



Monthly

Bulletin

Environmental Crimes Section

February 2016

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In Memory of Robert Schuyler Anderson

On January 26, 2016, ECS Senior Counsel Robert Schuyler Anderson passed away. Bob was the pre-eminent authority on the Lacey Act, a consummate prosecutor, a great outdoorsman, devoted father, musician, and a friend and mentor to many.

Few individuals have had as great an impact on wildlife protection. He will be deeply missed.

Send your federal case updates
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"Fraud in the renewable fuels program compromises our ability to fight climate change and reduce dependence on foreign oil," said Assistant Administrator Cynthia Giles for Enforcement and Compliance Assurance at EPA. "Yesterday's sentencing puts a check on illegal behavior and sends a clear message that EPA and its partners will prosecute serious offenders. We are committed to upholding program integrity and protecting responsible companies that play by the rules." [From press release for sentencing of [Joseph Furando](#)]

District/Circuit	Case Name	Case Type/Statutes
Eastern District of California	<u>United States v. Humberto Ceballos-Rangel</u> <u>United States v. Uriel Silva-Garcia</u>	Marijuana Grow /Drug Charges, Depredation of Public Land
Northern District of California	<u>United States v. James Tong</u>	Developer/ESA, Securities Fraud
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Northern District of Florida	<u>United States v. Grigorii Simagin</u>	Vessel/ APPS, Witness Tampering
Northern District of Illinois	<u>United States v. Philip M. Kraus</u>	Municipal Employee/False Statement
Southern District of Indiana	<u>United States v. Joseph Furando</u>	RINS/Conspiracy, False Claims against IRS, Obstruction, Wire Fraud, False Statement, Engaging in Prohibited Financial Transactions, CAA
Eastern District of Louisiana	<u>United States v. Energy Resource Technology GOM, LLC</u>	Oil and Gas Platform/OCSLA
District of Maryland	<u>United States v. Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A.</u>	Vessel/ APPS
District of Minnesota	<u>United States v. Yiwei Zheng</u>	Rhino Horn and Ivory/Smuggling, Lacey Act
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Western District of Missouri	<u>United States v. Fedor Pakhnyuk</u>	Paddlefish Eggs/Lacey Act
Eastern District of New York	<u>United States v. Gerard Kruse</u>	Snake Shipments/Lacey Act
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	<u>United States v. AIREKO Construction Company</u>	Asbestos Removal/CAA, CERCLA
Eastern District of Texas	<u>United States v. Trey Joseph Frederick</u>	Whooping Cranes Killed/MBTA
Southern District of Texas	<u>United States v. Nelson Bulanek</u> <u>United States v. Christopher James Garcia</u>	Bird Poisoning/MBTA Red Snapper Sales/Lacey Act
Western District of Texas	<u>United States v. Patrick Sheridan</u>	Rhino Horn/Conspiracy
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Decisions

***United States v. Tonawanda Coke Corporation*, ___Fed.Appx.____, 2016 WL 105805 (2nd Cir. Jan. 11, 2016), ECS Senior Counsel Rocky Piaggione and AUSA Aaron Mango.**

On January 25, 2016, Tonawanda Coke Corporation (TCC) filed a petition for rehearing *en banc*. The Second Circuit recently confirmed the conviction and sentence of this merchant by-product coke facility located in Tonawanda, New York. The company operated an unpermitted coke oven gas emission source for approximately 19 years. TCC had appealed three RCRA convictions on the basis of the lack of fair notice and that the sentence included, among other things, a requirement of community service.

The company was sentenced in March 2014 to pay a \$12.5 million fine and \$12.2 million in community service. It was placed on a five-year term of probation during which it was to pay its community service. This money is to fund an epidemiological study and an air and soil study to help determine the extent of health and environmental impacts of the coke facility on the Tonawanda community. Environmental manager Mark Kamholz was sentenced to serve one year of incarceration, followed by one year of supervised release. He also paid a \$20,000 fine and perform 100 hours of community service. Kamholz did not appeal.

The unpublished decision held that RCRA storage violations that included conduct going back to 1998 was not barred by the statute of limitations. The Court went on to explain: "We have no trouble concluding that the unpermitted "stor[age]" of hazardous waste under 42 U.S.C. § 6928(d)(2)(A) is a continuing offense." In addition, the Second Circuit rejected the argument that the District Court "abused its discretion" in imposing, as a special condition of probation, a requirement that TCC fund the two evaluative studies finding that TCC's conception of "harm" was too narrow. Regardless of demonstrable physical injury to the environment or people, "it has caused harm to those members of the public who are reasonably concerned that their property or their health has been compromised by the effects of TCC's illegality."

Trials

***United States v. Philip M. Kraus*, No. 15-CR-00342 (N.D. Ill.), AUSA Timothy Chapman and SAUSA Crissy Pellegrin.**

On January 6, 2016, Phillip M. Kraus was convicted by a jury on all six false statement counts (18 U.S.C. § 1001).

Kraus, a former certified water operator for the Village of Dolton, Illinois, engaged in a multi-year scheme to falsify drinking water data collected between January 2008 and August 2013 for the Village of Dolton.

The Village of Dolton was obligated to collect 25-30 samples of its drinking water monthly to test for the presence of total coliform bacteria. The samples were required to be taken from designated sites around Dolton. Kraus routinely collected samples from only one or a few locations, and falsified the collection forms to make it appear as if the sampling had been properly conducted. The false sampling data was sent to the Illinois Environmental Protection Agency, which implements the federal Safe Drinking Water Act program in Illinois. Sentencing is scheduled for April 5, 2016.

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

Indictments/Informations

United States v. Trey Joseph Frederick, No. 1:16-CR-00007 (E.D. Tex.), AUSA Joseph R. Batte.

On January 20, 2016, an information was filed charging Trey Joseph Frederick with violating the Migratory Bird Treaty Act (16 U.S.C. § 703).

According to the information, on January 11, 2016, a Texas Game Warden received calls reporting two whooping cranes had been shot. Further investigation revealed that Frederick had been seen in the area with a hunting rifle and had claimed to be hunting geese. Agents subsequently contacted the defendant at his home where he allegedly admitted to killing the cranes.

This case is being investigated by the U.S. Fish and Wildlife Services and the Texas Parks and Wildlife Department.



Deceased Whooping Cranes

Guilty Pleas

United States v. Humberto Ceballos-Rangel, No. 1:15-CR-00226 (E.D. Calif.), AUSA Karen Escobar.

On January 19, 2016, Humberto Ceballos-Rangel pleaded guilty to conspiracy to manufacture, to distribute, and to possess with the intent to distribute 50 or more marijuana plants.

Earlier this year, Ceballos and three others were charged with violations stemming from their involvement in a large marijuana operation in the Sierra National Forest in Madera County, California. Francisco Javier Gomez-Rodriguez, Alejandro Ramirez-Rojo (aka Alejandro Ramires), Anthony Isaac Santibanez, and Ceballos were charged with conspiracy, drug charges, and damaging public land and natural resources (21 U.S.C. §§ 841, 846; 18 U.S.C. § 1361).

According to the indictment, Ceballos-Rangel was found at a campsite within the marijuana cultivation site, where agents identified close to 6,000 marijuana plants and a loaded firearm. A short time later, it is alleged that Gomez-Rodriguez, Ramirez-Rojo, and Santibanez approached the grow site in a vehicle previously identified as a load vehicle used for the delivery of supplies. A .22 caliber rifle also was found in the vehicle, along with .40 caliber rounds of ammunition.

The cultivation operation caused significant harm to the forest. Native vegetation was cut to accommodate the marijuana plants, foot trails, and cooking and sleeping areas. Water also was diverted from a nearby creek for irrigation and a large quantity of trash was found in pits and throughout the site.

This case was investigated by the U.S. Forest Service, Homeland Security Investigations, the California Department of Justice's Campaign against Marijuana Planting, the California Department of Fish and Wildlife, and the Madera County Narcotic's Enforcement Team.

United States v. Yiwei Zheng a/k/a Steve Zheng, No. 15-CR-00092 (D. Minn.), AUSA Laura M. Provinzino, with assistance from ECS Trial Attorney Gary Donner.

On January 13, 2016, Yiwei Zheng a/k/a Steve Zheng, a professor at St. Cloud State University, pleaded guilty to a Lacey Act violation for smuggling elephant ivory and for illegally exporting rhinoceros horns from the United States (18 U.S.C. § 554; 16 U.S.C. §§ 3372(a)(9)(1), 3373(d)(1)(A)).

Zheng operated an online business known as Crouching Dragon Antiques. As part of this business, he offered for sale a variety of items, including objects made from elephant ivory and rhinoceros horn. In May 2011, U.S. Customs and Border Protection officers at the International Mail Facility in Chicago, Illinois, identified a parcel being exported from the United States and destined for an individual in Shanghai, China. The shipper was identified as



Spider's web carved from ivory

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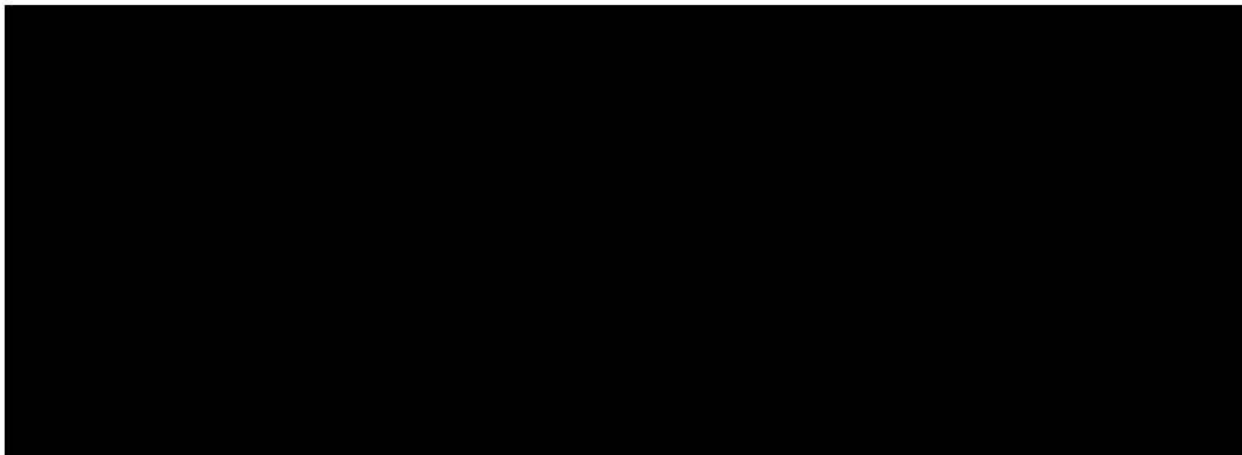
Guilty Pleas

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Professor Zheng. A wildlife inspector determined the package contained a number of elephant ivory carvings. The accompanying paperwork completed by the shipper described the contents as "Chinese artifact: Desk Decorative item" with a declared value of \$35.

Investigators determined that Zhen did not possess a CITES permit to export ivory, and that the ivory they had intercepted had, in fact, been purchased from eBay for almost \$7,000. Zheng also purchased two rhinoceros horns in July 2010 from an individual in Florida for more than \$20,000 and subsequently smuggled the horns out of the United States to China where they were ultimately sold at auction for approximately \$68,000. In total, Zhen smuggled into and out of the United States (and sold in China and elsewhere) elephant ivory, rhinoceros horn and products with a fair market value in excess of \$1 million.

Sentencing is scheduled for May 9, 2016. This case was investigated by the U.S. Fish and Wildlife Service.



United States v. AIREKO Construction Company, Nos. 3:15-CR-00527, 00448 (D.P.R.), ECS Senior Litigation Counsel Howard Stewart, AUSA Carmen M. Marquez, with assistance from RCEC Carolina Jordan-García and ECS Paralegal Chris Kopf.

On January 11, 2016, (the first day of trial), AIREKO Construction Company (AIREKO) pleaded guilty to four felony Clean Air Act NESHAP violations and one felony CERCLA violation (42 U.S.C. §§ 7413, 9603).

In May 2012, subcontractors removed ceiling materials containing asbestos that was improperly placed in the trash behind the building. The material was not wet down and officials were not properly notified of the release of a hazardous substance.

Company vice president and owner Edgardo Albino previously pleaded guilty to a CERCLA violation (42 U.S.C. § 9603) for failing to immediately notify government officials of the release of a reportable quantity of a hazardous substance. Project manager Kenneth Baez pleaded guilty to a CAA and a CERCLA violation (42 U.S.C. §§ 7412, 7413(c)(1), 9603).

During the AIREKO plea hearing, the court imposed the following conditions at the time of sentencing, which is scheduled for April 18, 2016: 1) The court may impose a fine

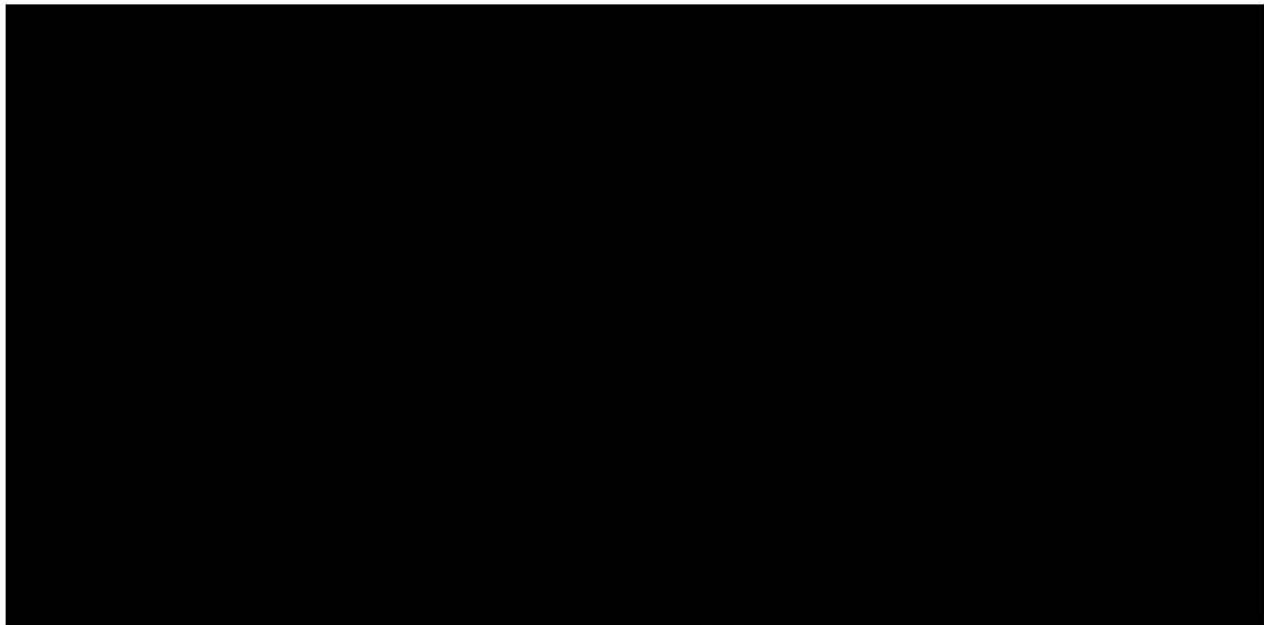
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Guilty Pleas

(Continued from page 7)

up to \$2.5 million; 2) AIREKO will complete a three-year term of probation; 3) AIREKO shall fund up to \$172,020 for a baseline examination and follow-up examination by the University of Puerto Rico Medical Sciences Campus for the more than 400 identified victims exposed to asbestos; 4) AIREKO will implement an environmental compliance plan; 5) AIREKO will fund one asbestos awareness seminar, and provide asbestos awareness literature. This material will be approved by EPA and the seminar and literature cannot promote the business of AIREKO in any way.

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



United States v. James Tong, No. 15-CR-00512 (N.D. Calif.), AUSA Maureen Bessette.

On January 8, 2016, James Tong and his development company, Wildlife Management, LLC, pleaded guilty to violations stemming from an illegal residential development site. Tong pleaded guilty to violating the Endangered Species Act and the company pleaded guilty to a securities fraud charge (16 U.S.C. §§ 1538(a)(1)(G), 1540(b)(1); 18 U.S.C. § 513(a)).



California Tiger Salamander

Wildlife Management, LLC (based in Dublin, California) financed and developed residential and commercial real estate projects in the East Bay. Real estate developers are required to mitigate for the loss of threatened or endangered species or its habitats when a project impacts them. Between June and December 2012, a person acting on behalf of Wildlife Management submitted to the City of Dublin a forged \$3.2 million mitigation receipt from the Ohlone Preserve Conservation Bank with the intent to deceive the City into

(Continued on page 9)

Guilty Pleas

(Continued from page 8)

believing Wildlife Management had purchased mitigation credits. After submitting the forged document, the site was graded, causing sediment to flow off-site into a pond that was habitat for the California Tiger Salamander, an endangered species.

Tong admitted that he directed the grading activities at Dublin Ranch North without the City's required mitigation measure and without authorization from wildlife officials. Tong also pleaded nolo contendere to a criminal forgery charge pending against him in state court.

Sentencing is scheduled for March 11, 2016. This case was investigated by the California Department of Fish and Game and the U.S. Fish and Wildlife Service.

United States v. Energy Resource Technology GOM, LLC (E.D. La.), AUSA Emily Greenfield.

On January 6, 2016, Energy Resource Technology GOM, LLC (ERT) pleaded guilty to two felony counts of violating the Outer Continental Shelf Lands Act and two felony counts of violating the Clean Water Act related to conduct on its offshore oil production facilities in the Gulf of Mexico (33 U.S.C. § 1319(c)(4),(c)(2)(A); 43 U.S.C. § 1513(c)(1)).

In November 2012, ERT failed to comply with the regulations for hot work on its offshore production platform. Specifically, ERT performed welding and associated activities on the platform that was within ten feet of a well bay, without enclosing the area. ERT also failed to comply with the regulations for blowout preventer testing.

Up until March 2014, ERT tampered with the NPDES-required method for collecting monthly wastewater discharge samples to be tested for oil and grease. In June 2015, ERT knowingly discharged wastewater, in violation of its permit.

This case was investigated by the DOI OIG Energy Investigations Unit, with assistance from the OIG Investigations and Review Unit, Bureau of Safety and Environmental Enforcement, and the U.S. EPA Criminal Investigation Division.

Sentencings

***United States v. Grigorii Simagin*, No. 3:15-CR-00073 (N.D. Fla.), ECS Trial Attorney Brandy Parker, AUSA Ryan Love, and ECS Paralegal Chris Kopf.**

On January 28, 2016, Grigorii Simagin was sentenced to time served (10 months) and must pay a \$1,000 fine prior to leaving the country. Simagin previously pleading guilty to witness tampering and an APPS violation (18 U.S.C. § 1512(b)(3); 33 U.S.C. § 1908(a)).

Simagin was Chief Engineer of the *M/V BBC Magellan*. From approximately January 2015 through March 2015, the defendant and other crewmembers used a rubber hose to bypass the ship's oily water separator to discharge oily wastes overboard. Simagin failed to note these overboard discharges in the oil record book (ORB) as required and/or falsely noted that the waste water had been properly processed through the ship's pollution prevention equipment prior to discharge as required.

In March 2015, as the vessel was docked in Pensacola, Coast Guard inspectors were presented with the falsified ORB. During this inspection, Simagin instructed crew members to lie when questioned about the rubber hose.

This case was investigated by the U.S. Coast Guard.

***United States v. Gerard Kruse*, No. 1:15-CR-00207 (E.D.N.Y.), ECS Trial Attorney Christopher Hale.**

On January 26, 2015, Gerard Kruse was sentenced to pay a \$4,000 fine and will complete a three-year term of probation. Kruse previously pleaded guilty to 13 counts of Interstate Transport or Receipt of Illegal Wildlife in violation of the Lacey Act (16 U.S.C. §§ 3372(a)(1), 3372(a)(2)(A), 3373(d)(2)). Kruse, a reptile enthusiast, participated in multiple interstate



Sierra Mountain Kingsnakes

transactions involving the illegal collection, transport, and receipt of a variety of snakes.

Kruse admitted that, during 2008 through 2012, he knowingly received or transported 59 snakes that were illegally collected under the laws of California, Oregon, North Carolina, or New Jersey, in violation of the Lacey Act. In 2011, he also knowingly received a rattlesnake that was shipped by U.S. Mail. Among the species transported in interstate commerce were corn snakes, San Diego mountain kingsnakes, and northern pine snakes.

This case was investigated by the U.S. Fish and Wildlife Service as part of Operation Kingsnake.

Sentencings

***United States v. Fedor Pakhnyuk*, No. 13-CR-04016 (W.D. Mo.), ECS Senior Trial Attorney Jim Nelson, AUSA Lawrence Miller, and ECS Paralegal Casey Layman.**

On January 25, 2016, Fedor Pakhnyuk was sentenced to complete a two year term of probation and Armenian national Bogdan Nahapetyan was sentenced to a one-year term. The sentencing of Petr Babenko has been continued.

Babenko was convicted by a jury in August 2015 on charges stemming from his involvement in a scheme to illegally buy and sell paddlefish. After deliberating for less than an hour, he was convicted on conspiracy to violate the Lacey Act and Lacey Act trafficking violations (18 U.S.C. § 371; 16 U.S.C. §§ 3372(a)(2)(A), 3373(d)(1)(B)).

Babenko owned European International Foods, a specialty grocery business located in Vineland, Missouri. Neither Babenko nor Nahapetyan had a valid roe fish dealer permit. Evidence introduced during the trial proved that the defendants possessed paddlefish and paddlefish eggs in excess of the Missouri possession limits and transported them across state lines. Nahapetyan previously pleaded guilty to illegally trafficking in paddlefish (16 U.S.C. §§ 3372(a)(2)(A), 3373(d)(1)(B)).

Arkadiy Lvovskiy, Dmitri Elitchev, and Artour Magdessian are scheduled to be sentenced on February 4, 2016. The trial of Andrew Praskovsky is scheduled to begin on April 25, 2016.

This case was investigated by the U.S. Fish and Wildlife Service and the Missouri Department of Conservation, with assistance by the Oklahoma Department of Wildlife Conservation.

***United States v. Uriel Silva-Garcia*, No. 1:15-CR-00159 (E.D. Calif.), AUSA Karen Escobar.**

On January 19, 2016, Uriel Silva-Garcia (Silva) and Antonio Garcia-Villa (Garcia) were sentenced after previously pleading guilty to conspiring to manufacture, distribute, and possess with intent to distribute marijuana in furtherance of a large-scale cultivation operation. Silva also pleaded guilty to possession of a firearm (21 U.S.C. §§ 841, 846, 924). Garcia will serve 84 months' incarceration, followed by 36 months' supervised release. Silva will serve 78 months' incarceration, followed by 36 months' supervised release. They were held jointly and severally liable for \$4,267 in restitution. Both also had been charged with depredation to government lands as the illegal grow site caused extensive damage to natural resources in the Sequoia National Forest (18 U.S.C. § 1361).

Between March and May 2015, Garcia was paid to tend and water close to 9,000 marijuana plants near Little Poso Creek in the Sequoia National Forest. Native trees and plants were cut down and steep hillsides were terraced to plant the marijuana. Pesticides (including Malathion), fertilizer, water lines, trash, clothing and camping equipment were scattered throughout the site.

This case was investigated by the U.S. Forest Service, Kern County Sheriff's Office, and ICE Homeland Security Investigations.

Sentencings

***United States v. Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A.*, Nos. 1:15-CR-00610, 00616 - 00617 (D. Md.), ECS Trial Attorney Thomas Franzinger, AUSA Michael Cunningham, and ECS Paralegal Christopher Kopf.**

On January 14, 2016, Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A. pleaded guilty to two APPS violations (33 U.S.C. § 1908(a)). The company was sentenced to pay a \$900,000 fine, and will make a \$150,000 community service payment to the National Marine Sanctuary Foundation. Engineers John C. Malaki and Ulyses A. Atabay previously pleaded guilty to violating APPS. Malaki will pay a \$50,000 fine and complete a six-month term of probation. Atabay will complete a one-year term of unsupervised probation.

Malaki was the Chief Engineer aboard the *M/V Artvin*, and Atabay was the Second Engineer. From March 2014 until November 2014, Atabay directed crewmembers to drain the vessel's waste oil tank by pumping its contents into buckets and drums, and then discharging their contents overboard. Malaki was aware of the overboard discharges, and failed to record them in the vessel's oil record book (ORB) and/or falsely noted that the waste had been properly processed through the ship's pollution prevention equipment.

The *Artvin* entered the Port of Newport News, Virginia, in August 2014 with this falsified ORB. In November 2015, as the vessel was approaching the Port of Baltimore, a crewmember contacted the U.S. Coast Guard to inform them of the overboard discharges. The inspectors were presented with the false ORB upon their arrival. During the inspection, crewmembers provided the Coast Guard with videos and photos of the discharging activity, and directed them to the equipment used in the process.

This case was investigated by the U.S. Coast Guard.

***United States v. Patrick Sheridan*, No. 14-CR-00108 (W.D. Tex.), ECS Trial Attorney Gary Donner, AUSA Greg Gloff, and ECS Supervisory Paralegal Lisa Brooks.**

On January 13, 2016, Irish national Patrick Sheridan was sentenced to 12 months' incarceration, followed by three years' supervised release, and a \$1,000 fine. Sheridan previously pleaded guilty to a conspiracy violation (18 U.S.C. § 371) for his role in trafficking black rhinoceros horns.

Sheridan and co-defendant Michael Slattery, Jr., conspired to traffic in horns from black rhinoceros. Sheridan was extradited from the United Kingdom in September 2015 and also pleaded guilty to a conspiracy charge.

In 2010, the defendants used a "straw buyer" to purchase two black rhinoceros horns from taxidermist in Texas. The horns were subsequently sold in New York. Slattery was sentenced to 14 months' in prison for his role in the conspiracy.

This case was investigated by the U.S. Fish and Wildlife Service as part of Operation Crash.

Sentencings

United States v. Nelson Bulanek, No. 6:16-CR-00002 (S.D. Tex.), AUSA Hugo Martinez.

On January 8, 2016, rice farm owner Nelson Bulanek was sentenced after pleading guilty to a Migratory Bird Treaty Act violation (16 U.S.C. §§ 703, 707(a)) for illegally killing 65 brown-headed cowbirds and four red-tailed hawks. Bulanek was ordered to pay a \$10,000 community service payment to the Texas Parks and Wildlife Department Operation Game Thief Program and will complete a two-year term of probation.

Bulanek came under investigation when local wildlife officials received reports of numerous dead and dying birds on and near his property. Game wardens suspected the birds were poisoned and contacted federal officials for assistance. Further investigation



Dead Redtail hawk

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Sentencings

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revealed the birds had ingested poisoned rice. The defendant ordered his workers to mix a batch of rice with a pesticide called Bidrin and had them spread it over his recently harvested rice field.

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

United States v. Joseph Furando, No. 1:13-CR-00189 (S.D. Ind.), ECS Assistant Chief Tom Ballantine, USAO Senior Litigation Counsel Steven DeBrot, SEC SAUSA Jake Schmidt, and ECS Paralegal Casey Layman.

On January 7, 2016, Joseph Furando was sentenced to 20 years' incarceration, followed by three years' supervised release, for his involvement in a scheme to defraud biodiesel buyers and U.S. taxpayers by fraudulently selling biodiesel incentives. Furando also was ordered to pay more than \$56 million in restitution, jointly and severally with other defendants.

From 2007 through 2012, E-biofuels owned a biodiesel manufacturing plant in Middletown, Indiana. E-biofuels was owned and operated by Brian Carmichael and brothers Chris, Chad and Craig Ducey. In late 2009, Furando, Caravan Trading Company and CIMA Green began supplying E-biofuels with biodiesel that had already been used to claim tax credits and RINs. Because these incentives had already been claimed, Furando could purchase the biodiesel at low prices, sometimes for more than \$2 per gallon less than biodiesel that was still eligible for the credits. He then illegally re-certified it to sell at a much higher market price.

Furando, his companies, and his Indiana co-defendants realized substantial per-gallon profits through this scheme, sometimes in excess of \$12,000 per truckload. Over the course of approximately two years, the defendants fraudulently sold more than 35 million gallons of fuel for a total cost of over \$145.5 million. The defendants earned more than \$55 million in gross profits, at the expense of their customers and U.S. taxpayers. Furando, Caravan Trading and CIMA Greed pleaded guilty to all charges: conspiracy, wire fraud, false statements, obstruction, engaging in prohibited financial transactions, and money laundering (18 U.S.C. §§ 371, 1001, 1343, 1957).

Carmichael was recently sentenced to five years' incarceration, to be followed by three years' supervised release. He also will be jointly and severally liable for the \$56 million in restitution. The Ducey brothers pleaded guilty to conspiracy, false claims against the Internal Revenue Service, wire fraud, and lying to the EPA and the IRS (18 U.S.C. §§ 287, 371, 1001(a)(1), 1343, 1519, 1957; 42 U.S.C. § 7413(c)(2)(A)). In particular, Chad Ducey, an engineer by training, caused a third-party engineer to submit false reports to justify the production at E-biofuels. Those reports claimed that E-biofuels was using the chemical process of trans-esterification to produce biodiesel, when in fact, the company simply re-sold biodiesel that had been made by others and already had been used to claim biodiesel incentives.

In addition, Craig Ducey pleaded guilty to a related \$58.9 million securities fraud, which victimized more than 625 investors and share-holders of Imperial Petroleum, a

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Sentencings

(Continued from page 14)

publicly-traded company and the parent company of E-biofuels. E-biofuels pleaded guilty to similar charges.

Furando will forfeit a Ferrari, other cars, a million-dollar home, artwork, a piano and two biodiesel powered motorcycles. Furando's companies, CIMA Green and Caravan Trading, which are largely defunct, must serve two years' probation to ensure that what assets remain are properly directed toward victims. Toward that end, the court imposed, but suspended, the fines. E-biofuels also is jointly and severally liable for the \$56 million in restitution; the company, however, is in bankruptcy and its few remaining assets are being distributed to creditors and victims through the bankruptcy process.

This case was investigated by the U.S. EPA Criminal Investigation Division, IRS Criminal Investigations, the FBI, and the Securities and Exchange Commission, with assistance from the U.S. Secret Service and the U.S. Department of Agriculture OIG.

United States v. Christopher James Garcia, No. 15-CR-00751 (S.D. Tex.), AUSA Hugo Martinez.

On December 11, 2015, Christopher James Garcia was sentenced to pay \$10,000 in restitution and will complete a three-year term of probation. Garcia previously pleaded guilty to Lacey Act violations for illegally selling Red snapper (16 U.S.C. §§ 3372(a)(2)(A), 3372(a)(4), 3373(d)(1)(B)).

Under federal law, red snapper commercial fisheries in the Gulf of Mexico are managed on an individual fishing quota system. Under the program, managers set a limit on the amount of red snapper that can be caught every year, then allocate fixed shares of this amount to eligible fishermen.

Garcia was the co-owner and operator of Exclusive Fishing Texas, a business that sold and transported Gulf reef fish in the Port Aransas area. In August 2013, agents working in an undercover capacity purchased 640 pounds of red snapper from Garcia for \$3,776. Another 485 pounds was purchased in October 2013, for \$2,860.

On both occasions, Garcia transported the fish from Port Aransas to meet the agents in San Antonio. Garcia did not report these catches towards his individual fishing quota and also did not possess a wholesale dealer's license.

In 2013, a multi-agency task force was organized as part of an investigation called Operation in the Red. The goal was to identify, apprehend and prosecute individuals and businesses involved in the unlawful catch, possession, sale and purchase of red snapper along the Texas gulf coast. This case was investigated by the U.S. Fish and Wildlife Service, the Texas Parks and Wildlife Department, the U.S. Coast Guard Investigative Service and National Marine Fisheries Service.



Red Snapper

In Memoriam

ENVIRONMENTAL CRIMES SECTION SENIOR COUNSEL ROBERT ANDERSON – IN MEMORIAM

The Department of Justice suffered a tremendous loss on January 26, 2016, with the passing of Robert Schuyler Anderson, Senior Counsel in the Environmental Crimes Section (and previously the Wildlife and Marine Resources Section). Bob was the pre-eminent authority on the Lacey Act, a consummate prosecutor, a great outdoorsman, devoted father, musician, and a friend and mentor to many.



Following a stint in the Navy as a linguist, Bob attended the University of Montana and earned a degree in Wildlife Biology followed by a law degree. After working as a county prosecutor and successfully prosecuting criminal cases, he joined the Department of Justice in 1991. It is no exaggeration to say that the day Bob came to work for the Department, the course of wildlife prosecutions in the United States changed, to the benefit of the world's natural resources.

Bob was innovative in his approach to wildlife prosecution, charging serious wildlife criminals with money laundering, smuggling and other Title 18 crimes. This approach, which resulted in lengthy prison sentences for the worst wildlife traffickers, is now standard practice in wildlife prosecutions. Bob continually forged new paths in wildlife enforcement. For example, Bob obtained a plea agreement with Moon Lake Electric Association that recognized the application of the Migratory Bird Treaty Act to industrial takings and required the company to retrofit faulty power lines to protect raptors. Having changed the behavior of that particular industry, he moved on to the deadly settlement ponds in the oil and gas industry, and then to the massive turbines of wind farms. Today, Avian Protection Plans are a part of doing business in industries that otherwise killed migratory birds by the thousands.

Bob provided training to prosecutors and agents around the world and was asked for by name for workshops both here and abroad. He was respected by colleagues and defense counsel alike as a man of great intellect and integrity. Bob was passionate about stemming the illegal commercial exploitation of this nation's and the world's natural resources, but equally passionate about the just application of the law.

Few individuals have had as great an impact on wildlife protection. Through his career, Bob saved untold numbers of endangered, threatened and protected species around the world. He will be deeply missed.

Environmental Crimes Section Attorneys

Position	Name	Phone
Chief	Deborah Harris	
Deputy Chief	Joseph Poux	
Assistant Chief	Thomas Ballantine	
Assistant Chief	Elinor Colbourn	
Assistant Chief	Wayne Hettenbach	
Assistant Chief	Jennifer Whitfield	
Senior Litigation Counsel	Howard P. Stewart	
Senior Litigation Counsel	Richard Udell	
Senior Counsel	Kris Dighe	
Senior Counsel	Rocky Piaggione	
Senior Trial Attorney	Georgiann Ceresse	
Senior Trial Attorney	Christopher Costantini	
Senior Trial Attorney	Daniel Dooher	
Senior Trial Attorney	Todd Gleason	
Senior Trial Attorney	David Kehoe	
Senior Trial Attorney	Jeremy Korzenik	
Senior Trial Attorney	James Nelson	
Senior Trial Attorney	Ken Nelson	
Senior Trial Attorney	Lana Pettus	
Trial Attorney	Cassandra Barnum	
Trial Attorney	Jennifer Blackwell	
Trial Attorney	Mary Dee Carraway	
Trial Attorney	Ryan Connors	
Trial Attorney	Adam Cullman	
Trial Attorney	Gary Donner	
Trial Attorney	Patrick Duggan	
Trial Attorney	Ethan Eddy	
Trial Attorney	Thomas Franzinger	
Trial Attorney	Christopher Hale	
Trial Attorney	Joel LaBissonniere	
Trial Attorney	Leslie Lehnert	
Trial Attorney	Brandy Parker (USCG)	2
Trial Attorney	Shennie Patel	20
Trial Attorney	Richard Powers	2
Trial Attorney	Mark Romley	3
Trial Attorney	Brendan Selby	2
Trial Attorney	Lauren Steele	2
Trial Attorney	Shane Waller	

Announcements

A [Worker Protection](#) page has been added to the Website. It contains helpful guidance and contacts for prosecuting worker safety related cases.

Volume 1, Chapters 6 and 10 (Debarment; Clean Air Act) have been updated and are now posted in the [Environmental Crimes Manual](#).

Please send information regarding State and local cases to the [Regional Environmental Enforcement Association's Webpage](#). Updates on federal cases should be sent to [REDACTED]

If you are in need of sentencing data for your wildlife or pollution cases, please contact [REDACTED] with your search requests.