



Monthly

# Bulletin

## Environmental Crimes Section

April 2017

### Inside this Issue:

<a href="#">Trials</a>	4
<a href="#">Indictments</a>	5-7
<a href="#">Guilty Pleas</a>	8-17
<a href="#">Sentencings</a>	18-30
<a href="#">Announcements</a>	31
<a href="#">Contacts</a>	32



“This criminal conviction clearly shows that treating our oceans as a dump has serious consequences,” said Acting Assistant Attorney General Jeff Wood of the Justice Department’s Environment and Natural Resources Division (ENRD). “Law-abiding vessel operators know the importance of compliance with our nation’s environmental laws, but those that flout those laws will face justice.” [From [press release](#) announcing the jury verdict. See inside for more information on the case.]

Send your federal case updates to:

District/Circuit	Case Name	Case Type/Statutes
District of Alaska	<a href="#"><u>United States v. East West Seafoods, LLC</u></a> [REDACTED]	Seafood Processor/APPS, CWA, Refuse Act [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Central District of California	<a href="#"><u>United States v. Smogz R Us</u></a>	Vehicle Emissions Testing/CAA, Conspiracy
Eastern District of California	<a href="#"><u>United States v. Carlos Piedra-Murillo</u></a>	Marijuana Grow/Depredation, Drugs
Southern District of California	<a href="#"><u>United States v. Daniel Williams</u></a>  <a href="#"><u>United States v. June Lee</u></a>	Sewage Disposal/Misprision of Felony, SDWA  Totoaba Imports/Lacey Act, Smuggling
Northern District of Indiana	<a href="#"><u>United States v. Dipen Patel</u></a>	Pesticide Application/FIFRA
District of Kansas	<a href="#"><u>United States v. Ahmed el-Sherif</u></a>	Lab Waste/RCRA
District of Maine	<a href="#"><u>United States v. Timothy Lewis</u></a>	Eel Trafficking/Conspiracy, Lacey Act
District of Massachusetts	<a href="#"><u>United States v. Carlos Rafael</u></a>  <a href="#"><u>United States v. Berkshire Power Company, LLC</u></a>	Commercial Fishing/Bulk Cash Smuggling, Conspiracy, Falsifying Federal Records, Lacey Act, Tax Evasion  Power Plant/CAA, Conspiracy, Federal Power Act
Eastern District of Michigan	<a href="#"><u>United States v. Volkswagen AG</u></a>  <a href="#"><u>United States v. Gerald Bennett</u></a>	Diesel Engine Emissions Fraud/Conspiracy, Entry of Goods by Means of False Statements, Obstruction of Justice  Cargo Tank Testing/HMTSA

District/Circuit	Case Name	Case Type/Statutes
Western District of Missouri	<a href="#">United States v. Charles Ranslow</a>	WWTP Operator/CWA
District of Nebraska	<a href="#">United States v. Patrick Keough</a>	Fiberglass Manufacturer/CAA
Eastern District of North Carolina	<a href="#">United States v. Michael Potter</a> <a href="#">United States v. David Saunders, Jr.</a>	Striped Bass Harvesting/Lacey Act
Western District of North Carolina	<a href="#">United States v. Vu Johnnie Nguyen</a>	Bear Part Sales/Lacey Act
██████████	██████████	██████████
Southern District of Ohio	<a href="#">United States v. Randall J. Frye</a> <a href="#">United States v. Mark Epstein</a>	Dogfighting/ Animal Fighting Venture, Conspiracy  Chlorine Imports/Conspiracy, Entry of Goods by Means of False Statements, Money Laundering,
Eastern District of Pennsylvania	<a href="#">United States v. Matthew Brozena</a>	WWTP Operator/CWA
District of South Carolina	<a href="#">United States v. Aegean Shipping Management, S.A.</a>	Vessel/APPS, Destruction of Records, Obstruction
██████████	██████████	██████████
Eastern District of Virginia	<a href="#">United States v. Phillip Lloyd</a>	Animal Blood Shipments/ Conspiracy, Lacey Act
Western District of Virginia	<a href="#">United States v. Shirley Ray Slone</a>  ██████████	Cockfighting/ Animal Fighting Venture, Conspiracy, Drug, Gambling  ██████████
District of Virgin Islands	<a href="#">United States v. Terminix International Company LP</a>	Pesticide Application/FIFRA
Western District of Washington	<a href="#">United States v. Bingham Fox</a> <a href="#">United States v. Randall Fox</a> <a href="#">United States v. Billy Swann</a> <a href="#">United States v. Lonny Howard</a>	Vessel/CWA  Vessel/APPS, Conspiracy  Fishing Guide/ESA  Oyster Processor/CWA
Eastern District of Wisconsin	<a href="#">United States v. Grede, LLC</a>	Machine Parts Foundry/CAA, Conspiracy, False Statement, Obstruction

## Trials

**United States v. Bingham Fox, No. 2:16-CR-00100 (W.D. Wash.) No. 2:16-CR-00100 (W.D. Wash.), ECS Senior Trial Attorney Todd Gleason, ECS Trial Attorney Stephen DaPonte, and ECS Paralegal Christopher Kopf.**

On March 30, 2017, Bingham Fox, owner of the fishing vessel *Native Sun*, was convicted by a jury of a Clean Water Act violation (33 U.S.C. §§ 1319(c)(2)(A), 1321 (b)(3)), for directly discharging oily wastes directly into waters off the coast of Washington.

Between March and September 2013, Bingham Fox and others repeatedly discharged oily wastes into the ocean using unapproved submersible pumps and hoses. According to evidence presented at trial, the ship had multiple, long-term, mechanical problems that allowed substantial amounts of oil into its bilges. In addition, the vessel was leaky, so the bilges were constantly filling with a mixture of oil and seawater. Bingham Fox had at least one illegal pump installed on board and directed others to regularly dump oily waste from the bilges, even while in port.

On March 17, 2017, Fox's son [Randall Fox](#) pleaded guilty to APPS and conspiring with others to discharge oily wastes into the ocean when the *Native Sun* was offshore (18 U.S.C. § 371; 33 U.S.C. § 1908(a)). On at least one occasion, a discharge under Randall Fox's command left a large oily sheen in the ship's wake, which was video taped by a crewmember, who reported the crime to authorities. Randall Fox is scheduled for sentencing on June 16, 2017, and Bingham Fox is set for July 11, 2017.

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



*Sheen from overboard discharge of oil*

## Indictments

***United States v. Timothy Lewis and William Sheldon*, Nos. 2:17-CR-00032, 00041 (D. Maine), ECS Trial Attorneys Cassie Barnum and Shane Waller, and ECS Paralegal Ashley Patterson-Chandler.**

On March 29, 2017, Timothy Lewis was charged in a two-count indictment with conspiring to traffic juvenile American eels, also known as “elvers” or “glass eels”, in violation of the Lacey Act (18 U.S.C. § 371; 33 U.S.C. §§ 3372(a)(2)(A), 3372(a)(4), and 3373(d)(1)(B)). William Sheldon was charged on March 1, 2017, in a seven-count indictment with similar violations.

Between 2011 and 2014, Sheldon allegedly purchased elvers from individuals who he knew had harvested the elvers illegally; he then transported those elvers to an exporter, who shipped them to Hong Kong and Korea to be raised to adulthood and sold for food. Lewis, from 2012 to 2014, allegedly fished for elvers illegally, purchased elvers that he knew had been harvested illegally, and arranged for their transport and export.

This case is a result of “Operation Broken Glass,” a multi-jurisdiction U.S. Fish and Wildlife Service investigation into the illegal trafficking of American eels. To date, the investigation has resulted in these two indictments, as well as guilty pleas from 11 individuals in Maine, Virginia, and South Carolina. The defendants have admitted to illegally trafficking more than a combined \$2.75 million worth of elvers. Because of the threat of overfishing, elver harvesting is prohibited in the United States in all but three states: Maine, South Carolina, and Florida. Maine and South Carolina heavily regulate elver fisheries, requiring that individuals be licensed and report all quantities of harvested eels to state authorities. Although Florida does not have specific elver-related regulations, the limited population of elvers in Florida waters makes commercial eel fishing impossible.

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

# Indictments

[REDACTED]

***United States v. Ahmed el-Sherif, No. 2:17-CR-20006 (D. Kan.), ECS Senior Counsel Kris Dighe, AUSA Anthony Mattivi, and ECS Paralegal Amanda Backer.***

On March 16, 2017, a two-count indictment was returned against Ahmed el-Sherif, the former owner and operator of Beta Chem Laboratory. The charges involve the storage of hazardous waste in violation of RCRA and obstruction of any agency proceeding (42 U.S.C. § 6928(d)(2)(A); 18 U.S.C. § 1505).

Beta Chem was a radioactive pharmaceutical synthesis lab that had been licensed by the Kansas Department of Health and Environment (KDHE) to use Carbon-14 to tag chemicals for pharmaceutical companies to incorporate into their experimental drugs. The Carbon-14 tagged drugs would be used by the pharmaceutical companies to observe where in the body the drugs traveled and remained. El-Sherif used numerous solvents in the process, many of which were ignitable, reactive, and toxic.

In the mid-2000s, state officials determined that the Beta Chem lab had become contaminated with radioactive material and suspended its license. U.S. EPA at that time determined that el-Sherif was not conducting waste characterizations as required by RCRA. Until October 2013, when it took control of the lab, KDHE attempted to work with el-Sherif to address the radiation contamination. When the lab was closed, contamination was found throughout the facility and in soils outside. EPA and FBI executed a search warrant in January 2014, and found many incompatible waste chemicals in close proximity that could have ignited, and one chemical for which the bomb squad had to be called in. More than a thousand containers of chemicals were identified, many of which contained RCRA ignitable, reactive, toxic, and listed hazardous wastes. Most of the containers also were contaminated with radioactive material. After EPA remediated the hazardous waste at the lab, it began an assessment of el-Sherif's ability to pay for the cleanup and/or a penalty. As part of the documentation submitted to EPA for their assessment, El-Sherif submitted falsified federal income tax returns for Beta Chem that understated his ability to pay.

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



## Indictments

### **United States v. Grede, LLC, No. 17-CR-00050 (E.D. Wis.), AUSA Keith Alexander and SAUSA James Cha.**

On March 7, 2017, an indictment was returned, variously charging two corporations and three individuals with conspiracy, false statement, obstruction and Clean Air Act violations (18 U.S.C. §§ 371, 1001, 1505, 1512; 42 U.S.C. § 7413 (c)). Grede, LLC, and Grede II, LLC (also known as Grede Wisconsin Subsidiaries, LLC), were the owners and operators of the former Grede Foundry in Berlin, Wisconsin. Peter J. Mark was the safety and environmental director, and Steven G. O'Connell and Christy L. McNamee were former employees of the now shuttered facility.

According to the indictment, in January 2012, workers at the foundry were ordered to assist in the refurbishment of a "heat-treat" oven. The oven had not been used for approximately 15 to 20 years, and the roof of the oven had a layer of insulation that contained asbestos. Approximately five employees used jackhammers, chisels, and other tools and equipment to remove the asbestos-containing insulation from the oven. The work generated clouds of dust which spread into the nearby maintenance shop and foundry shipping area. The employees performing this work were only given provided disposable dust masks to protect themselves.

Workers were not told that the material they were removing contained asbestos. This contaminated material was then hauled away to a landfill by unsuspecting trash collectors. The indictment further alleges that Mark, O'Connell, McNamee, and the corporate defendants conspired to obstruct state and federal EPA and OSHA investigators during subsequent inquiries into the presence of asbestos during the abatement project.

This case was investigated by the U.S. EPA Criminal Investigation Division, the U.S. Department of Labor's Office of Inspector General, and the Wisconsin Department of Natural Resources Warden's Service.

## Guilty Pleas

### ***United States v. Smogz R Us, Nos. 2:16-CR-00046, 00049 (C.D. Calif.), AUSA Veronica Dragalin.***

On March 31, 2017, Mario Mesa pleaded guilty to a conspiracy violation (18 U.S.C. § 371) for his role in a vehicle emissions testing scheme. Jaime Patrick Alvarez and Cheerline May Young entered similar pleas on March 22, 2017, for their participating in hundreds of fraudulent smog check inspections (known as “clean piping”) over an eight-month period.

In February 2016, a 44-count indictment was returned charging the following nine defendants with conspiracy and Clean Air Act violations (18 U.S.C. § 371; 42 U.S.C. § 7413 (c)(2)(A)): Cheerline May Young was the owner/operator of Smogz Are Us; Cheerline Marie “Cici” Young is her daughter, and sons Jermaine Elroy Williams and Mark Anthony Young were also named. Also charged were employees Darnell Tyrone Usher, Lavell Fay Davenport, Miguel Angel, Mesa, and Alvarez. In a related case, Joshua Ebow is charged with similar conduct at Smog Pro, Inc., another former Los Angeles smog check station.

As part of California’s plan to meet air quality standards, the state’s Bureau of Automotive Repair oversees a vehicle inspection program that requires vehicles to undergo emissions tests commonly called a smog check. The indictment states that the defendants entered vehicle identification information into the smog testing equipment (known as the Emissions Inspection System) to make it appear that a particular vehicle was being tested. They then performed the emissions test on a second “substitute vehicle” to obtain a passing result for the vehicle that was not actually tested. This process of “clean piping” was allegedly used to conduct more than 1,300 fraudulent smog checks at Smogz R Us, and nearly all of the vehicles supposedly tested were not present at the testing station.

According to the indictment, once the bogus tests were completed, the defendants caused fraudulent Certificates of Compliance to be submitted to California’s Vehicle Information Database, falsely certifying the vehicles had passed the smog checks.

Defendants Williams, Usher, and Davenport have pleaded guilty to a conspiracy violation. Mark Anthony Young, Espinoza, and Ebow are scheduled for trial to begin on April 18, 2016. Cheerline Marie “Cici” Young is a fugitive.

These cases were investigated by the U.S. EPA Criminal Investigation Division.



## Guilty Pleas

### **United States v. Carlos Rafael, No. 1:16-CR-10124 (D. Mass.), AUSA Andrew Lelling.**

On March 30, 2017, the owner of one of the largest commercial fishing businesses in the United States pleaded guilty to operating a long-running scheme through which he submitted falsified records to the federal government to evade federal fishing quotas.

Carlos Rafael pleaded guilty to one count of conspiring to commit offenses against the United States, 23 Lacey Act counts for false labeling, two counts of falsifying federal records, one count of bulk cash

smuggling, and one count of tax evasion (16 U.S.C. §§ 3372(d), 3373(d)); 18 U.S.C. §§ 317, 1519; 26 U.S.C. § 7201; 31 U.S.C. §§ 5316, 5324(c)(3), 5332(a)). Sentencing is scheduled for June 27, 2017.

Rafael, the owner of Carlos Seafood, Inc., owned 32 fishing vessels through independent corporate shells. The charges arose out of an undercover investigation in which federal agents posed as organized crime figures interested in buying Carlos Seafood. From 2012 to January 2016, Rafael routinely lied to the National Oceanic and Atmospheric Administration (NOAA) about the quantity and species of fish his boats caught, in order to evade federal quotas designed to guarantee the sustainability of certain fish species.

During that period, Rafael misreported to NOAA approximately 782,812 pounds of fish, telling NOAA that the fish was haddock, or some other abundant species subject to high quotas, when in fact the fish was cod, sole, or other species subject to strict quotas. After submitting false records to federal regulators, Rafael sold much of the fish to a wholesale business in New York City in exchange for bags of cash. During meetings with the undercover agents, Rafael said that in his most recent dealings with the New York buyer he received \$668,000 in cash. Rafael smuggled at least some of that cash out of the U.S. to his native Portugal, hiding it there to evade federal taxation on that revenue.

This case was investigated by the IRS Criminal Investigation, U.S. Coast Guard, and NOAA.



*Federal agents raid the Carlos Seafood offices in New Bedford, Mass.  
[From CNN.com]*

## Guilty Pleas

***United States v. Terminix International Company LP, No. 3:17-CR-00007 (D.V.I.), ECS Senior Litigation Counsel Howard Stewart, AUSA Kim L. Chisholm, RCEC Patricia Hick, and ECS Paralegal Ashley Patterson-Chandler.***

On March 23, 2017, Terminix International Company LP (Terminix LP) and Terminix International USVI LLC (Terminix USVI), pleaded guilty to four FIFRA counts (7 U.S.C. § 136j (a)(2)(G), 136l(b)(1)(B)). The companies admitted to illegally applying fumigants containing methyl bromide in multiple residential locations in the U.S. Virgin Islands. A Delaward family of four vacationing in St. John in March 2015 fell seriously ill after the unit below them was fumigated. Sentencing is scheduled for July 27, 2017.

The EPA banned the indoor use of methyl bromide products in 1984. The few remaining uses are severely restricted due to their acute toxicity, and must be applied only by a certified applicator. After the government began its investigation, Terminix LP voluntarily ceased its use of methyl bromide in the U.S. and in U.S. territories, except for one remaining project at the Port of Baltimore.

Terminix USVI, the Virgin Islands operation of Terminix LP, provided pest control services in the Virgin Islands including fumigation treatments for Powder Post Beetles, a common problem in the islands. In October 2014 and March 2015, the defendants applied restricted-use fumigants at the Sirenusa resort in St. John for the purpose of exterminating household pests. The companies also applied the chemical in 12 residential units in St. Croix and one additional unit in St. Thomas between September 2012 and February 2015. These fumigation treatments were referred to as “tape and seal” jobs, meaning that the affected area was to be sealed off from the rest of the structure with plastic sheeting and tape prior to the introduction of the fumigant. Customers were generally told that they could not enter the building for two to three days after a treatment.

On March 18, 2015, two Terminix USVI employees fumigated a lower rental unit at Sirenusa in St. John. The upper unit was occupied by the Esmond family. Methyl bromide migrated upstairs, causing serious injury to and hospitalization of the entire family.

This case was investigated by the U.S. EPA Criminal Investigation Division, with assistance from the Virgins Islands government, and the Agency for Toxic Substances and Disease Registry.

## Guilty Pleas

### ***United States v. Shirley Ray Slone, No. 1:16-CR-00035 (W.D. Va.), AUSA Randy Ramseyer and SAUSA Virginia Assistant Attorney General Michelle Welch.***

On March 21, 2017, Shirley Ray Slone and Vernon Kelly Slone, the owners of the Big Blue Sportsman's Club, pleaded guilty to conspiracy to cause others to attend an animal fighting venture, specifically, cockfights (18 U.S.C. § 371). As part of their plea, the 10,000 square-foot facility will be razed. The defendants have agreed to pay for the cost of club's destruction, in addition to forfeiting \$100,000. They are scheduled to be sentenced on June 8, 2017.

The 5,000-member club hosted cockfights for more than 20 years. The facility, located in McDowell, Kentucky, which featured arena-style seating, multiple fighting pits, and a restaurant, was the site of a law enforcement raid in 2014.

To date, nine individuals have been convicted for their roles in the cockfighting conspiracy run out of the Big Blue facility. Russell D. Peaks, who raised fighting birds in Virginia and brought them to Big Blue to fight, was sentenced to 24 months' incarceration for allowing a minor to attend a cockfight, distribution of hydrocodone, and conspiracy to facilitate cockfighting (18 U.S.C. §§ 371, 49; 21 U.S.C. § 841). Jimmy Crate Willis has pleaded guilty to conspiracy to sponsor an animal in a cockfight, participating in an animal fighting venture, and involvement in a gambling operation (18 U.S.C. §§ 371, 1955; 7 U.S.C. § 2156). He will be sentenced on May 15, 2017.

In 2014, Walter Stumbo was sentenced to 18 months' incarceration for his role in the Big Blue conspiracy; Joshua Stumbo and Sonya Stumbo were each sentenced to ten months' incarceration; Jonathan Robinson was sentenced to 12 months and one-day incarceration; and Wesley Robinson was sentenced to six months' incarceration, followed by six months' home detention (18 U.S.C. §§ 371, 49; 7 U.S.C. § 2156; 21 U.S.C. § 841).

This case was investigated by the U.S. Department of Agriculture Office of Inspector General, the Virginia Alcohol Beverage Control Bureau of Law Enforcement, and the Spotsylvania County Sheriff's Office. Assistance was provided by the following agencies: Virginia Animal Fighting Task Force; Virginia State Police Tactical Team; Southwest Virginia Regional Task Force; Botetourt County Commonwealth's Attorney's Office; Wise County, Virginia, Sheriff's Office and Commonwealth's Attorney's Office; Virginia State Veterinarian's Office; United States Homeland Security Investigations; Kentucky State Police; the United States Attorney's Office for the Eastern District of Kentucky; and the American Society for the Prevention of Cruelty to Animals.

### ***United States v. Charles Ranslow, No. 3:15-CR-05025 (W.D. Mo.), AUSA Abram McGull, II.***

On March 20, 2017, wastewater treatment plant operator Charles Ranslow pleaded guilty to a negligent Clean Water Act violation (33 U.S.C. §§ 1318 and 1319(c)(1)(A)), for falsifying discharge monitoring reports (DMRs).

Ranslow worked for the Granby wastewater treatment facility between September 2011 and October 2014. He was responsible for wastewater sampling and for submitting sample results to the Missouri Department of Natural Resources (MDNR). Ranslow submitted a DMR for a sample taken in March 2014 that had falsified levels of ammonia.

The case was investigated by U.S. EPA Criminal Investigation Division and the Missouri Department of Natural Resources.

## Guilty Pleas

**United States v. Randall Fox, No. 2:16-CR-00100 (W.D. Wash.), ECS Senior Trial Attorney Todd Gleason, ECS Trial Attorney Stephen DaPonte, and ECS Paralegal Christopher Kopf.**

On March 16, 2017, Randall Fox, the captain of the *F/V Native Sun*, pleaded guilty to conspiracy and to violating APPS (18 U.S.C. § 371; 33 U.S.C. § 1908(a)) for discharging oil and other pollutants into coastal waters near Blaine, Washington, and into the open ocean. On at least one occasion, a discharge left a sizable oily-sheen along the surface of the water that trailed alongside the *Native Sun*.

[Bingham Fox](#), the vessel owner and Randall Fox's father, was convicted by a jury on March 30, 2017 on a Clean Water Act violation (33 U.S.C. §§ 1319(c)(2)(A), 1321(b)(3)). Between March and September 2013, the defendants repeatedly discharged and caused other crew members to discharge oily-wastes into the ocean using unapproved submersible pumps and hoses.

Randall Fox is scheduled for sentencing on June 16, 2017 and Bingham Fox is set for July 11, 2107. This case was investigated by the United States Coast Guard.

**United States v. Carlos Piedra-Murillo, No. 1:16-CR-00145 (E.D. Calif.), AUSA Karen Escobar.**

On March 13, 2017, September 8, 2016, Mexican national Carlos Piedra-Murillo pleaded guilty to drug charges (21 U.S.C. § 841) for his involvement in a marijuana cultivation operation that caused extensive damage within the Domeland Wilderness area of the Sequoia National Forest, including a prehistoric Tubatulabal Native American archaeological site.

Juan Carlos Lopez, Rafael Torres-Armenta, Javier Garcia-Castaneda, and Murillo, all natives and citizens of Mexico, were charged in a four-count indictment with conspiring to cultivate marijuana with intent to distribute, cultivating marijuana, and damaging public land and natural resources.

According to the indictment, between May and August 2016, the defendants cultivated more than 8,000 marijuana plants within the Domeland Wilderness, a federally designated wilderness area known for its many granite domes and unique geologic formations. The site covered approximately ten acres and was located in an area that had suffered fire damage in 2000. The new vegetation was subsequently cut back to accommodate the grow site, with water diverted from a tributary stream of Trout Creek that supports trout. Fertilizer, pesticides and large piles of trash were found on site. Holes were dug in the middle of the archaeological site and artifacts were found scattered on the surface among the marijuana plants.

Murillo is scheduled to be sentenced on June 5, 2017.

This case was investigated by the U.S. Forest Service, the Bureau of Land Management, U.S. Immigration and Customs Enforcement Homeland Security Investigations, and the California Department of Fish and Wildlife.

## Guilty Pleas

***United States v. Volkswagen AG*, No. 16-CR-20394 (E.D. Mich.), ECS Senior Trial Attorney Jennifer Blackwell, Fraud Attorney David Fuhr, and AUSA Mark Chutkow. ECS Paralegal Diana Greenberg. Contract law clerks: Ellen Czajkowski, Jon DeCarlo, and Lisa Villacis.**

On March 10, 2017, Volkswagen AG pleaded guilty to conspiracy to defraud the United States, engage in wire fraud, and violate the Clean Air Act; importation of merchandise by means of false statements and obstruction of justice (18 U.S.C. §§ 371, 542, 1512(c)). The plea comes as a result of the company's long-running scheme to sell close to 600,000 diesel vehicles in the U.S. by using a defeat device to cheat on emissions tests mandated by the U.S. EPA and the California Air Resources Board, lying, and obstructing justice. Sentencing is now scheduled for April 21, 2017.

In separate civil resolutions of environmental, customs, and financial claims, VW has agreed to pay \$1.5 billion. This includes EPA's claim for civil penalties against VW in connection with the importation and sale of cars with the defeat device, as well as U.S. Customs and Border Protection claims for customs fraud. In addition, the EPA agreement requires injunctive relief to prevent future violations. The agreements also resolve alleged violations of the Financial Institutions Reform, Recovery, and Enforcement Act.

VW admitted to participating in a conspiracy to defraud the United States and VW's U.S. customers and to violating the CAA by lying and misleading the EPA and U.S. customers about whether certain VW, Audi, and Porsche-branded diesel vehicles complied with U.S. emissions standards, by using cheating software to circumvent the U.S. testing process, and concealing material facts about its deception from regulators. VW obstructed justice by destroying documents related to the scheme, and by importing these vehicles into the U.S. by means of false statements about the vehicles' compliance with emissions limits.

Under the terms of the plea agreement, VW will complete a three-year term of probation (with oversight by an independent corporate compliance monitor for at least three years) and fully cooperate in the Justice Department's ongoing investigation and prosecution of individuals responsible for these crimes.

In addition, six VW executives and employees, all German nationals, were named in an 18-count indictment for their roles in the nearly decade-long conspiracy: Heinz-Jakob Neusser, Jens Hadler, Richard Dorenkamp, Bernd Gottweis, Oliver Schmidt, and Jürgen Peter are charged with one count of conspiracy to defraud the United States, defraud VW's U.S. customers and violate the CAA by making false representations to regulators and the public about the ability of VW's "clean diesel" vehicles to comply with U.S. emissions requirements. The indictment also charges Dorenkamp, Neusser, Schmidt, and Peter with CAA violations and charges Neusser, Gottweis, Schmidt and Peter with wire fraud (18 U.S.C. §§ 371, 1343; 42 U.S.C. § 7413(c)(2)(A)). Schmidt was recently ordered to be detained pending trial, which is now scheduled to begin on January 16, 2018.

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



## Guilty Pleas

***United States v. Michael Potter***, No. 2:15-CR-00006 (E.D.N.C.), ECS Trial Attorneys Shane Waller, Joel LaBissoniere, and Shennie Patel; AUSA Banu Rangarajan; and ECS Paralegal John Jones.

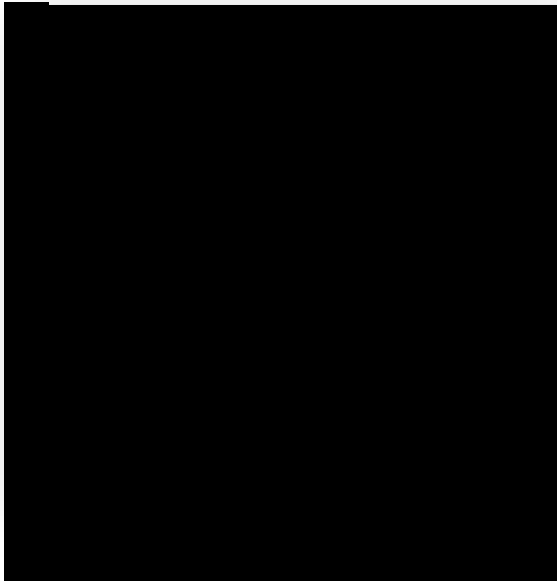
On March 7, 2017, commercial fisherman Michael Potter pleaded guilty to a Lacey Act trafficking charge (16 U.S.C. §§ 3372(a)(1), 3373(d)(1)) for illegally harvesting and selling Atlantic Striped Bass. Sentencing is scheduled for June 5, 2017.

In 2014 and 2015, 13 commercial fishermen were indicted for selling Atlantic Striped Bass harvested from the Exclusive Economic Zone (EEZ), in violation of a longstanding moratorium on fishing for that species within federal waters.

In February 2010, NOAA received information that commercial trawlers were illegally fishing in the EEZ off the coast of North Carolina. Upon receiving the information, NOAA and the U.S. Coast Guard began an investigation.

Michael Potter, then Captain of the commercial trawler *Jane Carolyn*, was fishing for Atlantic Striped Bass nine nautical miles from the coast of North Carolina. Between February 8, 2010, and February 13, 2010, Potter harvested approximately 4,300 pounds of Atlantic striped bass from the EEZ, which he sold to fish dealers in Wanchese and Lowland, North Carolina. He admitted that he knew it was illegal to harvest Atlantic Striped Bass from the EEZ, but denied doing so. The estimated fair market retail value of the illegally harvested fish exceeds \$34,000.

This case was investigated by the NOAA Office of Law Enforcement, with assistance from the U.S. Coast Guard, the North Carolina Marine Patrol, and the Virginia Marine Police.





## Guilty Pleas

***United States v. David Saunders, Jr.*, No. 2:15-CR-00002 (E.D.N.C.), ECS Trial Attorney Shennie Patel, AUSA Banu Rangarajan, and ECS Paralegal John Jones.**

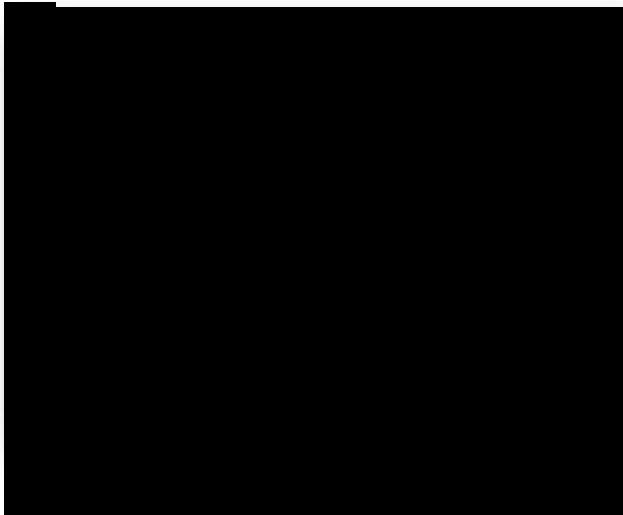
On March 7, 2017, commercial fisherman David Saunders, Jr., pleaded guilty to a Lacey Act trafficking charge (16 U.S.C. §§ 3372(a)(1), 3373(d)(1)) for illegally harvesting and selling Atlantic Striped Bass. Sentencing is scheduled for June 5, 2017.

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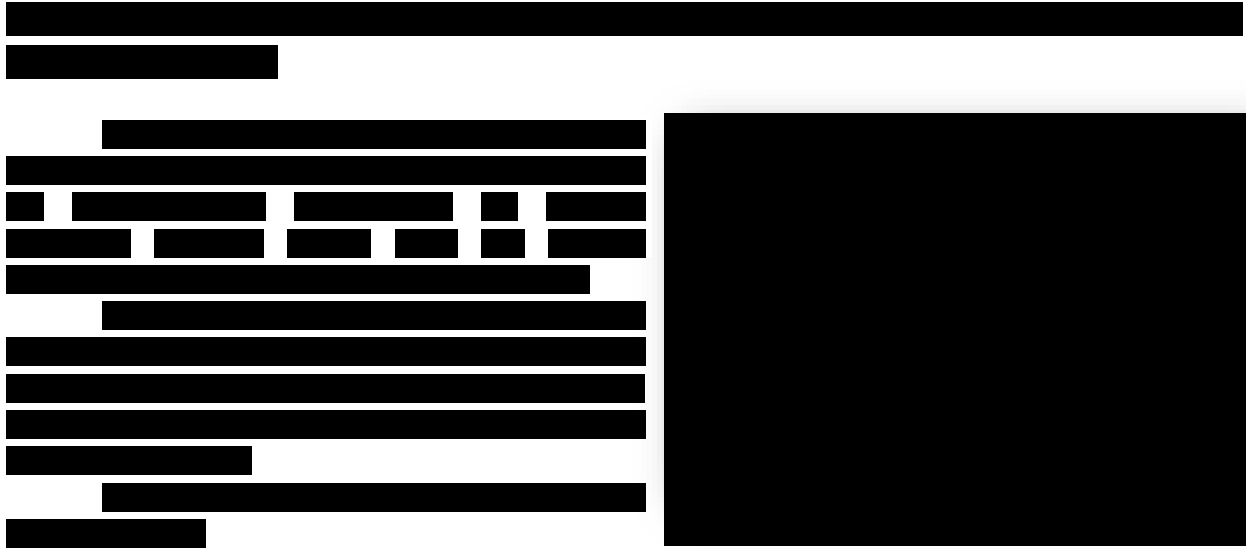
waters. In February 2010, NOAA received information that commercial trawlers were illegally fishing for Atlantic Striped Bass EEZ off the coast of North Carolina. Upon receiving the information, NOAA and the U.S. Coast Guard began an investigation.

Between January 27, 2009, and February 9, 2010, Saunders, then Captain of the commercial trawler *Bridgot Denise*, harvested approximately 14,579 pounds of Atlantic Striped Bass from the EEZ, which he sold to a fish dealer in Wanchese, North Carolina. The estimated fair market retail value of the 14,579 pounds of illegally harvested fish exceeds \$116,000. To conceal the illegal harvests, Saunders claimed he caught the fish in state waters on all but one of his fishing trips. On five of seven trip reports, he claimed to have harvested the fish in the Albemarle Sound – internal state waters where trawling for Striped Bass is prohibited by state law.

This case was investigated by the NOAA Office of Law Enforcement, with assistance from the U.S. Coast Guard, the North Carolina Marine Patrol, and the Virginia Marine Police.



# Guilty Pleas



**United States v. Randall J. Frye, Nos. 2:16-CR-00208, 2:17-CR-00042 (S.D. Ohio), AUSAs Michael Marous and Jessica Knight, SAUSA Heather Robinson.**

On March 3, 2017, Randall J. Frye pleaded guilty to conspiring to participate in a dog-fighting ring (18 U.S.C. § 371; 7 U.S.C. § 2156(b)). Co-defendant Charles A. Granberry pleaded guilty to a similar charge in November 2016, in addition to illegally possessing a firearm (18 U.S.C. §§ 371, 922(g)(1)).

Between December 2014 and April 2016, Frye, Granberry and others bred, trained, and conditioned pit bull-type dogs to fight. In March 2016, the defendants sold two dogs to an undercover officer with the understanding that the animals would be used to fight for money and would be taken out of state to do so. On April 5, 2016, officers executed search warrants at five Columbus houses. Agents seized evidence including more than 40 dogs along with cages, treadmills, heavy chains, collars and other items. They found canine blood on the floor and walls of the basement of one home indicating that the area was used as a dog fighting pit.

Items seized specifically at Frye’s residence also included dog fighting publications, articles authored by Frye about his well-known fighting dogs, and shipping documents showing interstate and international shipment of fighting dogs.

Granberry is scheduled to be sentenced on April 7, 2017.

This case was investigated by the USDA-OIG, the Columbus Police and the Humane Society.

# Guilty Pleas

[Redacted text block]

# Sentencings

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

## Sentencings

***United States v. Matthew Brozena, Nos. 2:15-CR-00358, 412, 00413, 00595 (E.D. Pa.), AUSA Sarah Grieb and RCEC Patricia Miller.***

On March 24, 2017, Matthew Brozena and his company, MAB Environmental Services (MAB), were sentenced. Brozena will pay a \$100,000 fine and complete a three-year term of probation to include six months' home confinement. He is forbidden from signing any DMRs or similar documents submitted to the EPA, and will publish an advertisement in a trade journal and local newspaper describing his conduct, conviction, and sentence; detailing steps taken to prevent reoccurrence; and how other regulated entities can avoid similar prosecution. MAB will pay a \$50,000 fine and complete a five year term of probation.

Brozena and MAB were contracted to operate wastewater treatment plants for customers BC Natural Chicken and Buckingham Valley Nursing Center. These facilities were permitted to discharge from their wastewater treatment plants into nearby waters under specified conditions. Between 2009 and 2012, Brozena directed his employees to discard samples when Brozena believed that the pollutants in the samples would exceed the permit limits. Brozena also directed employees to falsely report samples and test results. Brozena pleaded guilty to a misdemeanor Clean Water Act violation (33 U.S.C. § 1319 (c)(1)(A)) and the company pleaded guilty to three felony CWA charges (33 U.S.C. § 1319 (c)(2)(A)).

James Wetzel, James Crofton, and Stephen Fritz previously pleaded guilty to tampering with a monitoring device (33 U.S.C. § 1319(c)(4)). Wetzel was sentenced on March 29, 2017, to pay a \$1,000 fine and will complete a two-year term of probation. Crofton and Fritz were sentenced on March 27 and 28, 2017, respectively. Both will complete three-year terms of probation. Crofton will pay a \$5,000 fine and Fritz will pay a \$1,000 fine (plus perform 100 hours' community service).

This case was investigated by the U.S. EPA Criminal Investigation Division, with assistance from the Pennsylvania Department of Environmental Protection.

## Sentencings

### ***United States v. Daniel Williams, Nos. 3:16-CR-01003, 01441 (S.D. Calif.), AUSA Melanie Pierson.***

On March 24, 2017, Daniel Williams was sentenced to one year of probation and ordered to pay a \$200 fine, following his plea to misprision of a felony (18 U.S.C. § 4). In pleading guilty, Williams acknowledged that he knew his partner in the business known as Dunes Toy Storage had violated the Safe Drinking Water Act by illegally installing leach lines to a holding tank for the disposal of RV waste. Such leach lines were specifically prohibited by a permit issued by the county. Williams is jointly and severally responsible for forfeiting \$10,000 with Kyle Vestermark. Williams had assisted the government in its investigation of Vestermark.

Vestermark and his company, Dunes Edge Storage, were sentenced March 10, 2017, after pleading guilty to conspiracy to violate the SDWA (18 U.S.C. § 371). Vestermark and his firm were ordered to pay \$40,000 fines and complete five-year terms' of probation. They also were held jointly and severally responsible for forfeiting \$150,000

Vestermark, a former Long Beach fireman, discharged hundreds of thousands of gallons of sewage without a permit between 2004 and April 2015 from recreational vehicles (RVs) stored at the Dunes Edge Storage location in Brawley, California, as well as the Dunes Toy Storage in Holtville, California that he and Williams jointly owned.

Vestermark obtained a permit in 2004 for a 10,000 gallon holding tank for RV sewage at the Dunes Edge location that prohibited the installation of underground leach lines (an issue which Vestermark had raised during the permitting process). The permit for the holding tank specifically prohibited the use of leach lines.

The permits for both Dunes Edge and Dunes Toy Storage also required that Vestermark hire a septage firm to pump out the sewage from the holding tanks and dispose of it at a wastewater treatment plant. Despite this knowledge, in 2005 and 2006, Vestermark used heavy equipment to install underground leach lines at both locations. The leach lines were removed in 2015 after Vestermark's actions were discovered by local authorities.

The money forfeited represented the proceeds from the dump fees saved by the defendants for discharging illegally.

This case was investigated by the U.S. EPA Criminal Investigation Division and the Bureau of Land Management Office of Law Enforcement.

### ***United States v. Dipen Patel, No. 2:16-CR-00155 (N.D. Ind.), ECS Trial Attorney Richard Powers, RCEC Dave Mucha, and AUSA Toi Houston.***

On March 23, 2017, Dipen Patel was sentenced to complete a one-year term of probation with a special condition of 60 days' home confinement. Patel previously pleaded guilty to a FIFRA violation (7 U.S.C. §§ 136j (a)(1)(A), 136l(b)(1)(B)).

Between February 2014 and January 2015, Patel distributed a pesticide known as "DOOM" that was not registered with the EPA. The pesticide was applied to rooms at a motel located in Michigan City, Indiana, and a motel located in Howe, Indiana.

This case was investigated by the Northern District of Indiana Environmental Crimes Task Force, and led by the U.S. EPA Criminal Investigation Division.



## Sentencings

### ***United States v. Berkshire Power Company, LLC, Nos. 3:16-CR-30021, 15-CR-30001-30002 (D. Mass.), AUSA Sarah Bloom, SAUSA Daniel Licata, and RCEC Dianne Chabot.***

On March 22, 2017, Berkshire Power Company, LLC (BPC) and Power Plant Management Services, LLC (PPMS) were sentenced. BPC will pay a \$2,750,000 fine and make a \$750,000 community service payment. PPMS was ordered to pay a \$500,000 fine and make a \$250,000 community service payment.

BPC, the owner of Berkshire Power Plant, and PPMS previously pleaded guilty to conspiracy and Clean Air Act violations for tampering with emissions equipment. They also admitted to making false statements under the CAA for submitting false information to both environmental and energy regulators (18 U.S.C. § 371; 42 U.S.C. §§ 7413(c)(2)(A), (c)(2)(c)). In addition, PPMS pleaded guilty to a violation of the Federal Power Act (FPA), the first ever criminal charges under this statute, for making false statements to the regional power grid administrator, ISO-New England, regarding the plant's availability to produce power (16 U.S.C. §§ 824(v), 825(o)).

Between January 2009 and March 2011, BPC engaged PPMS to manage the plant, including overseeing day-to-day operations and maintenance and to act as the owner's representative for the facility. A PPMS employee served as the plant's general manager and as BPC's on-site representative. BPC also retained EthosEnergy Power Plant Services, LLC (formerly Wood Group Power Plant Services, LLC) to provide day-to-day plant operation and maintenance.

PPMS and BPC directed the Wood Group employees at the plant to tamper with the air pollution monitoring equipment to conceal the fact that the facility was emitting air pollutants in excess of permitted levels. This tampering was accomplished by intentionally skewing the plant's Continuous Emissions Monitoring System (CEMS) so it would show lower emissions levels than were actually being produced. BPC and PPMS then used this inaccurate data when filing emissions reports with the U.S. EPA and the Massachusetts Department of Environmental Protection.

The community service payments will go toward the American Lung Association to fund a program for the replacement of polluting wood burning stoves in western Massachusetts. In addition, BPC and PPMS have agreed to pay \$3,042,563 plus interest to the Federal Energy Regulatory Commission in civil penalties and disgorgement for their misrepresentations to ISO-New England regarding the plant's availability to produce power. EthosEnergy agreed to resolve allegations that it violated the Commonwealth's Public Health Law dealing with air pollution stemming from its employees' involvement with the tampering at the plant. Under the terms of the state consent judgment, EthosEnergy will pay a \$1.1 million civil penalty, and make a \$200,000 payment to fund the installation of electric vehicle charging stations in the Commonwealth.

Frederick Baker and Scott Paterson, a former Wood Group manager and instrument control technician both pleaded guilty to conspiracy and CAA tampering violations (18 U.S.C. § 371; 42 U.S.C. § 7413(c)(2)(C)). They are scheduled to be sentenced on May 22,

*(Continued on page 22)*

# Sentencings

(Continued from page 21)

2017.

At the direction of the PPMS on-site general manager, Baker directed Wood Group employees, including Paterson, to tamper with the CEMS. Due to the Wood Group's extensive cooperation, the case against EthosEnergy is being resolved with a civil settlement.

The criminal case was investigated by the U.S. EPA Criminal Investigation Division, the Mass. Environmental Crimes Strike Force, and the Mass. Environmental Police. The state civil case is being handled by Assistant Attorney General Frederick Augenstern, with assistance from the Mass. Department of Environmental Protection.

## ***United States v. East West Seafoods, LLC, No. 3:15-CR-00067 (D. Ak.), AUSA Yvonne Lamoureux.***

On March 21, 2017, East West Seafoods LLC (EWS), was sentenced to pay a \$50,000 fine for violating APPS, the Clean Water Act, and the Refuse Act (33 U.S.C. §§ 407, 411, 1319 (c)(2)(A), 1321 (b)(3), 1908(a)) by intentionally discharging oily bilge water and raw sewage into the ocean off the coast of Alaska, and then presenting false records to the U.S. Coast Guard. Christos Tsabouris, a partial owner of the company and the operator of the *F/V Pacific Producer*, pleaded guilty to similar charges, and was sentenced to pay a \$10,000 fine. Both will complete five-year terms' of probation, to include the



*F/V Pacific Producer*

following conditions: Tsabouris must review and certify the accuracy of the Oil Record Book (ORB) for any vessel owned, operated, managed, or controlled by the defendant; the company will be subject to a heightened level of scrutiny, including warrantless searches of its vessels and places of business based upon a reasonable suspicion that it is violating the law; and crewmembers will receive training and instruction on the proper operation of pollution prevention equipment and maintenance of the ORB.

Tsabouris and EWS also paid pre-existing outstanding fines totaling over \$25,000 owed to the U.S. Coast Guard and the U.S. Department of Labor, Occupational Safety and Health Administration.

EWS is the owner of a large seafood processing vessel, the *F/V Pacific Producer*. Tsabouris has been responsible for the operation of the ship since approximately November 2012. On March 15, 2013, the vessel was travelling from Kodiak and grounded near Ouzinkie Narrows. While the boat was within three miles of shore, the defendants unlawfully discharged approximately 1,000 gallons of raw sewage into Chiniak Bay. On

(Continued on page 23)

# Sentencings

*(Continued from page 22)*

March 29, 2013, while departing from the ferry dock in Ouzinkie, the defendants knowingly discharged a harmful quantity of oil into the water while the vessel was within three miles of shore, creating a sheen. They regularly used an illegal pump system (consisting of a 55-gallon barrel with portable pumps and hoses) to discharge oily bilge water directly overboard. This system allowed the defendants to bypass any pollution prevention equipment. Despite having an OWS onboard, it was not connected to any of the piping and was inoperative. As a result, the ORB that was presented to U.S. Coast Guard inspectors in January 2014 was inaccurate, and failed to note these illegal discharges. At the time of this inspection, raw sewage was observed flowing from the vessel into St. Paul Harbor in Kodiak.

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

## ***United States v. Garald Bennett, No. 1:16-CR-20100 (E.D. Mich.), AUSA Janet Parker.***

On March 20, 2017, Garald Bennett was sentenced to one year and one day of incarceration, followed by two years' supervised release, for violating the Hazardous Materials Transportation Safety Act (49 U.S.C. § 5124). Bennett falsely certified and marked cargo tanks as having passed hydrostatic pressure and wet fluorescent magnetic particle test, which was untrue.

Bennett managed LPG Service and Leasing LLC (LPG), a cargo tank testing facility. Between 2006 and December 2011, Bennett, both personally and through his subordinates, repeatedly and falsely certified that LPG had properly inspected and tested the cargo tank portions of tanker trucks used to transport liquid and gaseous bulk cargos, including explosive materials.

Bennett also knew that the water tank at LPG that should have held the water used to conduct hydrostatic pressure tests was drained to prevent freezing. Nevertheless, he continued to certify that hydrostatic pressure tests had been done on tanks brought in for inspection.

Similarly, when Bennett was in charge, some of the cargo tanks that were supposed to be tested were not emptied or cleaned, making it impossible for workers to enter them to be tested. Bennett nevertheless falsely certified that the cargo tanks had been properly subject to wet fluorescent magnetic particle testing and had passed inspection.



*Cargo tanker inside testing facility*

*(Continued on page 24)*

# Sentencings

*(Continued from page 23)*

Knowing that the required testing procedures had not been followed, Bennett instructed employees to apply labels to the cargo tanks that indicated that the tanks had been successfully tested. Moreover, Bennett directed employees to work on cargo tanks without verifying that the employees followed required procedures.

This case was investigated by the U.S. Department of Transportation Office of Inspector General.

## ***United States v. Phillip Lloyd, No. 1:16-CR-00226 (E.D. Va.), AUSA Gordon Kromberg.***

On March 15, 2017, Phillip Lloyd was sentenced to four months' incarceration, followed by two years' supervised release, and will pay a \$250,000 fine. Lloyd previously pleaded guilty to conspiring to violate the Lacey Act (18 U.S.C. § 371), for making and submitting false labels for animal blood that was transported internationally.

Lloyd was the owner and manager of Biochemed Services, Inc., a broker of human blood and animal blood products. Biochemed would receive orders from biomedical research companies for specific quantities of human blood, animal blood and products, and would package and export products from the United States. To evade enforcement by the U.S. Fish and Wildlife Service, employees of Biochemed shipped animal blood products with documents that falsely described the packages as "human" blood products. The actual labels accurately describing the blood shipments as "animal" blood products would be sent in separate FedEx envelopes that would not be inspected by law enforcement officials. Between 2009 and 2016, Biochemed made over 1,100 international shipments of its products.

Between January 2014 and May 2016, Biochemed packaged and shipped products including blood from squirrel monkeys and other primates protected by the Convention on International Trade in Endangered Species. In January 2014, in response to a request for squirrel monkey blood for shipment to a Canadian company known as Tropicus Research, Lloyd emailed the customer to confirm the shipment would be labelled "human." However, the squirrel monkey labels would arrive at the same time in a FedEx letter package. He also spoke to a person at the company about the shipment (who was actually an undercover agent). Lloyd made several of these shipments to Tropicus in February 2014.

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



## Sentencings

### ***United States v. Patrick Keough, No. 8:14-CR-00349 (D. Neb.), AUSA Michael Norris.***

On March 13, 2017, Patrick Keough was sentenced to six months' incarceration, followed by one year of supervised release. Keough previously pleaded guilty to two Clean Air Act negligent endangerment violations (42 U.S.C. § 7413(c)(4)).

Keough is the owner of America's Fiberglass Animals (AFA). AFA uses gel coats, Hazardous Air Pollutant (HAP) paints, and solvents to manufacture fiberglass animals. AFA came to the attention of EPA after a fire damaged the building that housed the company and other businesses. Keough transferred a number of fire-damaged and spoiled drums containing gel coat resin to a farm and then later to a storage facility.

Prior to August 2008, the Nebraska Department of Environmental Quality determined that AFA required a construction and operating permit to properly conduct its manufacturing business. The permit would allow AFA to construct and operate HAP emission points. It would require proper installation of equipment and proper record keeping. Gel coat applications, chopping, priming and sanding operations were to be performed in enclosed areas with fabric filters. The company failed to obtain this permit, placing workers in danger of serious bodily injury through the emission of HAP paints and solvents used in the manufacturing process.

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

### ***United States v. Billy Swann, No. 3:16-CR-05542 (W.D. Wash.), AUSA Seth Wilkinson.***

On March 7, 2017, Billy Swann, a long-time professional fishing guide, was sentenced to pay a \$7,500 fine, complete a one-year term of probation, and perform 40 hours' community service after pleading guilty to violating the Endangered Species Act (16 U.S.C. § 1538(a)(1) (D)).

On October 1, 2014, Swann led a promotional fishing trip on the Cowlitz River with the top salespeople from a national fishing bait company. The trip was also broadcast over the Internet. Swann encouraged two men on the trip to catch two native Coho salmon. Native Coho on the Cowlitz are protected by the ESA and Washington law, and may not be removed from the water. After the clients landed the fish, Swann clubbed them and cut off their adipose fins to make it appear they were hatchery fish and therefore legal to catch and keep. The entire incident, however, was captured on the web broadcast, and reported to local fish and game personnel. When contacted by



*Native Coho salmon with adipose fin*

*(Continued on page 26)*

## Sentencings

(Continued from page 25)

authorities, Swann tried to lie, stating that photos of the fish with their fins still intact could have been “photo-shopped.”

This case was investigated by the NOAA Fisheries Office of Law Enforcement, with assistance from the Washington State Department of Fish and Wildlife.

### **United States v. June Lee, Nos. 14-CR-1631, 15-CR-02278, 16-CR-01074 (S.D. Calif.), AUSA Melanie Pierson.**

On March 6, 2017, June Lee was sentenced to complete a five-year term of probation and pay \$15,000 in restitution. Byung Cheoul Kim was sentenced in February 2017 to complete a two-year term of probation and will pay \$6,000 in restitution. The defendants previously pleaded guilty to smuggling violations (18 U.S.C. § 545) for their role in Totoaba smuggling. Co-defendant Tony Ahn pleaded guilty to Lacey Act violations (16 U.S.C. §§ 3372 (a)(2)(A), 3373(d)(2)) and is scheduled to be sentenced on May 23, 2017.



*Totoaba macdonaldi* swim bladders

*Totoaba macdonaldi* is a species of fish that can grow to more than six and a half feet in length, weigh

up to 220 pounds, and live up to 30 years. These fish are only found in the Sea of Cortez (the narrow inlet between Baja California and Mexico's mainland). Their swim bladders are highly prized in Asia for use in soups. A single bladder can sell for between \$1,500 and \$4,000 in Mexico, and up to ten times that amount in Asia. The species has been CITES-protected since the late 1970's.

In April 2014, Lee purchased insurance for a 1996 Lexus, knowing that the vehicle would be used by co-conspirators to smuggle fish into the United States from Mexico. In May 2014, Byung Cheoul Kim offered to pay Tony Ahn to drive to Mexico, pick up fish, and bring them back to Los Angeles. Kim advised Ahn that if the fish were discovered, they would be seized at the border.

Ahn drove to Mexico, stayed overnight, and entered the United States at the San Ysidro Port of Entry driving the Lexus with four Totoaba swim bladders concealed in the trunk. Ahn did not declare the concealed merchandise when entering the United States, and the bladders were not detected at the border. Ahn drove to Los Angeles, gave the package to Kim and another individual, and was paid. A few days later, Kim asked Ahn to make another trip to Mexico for additional bladders, and Ahn agreed, using Lee's Lexus. On the return trip, inspectors found eight bladders in the trunk of the car.

(Continued on page 27)



# Sentencings

(Continued from page 26)

It is a violation of Mexican law to take, possess, transport, or sell *Totoaba macdonaldi*, or any part of the fish, without a permit. Permits are issued only for scientific purposes to advance the protection of the species. Neither the defendant nor his co-conspirators had such permit.

This case was investigated by the U.S. Fish and Wildlife Service and National Oceanic and Atmospheric Administration.

***United States v. Aegean Shipping Management, S.A.*, Nos. 2:16-CR-00134, 00551 (D.S.C.), ECS Trial Attorney Christopher Hale, ECS Senior Trial Attorney Ken Nelson, AUSA Matt Austin, and ECS Paralegal Christopher Kopf.**

On March 6, 2017, Aegean Shipping Management, S.A., was sentenced to pay a \$1.7 million fine and make a \$300,000 community service payment, which will support Gray's Reef National Marine Sanctuary, a protected natural reef area off the Georgia coast. The company also will complete a three-year term of probation and implement an environmental compliance plan. Master Genaro Anciano was sentenced to time-served after previously pleading guilty to an obstruction charge (18 U.S.C. § 1505). Charges were dismissed against Aegeansun Gamma, Inc.

Just prior to trial, the company pleaded guilty to violating APPS and obstruction of justice (33 U.S.C § 1908(a); 18 U.S.C. § 1505). Chief Engineers Panagiotis Koutoukakis and Herbert Julian were convicted by a jury in February 2017. Koutoukakis was found guilty of violating APPS and destruction of records (33 U.S.C. § 1908(a); 18 U.S.C. § 1519) and Julian was convicted of APPS and obstruction charges (33 U.S.C. § 1908(a); 18 U.S.C. § 1505).

In late August 2015, the Coast Guard began an investigation into the bypass of pollution prevention equipment, including the use of a "magic device," on the *T/V Green Sky*. Members of the ship's engine room crew, including a senior officer, participated in the illegal overboard discharge of wastes.

This is the first conviction of a Chief Engineer who was not actually on the vessel when it entered port, but who was later arrested for his prior conduct on the vessel when he entered the country on a different ship.

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



# Sentencings

*(Continued from page 28)*

Both WBI and company president Frederic Wiegardt pleaded guilty to negligent CWA violations (33 U.S.C §§ 1318, 1319(c)(1)(A)) in June 2015. Wiegardt was sentenced to pay a \$100,000 fine (joint and several with WBI), serve a one-year term of probation, and perform 75 hours of community service. In addition to the fine, WBI was ordered to make a \$75,000 community service payment to National Fish and Wildlife Foundation, serve a three-year term of probation, implement an environmental compliance plan, and make a public apology by submitting notice of its guilty plea to the Pacific Coast Shellfish Growers Association for publication in the Association's quarterly newsletter.

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

***United States v. Mark Epstein, Nos. 2:14-CR-00125, 2:16-CR-00106 and 00107 (S.D. Ohio), AUSAs J. Michael Marous and Jessica Knight, and ECS Senior Trial Attorney Christopher J. Costantini.***

On March 2, 2017, Mark Epstein and Alden Leeds, Inc., were sentenced after pleading guilty to various charges relating to a chlorine importation scheme that sought to avoid anti-dumping duties. Alden Leeds will pay a \$250,000 fine and pay \$2,250,000 in restitution to U.S. Customs and Border Protection. The company also will complete a two-year term of probation and has already donated 2,765 gallons of hospital-grade disinfectant to the Ministry of Public Health and Population of Haiti. Epstein will serve eight months' incarceration, followed by four months' home confinement, and three years' supervised release. He will pay \$258,000 in restitution to U.S. Customs, forfeit \$242,550, and perform 100 hours of community service.

The Department of Commerce assessed a large anti-dumping duty of 285.63% on Chinese chlorine imports, which are regulated under FIFRA. After the anti-dumping duties were imposed on Chinese-manufactured chlorine, a chlorine factory in Vietnam was established, and a ruse was concocted whereby two prices were set: the "actual price" that would be paid, and the "invoice price" that would be reported, to avoid reporting a price that would raise suspicions of dumping, which in turn could have led to increased anti-dumping duties.

Alden Leeds pleaded guilty to conspiracy to violate customs laws, entry of goods by means of a false statement, and conspiracy to commit money laundering (18 U.S.C. §§ 371, 542, 1956(h)). Epstein pleaded guilty to conspiracy and entry of goods by means of a false statement (18 U.S.C. §§ 371, 542).

In August 2015, co-conspirator Caiwei Sheng pleaded guilty and was sentenced to 12 months' incarceration and a \$100,000 restitution payment for his role in the crime. Sheng pleaded guilty to conspiracy, entry of goods by means of false statement, FIFRA, conspiracy to commit money laundering, and smuggling (7 U.S.C. § 1361(b)(1)(A), 18 U.S.C. §§ 371, 542, 545, 1956(h)).

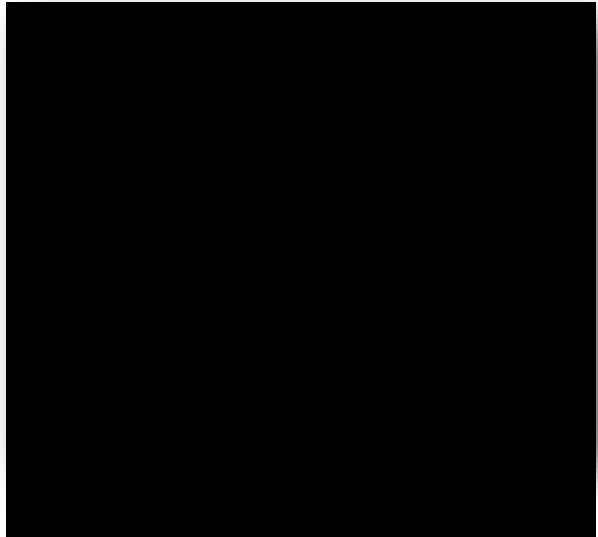
This case was investigated by the FBI, the U.S. EPA Criminal Investigation Division, the IRS, and the Department of Homeland Security.

## Sentencings

***United States v. Vu Johnnie Nguyen*, No. 1:16-CR-00104 (W.D.N.C.), ECS Trial Attorney Shennie Patel and AUSA David Thorneloe.**

On March 2, 2017, Vu Johnnie Nguyen was sentenced to pay a \$10,000 fine, payable to the Lacey Act Reward Fund, and will complete a two-year term of probation. Nguyen previously pleaded guilty to a felony violation of the Lacey Act in connection with the sale of American black bear parts (16 U.S.C. §§ 3372(a)(2)(A), 3373(d)(1)(B)). On three occasions in 2014, Nguyen engaged in conduct that involved the sale, collectively, of 18 American black bear gall bladders, two bear paws, 16 bear claws, and 50 pounds of bear meat. The parts were transported from North Carolina to Virginia following the sale.

This case was investigated by the U.S. Fish and Wildlife Service Office of Law Enforcement and the North Carolina Wildlife Resources Commission Division of Law Enforcement.



## Announcements

\*\*\*As a reminder, ECS now tracks worker safety and animal welfare crimes, in addition to our pollution and wildlife docket [[See section 5-11.101 of the U.S. Attorney's Manual](#)]. Please send us pleadings and other relevant information about your worker safety and animal welfare cases so that we can maintain a database for these cases and provide an accurate and complete description of case issues and strategies, developments in case law, and useful pleading examples.

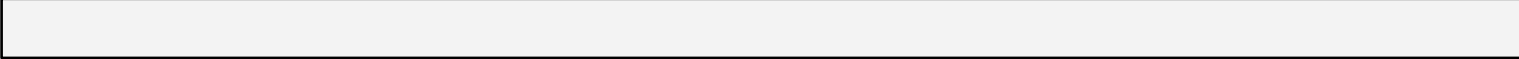
\*\*\* "Sentencing in Environmental Criminal Cases," [Volume 1, Chapter 4](#) of the ECS Manual, has been updated.

Please send [REDACTED] any pleadings you believe would be useful for posting in the [Brief Bank](#). Older materials are still available on the [Document Bank Archives](#) page.

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

A public version of the [ECS Bulletin](#) is available for non-law enforcement readers.

Please notify ECS of any appeals taken in your cases, [per section 5-11.118](#) of the U.S. Attorneys' Manual.



<b>Position</b>	<b>Name</b>	<b>Phone</b>
Chief	Deborah Harris	████████
Deputy Chief	Joseph Poux	████████
Assistant Chief	Thomas Ballantine	████████
Assistant Chief	Wayne Hettenbach	████████
Assistant Chief	Lana Pettus	████████
Assistant Chief	Jennifer Whitfield	████████
Senior Litigation Counsel	Howard P. Stewart	████████
Senior Litigation Counsel	Richard Udell	████████
Senior Counsel for Wildlife	Elinor Colbourn	████████
Senior Counsel	Kris Dighe	████████
Senior Trial Attorney	Jennifer Blackwell	████████
Senior Trial Attorney	Georgiann Cerese	████████
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	Ken Nelson	████████
Trial Attorney	Cassandra Barnum	████████
Trial Attorney	Mary Dee Carraway	████████
Trial Attorney	John Cashman (USCG)	████████
Trial Attorney	Ryan Connors	████████
Trial Attorney	Adam Cullman	████████
Trial Attorney	Stephen DaPonte	████████
Trial Attorney	Gary Donner	████████
Trial Attorney	Patrick Duggan	████████
Trial Attorney	Ethan Eddy	████████
Trial Attorney	Stephen Foster	████████
Trial Attorney	Thomas Franzinger	████████
Trial Attorney	Christopher Hale	████████
Trial Attorney	Joel LaBissonniere	████████
Trial Attorney	Samuel (Charlie) Lord	████████
Trial Attorney	Shennie Patel	████████
Trial Attorney	Erica Pencak	████████
Trial Attorney	Richard Powers	████████
Trial Attorney	Mark Romley	████████
Trial Attorney	Brendan Selby	████████
Trial Attorney	Lauren Steele	████████
Trial Attorney	Shane Waller	████████