirmative Civil Enforcement (ACE) program, which involves various initiatives designed to collect civil monetary penalties and damages for violations of federal law, to recover costs incurred by agencies as a result of violations of federal statutes and regulations, and to obtain compliance with the requirements of federal law through civil litigation. In calendar year 2016, ACE cases resulted in monetary recoveries of approximately \$323,000.00. ACE cases also led to court orders directing various defendants to comply with federal laws and regulatory requirements.

The United States Attorney's Office ACE program includes an active Health Care Fraud Task Force made up of civil and criminal AUSAs, Special AUSAs from the Nebraska Attorney General's Office, investigators from various state and federal agencies, and representatives of insurance providers and intermediaries. The task force approach enhances communication regarding the investigation of health care fraud in the District of Nebraska, and allows oversight agencies to pursue cases in the manner most effective to deter fraudulent activity and recover losses.

Another major area of emphasis in the ACE program is environmental enforcement. In 2016, the United States Attorney's Office worked with attorneys from the United States Department of Justice and the Environmental Protection Agency on civil environmental cases brought to recover civil penalties as well as response costs, and to obtain judgments requiring polluters to comply with environmental laws.

As in most years, Civil Division AUSAs also conducted a significant amount of litigation in 2016 to collect debts owed to the United States. Suits to obtain judgments for unpaid balances of delinquent loans made by agencies such as the U.S. Department of Agriculture, the U.S. Department of Education, the U.S. Department of Veteran's Affairs, and the U.S. Department of Health and Human Services comprise a significant portion of the Office's civil workload. Those cases are litigated in federal district court, in bankruptcy court, and in state courts throughout Nebraska. All told, the Financial Litigation Unit, within the Civil Division, collected slightly less than \$ 8 million dollars, which is well in excess of our annual office operating budget. The chart on page 34 reflects these collections.

We are proud of the hard work that the Financial Litigation Unit does. Taxpayers are certainly deriving a great financial bonus from the dedicated Unit.

MESSAGE FROM THE UNITED STATES ATTORNEY

In recognition of the sovereignty and importance of Indian Country, we have compiled a separate 2016 Indian Country Annual Report. This report can be found online at: <http://www.justice.gov/usao-ne/publications>.

We recognize that it is our duty to protect national security and enforce the law for the benefit of all Americans. In order to do our jobs, we conduct outreach efforts with many local groups and individuals, including the Arab American and Muslim American communities as well as the Hispanic communities. This outreach is intended to improve our ability to perform our duties in a manner that is consistent with core American values such as respect for civil liberties, embracing diversity and commitment to religious freedom. These are values that are found in the Constitution and laws of the United States. We have initiated regular and continuing contact with the Mexican Consulate in Omaha. Also, in partnership with the FBI, we have engaged leaders of Arab American and Muslim American organizations to make sure that these groups are being afforded the full rights and responsibilities of U.S. citizens consistent with our American values.

Depriving criminal organizations of the fruits of their crimes continue as a priority. Law enforcement agencies in 2016 administratively forfeited cash, two vehicles and other property with a total value of just over \$747,127. In addition, the U.S. Attorney's office forfeited cash, 6 vehicles, 8 firearms and other property with a total value of over \$6.3 million.

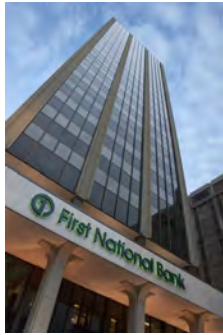
The summaries of case reports contained in this report are snapshots of a small portion of the cases handled by this office.

The accomplishments in this report are the product of enormous hard work of the entire staff of the United States Attorney's Office for the District of Nebraska and to all federal, state and local agencies that are vital to our joint success. We are proud to say we represent the United States of America!



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STRATEGIC GOALS

I. Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law

Strengthen Partnerships to Prevent, Deter and Respond to Terrorist Incidents

II. Combat Crime, Protect the Rights of the American People and Enforce Federal Law

Combat the Threat, Incidents and Prevalence of Violent Crime

Prevent, Suppress and Intervene in Crimes Against Native Americans and Improve Services to Crime Victims

Combat the Threat, Trafficking, and Use of Illicit Drugs and the Diversion of Prescription Drugs

Combat Corruption, Economic Crimes, Fraud, Cyber-Crimes, Human Trafficking and International Organized Crime

Promote and Protect American's Civil Rights

Protect the Federal Monies and Defend the Interests of the United States

III. Ensure and Support the Fair, Impartial, Efficient and Transparent Administration of Justice at the Federal, State, Local Tribal and International Levels



“[A PROSECUTOR] MAY PROSECUTE WITH EARNESTNESS AND VIGOR - INDEED S/HE SHOULD DO SO. BUT WHILE S/HE MAY STRIKE HARD BLOWS, S/HE IS NOT AT LIBERTY TO STRIKE FOUL ONES. IT IS AS MUCH HIS/HER DUTY TO REFRAIN FROM IMPROPER METHODS CALCULATED TO PRODUCE A WRONGFUL CONVICTION AS IT IS TO USE EVERY LEGITIMATE MEANS TO BRING ABOUT A JUST ONE.”

(gender references modified)

This is a famous quote regarding the duty of prosecutors. It comes from Justice Sutherland in *Berger v. United States*, 295 U.S. 78, 88 (1935).

“THE FUNCTION OF THE PROSECUTOR UNDER THE FEDERAL CONSTITUTION IS NOT TO TACK AS MANY SKINS OF VICTIMS AS POSSIBLE AGAINST THE WALL. HIS/HER FUNCTION IS TO VINDICATE THE RIGHTS OF THE PEOPLE AS EXPRESSED IN THE LAWS AND GIVE THOSE ACCUSED OF CRIME A FAIR TRIAL.”

(gender references modified)

JUSTICE WILLIAM O. DOUGLAS

OUR MISSION STATEMENT

To enforce the law and defend the interests of the United States according to the law; to ensure public safety against threats foreign and domestic; to provide federal leadership in preventing and controlling crime; to seek just punishment for those guilty of unlawful behavior; and to ensure fair and impartial administration of justice for all Americans.

OUR CORE VALUES

Equal Justice Under the Law
Honesty and Integrity
Commitment to Excellence
Respect for the Worth and Dignity of Each Human Being



WELCOME TO THE DISTRICT OF NEBRASKA



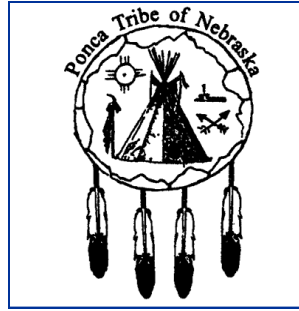
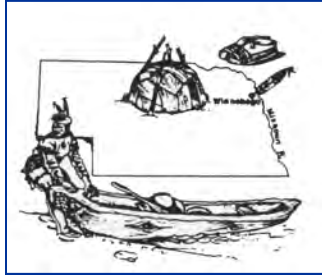
Nebraska, the 16th largest state geographically, became the 37th state to join the Union on March 1, 1867. Its 77,000 square miles encompass 93 counties, and a population of over 1.9 million people. As one of the 26 states with only one federal judicial district, Nebraska boasts a diversity and variety of topography, geography, and economy. Nebraska is also unique in having a unicameral, non-partisan legislature. Nebraska has more underground water reserves than any other state in the continental U.S. The name Nebraska is from an Oto Indian word that means "flat water" (referring to the Platte River, which means "flat river" in French).

The Omaha and surrounding cities make up a population of over 880,000 which accounts for a large majority of the District's population. Lincoln, the state's capital, is home to over 268,700 residents. Much of the state, however, is rural, with over 90% of Nebraska's cities and towns having fewer than 3,000 people.

The state has a mixed economic base with substantial agricultural and agri-business sectors, as well as significant manufacturing, technical and service sectors. More than 93% of Nebraska's land is in production agriculture with approximately 46,800 farms and ranches. The state is a national leader in production of beef, pork, corn, and soy beans. Other economic sectors include freight transport by rail and truck, manufacturing, telecommunications, information technology, and insurance. Nebraska is also known for its production of ethanol, accounting for an estimated 12 percent of the nation's operating production. Several Fortune 500 companies, including Berkshire Hathaway, Union Pacific, Mutual of Omaha, and Peter Kiewit & Sons, are headquartered in Nebraska, and many others such as TD Ameritrade, Valmont, Woodmen of the World, and Cabela's have substantial operations in the District. In 1974 Lincoln's Kawasaki Motors plant was established which manufactures various all-terrain, utility and recreational vehicles, along with passenger rail cars.



The United States Strategic Command is headquartered at Offutt Air Force Base, located just south of Omaha in Bellevue. Various other federal sites, including the Niobrara Scenic River, the Missouri National Recreational River, several national monuments, historic sites, National Wildlife Refuges, and U.S. Army Corp of Engineers recreational sites are located throughout Nebraska. The National Park Service Regional Headquarters is located along the Nebraska side of the Missouri River at Omaha. The U.S. Department of Agriculture operates several facilities in the District, including research national forests, and a national grassland. Omaha's Henry Doorly Zoo & Aquarium is home to the world's largest indoor desert, the largest indoor rainforest in the United States, and the largest zoo aquarium in the country.



In addition to the Veterans Affairs Hospital in Omaha, the Department of Veterans Affairs operates outpatient clinics in Lincoln and Grand Island, and the Indian Health Service operates a hospital in Winnebago.

The Omaha, Winnebago, and Santee Sioux tribes have reservations located in northeast Nebraska, and federal criminal jurisdiction has been retroceded to the United States for each. As a result, the United States Attorney's Office works closely with those tribes to address crime occurring on the reservations. It should be noted that the Ponca Tribe, although it does not have a reservation in Nebraska, is federally recognized.

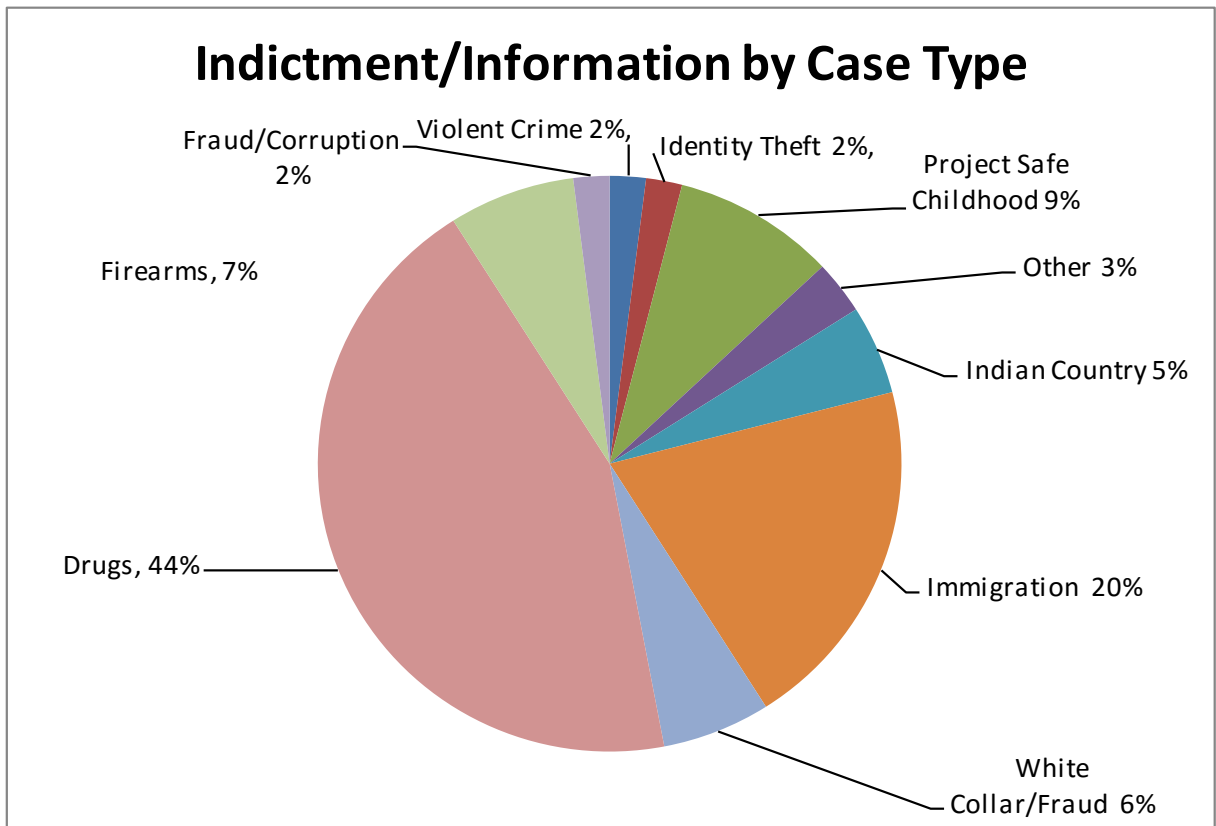
Numerous federal law enforcement agencies maintain offices in Nebraska and work extensively with the United States Attorney's Office. These agencies include the Federal Bureau of Investigation, Drug Enforcement Administration, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Marshals Service, Secret Service, Internal Revenue Service, Postal Service, Department of Agriculture, Department of Defense, Department of Homeland Security, National Park Service, Social Security Administration, Department of Veterans Affairs, and others. The United States Attorney's Office also works with federal agencies located outside of Nebraska, such as the Department of Education, Environmental Protection Agency, Social Security Administration, and the Department of Health and Human Services.

In addition to its work with federal agencies, the U.S. Attorney's Office works very closely with state and local law enforcement agencies, addressing the needs of the District. For many years, the citizens of Nebraska have benefitted from the very cooperative relationships between federal, state, and local law enforcement agencies throughout the District. A number of multi-agency joint law enforcement task forces have been created to facilitate effective investigation and prosecution of criminal offenses, especially those involving drugs and violent crime, as well as civil enforcement in the areas of health care fraud and environmental enforcement. Some of the accomplishments of those groups are described in this report.



The Criminal Division in 2016 continued to focus its efforts on areas identified as national priorities by the Department of Justice; anti-terrorism, assuring the safety of our communities, and drug enforcement. Working closely with federal, state, tribal, and local law enforcement agencies, the 21 Assistant United States Attorneys and four Special Assistant United States Attorneys in the office’s general criminal and drug units prosecuted violations of federal criminal statutes in federal district courts in Omaha, Lincoln, and North Platte.

The total number of criminal cases was 466 with 653 defendants who faced federal charges in 2016. The majority of these cases related to illegal drugs; however, firearms cases, immigration cases, and offenses involving identity theft and fraud comprised a significant portion of the criminal cases filed.



ANTI-TERRORISM

The fight against terrorism, both international and domestic, continues to be the first priority of the Department of Justice. The United States Attorney's Office Criminal Division, in the District of Nebraska, has committed significant resources to this effort. Working closely with the FBI and other federal, state, and local law enforcement agencies, office personnel continue their active membership in the Joint Terrorism Task Force (JTTF) and the Nebraska Information Analysis Center (NIAC) to detect indications or warnings of terrorist activities, identify and protect potential targets of terrorist activities within the District, disrupt activities that support terrorism, and prevent, through aggressive prosecution, any crimes that may in some way contribute to terrorism. Other particularly notable efforts include: sponsorship of the United States Attorney's Anti-Terrorism Advisory Council (ATAC), chairing the multi-agency Suspicious Activity Report Review Team, and providing training to industry and Law Enforcement agencies across Nebraska.



The United States Attorney's Anti-Terrorism Advisory Council (ATAC), composed of nearly 70 government, industry and community partners, continues to foster information sharing and networking between various sectors through training presentations and open-source intelligence updates.

The District of Nebraska continues to chair the Suspicious Activity Report (SAR) Review Team. The difference between criminals and terrorists is that criminals' activities are motivated by acquisition of money, whereas, terrorists must have money to further their destructive ideologies. The SAR Review Team is comprised of members from over a dozen different federal, state, and local law enforcement agencies. Monthly, each member reviews the previous month's SAR(s) through their respective organizational filters and shares information that arises from their investigative efforts. This has been successful in bringing investigative and prosecutorial resources to bear on individuals and entities engaging violations of the Bank Secrecy Act and de-confliction with ongoing investigations.

We continue to develop relationships through Counter Proliferation Task Force (CPTF). This effort combines the resources of the United States Attorney's Office, U.S. Dept. of Commerce, U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), and Defense Criminal Investigative Service (DCIS) to prevent sensitive weapons of mass destruction and other dual-use technology from falling into the hands of those who wish to harm America. An important aspect of the CPTF is assisting and participating in established outreach programs of our other federal law enforcement partners to assist industry to identify and mitigate attempts to inappropriately obtain such technology.

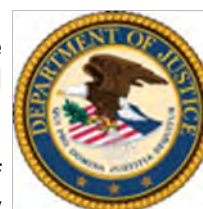
The United States Attorney's Office also serves as a member of the U.S. Strategic Command Threat Working Group, whose mission is to identify and mitigate threats to the command and its supporting Department of Defense elements, including innumerable private contractors. Attenuation of these threats requires a concerted effort which includes information-sharing and networking among law enforcement personnel at every level. Elimination of a threat for this important partner only serves to protect the entire community.



Project Safe Neighborhoods (PSN) is a nationwide commitment to reduce gun and gang crime in America by networking existing local programs that target gun and gun crime and providing these programs with additional tools necessary to be successful. Since its inception in 2001, over \$2 billion has been committed to this initiative. This funding is being used to hire new federal and state prosecutors, support investigators, provide training, distribute gun lock safety kits, deter juvenile gun crime, and develop and promote community outreach efforts as well as to support other gun and gang violence reduction strategies. (BJA– Overview)

DOJ PROJECT SAFE NEIGHBORHOOD PARTNERS

U.S. Department of Justice The mission of the U.S. Department of Justice is to enforce the law and defend the nation's interests according to the law, ensure public safety against both foreign and domestic threats, provide leadership in preventing and controlling crime, seek just punishment for those found guilty of breaking the law, enforce drug and immigration laws, and ensure fair and impartial administration of justice for all Americans.



Bureau of Alcohol, Tobacco, Firearms and Explosives The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), a law enforcement agency within the U.S. Department of Justice, enforces the federal laws and regulations relating to alcohol, tobacco products, firearms, explosives, and arson. ATF's Office of Training and Professional Development provides enforcement training courses and specially designed classes tailored to meet the needs of jurisdictions that request training.



Criminal Division The Criminal Division of the U.S. Department of Justice develops, enforces, and supervises the application of all federal criminal laws except those specifically assigned to other divisions. The Division and the 93 U.S. Attorneys are responsible for overseeing criminal matters under the more than 900 statutes and certain civil litigation. In addition to direct litigation responsibilities, the Division formulates and implements criminal enforcement policy and provides advice and assistance.

Executive Office for U.S. Attorneys The Executive Office for United States Attorneys (EOUSA) is the liaison between the U.S. Department of Justice (DOJ) and the 93 U.S. Attorneys in the 50 states, District of Columbia, Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands. EOUSA provides U.S. Attorneys with general executive assistance and direction, policy development, administrative management direction and oversight, operational support, and coordination with other DOJ components and federal agencies.

Office of Justice Programs Founded in 1984, the Office of Justice Programs (OJP) provides federal leadership in developing the nation's capacity to prevent and control crime, improve the criminal and juvenile justice systems, increase knowledge about crime and related issues, and assist crime victims. OJP's numerous bureaus and offices include the Bureau of Justice Assistance (BJA), the Bureau of Justice Statistics, the National Institute of Justice (NIJ), and the Office of Juvenile Justice and Delinquency Prevention (OJJDP). It is with the developmental and financial assistance of these organizations that OJP is able to successfully form partnerships among federal, state, and local government officials to address numerous criminal justice issues, including drug abuse and trafficking, neighborhood rehabilitation, gang violence, prison crowding, juvenile crime, and white-collar crime.

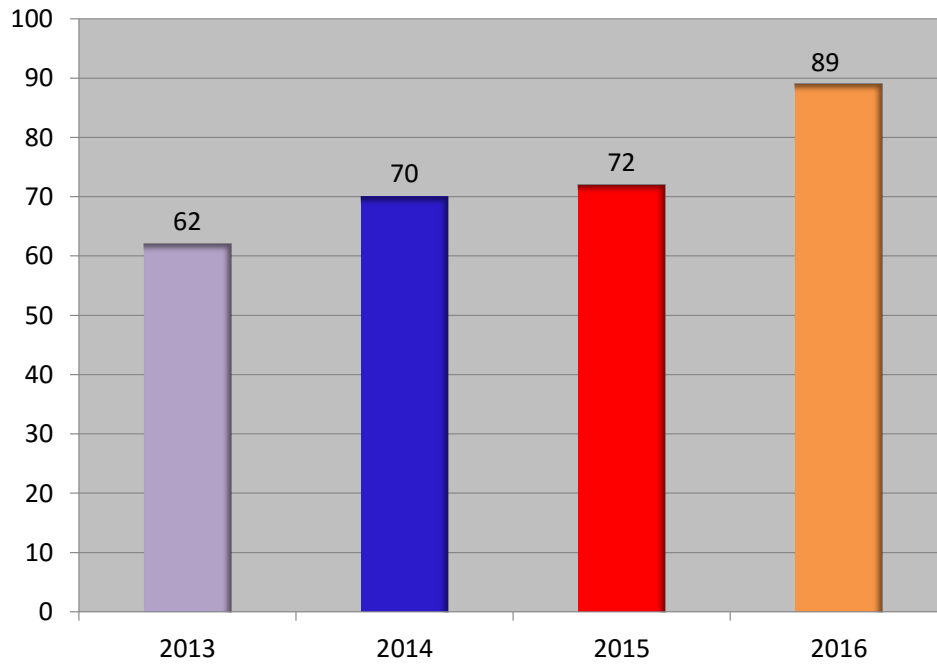
In addition to the normal prosecution of Federal gun violation cases, with the assistance of Project Safe Neighborhood and the OPD Bomb Squad, the Firearms Squad held a combined firearms and fireworks Amnesty Project in the Summer of 2016. These events resulted in the removal of 77 guns, 700 pounds of ammunition, 900 pounds of fireworks, and a variety of military ordnance from the streets of Omaha.



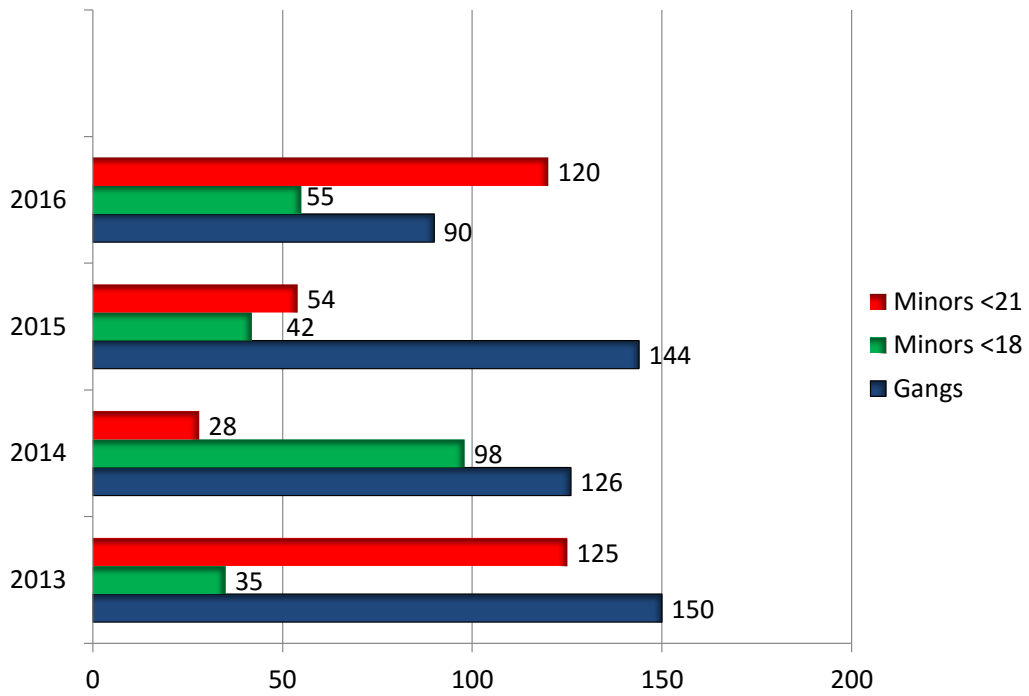
PSN FEDERAL GUN INDICTMENTS

	PSN Cases 2007	PSN Cases 2008	PSN Cases 2009	PSN Cases 2010	PSN Cases 2011	PSN Cases 2012	PSN Cases 2013	PSN Cases 2014	PSN Cases 2015	PSN Cases 2016
JAN	8	8	13	8	5	2	1	5	8	13
FEB	23	13	13	11	6	4	7	2	6	24
MAR	19	5	20	6	5	8	5	3	6	26
APR	12	16	24	12	7	7	9	4	7	15
MAY	20	13	23	3	4	3	6	5	3	12
JUN	8	10	16	8	4	3	3	2	4	19
JUL	14	11	15	3	27	4	3	7	6	4
AUG	13	19	3	8	7	4	1	2	7	12
SEP	4	17	4	13	6	6	16	8	10	5
OCT	12	9	13	9	2	4	11	12	6	8
NOV	18	8	7	11	5	4	0	13	5	9
DEC	8	17	1	2	10	7	0	7	4	8
TOTALS	159	146	152	94	88	56	62	70	72	89

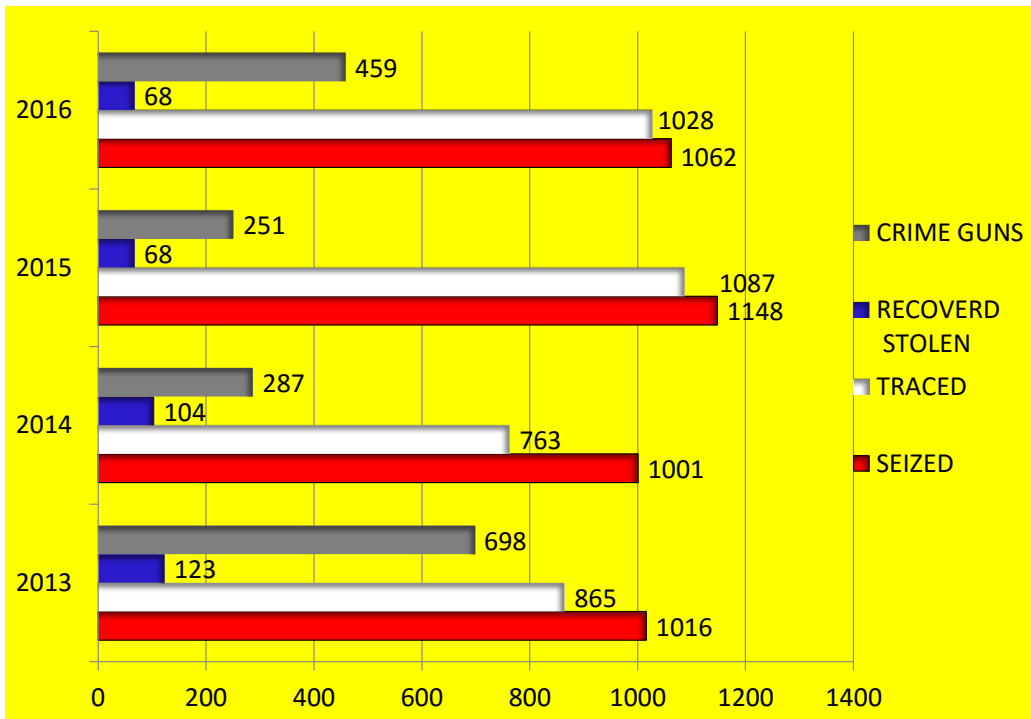
FEDERAL GUN INDICTMENTS



SEIZED FIREARMS TIED TO MINOR AND GANG MEMBERS / ASSOCIATES



FIREARMS SEIZED BY OPD FOR TRACKING



PROJECT SAFE NEIGHBORHOOD CASES



Under the PSN initiative, the US Attorney's Office works closely with the Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF) and the Omaha Police Department's Gang and Firearm Units to target gang members and others illegally in possession of firearms.

Montel Wood

Wood was a passenger in a vehicle stopped by police. He was taken into custody for a warrant and a gun was found under his seat. A DNA swab produced a single source profile matching that of Wood. Wood pled guilty to the Felon in Possession of a Firearm count and was later found guilty of several robbery and firearms use counts in Lancaster County. He was sentenced to 60-75 years on the state charges and 30 months consecutive on the federal case.

David Haggard

A neighbor talking with Haggard noticed him pull what appeared to be a handgun from his pocket. The neighbor closed her door and called police. Haggard returned to his home where he eventually was apprehended after a lengthy standoff. A resulting search of Haggard's home yielded three handguns, two shotguns and a rifle. Haggard could not lawfully possess firearms because he was found not guilty by reason of insanity for the murder of his then-wife in 1975. Haggard was indicted as a Prohibited Person in Possession of a Firearm, pled to a corresponding Information and is pending sentencing.

Dominique Camacho; Justin Cathey; Jetwan Williams; and Cody Lacefield

These four defendants, some of whom are believed to be members or associates of the Portia Street Goons gang, were indicted in early 2016 after Lincoln Police investigators saw a number of photos on social media sites showing three of them holding firearms and using or discussing the use and sale of marijuana. A search warrant was executed at Lacefield's residence and the firearms shown in the social media photos were found. Those photos appeared to have been taken in Lacefield's bedroom. Camacho, Cathey, and Williams all pled guilty to possession of a firearm while being a user of or addicted to a controlled substance. Lacefield pled guilty to misprision of a felony. This investigation and the resulting felony convictions will make all four individuals ineligible to legally possess firearms in the future.

Joshua Rodriguez

Rodriguez was arrested after officers with the Nebraska State Patrol Commercial Interdiction Unit went to his residence suspecting that he was involved in manufacturing marijuana. While there, the officers detected the strong odor of marijuana both as the door was opened and after they were allowed to step inside. Based on their observations at that time as well as previous surveillance, they obtained and executed a warrant. Their search resulted in the recovery of more than 20 firearms, a marijuana grow operation consisting of 20 live marijuana plants and two pounds of marijuana. One of the firearms was a Cobray M-11 9mm firearm, which qualifies as a "machine gun" under federal law. Rodriguez has pled guilty to the charge and is awaiting sentencing.

PROJECT SAFE CHILDHOOD

Project Safe Childhood is a nationwide initiative to combat the growing epidemic of child sexual exploitation and abuse launched in May of 2006 by the United States Department of Justice. Led by United States Attorneys' Offices nationwide and the Criminal Division's Child Exploitation and Obscenity Section (CEOS), Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as to identify and rescue victims.

CHILD EXPLOITATION AND PORNOGRAPHY PROSECUTIONS

In calendar year 2016, the United States Attorney's Office filed charges involving the receipt or production of child pornography against 31 people. In total, 65 people were convicted and sentenced in 2016 for sentences involving child pornography. In addition, charges were brought against 6 people who failed to register as sex offenders. Indictments were also brought against several individuals for other crimes involving the exploitation of children via the Internet.

Darrell W. Jenkins of Ansley, Nebraska, was sentenced to 17 years in prison for receiving child pornography. Jenkins was previously convicted of Third Degree Sexual Assault in Custer County, Nebraska. In April of 2015, the Nebraska State Patrol was contacted by the Alliance Police Department after receiving information that Jenkins had been sending sexual text messages to a 14-year old minor via Facebook. Officers of the Alliance Police Department provided the State Patrol with Jenkins's Facebook account information and IP logs for a specific date range during which time an undercover officer had communicated with Jenkins, while posing as the minor victim. During this time, Jenkins communicated lewd messages to the officer posing as the minor. A search warrant was executed at the residence and investigators took possession of Jenkins' electronic devices. Forensic examination identified 37 videos and 46 images containing child pornography.



AUSA Michael Norris and Lynnda Bailey with the Attorney General Awards for their extraordinary work in "Operation Torpedo"



Jesse Lucio of Chadron was sentenced to 19 years in prison for the production of child pornography. In September of 2015 the Chadron Police Department was informed of a possible sexual assault involving Lucio and a minor female victim. The reporting party indicated to law enforcement that there was a video of Lucio and the minor female victim engaging in sexually explicit conduct on a tablet computer located at Lucio's home. The reporting party stated that she knew the age of the minor female victim and that she also saw Lucio in the video. The tablet was later examined by law enforcement officials, including a forensic examination conducted by the FBI, and 2 videos were recovered on the tablet computer, depicting Lucio and the minor victim engaged in sexually explicit conduct.

John Randall of Lincoln was sentenced to 19 years in prison for the production of child pornography. Randall was also ordered to pay restitution in the amount of \$3,250 to the two minor victims in this case. In August of 2014, Homeland Security Investigations received a request from the British Columbia Integrated Child Exploitation Unit for assistance identifying the user of a Skype and Instagram account that was involved in the exchange of sexual images with a minor female victim in British Columbia, Canada. Investigation of the email and IP addresses lead agents to Randall. An examination of Randall's cell phone revealed several videos and images that portrayed child pornography. Randall was then arrested and interviewed. He admitted he had been trading child pornography with people on an internet based messenger system.

William H. Rich of Stromsburg, Nebraska, was sentenced to a 168-month term of imprisonment for the crime of Using a Facility and Means of Interstate Commerce to Attempt to Persuade, Induce, and Entice a Minor to Engage in Sexual Activity. In December, 2015, law enforcement, acting in an undercover capacity, received text communications from Rich in which he solicited a minor girl to engage in sexual activity. Rich was subsequently arrested after traveling from Stromsburg, Nebraska, to a hotel in LaVista, Nebraska, to drop off a phone for the person whom he believed to be the minor girl.

Herbert Blake was sentenced to 15 years in prison following his conviction for soliciting the production of child pornography. Blake used KiK, a messaging app, pretending to be a teenage boy to communicate with a minor female he knew. Thinking that she was in a relationship with a real teenager in Lincoln, the girl sent him explicit pictures at his request.

Richard Pitman was sentenced to 15 years in prison for production of child pornography. He took explicit pictures of a friend's three-year-old child whom he had agreed to babysit.

Hsa Mu Na, of Omaha, was sentenced to 5 years in prison upon his conviction for Possession of Child Pornography. Na, a lawful permanent resident of the United States from Burma, came to the attention of law enforcement when a Cybertipline report was filed, relating that child pornography was possessed at a computer IP address later determined to be associated with Mr. Na. A search warrant of Na's residence yielded a computer and an iPhone which ultimately contained hundreds of images of child pornography. Na admitted to law enforcement that he had downloaded the images to both his computer and to his iPhone.

PROJECT SAFE CHILDHOOD



Sean Peterson of Kearney was sentenced to 96 months in prison for possession of child pornography. In September of 2014, Xoom.com, an online international money transfer service, notified Yahoo! that a number of Yahoo! accounts were engaged in the sale of child exploitation material. Investigation determined that several email accounts, were believed to be selling images, video and live-streamed sexual abuse. A search of Peterson's computer revealed approximately 1,000 images of child pornography, including visual depictions of prepubescent minors engaged in sexually explicit conduct.



AUSA Michael Norris, Paralegal Specialist Lynnda Bailey, and FBI Special Agent Jeff Tarpinian were honored by the U.S. Attorney General Loretta Lynch for their role in Operation Torpedo, a precedent-setting investigation that used first-of-its-kind techniques to infiltrate the dark internet and dismantle more than 100 child exploitation websites; and the seizure of massive amounts of child exploitation material, the largest seizure of virtual currency to date and the discovery of 120 victims of child sexual exploitation.

VIOLENT CRIME AND CIVIL RIGHTS

VIOLENT CRIME

The United States Attorney's Office prosecutes violent crimes that violate the United States Code. Robberies of financially insured banks and commercial establishments involved in interstate commerce are frequent charges filed in federal court. In addition, the United States Attorney's Office assists in the investigation of terrorism matters conducted by federal law enforcement officers. Offenses involving interstate threats against judges and threats against, or assaults of, federal law enforcement are all within the office's area of responsibility.

Quantal Blake was sentenced to life imprisonment under the federal "Three Strikes" law following a jury trial in which he was convicted of two bank robberies and attempting to commit a third. Blake was already on state parole for prior robberies and was wearing a GPS tracking device on his ankle at the time of the robberies. His tracker placed him at the scene of each of the robberies and at the locations where vehicles were stolen prior to each robbery and at the location of the abandoned cars after each robbery.

Clifton Hudson, Thomas Dunlap, and Patrick Wigley were sentenced to 136 months in prison and 212 months in prison, respectively, following their convictions for robbing a Kearney Credit Union. Dunlap and Wigley, after being recruited and assisted by Hudson, entered the Kearney Eaton Employees Credit Union and, after forcing the employees into an office and binding their hands with plastic zip-ties, took \$122,891.15 in cash from the credit union.

Carl Tabler was sentenced to five years of probation after pleading guilty to interstate communication of threats. Tabler had been fired from a business and, later, took to his Facebook page where he posted a threat to massacre his former employer and an ex-girlfriend.

Emmanuel Chaplain, Shane Seizys, Dilang Dat and Thomas Jones-Ross were sentenced to 71 years in prison, 29 years in prison, 6 and ½ years in prison, and 48 months in prison, respectively, following their convictions for robbing several businesses in Omaha. The defendants used firearms in the commission of several of the robberies.

Jaquan Washington, Edward Davis and Blayne McCroy were sentenced to 125 months in prison, 183 months in prison, and 147 months in prison, respectively, following their convictions for armed bank robbery. The defendants were involved in the armed robbery of a U.S. Bank branch in Omaha. All three went into the bank wearing gloves and masks, and two of the three had firearms. When they fled the bank, a Good Samaritan witness was struck in the leg by a bullet when one of the suspects fired on the witness's vehicle.

CIVIL RIGHTS

The Department of Justice is committed to preserving the constitutional rights of all Americans. The United States Attorney's Office assists the Civil Rights Division of the United States Department of Justice in conducting investigations into constitutional malfeasance committed by people in positions of authority whether they be law enforcement officers or others armed with powers given to them by the government. During 2016 one individual was convicted by the United States Attorney's Office of violating the civil rights of American Citizens.

Thomas Peterson was convicted following a jury trial and sentenced to nine years in prison for violating the rights of several women under color of law and for lying to the FBI when interviewed about the matter. Peterson, an intensive supervision probation officer employed by the State of Nebraska, subjected four female probationers he was supervising to sexual exploitation. He also attempted to exploit several others who testified at trial about his advances.

INDIAN COUNTRY AND IMMIGRATION CASES

INDIAN COUNTRY CASES

The United States Attorney's Office has major crimes jurisdiction over three Indian reservations in the State of Nebraska. Specifically, the office prosecutes felony level offenses that occur on the Omaha,

Winnebago and Santee Sioux reservations. The office also works with a Special Assistant United States Attorney, (SAUSA), who handles domestic violence cases in both federal court and tribal court. The addition of the Tribal SAUSA, who started in 2016, more than doubled the number of case filings out of Indian Country as compared to calendar year 2015.

The type of Indian Country cases handled by the office varies widely. The offenses range from white collar offenses involving theft of tribal funds, political corruption and program fraud to crimes of violence ranging from simple assaults to homicides.

Daniel Webster III was sentenced to 48 months' imprisonment following his conviction for involuntary manslaughter on the Omaha Indian. Webster, his brother, their girlfriends and Webster's nieces were at an abandoned house on the Omaha Indian Reservation when Webster and his brother got into an argument. Webster went into another room and obtained a knife and returned to confront his brother. Webster ultimately stabbed his brother in the neck and left the knife in his neck. The brother died from his injuries.

Wyatt Thomas was sentenced to 48 months after being convicted of sexual abuse of a minor between the ages of 12 and 16. He digitally penetrated a minor child over the course of approximately two years. His crimes took place on the Santee Sioux Indian Reservation.

IMMIGRATION

The United States Attorney's Office prosecutes numerous individuals for immigration-related offenses every year. Those offenses can involve charges of illegal reentering the United States after removal, identity theft, possession of false documents, or distributing false documents. During 2016 the United States Attorney's Office charged 66 offenders with illegal reentry into the United States. In total, in excess of 103 individuals were charged during 2016 with immigration-related offenses.

David Arriaga was sentenced to 15 months in prison after a non-jury trial in which he was found guilty of being an illegal alien in possession of a firearm. Arriaga was arrested by officers of the Omaha Police Department after they heard shots fired from a vehicle. Officers located the vehicle and found Arriaga, an undocumented immigrant with gang ties, in the vehicle and in possession of the firearm. Arriaga faces deportation proceedings after his sentence is completed.

Ala Marouf Salameh was convicted of visa fraud and was sentenced to 8 months of imprisonment. Salameh held a Jordanian passport and obtained an A-2 visa by falsely representing he was a sky marshal with the Jordanian Armed Forces. Salameh paid sources in the Jordanian military to submit a false confirmation of his position. Salameh had previously been denied a visa on five separate occasions.

WHITE COLLAR CRIME

WHITE COLLAR CRIME

The United States Attorney's Office investigates and prosecutes a broad range of "white collar" offenses. Cases involving government program fraud, tax fraud, financial institution fraud, health care fraud and frauds targeting the elderly and other average citizens are prosecuted every year. Prosecutions of such crimes can often yield substantial prison sentences and/or fines, along with restitution.

Scott Tran was sentenced to 110 months of imprisonment and ordered to pay over \$14,000,000 in restitution following his conviction for perpetrating the largest health care fraud scheme in Nebraska history. Tran submitted claims to Nebraska Medicaid representing that he had provided a very expensive drug used in the treatment of cystic fibrosis and received reimbursement in response to these claims, when in fact he had not provided the drug to anyone. He submitted 2,376 false claims and received reimbursement totaling \$14,430,059. Various assets were also forfeited by Tran including more than \$2.1 million in various bank accounts, a house on a lake in Waterloo, Nebraska, worth more than \$800,000, as well as a car, a boat, and a trailer.

Patricia Urbanovsky of Omaha was convicted of 16 counts of wire fraud. From on or about May of 2014, and continuing through on or about March of 2015, Urbanovsky marketed and promoted the sale of discounted vacation packages and vouchers purportedly associated with Southwest Airlines and Southwest Vacations. Urbanovsky created a fake identity of a Southwest employee, which she used to make false representations regarding her ability to obtain discounted travel from Southwest Airlines and Southwest vacations. Urbanovsky continued to sell the vouchers knowing that she would be unable to fulfill the vouchers sold to the customers.

Urbanovsky caused losses of approximately \$4,767,483. She is awaiting sentencing.

Adam Mwanza was sentenced to 33 months' imprisonment and ordered to pay \$24,141 in restitution after a jury convicted him of aiding in the preparation of false tax returns. Mwanza prepared returns for a primarily immigrant population not schooled in tax law. Mwanza improperly prepared their returns by giving them credits for their personal rent and applying unsubstantiated adjustments to their gross income. By filing the false returns the taxpayers received a larger refund than they were entitled to receive.

Khalif Alogba was sentenced to prison for twelve months and a day following his conviction for wire fraud. Alogba used counterfeit debit cards to obtain funds from an Omaha bank in the amount of \$38,236.

Semiu Shokunbi was sentenced to twelve months in prison and ordered to pay restitution in the amount of \$52,936 following his conviction for wire fraud. Shokunbi used counterfeit debit cards to obtain funds from an Omaha bank.

Myron Plummer was sentenced to 24 months in prison and ordered to pay restitution in the amount of \$196,137 following his conviction for social security fraud and mail fraud. Plummer held himself out as someone who could help victims of fraud, many elderly, recover monies they had lost to other con artists. Plummer required an upfront payment for his "services. Victims provided money to him and he never provided any services to them or returned their money.

WHITE COLLAR CRIME

Angela Colgan was convicted of theft of government funds and sentenced to 2 years' probation and ordered to pay restitution in the amount \$248,908.00. Colgan received Social Security Disability benefits while claiming to be disabled. Investigators found numerous photos, videos, and home movies, as well as Facebook and Match.Com home pages, which showed Colgan hiking, biking, kayaking, camping, and performing other activities that showed her to be able-bodied.

Patricia Walker-Halstead was sentenced to prison for twelve months and a day following her conviction on wire fraud charges and ordered to make restitution in the amount of \$500,000. An investigation by the United States Secret Service and the Nebraska State Patrol determined that between March, 2011, and continuing through November, 2012, Walker-Halstead, a private investigator, defrauded a client by sending fraudulent emails from a purported romantic interest who needed money. The monies solicited by Walker-Halstead were used by Walker-Halstead for her personal benefit, to include gambling.

Robert Smith was sentenced to five years' probation following his conviction for theft of government funds and he was ordered to pay restitution in the amount of \$45,886.90. Smith and a since-deceased female lived with an individual entitled to receive Social Security disability benefits. He passed away in 2011 and no one informed the Social Security Administration. Payments continued to be made to the recipient's account which Smith and the female subsequently drained.

Aisha Morgan and Cornesha Kelly, both from Chicago, were sentenced to three years' probation following their convictions for using unauthorized access devices. Morgan and Kelly possessed and used counterfeit access device cards in various Nebraska cities on 123 occasions resulting in successful purchases of gift cards totaling \$15,887.

Amy Fisher was sentenced to 18 months in prison upon her conviction for embezzlement from a financial institution and was ordered to pay restitution in the amount of \$15,8941.56. Fisher was a former Bank of the West employee who made 14 unauthorized withdrawals from customer accounts, primarily CDs, belonging to 10 different customers in an amount that totaled \$158,941.56. When confronted, Fisher ultimately admitted to having made the unauthorized withdrawals and using the funds to support her family's lifestyle.

Jorge Tsuhako, Angel Oramas, Vilma Fernandez, Anyier Paladon, Elain Cartaya, and Yusnel Abreu Lamas were all convicted of unauthorized use of access devices and received sentences ranging from probation to 30 months in prison. The defendants were part of a ring that used stolen account numbers to "clone" credit and debit cards and purchase goods and services that exceeded \$74,000 in value. The defendants were also required to forfeit a pick-up truck and trailer used in their crime spree.

Reynaldo De Los Angeles was sentenced to five years' probation following his conviction for failure to pay withholding and FICA taxes withheld from his employees' wages. De Los Angeles, a medical doctor specializing in counseling, operated two mental health clinics in Grand Island and Kearney. In addition to mental health therapists, whom he hired as independent contractors, he hired employees who served as receptionists, file clerks, and accounts receivable clerks. He paid those individuals as employees and was to withhold income tax and other employment taxes for them. It was determined that he had withheld \$131,775.28 in payroll taxes which he did not remit.

WHITE COLLAR CRIME

Shane Wibbels of Pleasanton, Nebraska, was sentenced to a 36-month term of imprisonment for making a false statement to a financial institution and also ordered to make restitution in the amount of \$1,771,728. Wibbels made a false statement in an Agricultural Financial Statement which he then submitted to a financial institution. As a result of the false representations, loans to Wibbels were approved by the financial institution. The financial institution, which relied upon the false statements, incurred a loss of \$1,771,728 when Wibbels defaulted on the loans.

Jeffery Negus and Gregory Negus of Omaha were each sentenced to a 4-year term of probation for conspiracy to commit mail fraud and ordered to make restitution in the amount of \$708,743.21. Jeffery Negus and Gregory Negus operated businesses in Nebraska identified as Negus-Sons, Inc and Netal, Inc. Jeffery Negus and Gregory Negus fraudulently diverted, for their own use and the use of Negus-Sons, Inc and Netal, Inc., fringe benefit contributions relating to the federally-funded prevailing wage construction contracts in the approximate amount of \$708,741.56, which payments were supposed to go to employee benefit plans.

Miguel Alfonso Rodriguez, Jose Carlos Terra Izquierdo, and Jasiel Gonzalez Rodriguez, all originally from Cuba but living in Amarillo, Texas, were each sentenced to prison for 12 months and a day following their convictions for using an unauthorized access device. In July and August, 2015, at Walmart and Sam's Club stores in Lincoln and Omaha, they used 251 counterfeit/unauthorized access device cards on 424 occasions to successfully obtain \$28,958 worth of gift cards and unsuccessfully attempted additional transactions totaling \$33,963.

Zenia Miller was sentenced to prison for twelve months and a day following her conviction for mail fraud. Zenia Miller owned and operated Home Care Services, Inc., which provided Personal Assistance Services to Nebraska Medicaid recipients. Home Care Services, Inc., also had an agreement with the Nebraska Department of Health and Human Services to provide Chore Services to low income recipients. Between at least February of 2012 and September of 2014, Miller routinely inflated or caused the inflation of monthly claims submitted to Nebraska Medicaid and DHHS for reimbursement. Hours were added so that each recipient appeared to have received the maximum number of hours of service authorized for them. Miller was paid a total of \$294,264. Miller was also ordered to pay full restitution.

Susan Hacker was sentenced to eight months in prison and ordered to pay restitution of over \$25,000 following her conviction for social security fraud. Hacker was the designated payee for Social Security disability payments paid to her disabled adult brother. As the representative payee, she had the obligation to receive the payments and use them solely for the benefit of her brother. Between December of 2001 and January of 2013 she used a total of \$25,333 of her brother's Social Security money for her own benefit.

Adrean Newson was sentenced to 30 months in prison for his conviction for possession of counterfeit treasury notes. Newson was the driver of a vehicle stopped by an officer of the Omaha Police Division for a traffic violation. A database check determined that Newson had a suspended driver's license and also had a warrant out for his arrest. A search of the vehicle yielded a shoe box which contained \$11,030.00 in counterfeit treasury notes.

NARCOTICS ENFORCEMENT UNIT

The fight against illegal drug trafficking continued to be a major priority of the United States Attorney's Office in 2016. Nebraska is a significant trans-shipment area for drug traffickers due to its location in the central United States, between western drug sources and eastern drug markets, and with a large number of major interstate and other highways which pass through the State. Omaha, Lincoln, Grand Island, and other Nebraska cities serve as redistribution points for drug markets within Nebraska and neighboring states and markets, and to smaller rural communities within the District.

The coordinated efforts of Assistant United States Attorneys (AUSAs) and Special Assistant United States Attorneys (SAUSAs) addressed the comprehensive threat posed to the United States and the District of Nebraska by the trafficking, diversion and abuse of illegal drugs. SAUSAs from the Douglas and Hall County Attorney's Offices have multiplied the prosecutorial resources dedicated to this effort. Attorneys who prosecuted drug cases were supported by the cooperative investigative efforts of federal, state and local enforcement agencies throughout the District.

To enforce the Nation's drug and firearm laws, prosecutors in the Narcotics Enforcement Unit obtained 243 Indictments this year charging 356 defendants. This is a 28% increase in the number of defendants from 2015 and over a 22% increase from 2014.

Operation Bleach

This joint operation was led by the Federal Bureau of Investigation and included law enforcement officers from the Cooperative Operation for Drug Enforcement (CODE) Drug Task Force, Western Nebraska Intelligence & Narcotics Group (WING), the Central Nebraska Drug and Safe Streets Task Force (CNDSSSTF) and Colorado law enforcement authorities. The year-long investigation resulted in the seizure of about 2 ½ pounds of methamphetamine, over \$18,000 in cash, three vehicles valued at approximately \$85,000 and seven firearms, and resulted in the federal indictment of over sixty individuals for drug trafficking. The coordinated arrests were the largest federal law enforcement drug trafficking operation in Nebraska history. It involved numerous law enforcement agencies in central and western Nebraska.

Cari-Lou

In October 2015 the FBI Greater Omaha Safe Streets Task Force began an investigation into Martin Lewis, who was distributing

narcotics out of a convenience store located near the King Science Center. Over a period of several months a cooperating witness and an undercover office purchased more than 600 grams of methamphetamine, powder cocaine and crack cocaine. Lewis, who had previously been convicted of crack distribution in this District, was charged with and ultimately pled guilty. Sentencing is pending.

Brujas

HSI's long-term investigation into a Mexican cartel supplying methamphetamine and cocaine to the Omaha area continued this year with the arrest and indictment of five individuals, the seizure of 12 kilograms of cocaine, 14 pounds of methamphetamine and over \$254,000 in cash. The five had replaced others in the organization who had previously been arrested. All of the defendants have or are scheduled to plead to drug trafficking and money laundering charges. To date, the agents have made more than fifty arrests in the case. The investigation continues.

NARCOTICS ENFORCEMENT CASES

Jesus Bueno-Hernandez, Alejandro Heras-Real, and Karla Marrufo

Investigators from the Central Nebraska Drug and Safe Streets Task Force focused on this trio, who were significant methamphetamine suppliers in the Grand Island and Hastings area. A series of controlled buys culminated in a buy-bust and the coordinated execution of search warrants, during which investigators seized approximately 2 ½ pounds of methamphetamine, more than a pound of cocaine and more than \$17,000 in cash. The cases against all three remain pending.

Hugo Leyva-Martinez

Special Agents with the Bureau of Alcohol, Tobacco, Firearms and Explosives and officers with the Omaha Police Department Narcotics Unit coordinated the investigation and arrest of Leyva-Martinez in late 2015. Investigators recovered approximately 13 ½ pounds of methamphetamine, \$35,640.00 in cash and twelve firearms. Leyva-Martinez pled guilty to drug trafficking and being an illegal alien in possession of firearms and agreed to forfeit the cash and firearms. He was sentenced to a total of 135 months. He will be deported upon his release from prison.

Sergio Valencia and Marisela Pescador

Valencia and Pescador were the California sources for a large methamphetamine distribution organization which was active in the Lincoln area between about 2010 and 2013. Two associates of Valencia and Pescador (husband and wife) transported multiple-pound quantities of methamphetamine from California to Lincoln where it was sold by a number of persons. Proceeds of those methamphetamine sales were then transmitted back to California by cash deposits into a number of bank accounts belonging to Valencia, Pescador, their children and friends and associates of the drug-transporters. Bank records showed a total of over \$141,000 in cash deposits to Valencia family accounts between April of 2011 and February of 2012. Pescador pled guilty to conspiracy to launder money.

Valencia was found guilty, after a jury trial, of conspiracy to distribute methamphetamine and conspiracy to launder money. Both are awaiting sentencing. This case was investigated by the Lincoln/Lancaster County Narcotics Task Force.

Amoeba

This long-term investigation ultimately targeted two inter-related organizations responsible for obtaining methamphetamine from Mexico and distributing it in the Omaha metro area. Investigators conducted a series of wire interceptions on several different devices between late 2015 and the middle of 2016.

The DEA financial analyst was a key player in determining how both organizations moved drug proceeds interstate and internationally using bank accounts and wire transfers. Several search warrants resulted in the seizure of approximately 12 pounds of methamphetamine, wrappers for another 11 pounds of methamphetamine, approximately two kilograms of cocaine, three handguns, a vehicle, approximately \$35,000 in cash and four bank accounts. To date, 17 defendants have been charged in federal court with drug trafficking and money laundering. Those cases are pending.

Michael Melchior and Peggy Brennan

A traffic stop of defendants in February 2016 resulted in the discovery of \$2,457,452.00 cash, all heat sealed. A related search of defendants' residence in Chicago revealed a marijuana packaging assembly line, about 10 pounds of marijuana and \$600,000 in cash. The case against both defendants is pending.

NARCOTICS ENFORCEMENT CASES

Operation Red Dawn

This is an OCDETF case that concluded in 2016 with the conviction of Marcos De La Torre following a week-long jury trial. De La Torre was a methamphetamine trafficker in the Omaha metropolitan area. De La Torre himself was never caught with methamphetamine in his possession, but witnesses testified that he had been dealing methamphetamine out of two different auto repair shops over the course of several years. Further, De La Torre used intermediaries – to include his father – to deliver methamphetamine. The DEA, Douglas County Sheriff's Office and the Omaha Police Department were all involved in the investigation of the case.

Operation Denomex

This is an ongoing OCDETF wire case that has thus far resulted in the arrest and indictment of three defendants and the recovery of about 21 pounds of methamphetamine. Investigators received court authorization to intercept two phones used by the organization. They were about to obtain authorization to intercept communications on a third device when they learned through interceptions that a large load of methamphetamine had arrived for distribution in the Omaha metropolitan area. Law enforcement then effected the arrests of three confederates and obtained consent to search two residences. One of the residences, an apartment, was found to be nothing more than a stash house for distribution. The DEA and Iowa DNE investigated the case.

Misty Harbor

This long-term wiretap investigation led by the FBI Greater Omaha Safe Streets Task Force concluded in 2016. During the course of the investigation, investigators recovered approximately three pounds of methamphetamine and \$157,450 in cash.

Seven defendants ultimately were convicted and sentenced in this District for drug trafficking and money laundering. One appeal remains pending.

Prescription Drug Diversion

The pattern of abuse and diversion of prescription medications continued in 2016. The DEA's Diversion Task Force in Omaha coordinated with pharmacies and with State and local law enforcement to interdict those obtaining and distributing prescription controlled substances unlawfully.

In addition, the DEA Diversion group continued to focus in 2016 on doctors and pharmacists who were diverting narcotics for personal use or to provide to others. Prosecuting these individuals not only stopped the diverting of pills, but each doctor and/or pharmacist had to surrender for life his or her DEA Certificate of Registration of Controlled Substance Privileges. This resulted in each doctor or pharmacist no longer having authorization to order, manufacture, distribute, possess, dispense, administer, prescribe or engage in any other controlled substance activities. In addition, DEA Diversion worked with the Nebraska Department of Health and Human Services to assist in suspending and/or revoking of the professional licenses of these individuals. These cases highlight the need for those in the medical community to be aware of professionals who may be involved in diverting narcotics.



2016 Asset Forfeiture

In 2015, the Department of Justice implemented new asset forfeiture policies which effectively required additional federal involvement in seizures and forfeitures initiated by State and local partners. The U.S. Attorney's Office coordinated with state, local and federal investigative agencies to implement the new policies. These policies remained in place in 2016.

This was a continuation of efforts in this District to strike a proper balance between protecting public safety by depriving criminal enterprises of the fruits of their crimes while safeguarding the exercise of personal freedoms. Innocent travelers may transport large amounts of cash. Simply transporting cash, of course, in and of itself is not a crime.

The U.S. Attorney's Office also requested and received additional investigative efforts by law enforcement partners to determine whether assets were furnished or intended to be furnished to obtain controlled substances or were proceeds from such transactions. Where the evidence did not support this conclusion, our office declined to pursue forfeiture.

With an effective and thorough investigation, cases which originally started from a cash seizure can lead to evidence supporting a criminal prosecution. The LECC/County Attorney's conference for 2017 will feature presentations on both the state and federal asset forfeiture programs.

Depriving criminal organizations of the fruits of their crimes continue as a priority. Law enforcement agencies in 2016 administratively forfeited cash, two vehicles and other property with a total value of just over \$747,127. In addition, the U.S. Attorney's office forfeited cash, 6 vehicles, 8 firearms and other property with a total value of over \$6.3 million.





The mission of the High Intensity Drug Trafficking Area (HIDTA) Program is to enhance and coordinate America's drug-control efforts among local, state and Federal law enforcement agencies in order to eliminate or reduce drug trafficking and its harmful consequences in critical regions of the United States. The mission includes coordination efforts to reduce the production, manufacturing, distribution, transportation and chronic use of illegal drugs, as well as the attendant money laundering of drug proceeds.

In December, 1996, the Office of National Drug Policy (ONDCP) designated counties in Iowa, Kansas, Missouri, Nebraska, and South Dakota as the Midwest High Intensity Drug Trafficking Area (HIDTA). In February, 1999, designated counties in North Dakota joined the Midwest HIDTA. The goal of the Midwest HIDTA is to enhance and facilitate the coordination of regional drug-control efforts among local, state, and federal law enforcement agencies in order to reduce drug trafficking and its harmful consequences in critical markets in the region.

Co-located with the Drug Enforcement Agency is the Nebraska Office of the Midwest HIDTA. The Midwest HIDTA State Coordinator located in this office, facilitates working relationships between local, state, federal law enforcement agencies and the US Attorney's Office. The Midwest HIDTA's intelligence center in Kansas City, Missouri offers state of the art technology to develop and share intelligence in Nebraska, Midwest HIDTA adjoining states, and nationally. For more information, please visit the official ONDCP Web site at whitehousedrugpolicy.gov

The Midwest HIDTA annually recognizes several individuals and task forces for their outstanding work in the investigation and prosecution of drug cases.

2016 Outstanding Investigative Effort

- Travis B. Ocken, Special Agent, Drug Enforcement Administration
- Christopher R. Apley, Investigator, Nebraska State Patrol
- Aaron Bowen, Special Agent, Drug Enforcement Administration
- Alan Eberle, Investigator, Nebraska State Patrol
- Jon Edwards, Officer, Omaha Police Department
- Dennis O'Connor, Officer, Bellevue Police Department
- Kelly Quernemoen, Special Agent, Drug Enforcement Administration
- Zachariah A. Cherrington, Supervisory Agent, Drug Enforcement Administration

2016 Outstanding Prosecutor Award

- Assistant United States Attorney Unit Chief John Higgins
- Assistant United States Attorney Christopher Ferretti



The mission of the High Intensity Drug Trafficking Area (HIDTA) Program is to enhance and coordinate America's drug-control efforts among local, state and Federal law enforcement agencies in order to eliminate or reduce drug trafficking and its harmful consequences in critical regions of the United States. The mission includes coordination efforts to reduce the production, manufacturing, distribution, transportation and chronic use of illegal drugs, as well as the attendant money laundering of drug proceeds.

In December, 1996, the Office of National Drug Policy (ONDCP) designated counties in Iowa, Kansas, Missouri, Nebraska, and South Dakota as the Midwest High Intensity Drug Trafficking Area (HIDTA). In February, 1999, designated counties in North Dakota joined the Midwest HIDTA. The goal of the Midwest HIDTA is to enhance and facilitate the coordination of regional drug-control efforts among local, state, and federal law enforcement agencies in order to reduce drug trafficking and its harmful consequences in critical markets in the region.

Co-located with the Drug Enforcement Agency is the Nebraska Office of the Midwest HIDTA. The Midwest HIDTA State Coordinator located in this office, facilitates working relationships between local, state, federal law enforcement agencies and the US Attorney's Office. The Midwest HIDTA's intelligence center in Kansas City, Missouri offers state of the art technology to develop and share intelligence in Nebraska, Midwest HIDTA adjoining states, and nationally. For more information, please visit the official ONDCP Web site at whitehousedrugpolicy.gov

The Midwest HIDTA annually recognizes several individuals and task forces for their outstanding work in the investigation and prosecution of drug cases.

2016 Outstanding Investigative Effort

- Travis B. Ocken, Special Agent, Drug Enforcement Administration
- Christopher R. Apley, Investigator, Nebraska State Patrol
- Aaron Bowen, Special Agent, Drug Enforcement Administration
- Alan Eberle, Investigator, Nebraska State Patrol
- Jon Edwards, Officer, Omaha Police Department
- Dennis O'Connor, Officer, Bellevue Police Department
- Kelly Quernemoen, Special Agent, Drug Enforcement Administration
- Zachariah A. Cherrington, Supervisory Agent, Drug Enforcement Administration

2016 Outstanding Prosecutor Award

- Assistant United States Attorney Unit Chief John Higgins
- Assistant United States Attorney Christopher Ferretti

Investigators from the Omaha DEA Taskforce, the Nebraska State Patrol Commercial Interdiction Unit, the Greater Omaha Safe Streets Taskforce, the Omaha Metro Drug Taskforce, and the Southwest Iowa Narcotics Enforcement Taskforce learned of a drug trafficking organization (DTO) that was responsible for shipping several hundred pounds of methamphetamine about every three weeks, from Mexico to the Midwest, since early 2011.

2016 ANNUAL REPORT

The main source of supply (SOS) was identified as Quinton MUNOZ, who resided in Sinaloa, Mexico. MUNOZ shipped methamphetamine to his two adult sons, Erwin MUNOZ and Erik MUNOZ, as well as his adult daughter Alejandra ALVAREZ-Romero, and to his juvenile daughter, all in Omaha, NE. The primary person in Omaha that coordinated the receipt of those shipments was MUNOZ' son-in-law (Alejandra's husband), Raul VASQUEZ. Beginning in October 2015, investigators began wiretapping phones used by VASQUEZ and ALVAREZ-Romero. Although VASQUEZ and ALVAREZ-Romero changed their telephone numbers multiple times, investigators were able to continue intercepting VASQUEZ' and ALVAREZ-Romero's communications due to the diligent efforts of the investigators in identifying the new phone number each time that it was changed.



During the course of the investigation, investigators learned that the targets were using WhatsApp (a mobile device communications app) to communicate. Investigators were subsequently able to conduct one of the few successful interceptions of WhatsApp communications in the United States. Investigators also used a law enforcement sensitive investigative technique that leveraged cell phone technology to improve the rate of interception of calls involving targets in Mexico. During the investigation, investigators determined that VASQUEZ had a second source of supply, in addition to MUNOZ. The investigators subsequently began wiretapping the phone of Adalberto MARTINEZ-Ramirez, the second source of supply. During the interception of MARTINEZ, investigators identified several targets from Omaha, Fresno, Phoenix and Mexico. Those interceptions provided investigators with probable cause to execute five federal search warrants and four bank account seizure warrants in Omaha on June 15th, 2016.

One additional consent search was conducted in Omaha on that date. As a result of those searches and seizures investigators recovered approximately 12 pounds of methamphetamine, wrappers for another 11 pounds of methamphetamine, approximately two kilograms of cocaine, a small amount of marijuana, three handguns, one Volkswagen Jetta, approximately \$35,000, and four bank cashier's checks. Adalberto MARTINEZ-Ramirez, Rafael GARCIA (active gang member), Jose Andres VALENZUELA-Perez, Arturo Ivan RIVAS-Santiesteban, and Julio Cesar ARELLANO-Noriega were arrested in Omaha. Rosalina CHAIDEZ-Avila was arrested in the Fresno area. On June 23rd, 2016, investigators served two search warrants, and two arrest warrants for Erwin MUNOZ and Alejandra ALVAREZ-Romero.

During those warrants, the juvenile daughter of Quintin MUNOZ was also arrested for possessing three ounces of methamphetamine. On August 4th, 2016, investigators arrested an additional seven defendants from throughout eastern Nebraska and western Iowa. To date, due to interagency cooperation between the listed taskforces, there have been over 18 federal indictments in the District of Nebraska, with indictments pending for two sources of supply in Mexico. Investigators intercepted communications over 11 different devices during the investigation.

2016 ANNUAL REPORT

This investigation was a significant undertaking given the sheer number of devices that were intercepted, in addition to the successful interception of WhatsApp, and the use of the law enforcement sensitive investigative technique that leveraged cell phone technology to increase the interception of Mexico based communications. This investigation resulted in the dismantlement of a DTO that spanned from Mexico, to Fresno, Phoenix, and Omaha, that was responsible for the trafficking of multi-pound and multi-kilogram quantities of methamphetamine and cocaine, respectively.

The case detailed above would not have been successful were it not for the fierce dedication and legal expertise of AUSAs Higgins and Ferretti. Throughout the course of the investigation AUSAs Higgins and Ferretti reviewed and facilitated the issuance of 150 legal orders and warrants to include: 22 WhatsApp pen registers, 10 cell phone wire taps and 8 related text message wiretaps, 1 WhatsApp wiretap, 41 traditional pen registers, 23 phone ping (GPS) warrants, 8 residence/storage unit search warrants, 4 financial (bank account) seizure warrants, 6 search warrants for cell phone content, 9 search warrants for vehicle trackers, and 18 complaints/arrest warrants. AUSAs

Higgins and Ferretti were the first AUSAs in the District of Nebraska to facilitate and prosecute a case involving the interception of WhatsApp communications, as well as communications originating in Mexico. AUSAs Higgins and Ferretti were in the listening post with investigators daily (including weekends and holidays), and at all hours of the day and night, in order to provide timely legal advice and expertise. AUSAs Higgins and Ferretti prepared a complex indictment, and subsequent superseding indictments, for all members of the DTO and are currently in the process of following the defendants through the legal process. If not for the availability of AUSAs Higgins and Ferretti, their willingness to learn and try new things, and their outstanding legal reasoning, this case would not have been successful.



CIVIL DIVISION - CIVIL LITIGATION



Attorneys in the Civil Division of the United States Attorney's Office represent the United States, as well as federal agencies, officers, and employees, in civil litigation in federal and state courts throughout Nebraska. Civil Division AUSAs work closely with lawyers from the federal agencies involved in each case to develop and present the position of the federal parties to the suit. Attorneys from the Department of Justice also assist in some civil litigation in the District of Nebraska.

Work on 243 civil cases and matters were completed in 2016. Included in that number are defensive cases in which the validity of federal laws, or the acts of federal agencies and employees, was challenged. Also included were affirmative cases brought to enforce federal statutory and regulatory requirements, and to collect debts owed to the United States. The chart below depicts the types of civil cases and matters completed during 2016.

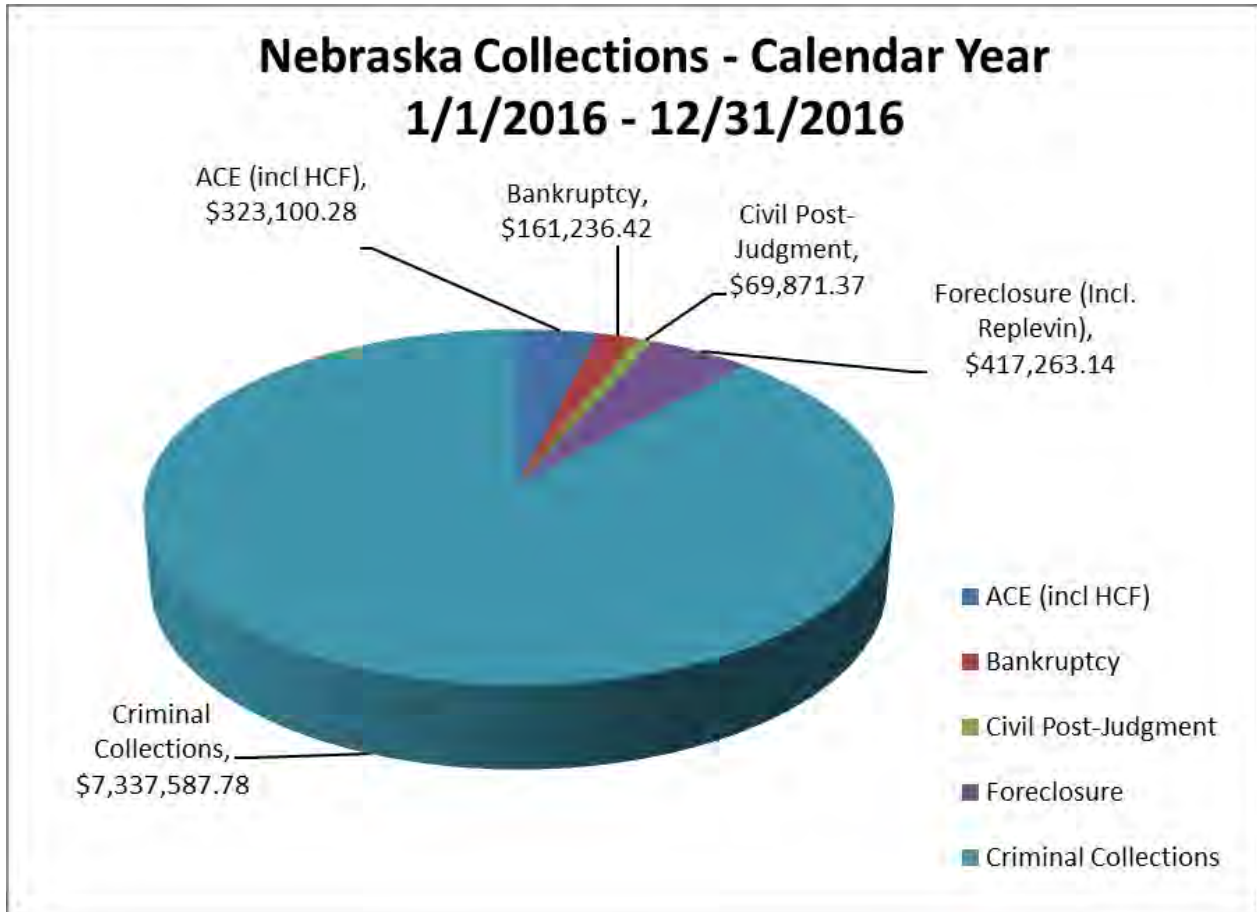
The Internal Revenue Service, Housing and Urban Development, and Department of Justice, were the agencies involved in the largest number of civil cases in the District during 2016. There was a sharp rise in the number of foreclosure actions filed this past year and a slight increase in the number of defensive employment litigation and tort cases. The number of Social Security Administration appeals dropped in 2016. A variety of cases involving the agencies within the Department of Justice also made up a significant portion of the overall civil workload again this past year. The number of cases completed for various federal agencies is reflected in the chart on page 40.

A primary function of the Civil Division is to provide quality representation to the United States and its agencies and officers in defensive litigation in federal and state court. During 2016, Civil Division AUSAs defended a number of cases brought in federal court to set aside or modify the actions of federal agencies and officers. Civil Division AUSAs also handled several cases seeking damages for alleged negligence or other wrongful conduct by federal employees, as well as cases alleging discrimination in federal employment.

In the area of affirmative litigation, the Civil Division continued its Affirmative Civil Enforcement (ACE) program, which involves various initiatives designed to collect civil monetary penalties and damages for violations of federal law, to recover costs incurred by agencies as a result of violations of federal statutes and regulations, and to obtain compliance with the requirements of federal law through civil litigation. In calendar year 2016, ACE cases resulted in monetary recoveries of approximately \$323,000.00. ACE cases also led to court orders directing various defendants to comply with federal laws and regulatory requirements.

The United States Attorney's Office ACE program includes an active Health Care Fraud Task Force made up of civil and criminal AUSAs, Special AUSAs from the Nebraska Attorney General's Office, investigators from various state and federal agencies, and representatives of insurance providers and intermediaries. The task force approach enhances communication regarding the investigation of health care fraud in the District of Nebraska, and allows oversight agencies to pursue cases in the manner most effective to deter fraudulent activity and recover losses.

CIVIL LITIGATION CASES



Another major area of emphasis in the ACE program is environmental enforcement. In 2016, the United States Attorney’s Office worked with attorneys from the United States Department of Justice and the Environmental Protection Agency on civil environmental cases brought to recover civil penalties as well as response costs, and to obtain judgments requiring polluters to comply with environmental laws.

As in most years, Civil Division AUSAs also conducted a significant amount of litigation in 2016 to collect debts owed to the United States. Suits to obtain judgments for unpaid balances of delinquent loans made by agencies such as the U.S. Department of Agriculture, the U.S. Department of Education, the U.S. Department of Veteran’s Affairs, and the U.S. Department of Health and Human Services comprise a significant portion of the Office’s civil workload. Those cases are litigated in federal district court, in bankruptcy court, and in state courts throughout Nebraska. All told, the Financial Litigation Unit, within the Civil Division, collected slightly more than \$8.3 million dollars.

CIVIL LITIGATION CASES

2016 SIGNIFICANT CASES AFFIRMATIVE CIVIL ENFORCEMENT

CIVIL RIGHTS ENFORCEMENT

During the construction of TD Ameritrade Park, the home of the NCAA College World Series, the United States Attorney's Office (USAO) contacted the Metropolitan Entertainment and Convention Authority (MECA) about the stadium's compliance with the Americans with Disabilities Act, and the parties conferred about the applicable design and construction standards. The stadium consists of four levels (the street/clubhouse level, the concourse level, the suite level and the press level), all of which are connected by elevators. The ballpark has a total seating capacity of approximately 24,000 fixed seats, including 30 suites. The ballpark also contains locker rooms, dugouts, a press box, concession stands, public toilet rooms and an administrative office area. An architect with the Department of Justice reviewed construction drawings and specifications, and representatives from the USAO were invited to and did conduct site visits. During the course of the compliance review, MECA worked to ensure the stadium is accessible to all.

AFFIRMATIVE CIVIL FRAUD

The USAO negotiated a civil settlement in a health care fraud case involving a hearing aid provider. The provider submitted claims for reimbursement in excess of the documented costs of the hearing aids' component parts. The Nebraska Medicaid Fraud and Patient Abuse Unit quickly identified the suspect claims which greatly minimized the financial loss to the insurance program. There was no allegation the hearing aids were of inferior quality or that patients suffered financially. The provider paid more than \$20,000 to resolve its liability.

REQUEST FOR INTERNATIONAL JUDICIAL ASSISTANCE

The USAO received a request for international judicial assistance from the

Regional Court of Dusseldorf, Germany relating to ongoing litigation in that country. The parents of a student who participated in a foreign study abroad program sued the company which offered and administered the program over disagreements concerning their daughter's experience in the United States. The Defendant sought testimony from a medical professional who treated the student in Nebraska. The USAO identified and addressed a variety of legal, factual, and logistical issues, but was ultimately able to fulfill the German court's request.

DEFENSE IMMIGRATION LITIGATION

U.S. v. Rakesh Vasant Hirani, (Eighth Circuit Court of Appeals) – The United States brought an action against the Defendant/Appellant Hirani, a/k/a Rakeshumar Patel pursuant to 8 U.S.C. § 1451(a), seeking revocation of his citizenship and cancellation of his certificate of naturalization. The District Court granted summary judgment in favor of the United States, which was affirmed on appeal. The Defendant was denied asylum when using his birth name of Patel, and failed to voluntarily depart the U.S. as required. Defendant married, and proceeded to apply for permanent residency under the assumed name of Hirani. Eventually, he was granted citizenship using false identifiers such as name, date of birth, etc. The Court found that the Defendant had willfully misrepresented and concealed material facts in order to obtain citizenship, which was revoked. Further, the deportation order entered against Defendant as "Patel" was determined to be in force placing Defendant in removal status.

U.S. v. Rakesh Vasant Hirani, (Eighth Circuit Court of Appeals) – The United States brought an action against the Defendant/Appellant Hirani, a/k/a Rakeshumar Patel pursuant to 8 U.S.C. § 1451(a), seeking revocation of his citizenship and cancellation of his certificate of naturalization. The District Court granted summary judgment in favor of the United States, which was affirmed on appeal.

CIVIL LITIGATION CASES

The Defendant was denied asylum when using his birth name of Patel, and failed to voluntarily depart the U.S. as required. Defendant married, and proceeded to apply for permanent residency under the assumed name of Hirani. Eventually, he was granted citizenship using false identifiers such as name, date of birth, etc. The Court found that the Defendant had willfully misrepresented and concealed material facts in order to obtain citizenship, which was revoked. Further, the deportation order entered against Defendant as "Patel" was determined to be in force placing Defendant in removal status.

TORT LITIGATION

Federal Tort Claims Act (FTCA) Slip and Fall (District Court – Nebraska) - Plaintiff filed suit pursuant to the FTCA regarding her fall at a U.S. Post Office in Nebraska.

Discovery in the case involved review of her significant medical history, depositions, and expert reports. Plaintiff alleged significant injuries and ailments requiring surgeries were related to her fall, but not reasonably foreseeable when she filed her administrative tort claim. Plaintiff filed a motion to increase her tort claim amount from \$200,000 to \$900,000.

The District Court agreed with the United States, and denied Plaintiff's motion. The parties settled the case for an agreed upon sum and the case was dismissed.

FTCA Medical Malpractice Involving the Veterans Affairs (VA) (District Court – Nebraska) - Plaintiff filed suit pursuant to the FTCA seeking significant damages regarding his treatment for lung cancer at the VA Hospital in Omaha, NE. The matter involved extensive discovery and the use of litigation consultants in the medical profession. The parties jointly consented to the use of a mediator and the parties settled the case for an agreed upon sum and the case was dismissed.

GEICO v. Centers for Medicare & Medicaid Services and Department of Navy, et al., (District Court – Nebraska) – Following a motor vehicle accident in which a Medicare/Tricare beneficiary sustained medical injuries requiring medical treatment as a result of an alleged negligent third-party, the automobile insurance provider of the alleged negligent third-party brought an interpleader action in state court.

The interpleader action requested GEICO be able to pay its personal injury limits of coverage (\$100,000) into the court, while allowing third parties to maintain a claim to such proceeds. The United States of America, on behalf of the Centers for Medicare & Medicaid Services (CMS) and the Department of the Navy removed the matter to Federal Court and asserted claims to the interpleaded funds. CMS paid accident-related expenses of the beneficiary in the amount of \$130,869.90 and sought reimbursement pursuant to the Medicare Secondary Payer statute, [42 U.S.C. § 1395v\(b\)](#). The Navy, through Tricare, paid accident-related expenses of the beneficiary in the amount of \$10,060.44 and sought reimbursement pursuant to the Federal Medical Care Recovery Act (FMCRA), [42 U.S.C. § 2651](#), et seq. CMS and the Navy moved for summary judgment asserting statutory claims to reimbursement and priority rights to the interpleaded funds. No other interested parties asserted claims to the funds, but the Court still noted the existence of both CMS and the Navy's statutory rights to reimbursement. Accordingly, the Court granted summary judgment, and because the interpleaded funds of \$100,000 were not sufficient to fully reimburse CMS and the Navy, directed the registry of the court to distribute the interpleaded funds to CMS and the Navy pursuant to an agreed upon apportionment.

Department of Veterans Affairs, (Estate Recovery) – This matter was referred to the USAO by the Department of Veterans Affairs

CIVIL LITIGATION CASES

(VA) for the purposes of recovering medical expenses incurred by the VA for the hospitalization and treatment of a veteran. The VA provided treatment to the veteran following injuries he sustained in an automobile accident caused by the alleged negligence of a third-party. The United States, through pre-suit discussions with the relevant actors' insurance and underinsurance providers, recovered \$99,961.97 on behalf of the VA. The United States asserted two statutory bases to recover the cost of the treatment provided by the VA to the veteran – 42 U.S.C. § 2651, et seq. (Federal Medical Care Recovery Act) and 38 U.S.C. § 1729.

Car Accident, (District Court – Nebraska) – An insurance carrier brought suit against the United States for recovery of a claim paid to insured for property damage allegedly caused by the negligence of a driver employed by the VA. After investigation and limited discovery, the case was settled for a modest sum and the case was dismissed.

Constitutional Tort, (District Court – Nebraska) – Plaintiff filed an action against a federal judge for his prior rulings in connection with his ongoing bankruptcy proceeding. This office filed a motion to dismiss on behalf of the judge and the motion was granted for failure to effect proper service under Federal Rule of Civil Procedure 4(m).

DEFENSE OF EMPLOYMENT LITIGATION

Hostile Work Environment, Race Discrimination, (District Court – Nebraska) – Plaintiff brought an employment discrimination lawsuit alleging hostile work environment, intentional infliction of emotional distress, breach of contract, race discrimination, and retaliation. The United States filed a Motion to Dismiss arguing Plaintiff's Complaint was barred by the doctrine of judicial estoppel and for failure to state claims for relief. The Court granted the Motion finding Plaintiff's Complaint failed to state a plausible claim based on hostile work

environment, intentional infliction of emotional distress, or breach of contract. With respect to the remaining claims, the Court found the doctrine of judicial estoppel precluded Plaintiff from pursuing his potentially cognizable claims of race discrimination and retaliation because Plaintiff failed to disclose discrimination or retaliation claims in bankruptcy proceedings.

Title VII and Rehabilitation Act, (District Court – Nebraska) – Plaintiff brought suit pursuant to Title VII and the Rehabilitation Act against the Department of Veterans Affairs, Nebraska -Western Iowa Health Care System ("VA NWIHCS") alleging the VA Police Service discriminated against him due to his race and a disability (medical condition) when it suspended his firearms and credentials. Plaintiff had been restricted from driving for an indefinite period due to his condition, and the VA Police management suspended his credentials and required him to take light duty or sick leave. The VA had convened an Agency Investigation Board regarding multiple issues involving the VA NWIHCS police services, and this Board found the agency had failed to accommodate Plaintiff. After discovery, the parties reached a settlement agreement in the case for an agreed upon sum and the case was dismissed.

Wrongful Termination, (District Court – Nebraska) – Plaintiff filed suit against Secretary Burwell, Department of Health and Human Services, over her termination from the Indian Health Services ("IHS") hospital on the Winnebago Reservation. Plaintiff, a Nurse Practitioner, was on probation when she was terminated from employment. She alleged IHS violated the Equal Pay Act by paying her less than a male co-worker, a Physician Assistant with several years of experience at the Hospital. Plaintiff also alleged Title VII claims of gender discrimination and retaliation. After discovery, the parties reached a settlement in the case for an agreed upon sum and forgiveness of the penalties due on her student loan contract with IHS. The case was dismissed.

CIVIL LITIGATION CASES

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Rehabilitation Act, (District Court – Nebraska) – Plaintiff filed suit against the VA claims under the Americans with Disabilities Act (ADA) and for claims under the Family Medical Leave Act (FMLA). District Court granted the government’s motion to dismiss based on Plaintiff’s failure to state a claim under the ADA and for failure to exhaust administrative remedies under the Rehabilitation Act. Further, Plaintiff’s attempt to seek review of a Family Medical Leave Act decision was deemed to be improper before the Court as well.

COMMERCIAL LITIGATION

In re Scott Schutt and related adversary proceeding (Bankruptcy Court – Nebraska) – An adversary action for fraud was brought on behalf of the Farm Service Agency against bankruptcy debtor Scott Schutt pursuant to 11 U.S.C. § 523(a)(2) and (a)(6). On April 19, 2016, the United States obtained a non-dischargeable judgement against the debtor for conversion of secured collateral, including cattle and crops in the amount of \$98,755.84. The government obtained full recovery from Defendant’s unsecured real property sale proceeds.

Negus-Sons, Inc., (Bankruptcy Court – Nebraska) – A co-owner of Negus-Sons, diverted money earmarked for employee pension benefits under the “Davis-Bacon Pension Plan” for which he was performing the duties as Administrator. The Defendant failed to deposit designated funds into the pension and profit sharing plan. This led to the filing of an adversary proceeding and recovery of the sum of \$350,000 from Defendant’s personal assets, on behalf of the Department of Labor.

United States v. Behrens, (Eighth Circuit Court of Appeals) – This case is an appeal of the District Court’s order for writ of garnishment obtained under the provisions of the Federal Debt Collection Procedures Act (FDCPA), to collect a criminal restitution debt owed by appellant Bryan Behrens. Behrens raised several issues on appeal, including an alleged procedural deficiency on the part of

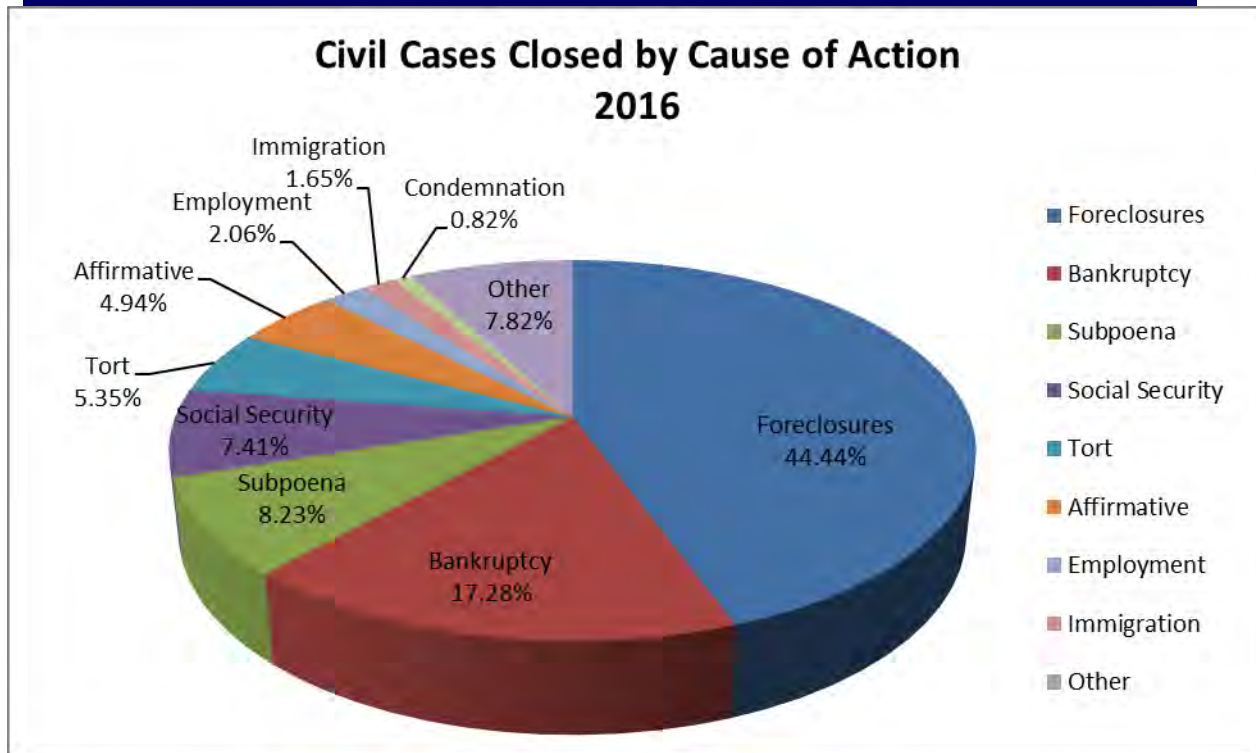
District Court in refusing to schedule a garnishment hearing after the Defendant filed a written objection. The District Court also denied Defendant’s request for court appointed counsel. Behrens argued that the Court lacked jurisdiction to enforce the restitution order under the FDCPA, and that the criminal judgment set out a payment schedule which precluded additional collection action. Behrens challenged the United States’ failure to forfeit pre-judgment assets, thus barring post-judgment collection. Finally, Behren’s challenged the enforceability of the underlying criminal judgment on independent grounds.

The Appeals Court denied each of the Defendant/Appellant’s arguments, and found, as a matter of law: 1. Behrens’s jurisdictional arguments amount to an impermissible challenge of the validity of the restitution order and must be denied; 2. Appellant was erroneously confusing a forfeiture proceeding with a collection action; 3. A payment schedule set out in the criminal judgment does not bar collection action if it contains language that the judgment is due and payable immediately; and 4. The FDCPA is a civil collection statute, however it specifically applies to the collection of criminal judgments.

Finally, the Court held that the District Court did not abuse its discretion in finding Behrens did not automatically have a right to a garnishment hearing based on an ill-founded objection, nor did the Defendant have a have a right to counsel in FDCPA civil collection proceedings.

U.S. v Syslo; (District Court – Nebraska) – The United States was successful in enforcing its criminal judgment lien, which was filed prior to the Defendant’s sale of real property to an ‘innocent’ third party. The Court held that the Defendant had sold the property subject to the government’s judgment lien, which remained in full force and effect against the subject property.

CIVIL LITIGATION CASES



PROGRAM LITIGATION

(Review of Agency Action)

National Park Service, (District Court – Nebraska) - Plaintiff, a landowner of property along the Niobrara River, filed suit to challenge the National Park Service (“NPS”) boundary determinations for the Niobrara National Scenic River (“Niobrara River”) pursuant to the Wild and Scenic Rivers Act. On September 12, 2016, the District Court granted partial summary judgment for Plaintiff, finding that NPS added approximately 25 acres of his property within the boundary to maintain a certain acreage number, but not to protect and enhance the outstandingly remarkable values of the Niobrara River.

The District Court granted partial summary judgment for NPS on the remaining claims, and found that the NPS applied the correct standard and properly identified the Niobrara River view shed. The District Court found no evidence of bad faith by the NPS as Plaintiff had alleged. The District Court remanded the matter to the agency to exclude the 25 acres from the final boundary but the remainder of the boundary was to remain as

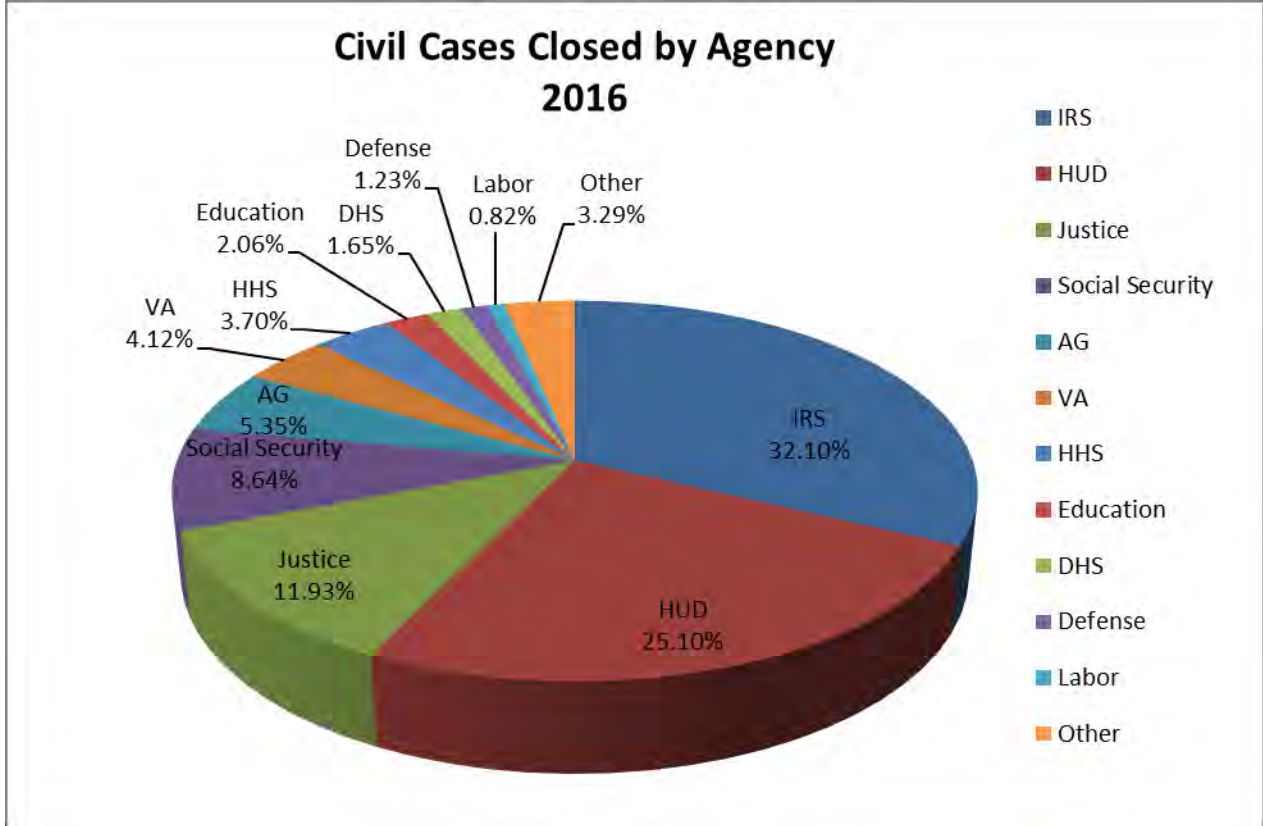
previously determined by the Agency. Plaintiff has appealed the partial grant of summary judgment for NPS and the matter is now pending before the Eighth Circuit court of Appeals.

Department of Housing & Urban Development, (District Court – Nebraska) – Plaintiff, a former Commissioner of the Omaha Housing Authority (“OHA”), challenged a decision by the Department of Housing and Urban Development (“HUD”) to debar him from participation in all federal programs. The HUD Debarring Official found Plaintiff violated HUD regulations and Nebraska law by failing to disclose apparent conflicts of interest to HUD and OHA.

Specifically, he failed to disclose that he received office space and email access from an insurance agency, a part of the Companies and an insurance broker that provided services to OHA.

Plaintiff was Chairman of the OHA Board and participated in the Board’s decision to accept a bid proposal from the insurance company for services in 2011.

CIVIL LITIGATION CASES



Plaintiff alleged HUD's decision to debar him, and the three-year period of debarment, was arbitrary and capricious. The parties reached a settlement in the case that affirmed the debarment action, but reduced the period of debarment.

Department of Agriculture, (District Court – Nebraska) – Plaintiff sought review of a final agency determination by the National Appeals Division of the United States Department of Agriculture (USDA) which denied Plaintiff crop disaster program benefits under the SURE Program for crop year 2010. After considerable negotiation, the parties reached an agreed upon sum and the case was dismissed.

Federal Campaign Assessment, (District Court – Nebraska) – Following an unsuccessful bid for U.S. Senate, Plaintiff, a campaign treasurer, for an unsuccessful candidate, brought suit against the Federal Election Commission (FEC) and the United States of America, challenging the imposition of a civil fine or assessment issued by the FEC. The FEC determined that the campaign

had failed to timely disclose contributions to the campaign that were to be reported under federal election laws. The assessment was in the approximate sum of \$12,000.

The USAO filed a motion to dismiss as to the United States for the Court's lack of jurisdiction over certain claims and Plaintiff's failure to state a claim as to the remaining claims. The FEC has exclusive jurisdiction over election fines. The case was dismissed as to the United States and the matter relating to the FEC is still pending.

LAW ENFORCEMENT AND COMMUNITY COORDINATION



The United States Attorney's Office Law Enforcement and Community Coordination (LECC) and Victim's Unit facilitate a number of programs designed to support and coordinate the objectives of the criminal justice system at various levels, provides services to victims of federal crime, conducts training, and apprises the community at large about issues related to the criminal justice system. In 2016, the Unit continued its work to maintain strong collaborative partnerships with federal, state, tribal, and local law enforcement agencies to maintain the effectiveness of law enforcement in the District.

The LECC works with the Nebraska Sheriff's Association, the Police Officers' Association of Nebraska, the Police Chiefs' Association of Nebraska, Nebraska Coalition for Victims of Crime and the Nebraska County Attorneys Association to develop and present training on subjects related to criminal justice and victim assistance. A three-day criminal justice conference hosted by the United States Attorney's Office and co-sponsored by the Nebraska County Attorneys Association is held in Kearney each year. Awards recognizing accomplishments in law enforcement presented at the 2016 conference are described in the following section of this report.

Trainings and conferences are held across the state at various venues. The trainings hosted by the U.S. Attorney's Office in 2016 focused on a number of topics.

- Speaking of Children Annual Conference
- Victim Services Training and Academy
- Crime Victim Issues in Indian Country
- Darkness to Light Training
- Opioid/Heroin Summit
- Regional Human Trafficking Training
- National Center for Missing & Exploited Children 1st Responders Training
- Crime Victim's Rights Week Training

In 2016 we continued our partnership with Project Harmony and Children's Hospital & Medical Center to host the annual Speaking of Children conference and luncheon. This conference provides training on the most current issues regarding crimes against children; specifically child sexual/physical abuse, on-line enticement, and child pornography.

The conference features national and local experts in these fields, and is an excellent opportunity for various disciplines to build partnerships with local, state and federal agencies to benefit child victims, and contribute to a more effective investigation and prosecution of the offenders. This annual conference is designed to address the needs of law enforcement, prosecutors, victim service providers, social workers, probation/parole/correctional officers, judges, child advocates, therapists, educators and health care providers. The conference addresses the priority initiatives of the Department of Justice, through *Project Safe Childhood*. More than 650 attended the 3-day training, and over 1,200 for the luncheon.

Charting the Road to Recovery: Nebraska's Response to Opioid Abuse

The United States Attorney's Office, Nebraska Attorney General's Office, University of Nebraska Medical Center UNMC, and the Nebraska Health and Human Services, held an Opioid/Heroin Summit at UNMC with 230 prevention, treatment and law enforcement stakeholders in attendance.

LAW ENFORCEMENT AND COMMUNITY COORDINATION



The purpose of the summit was to develop a unified approach between the law enforcement and medical communities operating in Nebraska regarding the prevention and treatment of both prescription and illicit opioid abuse in Nebraska. At the conclusion of the summit the goal was to answer two questions:

- How do we reduce the incidence of prescription opioid abuse and expand treatment for those addicted?
- How do those in law enforcement and healthcare cooperatively design and execute programs to reduce and appropriately treat opioid addictions?
 1. Develop recommendations that emphasize actions to address treatment and prevention of prescription and illicit opioid abuse without federal, state, or local governmental policy changes.
 2. Outline strategies to improve awareness of opioid use and abuse amongst practitioners and officials that incorporate a multidisciplinary perspective.
 3. Develop methods to improve public awareness of opioid use and abuse.
 4. Create mechanisms to foster sustained interdisciplinary collaboration to address the issue of treatment and prevention of prescription and illicit opioid abuse.

From this summit, the Nebraska Attorney General's Office will put out a summary of findings and future action steps, and a follow-up meeting of the key stakeholders created a *Nebraska Coalition to end Opioid Abuse*.



Pictured L-R: UNMC Chancellor Jeff Gold, Gov. Pete Ricketts and U.S. Attorney Deborah R. Gilg

LAW ENFORCEMENT AND COMMUNITY COORDINATION AND VICTIM SERVICES



Nebraska completed a fourth year of funding of a federal grant to provide an Indian Country Special Assistant United States Attorney (SAUSA) to address domestic violence, sexual assaults, child and domestic violence physical assaults and dating violence on the Winnebago, Omaha and Santee Sioux Indian reservations. The goals of the project are to increase coordination among the three tribes and local, state, and federal investigators and prosecutors, bridge gaps in jurisdictional coverage, establish cohesive relationships between federal prosecutors and tribal communities, and improve the quality of violence against women cases through effective case management, through the promotion of higher quality investigations and improved training.

The funding for this project was provided by the Department of Justice to the HoChunk Community Development Corporation (Winnebago Tribe of Nebraska), The SAUSA works in close coordination with the Tribal Police, BIA and FBI to ensure cases are prepared appropriately for prosecution on all levels, and prosecutes cases in both federal and tribal court. The SAUSA is co-located at the Winnebago Reservation and the United States Attorney's Office. As a result of the notable success of this program, private funding has been secured by the HoChunk Community Development Corporation, to fund the Special Prosecutor.

In 2016, the VNS provided 34,361 notices to victims of federal crime in Nebraska. There were 105 new victim cases involving 2,961 new victims of federal crime identified and entered into the system during 2016. There are currently 134 active victim cases providing notice and services to 2,979 victims. Services include information and assistance with travel and lodging related to court appearances, courtroom support, and referrals to other agencies for counseling, shelter, and other assistance. The Victim Specialist provides oversight and coordination to the Multi-disciplinary Child Abuse Investigation Teams located on the three Tribal Reservations.

During Crime Victim's Rights Week 2016, the Victim Specialists, along with the Nebraska Alliance of Child Advocacy Centers and the Nebraska Coalition for the Victims of Crime, held the 12th Annual Crime Victims' Rights Conference. This conference provides training for victim service providers, mental health professionals, law enforcement and corrections personnel on coordinating and enhancing services to victims. The theme for the 2016 CVRW Conference was "Serving Victims, Building Trust, Restoring Hope." The conference agenda featured Dr. Darrel Turner who presented on the topic of, "The Impact of Grooming Behaviors on Child Victims of Sexual Assault." Another featured presentation was by Mandy Busch titled, "Working With Victims Who Have Mental Health Issues." The conference was attended by 89 participants.

The United States Attorney's Office, in partnership with Creighton University and University of Nebraska at Kearney, held the fourth annual of the Nebraska Victim Assistance Academy (NEVAA). The overall goal is to create a comprehensive, foundation level victim assistance curriculum with a focus on victimology, victims' rights, and victim services that reflect the laws and practices of the state, specifically for Nebraska. Creighton University, received the start-up grant and houses the academy coordinator and provided in-kind services. Although the start-up grant has expired, Creighton has taken on the project as their own, continuing to provide the academy to students and all disciplines who assist victims of crime.

2016 LECC AWARDS

Group Investigation Award

United States Postal Inspector James Murcek

Special Agent Frank Feden - Drug Enforcement Administration

Assistant U.S. Attorney Kim Bunjer - United States Attorney's Office

Deputy Zach Goodrich - Cheyenne County Sheriff's Office

Sergeant Brian Eads -Nebraska State Patrol

Christine Gabig - Douglas County Crime Lab

Shanon Tysor - Douglas County Crime Lab

Investigator Jim Bush- Sidney Police Department

In January 2015, the Postmasters of the Chappell, Lodgepole, and the Sidney, Nebraska Post Office alerted United States Postal Inspector (USPI) James Murcek of suspicious activity of Dillon GRABOWSKI, a resident of Lodgepole. The Postmasters reported that GRABOWSKI was buying stamps in bulk every week from all these Post Offices. All three Postmasters reported numerous suspicious packages being mailed out via the blue collection boxes outside of the Post Offices with fictitious names, fictitious business names and fictitious addresses on the return addresses.



On February 11, 2015, Inspector Murcek executed a federal search warrant issued for the package by opening it. Inside the package, Inspector Murcek found 30 small squares of blotter paper with a Monopoly Board Game logo on them. From his training and experience, Inspector Murcek believed the squares to be hits of LSD. Inspector Murcek seized the 30 squares of paper and submitted them to the Douglas County, NE Forensic Chemistry Unit for analysis.

On March 4, 2015, the personnel with the Douglas County Forensic Chemistry Unit were able to isolate and identify acetyl fentanyl on the squares of paper. Acetyl fentanyl is an opioid analgesic drug that is estimated to be between five to fifteen times more potent than heroin, and reported as being 80 times more potent than morphine.

Sometime in March 2015, it was learned GRABOWSKI stopped buying stamps in bulk from the Post Offices and began using an Endicia Meter online postage service to pay for postage on the packages. Through subpoenas, Inspector Murcek was able to obtain the data from GRABOWSKI's Endicia account and determined GRABOWSKI had shipped or attempted to ship over 600 packages to 190 different customers. Physical surveillance was next to impossible in these isolated communities.

On April 22, 2015, SA Frank Feden, using a court approved GPS tracking device, received data indicating GRABOWSKI had departed his residence and drove to the United States Post Office in Chappell, NE. The data revealed GRABOWSKI departed the Post Office and returned to his residence in Lodgepole. Inspector Murcek contacted Chappell's Post Master and she immediately removed the package from the blue exterior collection box. SA Feden viewed seven packages and found them to be consistent with prior packages containing acetyl fentanyl on blotter paper. Those packages were addressed for destinations across the United States.

On May 21, 2015, investigators with WING Task Force applied for and received a Cheyenne County District Court search warrant for GRABOWSKI's residence in Lodgepole. The warrant was executed by the Cheyenne County SO's Emergency Services Unit. Subsequent to the search of the residence, GRABOWSKI and his girlfriend Mylisa PENNINGTON were arrested by investigators with WING on stated charges for marijuana cultivation. They were transported by deputies to the Cheyenne County Jail where they were booked for their state charges.

Seized by WING investigators were approximately 240 gross grams of a white powder later identified by the Douglas County Forensic Lab as acetyl fentanyl. A safe was seized during the search warrant and forced open at NSP Troop E. NSP Sgt. Brian Eads discovered the safe contained approximately \$10,300 in cash.

The significant cooperative efforts of the DEA Omaha HIDTA Taskforce, Wing HIDTA Taskforce, U.S. Postal Inspectors, and the Douglas County Forensic Laboratory, lead to a quick stoppage of the distribution of acetyl fentanyl and other acetyl fentanyl products, drugs which are highly addictive and a leading contributor to overdose deaths nationwide.

Law Enforcement Officer Award - Sergeant Eric Rice –Nebraska State Patrol Sustained Achievement - Task Force Operations

Sergeant Eric Rice has been the CODE Task Force Commander for the past 25 years. The CODE task force is comprised of a 22- county area in west central/southwest Nebraska. Sergeant Rice's perseverance, dedication, and commitments to CODE have guided a once struggling task force into a full-functioning, effective and efficient drug task force. Under his direction CODE has initiated four OCDETF investigations resulting in a total of 102 federal indictments and numerous state convictions. The indictments/arrests included several high-level out of state targets responsible for supplying Western Nebraska with methamphetamine, cocaine and crack-cocaine. The latest round-up resulted in the largest offender round-up in the history of the State of Nebraska.

Sergeant Rice's vision of what the CODE task force could accomplish has created a law enforcement team now capable of combatting the ever-increasing drug threat in our communities. His ability to create such a coordinated, cooperative team in such varied communities is truly remarkable and deserving of such an honor.



Group Investigation Award—White Collar Crime

Special Agent Derick Tarr - Internal Revenue Service

Tax Fraud Investigative Assistant Nancy Walker - Internal Revenue Service

Special Agent Brian Dostal - Office of Inspector General

United States Postal Inspector Paul Beekhuizen

Sergeant Sandy Myers - Lincoln Police Department

Investigator Corey Weinmaster - Lincoln Police Department

Sergeant John Donahue - Lincoln Police Department

Sergeant Ben Seeman - Lincoln Police Department

Investigator Don Fosler - Lincoln Police Department

Assistant U.S. Attorney William “Mick” Mickle United States Attorney’s Office

Special Agent Matt Johann - United States Secret Service

Intelligence Specialist Edward Oslica - United States Attorney’s Office



White Collar Group Award (continued)

Three UNL students, Austin Asche, Mitchell Morey and Corey Lavigne built and used a website to sell fake New York drivers licenses to persons under 21 living all across the United States, who wanted the identification to help them secure entrance into liquor establishments. The website charged between \$90-\$150 for the underage customers to purchase the fraudulent licenses. The website instructed the customers to obtain prepaid debit cards. After receiving the prepaid card's transfer code information, the defendants "cut and pasted" the information and purchase price onto reloadable prepaid debit cards obtained by the three suspects, in the names of other individuals. Once the cards were delivered, the co-conspirators or one of their "runners" picked up the cards, took them to an ATM machine and withdrew cash from the re-coded prepaid debit cards, and the proceeds were then divided among the co-conspirators. The fake licenses were delivered to customers via United States mail.

One of the "runners" for "the business" was arrested at a Lincoln ATM after being observed standing in front of an ATM swiping a number of cards through the machine and pocketing the money. The "runner", when arrested by Lincoln Police, was found to have 56 prepaid debit cards and \$1,320 in cash in his possession. He cooperated with police and provided details of the operation and everyone's involvement in the conspiracy.

The comprehensive investigation undertaken by the nominees exemplifies outstanding cooperative efforts. The investigative efforts included:

- 32 grand jury subpoenas;
- Subpoenas to over 15 telephone companies;
- Executing search warrants at Lincoln and Gretna locations;
- Issuing Administrative subpoenas to Facebook, Amazon, GreenDot, AOL, and Google;
- Obtaining Ex Parte orders for tax returns/tax return information
- Issuing subpoenas for bank account and credit card information
- Interviewing customers and victims;
- Obtaining cell phone records and data;
- Issuing seizure warrants for investment accounts, savings/checking accounts;
- Conducting proffer interviews of the suspects

The investigation revealed the illegal conspiracy involved approximately 90 reloadable prepaid cards, utilizing 51 stolen identities, 18 "mail drops" in Lincoln and Gretna, and three in Ames, Iowa. The defendants received between \$256,000 and \$340,000 from their participation in "the business".

Each of the three defendants pled guilty to conspiracy to manufacture false identification documents. The investigation also resulted in the forfeiture of more than \$69,000 in U.S. currency, and almost \$25,000 from a Fidelity investment account, and forfeiture of seven vehicles.

There were several other individuals who provided invaluable assistance in this investigation from the Lincoln Police Department, to include David Wiggins, Cindy Koenig-Warnke, Michael Muff, and Krissa Knopik. Their contributions were instrumental in the success of this complex investigation.

Federal Prosecutor of the year-Assistant United States Attorney Kim Bunjer

Kim Bunjer has for years built her reputation as a straightforward, no-nonsense prosecutor.

She is extremely reliable and avails herself to law enforcement officers across the state 24 hours a day, seven days a week for guidance and direction concerning investigations and options for prosecution.

AUSA Bunjer consistently handles more defendants per year than any other federal prosecutor within the Narcotics Enforcement Unit in the United States Attorney's Office .

In February 2016, AUSA Bunjer coordinated the most widespread federal drug takedown in Nebraska history, involving nearly 60 defendants and several coordinated search warrants. As a reference, this is nearly twice as many defendants in one month as most federal prosecutors handle during an entire year. Prosecution of that many defendants simultaneously required coordinating not only with the many law enforcement agencies which were essential in conducting the operation. It also required coordinating with all aspects of the federal court system in order to process such a large wave of defendants. Representatives from the federal court system and from State, local and federal law enforcement have all praised AUSA Bunjer's foresight, planning and coordination in ensuring this massive takedown was a seamless operation and a resounding success.



State Prosecutor of the Year - James Smith Nebraska Attorney General's Office

During his career, Jim Smith has established himself as a dedicated professional among his peers and colleagues. In his 21 years as an Assistant Attorney General, he has provided a stabilizing presence to Nebraska's criminal appellate system. Jim's career is replete with instances where he tirelessly worked to not only protect prosecutors' convictions in the appellate courts but also obtain criminal convictions of very dangerous individuals himself.

Jim graduated from the University Of Nebraska College Of Law and shortly thereafter began his professional career as a deputy county attorney in Madison County. He continued his legal career in private practice in Hastings. However, he saw the error of his ways and rejoined the public sector by taking a job with the United States Department of Treasury in Texas before being appointed as an Assistant Nebraska Attorney General in 1994. Jim has continuously served in that capacity since that time.



Assistant Attorney General Jim Smith (Cont.)

During his time with the Attorney General's Office, Jim has worked for three different Attorneys General and has worn many different hats. He has been the Chief of the Health Professional Discipline Section, the office's Chief Deputy, Chief of the Criminal Appellate Section and is currently the Civil Bureau Chief and Nebraska's Solicitor General. In his role as Solicitor General he has recently expanded his list of accomplishments to include arguing before the United State Supreme Court.

To successfully fulfill his many roles, Jim has demonstrated a mastery of the law and an understanding that often nuance and delivery are as important as actually developing an accurate legal argument. He has developed and used his abilities to routinely persuade Nebraska's Appellate Courts to affirm the convictions of some of Nebraska's worst offenders throughout the state.

A few examples of Jim's work over the years include the cases of Lucky Iromuanya, Jeffery Hessler and Michael Ryan.

Lucky Iromuanya was convicted of killing University of Nebraska soccer player, Jenna Cooper. Jim successfully defended this conviction during its direct appeal, its post-conviction appeal and the federal habeas challenge.

After abducting, raping and killing a 15 year old girl who was delivering newspapers in Scotts Bluff County, Jeffery Hessler was convicted of first degree murder and sentenced to death. Jim ensured that the death sentence would be upheld following a challenging post-conviction appeal.

Likewise, Jim also successfully defended against Michael Ryan's post-conviction challenge which kept him on death row the remainder of his life following the torture and murder of his victims in Richardson County.

However, Jim's career is not limited to appeals. He has also handled the direct prosecution of several significant cases over the years. In the most recent case, he worked with Assistant Attorney General Sandy Allen to convict Eric Henry of murdering a man in Platte County. A heinous murder in which Henry broke into his victim's home, bound and tortured him, and then stabbed him to death during the commission of a robbery.

Jim has also contributed to the betterment of his profession and is currently the Secretary for the County Attorney's Association Board of Directors. The State of Nebraska and the prosecuting profession have been truly fortunate that Jim Smith has spent the vast majority of his career working on their behalf.

WEBSITES OF INTEREST

Other U.S. Attorney's Offices: <http://www.usdoj.gov/usao/>

Department of Justice: <http://www.usdoj.gov/>

Federal Bureau of Prisons: <http://www.bop.gov>

Federal Bureau of Investigation: <http://www.fbi.gov/>

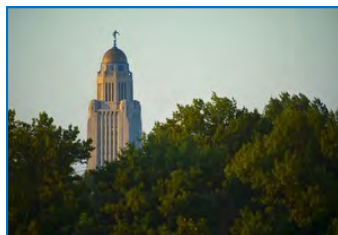
Bureau of Citizenship and Immigration Services: <http://www.uscis.gov/>

U.S. Immigration and Customs Enforcement: <http://www.ice.gov/>

U.S. Marshals Service: <http://www.usmarshals.gov/>

U.S. Department of Homeland Security: <http://www.dhs.gov/>

Extensive list of official Federal Government web sites: <http://www.usa.gov/>



Photos courtesy of The Nebraska Tourism Commission

When you teach a man to hate and fear his brother, when you teach that he is a lesser man because of his color or his beliefs or the policies he pursues, when you teach that those who differ from you threaten your freedom or your job or your family, then you also learn to confront others not as fellow citizens but as enemies.

We must admit the vanity of our false distinctions among men and learn to find our own advancement in the search for the advancement of all. We must admit in ourselves that our own children's future cannot be built on the misfortunes of others. We must recognize that this short life can neither be ennobled nor enriched by hatred or revenge.

Robert F. Kennedy



**U.S. Attorney's Office
District of Nebraska
2016 Annual Report**