



Monthly

Bulletin

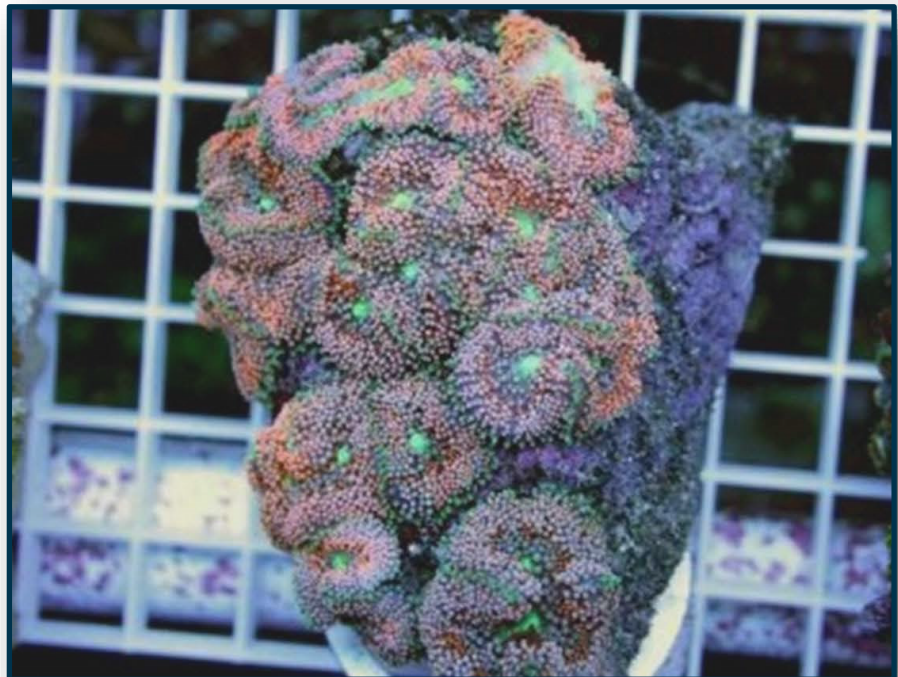
Environmental Crimes Section

September 2017

Inside this Issue:

Indictments	4-7
Guilty Pleas	8-16
Sentencings	17-28
Announcements	29
ECS Contacts	30

Send your federal case updates
to:



“Coral reefs surrounding the island of Puerto Rico are some of the most valued and fragile natural resources in the region,” said Acting Assistant Attorney General Jeffrey H. Wood of the Justice Department’s Environment and Natural Resources Division. “The Division will continue to work with its enforcement partners to prosecute those who illegally harm the marine environment for commercial gain.” [From [press release](#) for plea taken in *U.S. v. Sanchez*. See [inside](#) for more details.]

District/Circuit	Case Name	Case Type/Statutes
District of Alaska	United States v. Casey Richardson et al.	Big Game Hunting/Conspiracy, Lacey Act
██████████	████████████████████	████████████████████
Central District of California	United States v. Smogz R Us	Emissions Testing/CAA, Conspiracy
Eastern District of California	United States v. Juan Carlos Lopez et al. United States v. Abel Toledo-Villa et al.	Marijuana Cultivation/Conspiracy, Drug
Southern District of California	United States v. Luis E. Valencia ████████████████████	Tiger Import/ESA, Smuggling ████████████████████
District of Colorado	United States v. Willmax Capital Management, Inc., et al.	Asbestos Abatement/CAA
District of Connecticut	United States v. Stephen Craig et al.	Training Certification/False Statement
District of Columbia	United States v. Yuh Fa Fishery (Vanuatu) Co., Ltd.	Vessel/APPS
Middle District of Florida	United States v. Andre Bernard	RINs Fraud/CAA, Conspiracy, Wire Fraud
Southern District of Florida	United States v. Carl L. Cobb et al. ████████████████████	Sea Turtle Eggs/ESA, Lacey Act ████████████████████
Southern District of Georgia	United States v. Boasso America Corporation et al.	Tank Cleaning/RCRA
District of Idaho	United States v. James Findlay	Chemical Disposal/CWA
Northern District of Indiana	United States v. Martin Jakubowski	Veterinary Drugs/FDCA
Northern District of Iowa	United States v. Randy Less et al.	Ethanol Producer/CWA, Tax
District of Kansas	United States v. Josh Hedges et al.	Baiting/Conspiracy, Lacey Act, MBTA
██████████ ██████████	████████████████████	████████████████████
Eastern District of Louisiana	United States v. Black Energy Offshore Operations, LLC et al.	Oil Platform Explosion/CWA, False Statement, OCSLA

District/Circuit	Case Name	Case Type/Statutes
District of Maine	<u>United States v. MST Mineralien Schiffahrt Spedition und Transport GmbH</u>	Vessel/APPS, Obstruction
District of Maryland	<u>United States v. Michael Hayden</u>	Striped Bass Harvesting/Lacey Act
Eastern District of Michigan	<u>United States v. Oliver Schmidt et al.</u> <u>United States v. James R. Liang et al.</u>	Diesel Engine Emissions Fraud/CAA, Conspiracy, Wire Fraud
Western District of Missouri	<u>United States v. David Obermeyer</u>	Wetlands/CWA
District of New Jersey	<u>United States v. Anthony “Monte” Gaines et al.</u>	Dog Fighting/ Animal Fighting Venture, Conspiracy, Firearms
Western District of New York	<u>United States v. Chaoyi Le</u>	Reptile Exports/Smuggling
Eastern District of North Carolina	<u>United States v. Gaston Saunders</u> <u>United States v. Joseph Williams et al.</u> <u>United States v. Bryan Daniels et al.</u>	Striped Bass Harvesting/Lacey Act, Tax
Southern District of Ohio	<u>United States v. Randall J. Frye et al.</u>	Dog Fighting/Conspiracy, Animal Fighting Venture
District of Puerto Rico	<u>United States v. Aristides Sanchez</u> <u>United States v. Aireko Construction Company et al.</u>	Marine Wildlife Trafficking/Lacey Act Asbestos Abatement/CAA, CERCLA
District of South Carolina	<u>United States v. Glen Welch et al.</u> <u>United States v. Panagiotis Koutoukakis et al.</u>	Munitions Waste/ Accessory After-the-Fact, RCRA Vessel/APPS, Destruction of Records, Obstruction
Eastern District of Texas	<u>United States v. Travis Leger et al.</u>	Turtle Sales/Conspiracy, Lacey Act

Indictments/Informations

***United States v. Casey Richardson et al.*, No. 3:17-CR-00087 (D. Alaska), AUSA Retta-Rae Randall.**

On August 29, 2017, Casey Richardson, Dale Lackner, and Jeffrey Harris were charged with conspiring to provide illegal hunts for Dall Sheep, creating false records, and making false statements to federal agents. Charges also were filed for illegally baiting game, and using xylitol, a substance toxic to wolves and coyotes, for predator control. The hunts occurred at the Ptarmigan Lake Lodge (PLL) in Wrangell-St. Elias National Park and Preserve (Preserve).

According to the indictment, PLL was permitted to operate as a concessionaire to provide sport hunting guide services within the Preserve. The indictment alleges that, during the 2014 and 2015 hunting seasons, out-of-state hunters illegally hunted and killed Dall Sheep at PLL without being accompanied by a registered guide. Harris and Richardson (who are not Alaska residents or registered guides) are charged with illegally hunting as well as guiding many of the illegal hunts. Lackner, a registered guide in 2015, allegedly conspired with Richardson to conduct an illegal hunt. The indictment further states that Harris and Lackner created false Alaska state hunt records claiming the hunts were led by registered guides.

Harris is further charged with making false statements and engaging in illegal predator control by establishing bait piles. Richardson and Harris then used the artificial sweetener xylitol on the bait to kill wolves and coyotes.

The defendants are variously charged with conspiracy to violate the Lacey Act and conspiracy to use a substance to incapacitate game, making false statements, unlawful baiting of game, and substantive Lacey Act violations (18 U.S.C. §§ 371, 1001(a)(2)); 16 U.S.C. §§ 3372(a)(2)(A), (d)(2), 3373(d)(3)(B); 36 C.F.R. § 2.2(b)(4)).

This case was investigated by the U.S. Fish and Wildlife Service; the National Park Service; the State of Alaska Wildlife Troopers; and the Montana Department of Fish, Wildlife, and Parks.



Trophies from illegal hunts

Indictments/Informations

***United States v. Luis E. Valencia*, No. 3:17-mj-03013 (S.D. Calif.), AUSA Melanie Pierson.**

On August 24, 2017, Luis E. Valencia was charged with smuggling a Bengal tiger cub, an endangered species, into the United States from Mexico (18 U.S.C. § 545; 16 U.S.C. §§ 1538(a)(1)(A), 1540(b)).

According to the complaint, on August 23, 2017, Valencia drove into the Otay Mesa Port of Entry with the tiger cub on the floor of his vehicle. Inspectors seized the cub, along with paperwork that did not declare the animal as a CITES-protected species. The defendant stated that he had purchased the tiger for \$300 from an individual he encountered walking a full-sized tiger on a leash in Tijuana.

The Bengal tiger is the most populous subspecies of tiger. It is native to India, Bangladesh, Nepal, and Bhutan. According to the World Tiger Recovery Project, there are only 2,500 wild animals remaining. The cub was turned over to the San Diego Safari Park.

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



Bengal cub seized from Valencia

***United States v. MST Mineralien Schiffahrt Spedition und Transport GmbH*, No. 2:17-CR-00117 (D. Maine), ECS Trial Attorneys Shane Waller and John Cashman, and ECS Contract Law Clerk Chris Kopf.**

On August 22, 2017, an indictment was returned charging MST Mineralien Schiffahrt Spedition und Transport GmbH (MST) with multiple counts of violating APPS and obstruction of justice (33 U.S.C. § 1908(a); 18 U.S.C. § 1519).

MST is on probation in the District of Minnesota for a previous vessel pollution conviction. The current case involves the *M/V Marguerita*, which was allegedly discharging oily bilge waste through the grey water system. The ship failed to document these discharges in its oil record book, and made multiple port calls in Portland, Maine, with the fictitious ORB.

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

Indictments/ Informations

***United States v. Chaoyi Le*, No. 1:17-mj-01096 (W.D.N.Y.), AUSA Aaron Mango.**

On August 11, 2017, Chaoyi Le was charged with attempting to export seven live ball pythons and three live albino western hog-nosed snakes in April 2014 (18 U.S.C. § 554).

According to the complaint, the defendant purchased snakes from various U.S. reptile dealers and had them shipped to a UPS Store in Amherst, New York. On April 22, 2014, Le picked up parcels containing the snakes from the UPS Store. He then repackaged a few and shipped them to China, which he declared as “belts,” “candy,” and “chocolate.” Le concealed the rest of the snakes in his socks and attempted to smuggle them into Canada. After being charged in Canada, Le returned to China, and was only recently arrested in the U.S.

This case was investigated by the U.S. Fish and Wildlife Service, and Environment and Climate Change Canada.



Ball Python

***United States v. Carl L. Cobb et al.*, No. 2:17-CR-14053 (S.D. Fla.), AUSA Ryan Butler.**

On August 11, 2017, Carl L. Cobb and Raymond Saunders were indicted for stealing sea turtle eggs. Cobb is charged with violating the Lacey Act and the Endangered Species Act and Saunders was charged with an ESA violation (16 U.S.C. §§ 3372(a)(1), 3373(d)(1)(B), 1538(a)(1)(G), 1540(b)(1)).

According to the indictment, on May 5, 2017, the Florida Fish and Wildlife Conservation Commission received a tip that a man was seen disturbing sea turtle nests on North Hutchinson Island in Riviera Beach. Investigators determined that Cobb had removed more than 200 eggs from two sea turtle nests. On May 24, 2017, officials observed Cobb and Saunders remove close to 500 eggs from nests on the island. Trial is scheduled to begin on October 2, 2017.

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

Indictments/ Informations

[REDACTED]

[REDACTED]

[REDACTED]

Guilty Pleas

***United States v. James Findlay*, No. 1:17-CR-00189 (D. Idaho) AUSA Joshua D. Hurwit.**

On August 28, 2017, James Findlay pleaded guilty to a misdemeanor violation of the Clean Water Act for negligently disposing of a waste to a POTW in violation of a pretreatment standard (33 U.S.C. §§ 1317(d), 1319(c)(1)(A)).

Findlay is the owner and operator of Sawtooth Fusion, LLC, a medical research company whose address also was his residence.

Between April 2012 and October 2014, Findlay obtained and stored quantities of depleted uranium and uranium powder. He purchased depleted uranium from an aircraft salvage company in large blocks with a combined weight of approximately 50 pounds. He also extracted uranium from various items through a process that included soaking the items in muriatic acid. Findlay subsequently dumped the chemicals into a sink in his apartment and into the Boise sewer system.

This case was investigated by the U.S. EPA Criminal Investigation Division and the U.S. Nuclear Regulatory Commission, with assistance from the Boise Police Department, and the Idaho Department of Environmental Quality.



Findlay's bathroom counter

Guilty Pleas

***United States v. Martin Jakubowski*, No. 2:17-CR-00089 (N.D. Ind.), ECS Trial Attorney Ethan Eddy and AUSA Toi Denise Houston.**

On August 24, 2017, Martin Jakubowski pleaded guilty to diverting prescription veterinary antibiotics that belonged to an animal shelter, to a resident of Chicago whom he knew to be involved in dog fighting activities. Jakubowski violated the Federal Food, Drug, and Cosmetic Act by introducing a prescription veterinary drug into interstate commerce without a written or oral order of a licensed veterinarian (21 U.S.C. §§ 31(a), 333(a), 353(f)(1)(A), (f)(1)(C)).

Jakubowski was the acting Superintendent of Animal Control and Parks for the city of Whiting, Indiana. He oversaw the operation of Whiting's animal control program and animal shelter. Jakubowski gave prescription veterinary antibiotics to Pedro Cuellar, one of the defendants in the *Gaines, et al.* dog fighting case, to drug his dogs. Cuellar recently [pleaded guilty](#) to a dog fighting conspiracy charge in the District of New Jersey. The drugs had been purchased by the city animal shelter and were intended to treat shelter cats.

Jakubowski admitted that at various times between 2011 and 2016, he housed fighting dogs for Cuellar at the shelter's facilities, for periods of time ranging from three days to more than a year. One of the dogs had scarring consistent with scars on dogs used in fights. Jakubowski also gave two pit bull-type dogs from the city's animal shelter to Cuellar without standard adoption paperwork, knowing that Cuellar intended to transfer the dogs to other people. Jakubowski further admitted to being involved in a dog fight in 2004.

This case is a result of Operation Grand Champion, a coordinated effort across numerous federal judicial districts to combat organized dog fighting.

***United States v. Boasso America Corporation et al.*, Nos. 4:16-CR-00218, 4:15-CR-00145, 4:17-CR-00157 (S.D. Ga.), AUSAs Tania Groover and Carlton R. Bourne.**

On August 24, 2017, Boasso America, Inc., pleaded guilty to violating RCRA for the illegal transportation and dumping of hazardous waste (42 U.S.C. § 6928(d)(1)). Boasso's guilty plea follows the RCRA convictions of two of its former employees, Ray Mitchell and Maurice Miller, for their involvement in the illegal transportation and dumping. Miller was previously sentenced to 28 months' incarceration, and Mitchell was sentenced to 20 months. Both also will complete three-year terms of supervised release.

Boasso provides transportation services for tanks containing hazardous wastes, including naphthalene. The company's Garden City facility stored and transported the tanks. In 2015, rather than properly transporting and disposing of drums and totes, Mitchell and Miller illegally transported and dumped a significant amount of naphthalene into the ground of a nearby Savannah neighborhood. Further investigation revealed that Boasso employees fabricated invoices in an effort to hide their illegal dumping of hazardous waste.

This case was investigated by the U.S. EPA Criminal Investigation Division, with assistance from the Georgia Department of Natural Resources, the Savannah-Chatham Metropolitan Police Department, and the Savannah Fire and Emergency Services Hazardous Materials team.

Guilty Pleas

***United States v. Aristides Sanchez*, No. 1:17-CR-00488 (D.P.R.), ECS Trial Attorney Christopher Hale, AUSA Carmen Marquez, and ECS Paralegal Ashley Patterson-Chandler.**

On August 23, 2017, Aristides Sanchez pleaded guilty to a two-count information charging felony Lacey Act violations for trafficking in and mislabeling marine wildlife (16 U.S.C. §§ 3372(a)(2)(A), (d)(2), 3373(d)(1)(B), (d)(3)(A)).

Sanchez was the owner of the saltwater aquarium business, Wonders of the Reef Aquarium. A large part of the business was devoted to the sale of native Puerto Rican marine species that are popular in the saltwater aquarium trade. Sanchez sent live specimens to customers in the mainland United States and foreign countries by commercial courier services. One of the most popular items that Sanchez sent was an organism from the genus *Ricordea*. These animals are known as “rics,” “polyps,” or “mushrooms” in the aquarium industry. *Ricordea* form part of the reef structure and spend their adult lives fastened in place to the reef. These animals are colorful in natural light and appear to glow under the UV lights that are typically used in high-end saltwater aquariums.

Sanchez sent approximately 130 illegal shipments of coral from Puerto Rico to other countries and the mainland U.S. between January 2013 and March 2016. The retail value of these shipments was between \$800,000 and \$1,200,000. Sanchez is scheduled to be sentenced on December 20, 2017.

This case was investigated as part of Operation Rock Bottom and Operation Borinquen Chisel by the U.S. Fish and Wildlife Service and NOAA .



Ricordea polyps on reef substrate seized from Sanchez

Guilty Pleas

***United States v. Travis Leger et al.*, Nos. 1:17-CR-00040, 00041 (E.D. Tex.), ECS Senior Trial Attorney David Kehoe and AUSA Joe Batte.**

On August 17 and August 21, 2017, Travis Leger, Jason Leckelt, and Rickey Simon pleaded guilty to Lacey Act conspiracy charges for illegally trafficking alligator snapping turtles (18 U.S.C. § 371).

Alligator snapping turtles are the largest freshwater turtles in the world. They can weigh more than 200 pounds and live 100 years or longer. The defendants took more than 60 alligator snapping turtles in Texas and transported them back to their property in Louisiana to sell during the spring and summer of 2016. In July 2016, agents executed a search warrant and seized 30 large alligator snapping turtles from ponds located on Leger's property.

Leger sold a live illegally-taken 170-pound turtle for \$1,000 and another 168-pound turtle for \$500 in May and June of 2016. The turtles were later seized by U.S. Fish and Wildlife Service agents from the buyer and are being cared for at a private facility. The market value of all the turtles Leger caught illegally was between \$40,000 and \$95,000. Leger will forfeit all of the turtles seized from his property and will permit the U.S. Fish and Wildlife Service to return to the property, drain the ponds, and seize the remaining turtles. The market value for the turtles Leckelt illegally caught and sold was between \$15,000 and \$40,000.

Simon sold a 120-pound alligator snapping turtle that was illegally caught in Texas to an undercover agent in May of 2016. Simon also obstructed justice by deleting text messages from his phone prior to being interviewed by law enforcement. Simon deleted the messages after Leger called and warned him that game wardens were coming to take the turtles out of the ponds. Simon also made false statements to law enforcement during the execution of the search warrant, denying that he had ever fished for alligator snapping turtles in Texas.

In a separate indictment, Montaro Williams is charged with a Lacey Act violation for illegally taking two alligator snapping turtles in Texas and then attempting to transport them to Louisiana for sale in August 2013 (16 U.S.C. §§ 3372(a)(2)(A),(a)(4), 3373(d)(1)(B)).

These cases were investigated by the U.S. Fish and Wildlife Service, the Louisiana Department of Wildlife and Fisheries, and the Texas Parks and Wildlife Department.



Defendants with 170 lb. turtle, now being cared for by the USFWS

Guilty Pleas

United States v. Anthony “Monte” Gaines et al., Nos. 3:16-CR-00581, and 3:17-CR-0050, 00222, 00309, 00312 (D.N.J.), ECS Trial Attorney Ethan Eddy, AUSA Kathleen O’Leary, ECS Paralegal Cindy Longmire, and ECS Contract Law Clerk John Jones.

On August 10 and 11, 2017, four of the nine defendants charged in the *U.S. v. Gaines, et al.* dog fighting case (Anthony “Monte” Gaines, Pedro Cuellar, Frank Nichols, and Lydell Harris) pleaded guilty to charges stemming from their involvement in dog fighting. A fifth defendant, Mario Atkinson, previously pleaded guilty in June 2017 to participating in an animal fighting venture (7 U.S.C. § 2156(a)(1), (b)).

Gaines pleaded guilty to two felony counts of conspiracy to buy, sell, receive, transport, deliver, and possess dogs intended for use in an animal fighting venture, and one felony count of unlawful possession of

a dog intended for use in an animal fighting venture (18 U.S.C. § 371; 7 U.S.C. § 2156(b)).

Gaines, a New Jersey resident, possessed a dog named “Vida” and five others for use in dog fighting. In June 2016, these dogs were seized from the basement of his residence during the execution of a search warrant, and had scarring and other physical and behavioral traits consistent with use in dog fighting. Agents also recovered equipment, including a dog treadmill, suture kits, and scalpels. Gaines and a co-defendant, Justin Love, purchased “Vida” and another dog from co-defendant Robert Arellano, a resident of New Mexico. Arellano shipped the dogs to Gaines and Love in December 2014.

Gaines also admitted to setting up a fight for a dog named “Bubbles,” and a dog owned by co-defendant Frank Nichols, in Chicago, in October of 2015. He and Nichols then drove “Bubbles” to a co-defendant’s residence in Indiana, to evade detection after local authorities found one of the properties where Gaines had been storing dogs outside on heavy chains.

Nichols pleaded guilty on August 11th to one felony count of conspiracy to buy, sell, receive, transport, and deliver dogs intended for use in an animal fighting venture, and one felony count of possessing a stolen firearm subsequent to a felony conviction (18 U.S.C. §§ 371, 922(g)(1)). A total of 13 dogs were seized from Nichols’ residence, all maintained in conditions consistent with use in fighting. At the time of his arrest, Nichols, a convicted felon, was found in possession of two firearms, one of which had been stolen.

Harris pleaded guilty on August 10th to one felony count of conspiracy to fight a dog

(Continued on page 13)

Guilty Pleas

(Continued from page 12)

in an animal fighting venture, and one felony count of unlawful possession of a dog intended for use in an animal fighting venture (18 U.S.C. §§ 49, 371; 7 U.S.C. § 2156(b)).

Evidence obtained during the investigation showed that Harris operated a dog fighting “kennel” known as “SBK” or “Sic’um Boy Kennels.” He possessed a dog named “Tee Tee” and seven others for use in an animal fighting venture at his home in New Jersey. He conspired with a resident of the District of Columbia to fight “Tee Tee”, which occurred in October 2015. Harris called Gaines shortly after the fight and described the details in graphic terms. Agents seized eight dogs from Harris’s residence during the execution of the search warrant. These dogs had scarring and injuries consistent with fighting.

Cuellar pleaded guilty on August 11th to one felony count of conspiracy to buy, sell, receive, and deliver dogs intended for use in an animal fighting venture (18 U.S.C. § 371). Cuellar, a resident of Chicago, conspired with Gaines to receive two dogs from Gaines for fighting purposes, and to give Gaines two puppies in return, knowing that Gaines intended to use them for dog fighting.

Agents seized two dogs from Cuellar’s residence that were maintained in conditions consistent with use in fighting. Agents also recovered equipment, illegally acquired [veterinary medication](#), and documents showing that Cuellar operated a dog fighting “kennel” known as “LC 17 Kennels.”

Atkinson is scheduled to be sentenced on October 3, 2017. Harris and Gaines are set for November 28, 2017, and Nichols and Cuellar are scheduled for November 29, 2017. These cases are part of Operation Grand Champion, an ongoing multi-jurisdictional dog fighting investigation conducted by the U.S. Department of Agriculture Office of Inspector General, the Federal Bureau of Investigation, and Homeland Security Investigations.

***United States v. Glen Welch et al.*, No. 8:16-CR-00541 (D.S.C.), AUSA William J. Watkins, Jr.**

On August 9, 2017, Glen Welch pleaded guilty to being an accessory after-the-fact for assisting Welch Group Environmental (WGE) in transporting hazardous waste without a manifest (18 U.S.C. § 3). The company pleaded guilty to a RCRA transportation violation (42 U.S.C. § 6928(d)(5)).

WGE is in the business of retrieving lead and other metals from spent munitions gathered at firing ranges around the Southeast. In October 2010, the company transported hazardous waste without a manifest.

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

Guilty Pleas

***United States v. Oliver Schmidt et al.*, No. 2:16-CR-20394 (E.D. Mich.), ECS Senior Trial Attorney Jennifer Blackwell, Securities and Financial Fraud Unit Chief Benjamin D. Singer, Criminal Division Trial Attorney David M. Fuhr, AUSA John K. Neal, and ECS Contract Law Clerks ECS Contract Law Clerks Jon DeCarlo, Ellen Czajkowski, Amanda Backer, and Fred Ingram.**

On August 4, 2017, Oliver Schmidt, a former general manager of Volkswagen AG's U.S. Environment and Engineering office, pleaded guilty for his role in violating the Clean Air Act in connection with VW's sales of "clean diesel" vehicles in the United States. Schmidt, a German national, pleaded guilty to conspiracy to defraud the United States, to commit wire fraud, and to violate the Clean Air Act; and to one count of violating the Clean Air Act (18 U.S.C. § 371; 42 U.S.C. § 7413(c)(2)(A)).

In the spring of 2014, a non-governmental organization in the United States published results of a study that showed substantial discrepancies in nitrogen oxide (NOx) emissions from certain VW vehicles when measured on the road compared to standard drive cycle tests. During the summer of 2015, Schmidt was told of the existence of cheating software that had been in place for years in certain VW diesel vehicles and that had caused the emissions discrepancies. Specifically, Schmidt was informed that the vehicle would emit substantially higher amounts of NOx when the software detected that the car was not being tested.

During the summer of 2015, Schmidt participated in discussions with other VW employees to determine how to respond to questions from U.S. regulators about VW's diesel vehicles without revealing the defeat device. After a meeting with VW management in July 2015, Schmidt was instructed to seek a meeting with the California Air Resources Board (CARB) to obtain approval from CARB for the sale of additional VW diesel vehicles in the United States, without revealing that VW was cheating on emissions tests. During two meetings in August 2015, Schmidt attempted to obtain approval for the sale of additional vehicles by responding to questions without revealing his knowledge of the software issue.

Schmidt also knew that employees submitted fraudulent reports to the U.S. EPA in August 2015. He also knew that VW was falsely marketing diesel vehicles to consumers as being compliant with U.S. environmental regulations and environmentally friendly, by promoting increased fuel economy, among other things. Engineer [James R. Liang](#) was recently sentenced to 40 months' incarceration, and several other VW employees remain under investigation.

This case was investigated by the Federal Bureau of Investigation and the U.S. EPA Criminal Investigation Division.

Guilty Pleas

***United States v. Gaston Saunders*, No. 4:14-CR-00008 (E.D.N.C.), ECS Trial Attorneys Shennie Patel, Lauren Steele, Shane Waller, and Joel LaBissonniere; AUSA Banu Rangarajan; ECS Contract Law Clerk John Jones; and ECS Paralegal Diane Greenberg.**

On August 3, 2017, commercial fisherman Gaston Saunders pleaded guilty to Lacey Act trafficking charges for the illegal harvest and sale of Atlantic striped bass off the coast of North Carolina. Saunders also pleaded guilty to one count of federal tax evasion and three counts of failure to file federal taxes (16 U.S.C. §§ 3372(a)(1), 3373(d)(1); 26 U.S.C. §§ 7201, 7203).

In February 2010, NOAA received information that commercial trawlers were illegally fishing for Atlantic striped bass in the EEZ off the coast of North Carolina. Upon receiving the information, NOAA and the U.S. Coast Guard began an investigation, resulting in the prosecution of several fishermen. Between 2009 and 2010, the defendants illegally harvested several thousand pounds of Atlantic striped bass from the EEZ, which they sold to various fish dealers, using a variety of methods to conceal their harvests.

Further investigation revealed that, despite earning a substantial income from his commercial fishing, Saunders had not filed a tax return since 1999. Beginning in 2010, to avoid the IRS, he directed his wife to deposit his fishing income into their joint bank account, then withdraw the money the same day and use those funds to purchase cashier's checks, primarily in denominations of less than \$10,000 each. His wife placed the cashier's checks in a safe deposit box, cashing them over the years as they needed money. Between October 2010 and August 2014, Saunders caused his wife to deposit approximately 20 checks worth \$432,419, converting the money to cashier's checks. In total, he and his wife failed to pay \$544,946 in federal taxes.

These cases were 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.

***United States v. Stephen Craig et al.*, Nos. 3:12-CR-00269, 3:15-CR-00053 (D. Conn.), AUSA Douglas Morabito.**

On August 3, 2017, Stephen Craig pleaded guilty to making a false statement stemming from his lead paint and asbestos certification business (18 U.S.C. § 1001).

Craig owned Boston Lead Company LLC (BLC), a company that provided industrial hygiene and safety services. Doing business as Environmental Training and Assessment (ETA), BLC offered a variety of training courses to those working with lead paint and asbestos. Craig was the training manager and a primary instructor and his son, Matthew Craig, provided instruction and assisted with course administration, including grading examinations.

To obtain certification, an individual must successfully complete an approved 32-hour lead abatement worker initial training course. In August 2011, ETA offered a lead abatement training course at its Middletown facility. An undercover EPA agent attended the course to obtain a lead abatement worker initial course completion certificate. The agent

(Continued on page 16)

Guilty Pleas

(Continued from page 15)

skipped the first two days of the course, and was two hours late on the third day. Thereafter, the agent attended the course for a total of approximately 15 hours, including approximately three hours of hands-on training. Stephen Craig was aware that the agent did not attend the full training course.

At the conclusion of the course, the agent paid Stephen Craig \$525 and was allowed to take the test, which was graded by Matthew Craig. The agent intentionally failed the test. Knowing that he had failed, Matthew Craig completed questions that the agent had left blank and corrected a sufficient number of questions to bring the grade up to a passing 80 percent. The agent was subsequently issued a false Certificate of Completion.

Matthew Craig previously pleaded guilty to making a false statement and was sentenced in March 2013 to two years' probation and ordered to perform 100 hours of community service. Stephen Craig is scheduled to be sentenced on November 2, 2017.

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

United States v. Andre Bernard, No. 2:17-CR-00061 (M.D. Fla.), ECS Trial Attorney Adam Cullman and AUSA Sarah Sweeney.

On August 2, 2017, Andre Bernard pleaded guilty for his participation in a multi-state scheme to defraud biodiesel buyers and U.S. taxpayers by selling fraudulent biodiesel credits and claiming tax credits. Specifically, Bernard pleaded guilty to conspiracy to commit wire fraud and Clean Air Act false statement violations (18 U.S.C. § 1349; 42 U.S.C. § 7413(c)(2)(A)).

Bernard conspired with Thomas Davanzo, Robert Fedyna, and Scott Johnson in a scheme to defraud biodiesel credit (known as RIN credits) buyers and U.S. taxpayers. The conspiracy involved having Gen-X Energy Group (Gen-X), headquartered in Pasco, Washington, and its subsidiary, Southern Resources and Commodities (SRC), located in Dublin, Georgia, generate fraudulent RINs and tax credits multiple times on the same material.

Bernard and his co-conspirators operated several shell companies that claimed to purchase and sell the renewable fuel. The co-conspirators also cycled the funds through these shell companies' bank accounts to perpetuate the fraud and conceal its proceeds.

From March 2013 to March 2014, the co-conspirators generated at least 60 million RINs that were based on fuel that was either never produced or was merely re-processed at the Gen-X or SRC facilities. The co-conspirators received at least \$42 million from the sale of these fraudulent RINs to third parties. In addition, Gen-X received approximately \$4,360,724 in false tax credits for this fuel.

This case was investigated by the U.S. Secret Service, the U.S. EPA Criminal Investigation Division, and the Internal Revenue Service Criminal Investigations.

Sentencings

***United States v. Black Energy Offshore Operations, LLC*, No. 2:15-CR-00197 (E.D. La.) and *United States v. Wood Group PSN*, Nos. 2:15-CR-00197, 6:16-CR-00192 (E.D. La., W.D. La.), ECS Senior Trial Attorney Kenneth Nelson; and AUSAs Emily Greenfield, Nicholas Moses, and Myers Namie, and ECS Contract Law Clerk Chris Kopf.**

On August 31, 2017, Black Elk Energy Offshore Operations (BEE) was sentenced to pay a \$4.2 million monetary penalty. Due to BEE's bankruptcy, the penalty will be a general unsecured claim against BEE's bankruptcy estate entitled to a pro rata distribution from the trust with other allowed unsecured claims against BEE.

The company previously pleaded guilty to eight felony violations of the Outer Continental Shelf Lands Act (OCSLA) and one misdemeanor count of violating the Clean Water Act (43 U.S.C. § 1350(c)(1); 33 U.S.C. §§ 1321(b)(3), 1319(c)(1)(A)). This case arose out of an explosion on an oil production platform owned by BEE in November 2012 that killed three workers, injured several more, and discharged 500 barrels of oil into the water. BEE had contracted with Wood Group PSN to provide personnel to operate the platform.

The explosion was the result of welding being conducted on a hydrocarbon line that was connected to an oil tank that had not been cleaned and purged of flammable oil and gas. Numerous OCSLA safety requirements were violated and BEE negligently discharged oil into waters of the United States.

Wood Group was sentenced in February 2017 to pay \$7 million for falsely reporting over several years that personnel had performed safety inspections on facilities in the Gulf of Mexico, and \$1.8 million for negligently discharging oil into the Gulf, both in violation of the CWA. Wood Group also was ordered to pay \$700,000 in community service.

Wood Group previously entered into a global plea agreement in the Western District of Louisiana to resolve criminal activity in both the Western and Eastern Districts of Louisiana. It pleaded guilty to a negligent CWA violation for the illegal discharge of oil into the Gulf in the Eastern District of Louisiana (33 U.S.C. §§ 1319(c)(1)(A), 1321(b)(3)). In the Western District of Louisiana, Wood Group pleaded guilty to one false statement charge for creating approximately 87 false documents that were required to be maintained under the OCSLA (18 U.S.C. § 1001). For this offense, the company will pay a \$7 million fine and make a \$500,000 community service payment.

In May 2016, the District Court dismissed the OCSLA counts against the contractor defendants. The government has appealed and oral argument was heard before the Fifth Circuit Court of Appeals in May 2017.

This case was investigated by the DOI Office of Inspector General and the U.S. EPA Criminal Investigation Division.

Sentencings

***United States v. Randy Less et al.*, No. 6:16-CR-02002 (N.D. Iowa), AUSA Timothy Vavricek and SAUSA Matthew Hoffman.**

On August 30, 2017, Randy Less was sentenced to 15 months' incarceration, followed by two years' supervised release. He also will pay a \$10,000 fine. Less previously pleaded guilty to violating the Clean Water Act and to failing to pay employment taxes (33 U.S.C. §§ 1311, 1319(c)(2)(A); 26 U.S.C. § 7202).

Less was the majority owner of Permeate Refining Inc., an ethanol production business. He knowingly discharged or caused ethanol to be discharged from the facility into an unnamed tributary of the Maquoketa River in July 2013, without a permit. Less also failed to collect \$45,926 in taxes owed in January 2011. Co-defendant Darrell Smith pleaded guilty to a tax violation and was sentenced in December 2016 to 13 months' incarceration, followed by two years' supervised release.

This case was investigated by the U.S. EPA Criminal Investigation Division, the Federal Bureau of Investigation, the IRS Criminal Investigation, and the U.S. Postal Inspection Service.

***United States v. Michael Hayden et al.*, No. 1:13-CR-00649 (D. Md.), ECS Senior Trial Attorney Todd Gleason, ECS Trial Attorney Shennie Patel, AUSA Michael Cunningham, and ECS Paralegal Cynthia Longmire.**

On August 30, 2017, Fisherman Michael Hayden was resentenced for violating conditions imposed during a three-year term of supervised release. After pleading guilty to two substance abuse violations, the court ordered the following: Hayden will spend 14 weekends in custody, be drug-tested every two days, complete substance abuse treatment, is subject to two years' supervised release, and must abide by all the conditions required under the previous term of supervision.

Hayden was sentenced in February 2015 to 18 months' incarceration, followed by six months' home confinement, and three years' supervised release, for his role in a scheme to illegally harvest striped bass. He also was ordered to pay a \$40,000 fine and was held jointly and severally responsible with co-defendant William Lednum for \$498,293 in restitution.

Hayden was the final fishermen to be sentenced in this case involving the illegal poaching of hundreds of thousands of pounds of striped bass from the Chesapeake Bay in violation of the Lacey Act (16 U.S.C. §§ 3372(a)(4), 3373(d)(1)(B)).

Co-defendants Kent Sadler, Lawrence Murphy, and Lednum engaged in a multi-year scheme in which they falsified paperwork related to their harvests and submitted those falsified documents to the State of Maryland. The State, in turn, unwittingly provided false information to numerous federal and interstate agencies responsible for setting harvest levels along the Eastern Seaboard.

Hayden violated several conditions of his supervised release, including testing positive for cocaine on four separate occasions, not adhering to the terms of home detention, and failing to meet with a psychiatrist.

This case was investigated by the Maryland Department of Natural Resources and the U.S. Fish and Wildlife Service.

Sentencings

***United States v. Yuh Fa Fishery (Vanuatu) Co. Ltd.*, No. 1:17-CR-00151 (D.D.C.), ECS Trial Attorney Stephen DaPonte, AUSA Frederick Yette, and ECS Contract Law Clerk Chris Kopf.**

On August 30, 2017, a fishing vessel company, operating in and around American Samoa, pleaded guilty and was sentenced on APPS violations for maintaining false oil and garbage record books (33 U.S.C. § 1908(a)).

Yuh Fa Fishery (Vanuatu) Co. Ltd., owned the *F/V Yuh Fa No. 201*. Between June 2013 and June 2016, the vessel's engineers failed to document in the oil record book the illegal overboard dumping of oily bilge water into the South Pacific. The engineers also made several modifications to the vessel's piping system that allowed oily bilge water and sludge to be discharged overboard.

In addition, the ship's captains failed to accurately track in the garbage record book the disposal of garbage generated during extended fishing trips. As a result, tons of oil sludge, waste oil, oily bilge water, and garbage remain unaccounted for.

The company was ordered to pay a \$1,875,000 fine, make a \$625,000 community service payment to the National Marine Sanctuary of American Samoa, and complete a five-year term of probation. All vessels owned or operated by the company will be barred from entering any U.S. port during this period.

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



F/V Yuh Fa No. 201

Sentencings

***United States v. James R. Liang et al.*, No. 2:16-CR-20394 (E.D. Mich.), ECS Senior Trial Attorney Jennifer Blackwell, Deputy Chief Benjamin D. Singer, Trial Attorney Alison L. Anderson of the Criminal Division's Fraud Section; AUSAs Mark Chutkow and John K. Neal; and ECS Contract Law Clerks Jon DeCarlo, Ellen Czajkowski, Amanda Backer, and Fred Ingram.**

On August 25, 2017, Volkswagen AG engineer James R. Liang was sentenced to 40 months' incarceration, followed by two years' supervised release. He also will pay a \$200,000 fine.

Liang previously pleaded guilty for his role in a decade-long conspiracy to defraud U.S. regulators and consumers by implementing software specifically designed to cheat U.S. emissions tests in hundreds of thousands of VW "clean diesel" vehicles. Liang pleaded guilty to one count of conspiracy to defraud the United States, to commit wire fraud, and to violate the Clean Air Act (18 U.S.C. § 371).

From 1983 until May 2008, Liang was a VW employee, working in its diesel development department in Wolfsburg, Germany. Beginning in approximately 2006, Liang and co-conspirators started to create a new "EA 189" diesel engine for sale in the U.S. that was designed to cheat the emissions tests. Liang admitted that he used the defeat device while working on the EA 189 and assisted in its implementation.

In May 2008, Liang moved to the U.S. to assist in the launch of VW's new "clean diesel" vehicles in the U.S. market. During this time, he and others were aware that the company marketed its diesel vehicles to the public as "clean diesel" knowing this to be false. They continued to lie even after questions arose about the vehicles' performance following the results of a study showing emissions were up to 40 times higher than shown on the dynamometer.

The company was sentenced in April 2017 to pay a \$2.8 billion fine, complete a three-year term of probation, and enact an environmental compliance plan. It pleaded guilty to conspiracy to defraud the United States, engage in wire fraud, and violate the Clean Air Act; obstruction of justice; and importation of merchandise by means of false statements (18 U.S.C. §§ 371, 542, 1512(c)). Former General Manager [Oliver Schmidt](#) recently pleaded guilty to conspiracy and CAA violations. Additional individuals are under investigation.

This case was investigated by the Federal Bureau of Investigation and the U.S. EPA Criminal Investigation Division.

Sentencings

***United States v. Joseph Williams et al.*, Nos. 4:15-CR-00002,3,8 (E.D.N.C.), ECS Trial Attorneys Shennie Patel, Shane Waller, Lauren Steele, and Joel LaBissonniere; AUSA Banu Rangarajan; ECS Contract Law Clerk John Jones; and ECS Paralegal Diane Greenberg.**

On August 23, 2017, Fishermen Joseph Williams, Dwayne Hopkins, David Saunders, Jr., and John Roberts were sentenced. All four will complete three-year terms' of probation and perform 100 hours' of community service. They also will pay the following in restitution: Williams will pay \$69,045; Hopkins \$35,318; Saunders \$67,318; and Roberts will pay \$55,044.

They previously pleaded guilty to Lacey Act trafficking charges for illegally harvesting and selling Atlantic striped bass off the coast of North Carolina in 2010 (16 U.S.C. §§ 3372 (a)(1), 3373(d)(1)).

In February 2010, NOAA received information that commercial trawlers were illegally fishing for Atlantic striped bass in the EEZ off the coast of North Carolina. Upon receiving the information, NOAA and the U.S. Coast Guard began an investigation, resulting in the prosecution of several fishermen. Between 2009 and 2010, the defendants illegally harvested several thousand pounds of Atlantic striped bass from the EEZ, which they sold to various fish dealers, using a variety of methods to conceal their harvests.

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

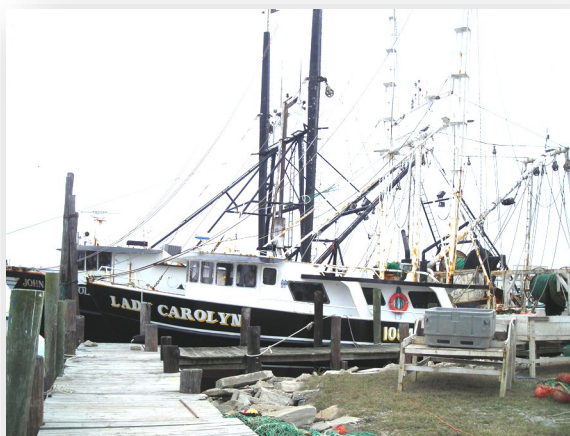
***United States v. David Obermeyer*, No. 4:15-CR-00277 (W.D. Mo.), AUSA Brent Venneman, with assistance from ECS Trial Attorney Mary Dee Carraway.**

On August 22, 2017, real estate developer David Obermeyer was sentenced to complete a three-year term of probation, to include three months' home confinement. In addition to a \$25,000 fine, he also will assist EPA in developing and executing a wetland restoration plan.

Obermeyer previously pleaded guilty to a negligent Clean Water Act charge for filling wetlands near Shoal Creek and the Missouri River without a permit (33 U.S.C. §§ 1311(a), 1319(c)(1)(A)).

Between 2011 and 2014, Obermeyer caused the filling of close to seven acres of wetlands, despite receiving a cease and desist order from the U.S. Army Corp of Engineers in 2013. Obermeyer allowed and paid construction companies to dump loads of construction debris containing asphalt, solid waste, concrete, debris, dredged spoil, rock, and sand into the wetland area.

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



F/V Lady Carolyn

Sentencings

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

On August 18, 2017, Randall J. Frye was sentenced to six months' incarceration, followed by three months' home confinement, and three years' supervised release. Frye previously pleaded guilty to conspiring to participate in dog fighting (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)). Granberry was sentenced in April 2017 to 72 months' incarceration, followed by two years' supervised release.

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 and would be taken out of state. 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, and collars. They found canine blood on the floor and walls of the basement of one home indicating that the area was used for fights.

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

This case was investigated by the USDA Office of Inspector General, the Columbus Police and the Humane Society.

***United States v. AIREKO Construction Company et al.*, Nos. 3:13-CR-00871, 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.**

On August 15, 2017, AIREKO Construction Company was sentenced to pay a \$1.5 million fine and complete a three-year term of probation. The company also will pay \$172,020 to fund a baseline medical examination and follow-up tests for victims exposed to asbestos fibers in the aftermath of this illegal asbestos abatement.

In May 2012, subcontractors removed ceiling materials containing asbestos during the renovation of an office building. The dry material was placed in the trash behind the building, and officials were not notified of the release of a hazardous substance. The entire building was contaminated and closed in 2015, with the clean-up requiring almost one year to complete. AIREKO pleaded guilty to CERCLA and Clean Air Act NESHAP violations (42 U.S.C. §§ 7413, 9603).

Company vice president and owner Edgardo Albino was previously sentenced to pay a \$15,000 fine, complete a three-year term of probation, and perform 300 hours of community service, after pleading guilty to a CERCLA charge (42 U.S.C. § 9603). Project manager Kenneth Baez pleaded guilty to CAA and CERCLA violations, and has not yet been scheduled for sentencing.

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

Sentencings

***United States v. Juan Carlos Lopez et al.*, No. 1:16-CR-00145 (E.D. Calif.), AUSA Karen Escobar.**

On August 14, 2017, Rafael Torres-Armenta was sentenced to 37 months' incarceration, followed by three years' supervised release. He also was held jointly and severally responsible for \$5,233 in restitution to the U.S. Forest Service. Torres was the final defendant sentenced in this case involving damage to public lands and resources from illegal marijuana cultivation activities.

Juan Carlos Lopez and Javier Garcia-Castaneda conspired with Carlos Piedra-Murillo and Torres to cultivate marijuana in the Domeland Wilderness area. The Domeland Wilderness is a federally-designated wilderness area known for its granite domes and unique geologic formations. Law enforcement officers seized more than 8,000 plants, 17 pounds of processed marijuana, two rifles, and hundreds of rounds of ammunition.

The cultivation operation caused extensive environmental damage. It covered approximately ten acres and was within an area burned by a fire in 2000. Some of the new vegetation and trees that grew after the fire had been cut to make room for the plants. Water was diverted from a tributary stream of Trout Creek, a major tributary to the Kern River. Fertilizer and pesticides, including illegal carbofuran and zinc phosphide, were found at the site, as well as large piles of trash. Moving large amounts of soil caused extensive damage to a large prehistoric Tūbatulabal archaeological site. Holes were dug and artifacts were found scattered on the surface among the plants.

Lopez was sentenced in June 2017 to five years' incarceration, and ordered to pay \$5,930 in restitution. Garcia was sentenced to 37 months, and Piedra was sentenced to 25 months' in prison. They are jointly responsible with Torres for \$5,233 in restitution to the Forest Service. All pleaded guilty to conspiracy to cultivate marijuana (21 U.S.C. §§ 841, 846).

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

***United States v. Abel Toledo-Villa et al.*, No. 1:16-CR-00106 (E.D. Calif.), AUSA Karen Escobar.**

On August 14, 2017, Abel Toledo-Villa was sentenced to five years' incarceration, followed by four years' supervised release. He is jointly and severally responsible for \$5,233 in restitution to the U.S. Forest Service. Toledo previously pleaded guilty to conspiring to manufacture, distribute, and possess with intent to distribute 3,850 plants found in the Sequoia National Forest in Kern County (21 U.S.C. § 841).

After investigators raided the grow site in July 2016, Toledo was found in a vehicle that contained close to nine pounds of processed marijuana, fertilizer, a rifle, and ammunition. Co-defendant Coral Herrera pleaded guilty on September 11 to a drug charge, and Sair Eduardo Maldonado-Soto is scheduled for a change of plea on September 25,

(Continued on page 24)

Sentencings

(Continued from page 23)

2017. Alfredo Cardenas-Suastegui is set for trial to begin on November 7, 2017.

This case was investigated by the U.S. Forest Service, Homeland Security Investigations, the Southern Tri-County High Intensity Drug Trafficking Area Task Force, the California Department of Justice's Campaign Against Marijuana Planting, the California Department of Fish and Wildlife, the Kern County Sheriff's Office, the Riverside County Sheriff's Department, the Fontana Police Department, and the Victorville Police Department.

United States v. Smogz R Us, No. 2:16-CR-00049 (C.D. Calif.), AUSA Veronica Dragalin.

On August 14, 2017, Cheerline May Young was sentenced to pay a \$300 fine and will complete a three-year term of probation. Young is the sixth defendant to be sentenced in this case involving hundreds of fraudulent smog check inspections.

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 R Us; her daughter Cheerline Marie Young, and sons Jermaine Elroy Williams and Mark Anthony Young were named. Also charged were employees Darnell Tyrone Usher, Lavell Fay Davenport, Miguel Angel, Mario Mesa, Jaime Patrick Alvarez, and Miguel Angel Espinoza.

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. Over an eight-month period, the defendants entered vehicle identification information into the testing equipment 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 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.

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.

Williams was sentenced on August 7, 2017, to four months' incarceration, followed by three years' supervised release. Alvarez was sentenced on August 7 to complete a two-year term of probation. Davenport was sentenced on July 31 to complete a three-year term of probation. Usher was sentenced on July 31 to a five-year term of probation. Mesa was sentenced on June 19 to nine months' incarceration, followed by three years' supervised release. All defendants pleaded guilty to conspiracy (18 U.S.C. § 371).

On July 31, 2017, a mistrial was declared in the trial against Mark Anthony Young. A re-trial is scheduled for September 20, 2017. Cheerline Young is a fugitive.

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

Sentencings

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

United States v. Panagiotis Koutoukakis et al. 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 Contract Law Clerk Christopher Kopf.

On August 10, 2017, Chief Engineers Panagiotis Koutoukakis and Herbert Julian were sentenced after being 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). Both were sentenced to time served, followed by one year of supervised release. They also are banned from entering U.S. Ports/Territorial Seas.

In late August 2015, the Coast Guard began an investigation into the bypass of pollution prevention equipment, including the use of a “magic device,” onboard the chemical/petroleum tanker *Green Sky*. Ship operator Aegean Shipping Management, S.A and members of the ship’s engine room crew, including a senior officer, participated in the illegal overboard waste discharges. The company pleaded guilty to APPS and obstruction charges, and was sentenced in March 2017 to pay a \$1.7 million fine and complete a three-year term of probation (33 U.S.C § 1908(a); 18 U.S.C. § 1505). The company also was ordered to make a \$300,000 community service payment, which will support Gray’s Reef National Marine Sanctuary, a protected reef area off the Georgia coast, and implement an environmental compliance plan. Master Genaro Anciano pleaded guilty to obstruction of justice and was sentenced to time-served (18 U.S.C. § 1505).

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

Sentencings

United States v. WillMax Capital Management, Inc., et al., No. 1:16-CR-00355 (D. Colo.), AUSA Thomas O'Rourke and SAUSA Linda Kato.

On August 7, 2017, Willmax Capital Management, Inc., was ordered to pay \$217,805 in restitution to be divided among 29 victims. This is in addition to \$250,000 that is to be paid to National Jewish Health in Denver, Colorado, to be used for a five-year Medical Screening Program.

In 2014, the Overlook at Mile High apartment complex underwent extensive renovations. WillMax Capital hired A&A Hauling and Concrete to sand asbestos-containing mastic glue off of concrete floors located in the common areas. The complex is comprised of multiple towers, each with approximately 50 units. The sanding of the asbestos (which occurred without precautions to protect people from asbestos exposure) resulted in a significant asbestos spill, exposing more than 100 residents, workers, firefighters, and others to airborne asbestos fibers. Dust from the unpermitted operation resulted in the contamination of hallways, stairwells, the interior of some apartments, and tenants' personal property. As a result, more than 100 tenants were evacuated and housed in nearby hotels. A&A and Overlook workers were not provided with any form of personal protective equipment, nor were the tenants advised of any asbestos-related work.

WillMax Capital failed to conduct an inspection to determine whether asbestos was present before starting the renovation. Senior corporate manager Tom Williams was the ultimate decision-maker for renovation activities at the Overlook, including the abatement of asbestos-containing materials, and his subordinates relied on him to alert them when such activities might disturb asbestos. The defendants previously pleaded guilty to violating the Clean Air Act (42 U.S.C. §§ 7413(c)(1),(c)(4)). Williams was sentenced to eight months' incarceration, followed by one year of supervised release, and ordered to pay a \$100,000 fine. The company also will complete a five-year term of probation.

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

Sentencings

***United States v. Bryan Daniels et al.*, Nos. 4:14-CR-00011, 2:15-CR-00003-4, 6 (E.D.N.C.), ECS Trial Attorneys Shennie Patel, Lauren Steele, Shane Waller, and Joel LaBissonniere; AUSA Banu Rangarajan; ECS Contract Law Clerk John Jones; and ECS Paralegal Diane Greenberg.**

On August 4, 2017, four fishermen were sentenced for harvesting and selling Atlantic striped bass from the Exclusive Economic Zone, in violation of the Lacey Act and a longstanding moratorium on fishing for that species within federal waters (16 U.S.C. §§ 3372(a)(1), 3373(d)(1)). Bryan Daniels, Stephen Daniels, Dewey Willis, and Michael Potter will complete five-year terms' of probation, to include six months' home confinement. Potter will perform 150 hours of community service and pay \$34,422 in restitution. The other three will perform 100 hours of community service and pay the following in restitution: Willis will pay \$24,635; Stephen Daniels \$94,696; and Bryan Daniels will pay \$67,190.



F/V Helen W. Smith

In February 2010, NOAA received information that commercial trawlers were illegally fishing for Atlantic striped bass in the EEZ off the coast of North Carolina. Upon receiving the information, NOAA and the U.S. Coast Guard began an investigation, resulting in the prosecution of several fishermen. Between 2009 and 2010, the defendants illegally harvested several thousand pounds of Atlantic striped bass from the EEZ, which they sold to various fish dealers, using a variety of methods to conceal their harvests.

These cases were 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.

Sentencings

***United States v. Josh Hedges et al.*, Nos. 6:17-CR-10021, 10054 (D. Kan.), AUSA Matthew Treaster.**

On August 2, 2017, Josh Hedges was sentenced to complete a five-year term of probation and is banned from hunting and guiding for 12 years. He will pay \$15,000 to the Kansas Department of Wildlife, Parks, and Tourism Restitution Fund (Fund) and must register with the Interstate Wildlife Violator Compact. His company, Eagle Head Outfitters, was sentenced to pay a \$1,000 fine and was prohibited from operating for 15 years. Hedges was further ordered to divest from the company, and forfeit a variety of equipment (including firearms, cameras, and hunting licenses) as well as duck and goose carcasses.



Corn found in water near Hedges' home

Between 2013 and 2016, Hedges and co-defendants routinely violated state and federal hunting laws while taking clients on \$300-a-day hunting trips. They illegally placed corn, wheat, and soybeans around ponds as bait for waterfowl; helped hunters exceed their daily bag limits; and failed to tag, process, and transport birds as required. In addition, Hedges admitted that he shot a hawk from his vehicle while sitting on a county road. Hedges pleaded guilty to conspiracy to violate the Lacey Act and one count of violating the Migratory Bird Treaty Act. The company pleaded guilty to conspiracy to violate the Lacey Act (18 U.S.C. § 371; 16 U.S.C. §§ 3372(a)(1), 703 (a), 707(a)).

Hunting guide Jerard Stroot was sentenced in July 2017, to pay a \$5,000 fine and will complete a five-year term of probation, during which he is barred from hunting, trapping, or guiding. He also will forfeit a number of firearms and other equipment. Jerard Stroot pleaded guilty to conspiracy to violate the Lacey Act (18 U.S.C. § 371).

Allen Stroot was sentenced in April 2017 to pay \$2,000 in restitution to the Fund and will complete a two-year term of probation. Georgia hunter Steve Seagraves was sentenced in March 2017 to pay \$1,500 in restitution to the Fund and will complete a two-year term of probation. He also will forfeit hunting equipment. Both pleaded guilty to violating the MBTA (16 U.S.C. §§ 703(a) (707)(a)).

This case was investigated by the U.S. Fish and Wildlife Service; and the Kansas Department of Wildlife, Parks, and Tourism.

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. Attorneys' 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.

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, as per [Section 5-11.118](#) of the U.S. Attorneys' Manual.

Position	Name	Phone
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	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	████████