



Monthly

Bulletin

Environmental Crimes Section

February 2018

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“The smuggling of protected birds into the U.S. jeopardizes the health and survival of our native bird species,” Deputy Chief of Law Enforcement [Edward] Grace stated. “In this case, smugglers used false documents and purposely traveled through Spain to hide the fact that most of these birds originated in Indonesia. The vigilance of our special agents and wildlife inspectors exposed this global wildlife trafficking scheme.” [From press release of plea taken in [U.S. v. Burgos](#). See [below](#), for more details on this case.]

District/Circuit	Case Name	Case Type/Statutes
Central District of California	<u>United States v. Rodrigo Franco</u>	Snake Shipments/ Smuggling
Northern District of California	<u>United States v. Adam Thatcher Lawrence</u>	Leopard Killing/Lacey Act, Smuggling
Middle District of Florida	<u>United States v. Dale Barger</u>	Marine Wildlife Sales/Lacey Act
Northern District of Florida	<u>United States v. Malcolm Mason</u>	Ivory Imports/Lacey Act
Southern District of Florida	<u>United States v. Carl L. Cobb et al.</u>	Sea Turtle Eggs/Lacey Act
Northern District of Indiana	<u>United States v. Martin Jakubowski</u>	Municipal Veterinarian/FDCA
District of Kansas	<u>United States v. Jack E. Smith</u>	Hazardous Waste Transportation/RCRA
Eastern District of Louisiana	<u>United States v. Grand Isle Shipyards et al.</u>	Oil and Gas Platform/CWA, Manslaughter
Western District of Louisiana	<u>United States v. Aldes K. Vidrine, III, et al.</u>	Wastewater Discharges/CWA
Eastern District of Missouri	<u>United States v. Dale Johansen</u>	Former Municipal Employee/ Mail Fraud
District of New Jersey	<u>United States v. Thomas Toy</u> <u>United States v. Joseph Kelley et al.</u>	Drum Reconditioning/RCRA Eel Trafficking/Conspiracy, Lacey Act, Smuggling
Eastern District of New York	<u>United States v. Robert Burgos et al.</u>	Songbird Imports/Conspiracy
Northern District of New York	<u>United States v. Michael Ward</u>	Paper Mill Discharges/CWA
Western District of New York	<u>United States v. Maureen S. Walck</u>	Lead Paint Disclosure/TSCA

District/Circuit	Case Name	Case Type/Statutes
Middle District of North Carolina	<u>United States v. Brexton Lloyd</u>	Dog Fighting/Animal Welfare, Conspiracy
Southern District of Ohio	<u>United States v. Malek Jalal et al.</u>	RINS/Conspiracy, Obstruction
Middle District of Pennsylvania	<u>United States v. Keystone Biofuels, Inc., et al.</u> <u>United States v. Andrew Manganas et al.</u>	Biodiesel Fraud/Conspiracy, CAA, False Statement, Tax Bridge Restoration/CWA, Theft from Employee Plan, Wire Fraud
District of South Dakota	<u>United States v. Kevin Mast</u>	Wetlands/National Wildlife Refuge Act
Eastern District of Tennessee	<u>United States v. John T. Hatfield et al.</u>	Metal Plating Waste/Accessory -after-the-Fact/RCRA
Southern District of Texas	<u>United States v. Chris Martin et al.</u>	Veterinary Products/Conspiracy, Mail Fraud, Smuggling, Trafficking in Counterfeit Goods, Wire Fraud
Eastern District of Virginia	<u>United States v. James R. Casey</u>	Seafood Sales/Conspiracy
Western District of Washington	<u>United States v. Michael D. Welches et al.</u>	Timber Cutting/Depredation to Government Property
Eastern District of Wisconsin	<u>United States v. Grede, LLC</u>	Foundry/CAA
District of Wyoming	<u>United States v. William K. Stoner</u>	Grizzly Bear Killing/ESA, Felon in Possession

Trials

United States v. Kevin Mast, No. 4:17-CR-40078 (D.S.D), AUSA Jeff Clapper.

On January 18, 2018, a jury convicted Kevin Mast of violating the National Wildlife Refuge Act for disturbing protected wetlands of the United States (16 U.S.C. § 668(dd)).

The U.S. Fish and Wildlife Service purchased the wetlands easement in 1973. The easement prohibited the drainage of any wetland areas on the property that were suitable for waterfowl production. In 2010, agents notified Mast that his plan to install drain tile on his crop land conflicted with the protected wetlands and would not be permitted. Despite the warning, Mast installed the drain tile in the fall of 2013. The drain tile affected six wetland areas on the property. Mast is scheduled to be sentenced on April 9, 2018.

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



Aerial view of wetland area

Indictments/Informations

***United States v. Thomas Toy*, No. 1:18-CR-00034 (D.N.J.), ECS Trial Attorney Adam Cullman and AUSA Kathleen O'Leary.**

On January 25, 2018, prosecutors filed an indictment charging Thomas Toy with violating the Resource Conservation and Recovery Act (RCRA) for illegally storing and disposing of corrosive and hazardous waste (42 U.S.C. § 6928(d)(2)(A)).

Toy was the owner and president of Superior Barrel and Drum, a company specializing in the cleaning and reconditioning of industrial drums. He directed and supervised operations, including the storage and disposal of large amounts of waste onsite. Superior did not have a permit to store or dispose of hazardous waste. From September 2013, to September 2014, the U.S. Environmental Protection Agency removed approximately 1,800 containers of waste from the property, much of which was found to be hazardous.

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

***United States v. Keystone Biofuels, Inc. et al.*, No. 1:17-CR-00143 (M.D. Penn.), ECS Senior Litigation Counsel Howard Stewart, AUSA Geoffrey W. MacArthur, and ECS Law Clerk Diana Choe.**

On January 24, 2018, prosecutors filed a superseding indictment charging two owners of a Pennsylvania biofuel company with conspiring to defraud the Internal Revenue Service (IRS) and assisting in the preparation of a fraudulent fuel tax credit refund claim (18 U.S.C. § 371; 18 U.S.C. § 1001; 26 U.S.C. § 7206(2)).

According to the indictment, Ben Wootton and Race Miner owned and operated Keystone Biofuels, Inc. Wootton, serving as President, and Miner, serving as Chief Executive Officer, allegedly participated in a conspiracy to defraud the IRS by, among other things, fraudulently claiming tax refunds based on the Biodiesel Mixture Credit (a federal excise tax credit given to those who mix biodiesel with diesel fuel and use or sell the mixture as a fuel.)

This credit was only available for fuel meeting those requirements that the claimant had mixed with diesel fuel. Wootton and Miner allegedly caused Keystone to fraudulently seek tax refunds by claiming the credit based on non-qualifying and, in at least some instances, nonexistent or non-mixed fuel. The indictment further alleges that the defendants created false books and records and supporting documents to account for the nonexistent fuel; engaged in a series of sham financial transactions to give the false books and records the appearance of legitimacy; and sought to obstruct an ongoing IRS investigation by providing false documentation to an IRS agent.

Wootton and Miner (along with Keystone Biofuels, Inc.) remain charged with conspiring to make false statements to the EPA and substantive false statement counts from the previous indictment filed in May 2017. Trial is scheduled to begin on June 11, 2018.

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

Indictments/Informations

***United States v. Joseph Kelley et al.*, No. 1:18-CR-00022 (D.N.J.), ECS Trial Attorneys Cassie Barnum and Shane Waller.**

On January 18, 2018, Joseph Kelley and James Lewis were charged in a seven-count indictment with conspiracy, smuggling, and Lacey Act charges for their involvement in the illegal trafficking of juvenile eels (16 U.S.C. §§ 3372(a)(2)(A), 3373(d)(1)(B); 18 U.S.C. § 371, 554).

Between January 2013 and May 2014, Kelley, Lewis, and others bought, sold, and transported young eels, knowing that they had been taken, possessed, transported, and sold in violation of the laws and regulations of the States of New Jersey, Massachusetts, Rhode Island, Connecticut, and other states.

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

***United States v. James R. Casey*, No. 4:18-CR-00004 (E.D. Va.), ECS Trial Attorney Gary Donner and AUSA Eric M. Hurt.**

On January 12, 2018, the owner of a Newport News seafood business was charged with conspiring to commit Lacey Act violations for blending foreign crab meat with Atlantic blue crab meat, and then labeling the blended crab meat as “Product of USA” (18 U.S.C. § 371.)

James R. Casey is the owner and President of Casey’s Seafood, Inc., in Newport News, Virginia. According to the information, from at least July 2012 through June 2015, Casey knowingly conspired to replace Atlantic blue crab with crab meat from Indonesia, China, Thailand, Vietnam, and Central and South America. Casey and his co-conspirators falsely labeled close to 400,000 pounds of crab meat, with a retail value in the millions of dollars, as Atlantic blue crab and “Product of USA.”

Casey allegedly directed employees to remove foreign crabmeat from the original shipper’s packaging containers, blend and combine foreign crab meat from one processor with crab meat from another foreign processor, and place it into different packing containers with a label declaring that the contents were a “Product of USA.” Casey also directed employees to place labels with “Product of the USA” on containers that concealed labels marked as “Product of Brazil” or “Product of China.”

This case was investigated by the U.S. Immigration and Customs Enforcement's Homeland Security Investigations, with assistance from the Food and Drug Administration.

Indictments/Informations

United States v Adam Thatcher Lawrence, No. 4:18-CR-00014 (N.D. Calif.), AUSA Katherine Lloyd-Lovett.

On January 11, 2018, prosecutors filed an indictment charging Adam Thatcher Lawrence with smuggling and violating the Lacey Act for illegally killing a leopard, a CITES-protected species (18 U.S.C. § 545; 16 U.S.C. §§ 3372 (d)(1), 3373 (d)(3)(A)).

According to the indictment, Lawrence traveled to South Africa in August 2011, where he hunted and killed a leopard. Lawrence did not have the proper permits to kill the leopard or to bring it back into the United States. In May 2012, Lawrence secretly transported the animal's skin and skull into Mozambique and claimed that he had killed the animal there. Lawrence then allegedly applied for permits from Mozambique, South Africa, and the United States in order to import the leopard skin and skull into this country. Each document falsely stated that the leopard was killed in Mozambique. In April 2013, using this falsified paperwork Lawrence imported the leopard parts into the United States.

This case was investigated by the U.S. Fish and Wildlife Service Office of Law Enforcement.

United States v. Dale Johansen, No.4:18-CR-00016 (E.D. Mo.), AUSA Dianna Collins.

On January 10, 2018, prosecutors filed an indictment charging Dale Johansen, the owner of Johansen Consulting Services LLC, with four mail fraud violations (18 U.S.C. § 1341).

Johansen was formerly employed by the Missouri Public Service Commission for approximately 28 years, including 12 years as the Superintendent of the Water and Sewer Department. In November 2011, he established his consulting business and, in June 2012, was appointed as the receiver for Rogue Creek Utilities, Inc. Rogue Creek is a vacation community containing three lakes located in Potosi and composed of approximately 90 active connections to the drinking water and sewer systems. Johansen's duties as receiver at Rogue Creek was to manage all sewer and drinking water services. This included collecting samples and maintenance of the water softener system.

According to the indictment, in March 2016, local officials learned that the water softener system at Rogue Creek was not operational and that residents had received well water that was not treated for lead removal. After the water softener system was brought back on-line, subsequent drinking water tests showed high levels of lead.

Johansen allegedly issued invoices to Rogue Creek residents for water services, leading them to believe that their well water was clean, disinfected and safe for human consumption. He also issued monthly invoices for water services, including the removal of lead in their well water, knowing that the well water was not being treated for lead removal.

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

Indictments/Informations

***United States v. Grand Isle Shipyards et al.*, No. 2:15-CR-00197 (E.D. La.), ECS Senior Trial Attorney Ken Nelson, ECS Trial Attorney Charlie Lord, AUSAs Emily Greenfield and Nick Moses.**

On January 5, 2018, a grand jury returned a third superseding indictment charging Grand Isle Shipyards with three counts of involuntary manslaughter and one count of violating the Clean Water Act (CWA). Shipyard employees Don Moss, Curtis Dantin, and Christopher Srubar were all charged with one count of violating the CWA (18 U.S.C. § 1112; 33 U.S.C. §§ 1321(b)(3); 1319(c)(1)(A)). The indictment removed Black Elk Energy Offshore Services (BEE) and Wood Group since both entities previously pleaded guilty and were sentenced. The indictment clarifies the gross negligence requirement for manslaughter, and removes regulatory provisions that the Fifth Circuit ruled were not applicable to contractors.

BEE was sentenced in August 2017 to pay a \$4.2 million monetary penalty. Due to BEE's bankruptcy in September 2015, the penalty is 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 CWA count after an explosion on an oil production platform owned by BEE killed three workers in November 2012. Several others were injured and approximately 500 barrels of oil were discharged into the water. BEE had contracted with Wood Group Production Services Network 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.

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

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Guilty Pleas

United States v. Andrew Manganas et al., No. 1:16-CR-00209 (M.D. Pa.), AUSA James T. Clancy and SAUSA Martin Harrell.

On January 22, 2018, Andrew Manganas pleaded guilty to theft from union plans, wire fraud, and discharge of pollutants into the Susquehanna River (18 U.S.C. §§ 664, 1343; 33 U.S.C. § 1319 (c)(2)).

In September 2009, PennDOT awarded a contract for a multi-year rehabilitation project for the George Wade Bridge to J.D. Eckman as the prime contractor.

The contract was in the amount of \$42,480,434, with the Department of Transportation (DOT) Federal Highway Administration's federal aid program reimbursing 90 percent of that cost. The project was scheduled to be completed

in May 2012, but was extended to September 2013. J.D. Eckman hired Manganas and his company, Panthera Painting, Inc., in October 2009, for a \$9,875,000 subcontract, which was subsequently increased to more than \$10 million. This subcontract covered the blasting, resurfacing, and painting of the structural steel on the bridge.

The contract required each contractor and subcontractor to submit certified payroll reports for every worker and every pay period to certify that the appropriate prevailing wage was being paid to each worker. Manganas and Panthera pleaded guilty to submitting false payroll reports that did not accurately reflect the amount workers were being paid. Manganas paid only partial wages in a wage check that did not include overtime pay. He then paid overtime in a separate "per diem" check that did not properly deduct taxes and remittances, some of which were owed to the unions of which the workers were members. By under-reporting wages, Manganas defrauded the federal agencies paying for the bridge work. By failing to properly remit wages to the unions, he effectively stole money from the workers and the union.

Additionally, Manganas and Panthera knowingly discharged pollutants into the Susquehanna River (including abrasive paint blasting materials, waste paint, and metal) in violation of the Clean Water Act. At their direction, workers used air hoses to blow debris off bridge components into the river, poked holes in material used for containment to allow wastes to discharge into the river, and emptied pans used to collect paint waste, among other things, without a permit.

This case was investigated by the U.S. DOL Office of Inspector General, the U.S. DOT Office of Inspector General, the U.S. EPA Criminal Investigation Division, and the Federal Bureau of Investigation.



Bridge with containment material

Guilty Pleas

United States v. Robert Burgos et al., No. 1:17-CR-00329 (E.D.N.Y.), AUSA Alicia Washington.

On January 18, 2018, Robert and Vanessa Burgos pleaded guilty to conspiring to illegally import wildlife, specifically a dozen Fischer Lovebirds, into the United States in violation of the Endangered Species Act (18 U.S.C. § 371).

Fischer Lovebirds are protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). As a result, Fischer Lovebirds may be imported into the United States from a foreign country only if the importer possesses a valid CITES export or re-export permit from the foreign country of origin.

In late June 2015, a shipment of Fischer Lovebirds arrived at John F. Kennedy International Airport from Madrid, Spain, falsely labelled as Rosy-Faced Lovebirds, which are not CITES-protected. The shipment was imported by Aviary La Familia, Inc., a Florida-based company run by the defendants, and was detained at the United States Department of Agriculture quarantine center in New York. A forensic ornithologist subsequently confirmed that the lovebirds in quarantine were not Rosy-Faced Lovebirds, but were, in fact, Fischer Lovebirds.

Evidence showed that the defendants traveled to Indonesia to select several of the Fischer Lovebirds and used Facebook to coordinate their smuggling. They also arranged for the birds to be shipped to Spain prior to entry into the United States in an attempt to evade U.S. restrictions on the import of birds from Indonesia.

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

[REDACTED]

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Guilty Pleas

[REDACTED]

United States v. Brexton Lloyd, No. 1:17-CR-000270 (M.D.N.C.), ECS Trial Attorney Erica Pencak, AUSA JoAnna McFadden, and ECS Law Clerk Fred Ingram.

On January 11, 2018, Brexton Lloyd pleaded guilty to one count of conspiracy and two counts of violating the animal fighting prohibitions of the Animal Welfare Act (18 U.S.C. §§ 49(a), 371; 7 U.S.C. § 2156(b)).

Lloyd kept more than a dozen dogs at his residence that were subsequently seized during the execution of a search warrant in March 2017. Between June 2015 and March 2017, Lloyd conspired with others to participate in dog fighting in New Jersey and other states. Sentencing is scheduled for March 29, 2018.

This case is part of Operation Grand Champion, a coordinated effort across numerous federal judicial districts to combat organized dog fighting. The phrase “Grand Champion” is used by dog fighters to refer to a dog with more than five dog-fighting “victories.” To date, approximately one hundred dogs have been rescued as part of Operation Grand Champion, and either surrendered or forfeited to the government. This part of the operation was investigated by the U.S. Department of Agriculture Office of the Inspector General and the Federal Bureau of Investigation, with assistance from the North Carolina State Highway Patrol, and the Moore County Sheriff’s Office.

Guilty Pleas

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Sentencings

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

On January 26, 2018, Carl L. Cobb and Raymond Saunders were sentenced after pleading guilty to violating the Lacey Act for stealing sea turtle eggs (16 U.S.C. §§ 3372(a)(1), 3373(d)(1)(B)). Both were sentenced to seven months' incarceration, followed by two years' supervised release, and \$225 in restitution to the State of Florida.

On May 5, 2017, the Florida Fish and Wildlife Conservation Commission (FFWCC) 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



Confiscated sea turtle eggs

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Sentencings

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500 eggs from nests on the island. The recovered eggs were relocated by marine biologists in the hope that some of them will yield hatchlings.

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

United States v. Michael Ward, No. 8:17-CR-00117 (N.D.N.Y.), AUSA Michael F. Perry.

On January 26, 2018, Michael Ward was sentenced to pay a \$1,000 fine, complete a three-year term of probation, and perform 200 hours of community service for violating the CWA for illegal wastewater discharges, and false statements (33 U.S.C. §§ 1319(c)(2)(A), (c)(4)).

Ward worked at the APC Paper Group paper mill in Norfolk, New York. As a Technical Director, he was responsible for monitoring, calculating, and reporting compliance with the mill's discharge permit. Between January 2013 and September 2015, Ward caused the mill to violate its permit by discharging wastewater containing excessive biochemical oxygen demand levels (BOD) into the Raquette River. Ward hid and falsified BOD data, causing the mill to regularly violate its permit. Additionally, he repeatedly falsified monthly reports provided to local environmental officials to conceal the ongoing violations. Ward's conduct was discovered after he was fired in the fall of 2015 for unrelated reasons.

This case was investigated by the U.S. EPA Criminal Investigation Division and the New York State Department of Environmental Conservation Division.

United States v. Malcolm Mason, No. 4:17-mj-00194 (N.D. Fla.), AUSA Michael Thomas Simpson.

On January 23, 2018, Malcolm Mason was sentenced to pay a \$12,000 fine after pleading guilty to violating the Lacey Act (16 U.S.C. §§ 3372(a)(1), (a)(4), 3373(d)(2)).

Between June 2012 and November 2013, Mason, doing business as Manor Auctions LLC, illegally exported elephant ivory on five different occasions. German customs authorities seized 14 carved African elephant ivory figurines in June 2012, which were exported from Manor Auctions in Tallahassee, Florida, to Frankfurt, Germany, without

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Sentencings

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proper paperwork. U.S. Fish and Wildlife agents subsequently determined Mason sent an additional four shipments of elephant ivory to customers in Canada, Thailand, Russia, and the United Kingdom. A sixth shipment of ivory was seized prior to export to China, at a warehouse in Dania Beach, Florida.

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

[REDACTED]

United States v. Jack E. Smith, No. 6:17-CR-10067 (D. Kan.), AUSA Alan Metzger.

On January 22, 2018, Jack E. Smith was sentenced to 18 months' incarceration, followed by three years' supervised release, after previously pleading guilty to violating RCRA (42 U.S.C. § 6928(d)(1),(d)(2) (A)).

On May 25, 2016, Smith towed a truck containing polymers and paints used to make gymnasium floors to property owned by his uncle. He was told that a landfill would not accept this waste. Neither he nor his uncle had a permit to transport, store, or dispose of hazardous waste.



Aftermath of fire

As Smith began unloading the metal containers, some of them caught fire. Several of the containers were destroyed; those that remained intact were tested and found to

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Sentencings

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contain ignitable hazardous waste.

This case was investigated by the U.S. EPA Criminal Investigation Division, the Kansas Department of Health and Environment, and the Crawford County Kansas Sheriff's Office.

United States v. Rodrigo Franco, No. 17-CR-00523 (C.D. Calif.), AUSA Eric Silber.

On January 22, 2018, Rodrigo Franco was sentenced to five months' incarceration, followed by two years' supervised release, and a \$4,500 fine.

Franco previously pleaded guilty to a smuggling charge for shipping live snakes in potato chip cans (18 U.S.C. § 545).

On March 2, 2017, U.S. customs agents intercepted a package sent from Hong Kong and discovered three live king cobra snakes (each about two-feet long) as well as three albino Chinese soft-shelled turtles. The package was addressed to a "Carlos Sandoval", a fake name utilized by Franco. The defendant was already under investigation for an earlier shipment of protected turtles intercepted by authorities, also addressed to "Carlos Sandoval."

King cobras are CITES-protected and require documentation that did not accompany this shipment. The United States Postal Inspection Service made a controlled delivery of the soft-shelled turtles to Franco's residence (after removing the cobras and resealing the box). Immediately after the package was delivered, agents executed a search warrant at the residence.

During the search, agents found the package that originated in Hong Kong and had been delivered via controlled delivery. They also discovered tanks containing a baby Morelet's crocodile, alligator snapping turtles, a common snapping turtle, and five diamond back terrapins, all of which are protected species.

This case is a part of Operation Jungle Book, a law enforcement initiative led by the U.S. Fish and Wildlife Service targeting wildlife smuggling. Some of the animals that have been recovered are currently being cared for by the Los Angeles Zoo, the San Diego Zoo, the Turtle Conservancy, and the STAR Eco Station. This case was investigated by the U.S. Fish and Wildlife Service, with assistance from Homeland Security Investigations, the U.S. Postal Inspection Service, and Customs and Border Protection.



Chip cans used to conceal snakes

Sentencings

United States v. Michael D. Welches et al., No. 3:17-CR-05048 (W.D. Wash.), AUSA Andre Penalver.

On January 19, 2018, Michael D. Welches was sentenced to 30 days' incarceration for his role in the cutting and stealing of "Music Wood" maple from federal lands. Welches pleaded guilty to depredation to government property for timber theft on land near Olympic National Park (18 U.S.C. § 1361).



Maple wood cut on federal land

On November 11, 2013, a citizen alerted the Park Service that he heard chainsaws in the middle of the night, and saw two people in the woods wearing headlamps. He reported similar activity a few nights later. Rangers subsequently arrested Welches, Matthew Hutto and Richard Welches as they were cutting and loading a felled maple. A receipt indicated the men had sold the wood to a music wood supplier. Wood retrieved from that supplier matched the wood from the felled tree.

As part of the sentencing, Welches is jointly and severally responsible for \$8,766 in restitution, which is the value of the timber as music wood. Welches was also previously convicted in 2004 of illegally cutting trees on state timber trust land.

Matthew Hutto pleaded guilty to a depredation charge and is scheduled for sentencing on February 16, 2018. Richard Welches is a fugitive.

The case was investigated by the National Park Service.

United States v. Dale A. Barger, No. 8:17-CR-00450 (M.D. Fla.), AUSA Robert Mosakowski.

On January 17, 2018, marine wildlife dealer Dale A. Barger was sentenced to pay a \$35,000 fine and a five-year term of probation for violating the Lacey Act by selling wild live rock and falsifying documentation (16 U.S.C. §§ 3372 (d)(2), 3373(d)(3)).

Live rock is an essential building block of a marine life reef system. In the wild, live rock harbors marine plants and animals, as well as beneficial bacteria. Wild live rock is harvested from naturally occurring rock on the ocean floor. Aquaculture live rock, or live rock farming, is the process where rocks from land are submersed in the ocean to become colonized by beneficial bacteria and encrusting

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Sentencings

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organisms. This rock is then harvested to be sold for the commercial aquarium trade.

Due to a decline in the Florida reef system from over-collection, federal law has prohibited the harvesting of wild live rock since 1997. This ban followed a previous 1989 Florida ban on harvesting wild live rock from state waters. The Florida live rock industry, prior to the federal and state ban on harvesting wild live rock, had reached an estimated 300 tons annually.

Barger held four permits from the National Marine Fisheries Service, which allowed him to harvest aquaculture live rock from permitted sites in federal waters. A condition of the permits required Barger to report his live rock harvesting, via Trip Tickets, to the Florida Fish and Wildlife Conservation Commission.

In 2016, state and federal investigators determined that Barger harvested protected wild live rock from federal waters and then reported his harvest as legally acquired "aquaculture" live rock. Over a seven-month period, Barger submitted Trip Tickets reporting that he had harvested 3,610 pounds of aquaculture live rock. Records obtained during the course of the investigation indicate that during the same period of time, Barger harvested and sold over 15,000 pounds of wild live rock that he collected from federal waters in the Gulf of Mexico.

This case was investigated by the U.S. Fish and Wildlife Service with assistance from the Florida Fish and Wildlife Conservation Commission.

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

On January 16, 2018, Marin Jakubowski was sentenced to three months' home confinement, followed by nine months' probation. Jakubowski previously pleaded guilty to diverting prescription veterinary antibiotics belonging to an animal shelter to an individual whom he knew to be involved in dog fighting activities in violation of the Federal Food, Drug, and Cosmetic Act (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, and oversaw the operation of Whiting's animal control program and animal shelter. He gave prescription veterinary antibiotics to Pedro Cuellar to drug his dogs. 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

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Sentencings

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Cuellar without standard adoption paperwork, knowing that Cuellar intended to transfer the dogs to other people involved in dog fighting. Jakubowski further admitted to being involved in a dog fight in 2004. As part of the sentencing, he lost his position as the head of Animal Control for Whiting and no longer works for the city or the animal shelter in any capacity.

This case is a result of Operation Grand Champion, an ongoing multi-jurisdictional dog fighting investigation conducted by the U.S. Department of Agriculture Office of Inspector General, Federal Bureau of Investigation, and Homeland Security Investigations.

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

On January 11, 2018, Grede LLC, the owner of the Grede foundry, was sentenced to pay a \$200,000 fine, plus a total of \$340,029 in restitution to be evenly divided among 11 victims. The company pleaded guilty to violating the Clean Air Act for the negligent release of asbestos, and for negligently placing one or more other persons in imminent danger of death or serious bodily injury (42 U.S.C. § 7413(c)(4)). The company admitted that in January 2012, foundry management negligently ordered numerous employees to remove asbestos-containing insulation material from the roof of an inactive industrial oven. The work on the oven released chrysotile asbestos fibers into the air. The company failed to provide the workers with adequate personal protective equipment, or follow standard asbestos abatement procedures. The restitution will be used to provide for workers' future medical monitoring for mesothelioma and other lung conditions.

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

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Sentencings

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United States v. Aldes K. Vidrine, III, et al., No. 6:17-CR-00208 (W.D. La.),
AUSA Robert C. Abendroth.

On January 11, 2018, Aldes K. Vidrine, III, was sentenced to pay a \$25,000 fine and complete a two-year term of probation. Vidrine previously pleaded guilty to violating the CWA for directing employees to discharge a pollutant into a canal that feeds the Vermilion River (33 U.S.C. § 1319(c)(1)(A)).

In February 2016, Vidrine, who worked as a manager at the Abbeville Omega Protein plant, told employees to place a hose in a treatment pond and drain process water from the pond into a canal that emptied into the river.

Omega is a dietary supplement corporation located in Louisiana and incorporated in Virginia. It is one of the world's leading producers of fish oil and the United States' leading manufacturer of fish meal. The company pleaded guilty to two felony violations of the CWA (33 U.S.C. § 1319(c)(2)(A)). It was sentenced in January 2017 to pay a \$1 million fine and a \$200,000 community service payment to the Louisiana State Police Emergency Service Unit. Omega also will complete a three-year term of probation. The company has a previous CWA conviction from 2013 in Virginia. It was sentenced in that conviction to pay a \$5.5 million fine, make a \$2 million community service payment to the National Fish and Wildlife Foundation, complete a three-year term of probation, and implement an environmental management system plan at all of its facilities. Because of this new case, the probation was extended two years.

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

Sentencings

***United States v. John T. Hatfield et al.*, No. 3:16-CR-00061 (E.D. Tenn.), ECS Senior Trial Attorney Todd Gleason, ECS Trial Attorney Cassie Barnum, AUSA Matt Morris, and ECS Paralegal Diana Greenberg.**

On January 10, 2018, John T. Hatfield was sentenced to complete a two-year term of probation. Phillip M. Huddleston was sentenced on January 8th to complete a three-year term of probation, to include six months' home confinement.

Huddleston previously pleaded guilty to violating RCRA for illegally storing hazardous waste in excess of 90 days at a facility he owned. Hatfield pleaded guilty to being an accessory-after-the-fact to Protech (his employer's) illegal storage of hazardous waste, by representing that the containers were accurately labeled, a RCRA labeling violation (18 U.S.C. § 3; 49 U.S.C. § 6928(d)(2)(A)).

Huddleston was the owner/operator of Protech Metal Finishing, LLC, a metal plating facility in Vonore, Tennessee. Protech did not have a RCRA permit to store the wastes that were generated during the plating process, and illegally stored hazardous wastes onsite in excess of 90 days. Hatfield, the company's production manager, admitted that he assisted others in falsifying and removing "hazardous materials" labels from totes and drums at the facility in anticipation of an EPA inspection.

This case was investigated by the U.S. EPA Criminal Investigation Division, the IRS, the Tennessee Valley Authority Office of Inspector General, Department of Defense, and the Department of Energy.

***United States v. Maureen S. Walck*, No. 17-mj-001103 (W.D.N.Y.) AUSA Aaron Mango.**

On January 9, 2018, realtor Maureen S. Walck was sentenced to time served, a \$1,000 fine, and ordered to pay \$53,326 in restitution. Walck previously pleaded guilty to violating Toxic Substances Control Act for failing to provide a lead paint hazard warning notice (15 U.S.C. §§ 2615(b), 2689).

Walck, a real estate broker with RealtyUSA, executed a contract on January 15, 2014, with the owner of a residence in Lockport, which gave Walck the exclusive right to sell the residence. The residence was built in approximately 1900, and the owner was aware that lead-based paint hazards were present. The owner informed Walck of the hazards and provided her with lead-based paint inspection reports.

On January 25, 2014, a prospective buyer made an offer to purchase the residence. As part of the sales contract, a lead-based paint rider and disclosure form was included. Walck indicated that records pertaining to lead-based paint and/or lead-based paint hazards at the residence were provided to the prospective buyer. After an inspection of the residence, and after reviewing the lead-based paint records, the prospective buyer cancelled the sales contract.

In February 2014, a second prospective buyer made an offer to purchase the residence. As part of the sales contract, another lead-based paint rider was included. However, unlike the rider with the first prospective buyer, Walck indicated that the seller had no knowledge and no records of lead-based paint at the residence. The second

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Sentencings

(Continued from page 22)

prospective buyers purchased the home in April 2014. In September 2015, the new owners learned that their child was diagnosed with lead poisoning. The restitution will be used for remediation and the child's medical expenses.

This case was investigated by the U.S. EPA Criminal Investigation Division, and the U.S. Department of Veterans Affairs Office of Inspector General.

***United States v. Chris Martin et al.*, No. 4:15-CR-00372 (S.D. Tex.), Asst. Deputy Chief John H. Zacharia (CCIPS), and AUSAs Jennifer Lowery and Kebharu Smith.**

On January 5, 2018, Chris Martin was sentenced to 47 months' incarceration, followed by three years' supervised release. He was held jointly and severally liable for \$867,150 in restitution for his role in importing counterfeit pet products.

Five individuals - Iain Nigel MacKellar, Lam Ngoc Tran, Allen Smith, William Humphreys, and Martin) were charged with various offenses for their roles in smuggling counterfeit pet products into the United States. The defendants are suspected members of one of the largest known groups of importers of counterfeit packaged pet products. The charges include conspiracy to commit wire fraud, mail fraud, trafficking in counterfeit labels, and smuggling goods into the United States (18 U.S.C. §§ 317, 545, 1341, 1343, 2320(a)).

Between January 2008 and July 2015, the defendants smuggled veterinary products that were not manufactured for the U.S. market into this country for distribution using false labels, including Frontline and Frontline Plus pesticides manufactured by Merial Pharmaceutical Company (Merial). In some cases, the defendants imported the products into the United States under the pretense that the products were destined for use by charitable organizations, but instead distributed the products to large retail outlets for commercial sale. Merial did not participate in or authorize these sales. All known counterfeit veterinary products were removed from store shelves. Martin, Tran, and Allen pleaded guilty to trafficking in counterfeit labels (18 U.S.C. § 2320(a)(2)).

Tran was previously sentenced to 36 months' incarceration, followed by three years' supervised release. Smith was sentenced to 37 months' incarceration, followed by three years' supervised release. They also are jointly and severally liable for the restitution. The indictment was dismissed as to Humphreys, and MacKellar is a fugitive.

This case was investigated by the FDA Office of Criminal Investigations, Homeland Security Investigations, and the U.S. EPA Criminal Investigation Division.

***United States v. William K. Stoner*, No. 1:17-CR-00188 (D. Wyo.), AUSA Jason Conder.**

On January 4, 2018, William K. Stoner was sentenced to pay a \$5,000 fine, \$25,000 in restitution, and complete a five-year term of probation. Stoner previously pleaded guilty to violating the Endangered Species Act for killing a grizzly bear in May 2017 and for being a felon in possession of a firearm (16 U.S.C. §§ 1538(a)(1)(G), 1540(b)(1); 18 U.S.C. §§ 922(g)(1) and 924(a)(2)).

This case was investigated by the Wyoming Game and Fish Department; the U.S. Fish and Wildlife Service; and the Bureau of Alcohol, Tobacco, Firearms, and Explosives.

Sentencings

United States v. Malek Jalal et al., Nos. 2:16-CR-00207, 00180 (S.D. Ohio), ECS Trial Attorney Adam Cullman, ECS Senior Trial Attorney Jeremy Korzenik, and AUSA Mike Marous.

On January 4, 2018, Malek Jalal was sentenced to pay \$2,570,722 in additional restitution to Murex LLC. Jalal previously pleaded guilty to conspiracy and obstruction for tampering with records and participating in a “rounding” scheme designed to illegally claim RINs and tax credits multiple times on the same material (18 U.S.C. §§ 371, 1519). He was previously sentenced in April 2017 to 60 months’ incarceration, followed by three years’ supervised release. He was further ordered to pay a \$12,500 fine and \$1,017,087 in restitution to be divided among Pasadena Refining, Hess Corporation, and the IRS. At the time of sentencing, the court gave the government 90 days to provide additional victims before finalizing the judgment. During that period, Murex came forward seeking restitution.

Jalal formerly served as a managing partner and co-owner of Unity Fuels. Unity’s primary business was to collect and process used cooking oil, and sell it as “recycled vegetable oil” to biodiesel producers. In 2011, Jalal conspired with others to purchase a fuel called “biomass” that was not processed and was kept in separate tanks. They then agreed that this material would be sold back (either alone or blended with other product that Unity had on hand) to “Company A” as purported “recycled vegetable oil.” This arrangement allowed multiple RINs and tax credits to be generated.

In June 2014, Jalal was served a subpoena *duces tecum*. Following the receipt of the subpoena, he ordered that a number of records related to Unity’s biomass purchases be altered or falsified for purposes of obstructing the grand jury. Employee William Letona helped Jalal destroy documents following his employer’s receipt of the subpoena. Letona was sentenced to six months’ community confinement, followed by six months’ home detention, and three years’ supervised release. He also will perform 100 hours of community service, after previously pleaded guilty to conspiring to obstruct a grand jury investigation (18 U.S.C. § 371).

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

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Announcements

****Announcement: Env'l. Crimes Seminar at the National Advocacy Center****

This seminar, to be held from May 1 - May 4, 2018, will be dedicated to pollution and wildlife crimes topics, including the major statutes under which most pollution and wildlife violations are prosecuted. It is designed to give attorneys less experienced in this area a foundation in environmental crimes, while also covering areas useful to veteran prosecutors experienced in the handling of environmental crimes cases. Through the use of mixed teaching methods, combining lecture, small group discussion and breakout groups, prosecutors will learn how an environmental criminal case is investigated and prosecuted. The course will also include issue-specific matters such as case law updates, use of expert witnesses, E-Discovery, vessel pollution, sentencing issues, scientific evidence, and ethics.

Please register by February 23, 2018* on the NAC site: <https://portal.doj.gov/eousa/EO/ole/SitePages/Home.aspx>

*You may still register after the closing date. The course is closed for a week immediately following the closing date and then RE-OPENED until two weeks prior to the course.

NON DOJ employees, use this link, below:

<http://survey.ole.justice.gov/spawebhost/c.asp?k=150124853300>

****The [Title 18 Offenses chapter](#) of the Manual (Vol. 1, Ch. 20) 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.

Please notify ECS of any appeals taken in your cases, as per [Section 5.11.11.2](#) of the U.S. Attorneys' Manual.

Position	Name
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	John Arbab
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	Matthew Evans
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 (Denver Field Ofc.)
Trial Attorney	Brendan Selby
Trial Attorney	Lauren Steele
Trial Attorney	Shane Waller