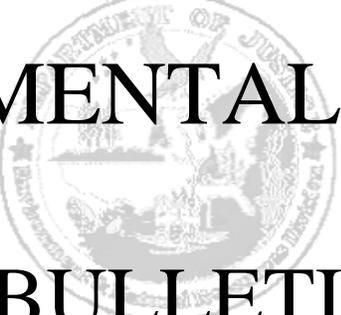


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# ENVIRONMENTAL CRIMES

## MONTHLY BULLETIN

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*July 2007*

*EDITORS' NOTE:*

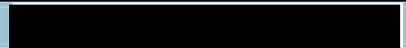
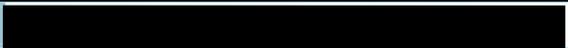
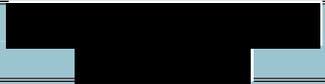
DAVID UHLMANN, THE CHIEF OF THE ENVIRONMENTAL CRIMES SECTION FOR THE LAST SEVEN YEARS, HAS LEFT THE DEPARTMENT TO ESTABLISH AN ENVIRONMENTAL LAW PROGRAM AT THE UNIVERSITY OF MICHIGAN LAW SCHOOL. AS A MEMBER OF THE SECTION FOR THE PAST 17 YEARS, DAVID WILL BE GREATLY MISSED.

Please continue to submit information on relevant case developments in federal prosecutions for inclusion in the Bulletin. If you have a significant photograph from the case, you may email it, along with your information, to Elizabeth Janes at [REDACTED]. Material may also be faxed to Elizabeth at (202) 305-0396. If you have information to submit on state-level cases, please send this to the Regional Environmental Enforcement Associations' website at <http://www.regionalassociations.org>.

You may quickly navigate through this document using electronic links for the *Active Cases* and *Additional Quick Links*.

### **AT A GLANCE**

- [United States v. Spare-Addo, 486 F.3d 414 \(8th Cir. 2007\)](#)
- [United States v. Miller, 484 F. Supp. 2d 154 \(D. Me. 2007\)](#)

Districts	Active Cases	Case Type / Statutes
S.D. Alaska	<a href="#"><u>United States v. Michael Sofoulis</u></a> <a href="#"><u>United States v. Michael Zacharof</u></a> 	<i>Walrus Ivory Sales/Conspiracy, Marine Mammal Protection Act, Lacey Act, False Statement</i>  <i>Seal Parts/ Marine Mammal Protection Act</i> 
C.D. Calif.	<a href="#"><u>United States v. Santa Maria Refining Company</u></a>	<i>Oil Refinery Waste/ Safe Drinking Water Act, False Statement</i>
E.D. Calif.	<a href="#"><u>United States v. Artemios Maniatis</u></a>	<i>Vessel/ Conspiracy, APPS, False Statement, Obstruction</i>
N.D. Calif.	 <a href="#"><u>United States v. Jeffery Diaz</u></a>	 <i>Predatory Bird Egg Sale/ Smuggling, False Statement</i>
D. Conn. (multi-district)	<a href="#"><u>United States v. Ionia Management S.A.</u></a>	<i>Vessel/ APPS, False Statement, Obstruction</i>
		
D. Idaho	<a href="#"><u>United States v. Krister Evertson</u></a>	<i>Sodium Borohydride Manufacture/ HMTSA, RCRA</i>
W.D. Ky.	<a href="#"><u>United States v Canal Barge Company, Inc.</u></a>	<i>Vessel/ Conspiracy, Ports and Waterways Safety Act, Clean Water Act</i>
D. Md.	<a href="#"><u>United States v. Terrance Yates</u></a>	<i>Abandoned Asbestos Waste/ False Statements</i>
		
D.N.J.	<a href="#"><u>United States v. Fernando Magnave</u></a>	<i>Vessel/ False Statement, Obstruction</i>
S.D. N.Y.	<a href="#"><u>United States v. Nicholas Miritello</u></a>	<i>DEP Employee/ False Statement</i>

Districts	Active Cases	Case Type / Statutes
E.D. Pa.	<a href="#">United States v. Branko Lazic</a> <a href="#">United States v. Randall Cone</a>	<i>Asbestos Abatement Elementary School/ Clean Air Act</i>  <i>Abandoned Asbestos/ Clean Air Act</i>
W.D. Pa.	<a href="#">United States v. Barry McMaster</a>	<i>Tiger Skin Sale/ Endangered Species Act</i>
E.D. Tex.	<a href="#">United States v. Spindletop Drilling Company</a>	<i>Oil Drilling Company/ MBTA</i>
S.D. Tex.	<a href="#">United States v. Citgo Petroleum Corporation</a>	<i>Oil Refinery/ Clean Air Act, MBTA</i>

*Additional Quick Links*

- ◇ [Significant Opinions](#) pp 3 - 4
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- ◇ [Indictments](#) pp. 7 - 8
- ◇ [Pleas/Sentencings](#) pp. 9 - 15

## Significant Opinions

### 8<sup>th</sup> Circuit

**United States v. Spare-Addo, 486 F.3d 414 (8th Cir. 2007)**

Defendant Spare-Addo was employed at Prime Plating, a small metal plating business in Minnesota. An investigation revealed that Prime Plating was bypassing its pretreatment system and discharging untreated liquid industrial waste directly into the public sewer system. Spare-Addo was convicted of eight counts of violating, or aiding and abetting the violation of, the Clean Water Act (Counts 2-9). He was acquitted of several additional counts, including one count of knowingly introducing or aiding and abetting the introduction of a pollutant into the sewers that he knew or reasonably should have known could cause personal injury and property damage, in violation of 33 U.S.C. § 1319(c)(2)(B) (Count 10).

On appeal, Spare-Addo asserted that his convictions on Counts 2-9 could not stand in light of the acquittal on Count 10. Specifically, he claimed that because he was acquitted on Count 10 -- a

charge that included an aiding and abetting option -- the jury must have found that he personally discharged the pollutants in Counts 2-9, as opposed to aided and abetted the discharge. Because the government did not present evidence that Spare-Addo personally discharged the pollutants, he argued that his convictions should be reversed due to insufficient evidence.

The Eighth Circuit affirmed Spare-Addo's convictions, holding that the verdicts were not inconsistent as Count 10 contained an additional element of knowledge that the pollutant could cause personal injury or property damage. Consequently, the fact that he was acquitted of another charge involving aiding and abetting was immaterial to his convictions on Counts 2-9.

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## District Court

### **United States v. Miller, 484 F. Supp. 2d 154 (D. Me. 2007)**

Defendant Miller was charged in a one count indictment with unlawful transportation of hazardous waste without a manifest, in violation of 42 U.S.C. § 6928(d)(5). The conduct giving rise to the charge occurred in 2002 and the defendant was not indicted until 2006. A potential defense witness – the individual in charge of the clean-up at issue – died in 2003 without having been interviewed by law enforcement. The defendant brought a motion to dismiss, alleging prejudicial pre-indictment delay in violation of her Fifth Amendment due process rights. The district court denied the motion on the grounds that the defendant failed to establish that the government engaged in intentional delay for tactical reasons.

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## Trials

### **United States v. Citgo Petroleum Corporation et al., No. 2:06-CR-00563 (S. D. Tex.), ECS Senior Litigation Counsel Howard Stewart [REDACTED] ECS Trial Attorney Lary Larson [REDACTED] and SAUSA William Miller [REDACTED]**

On June 27, 2007, a jury convicted the defendants on two Clean Air Act violations and acquitted on two other CAA violations. The remaining five Migratory Bird Treaty Act violations will be tried separately.

Citgo Petroleum Corporation, its subsidiary, Citgo Refining and Chemicals Co., and Philip Vrazel, the environmental manager at its Corpus Christi, Texas, East Plant Refinery, were charged in a ten-count indictment in August 2006 with Clean Air Act and the Migratory Bird Treaty Act violations. Both the corporation and subsidiary were charged with two counts of operating the East Plant Refinery in violation of the National Emission Standard for Benzene Waste Operations and two counts of operating open top tanks as oil water separators without first installing the required emission controls.

The indictment also names Vrazel for failing to identify all of the points in the refinery wastewater system where potentially harmful benzene was generated, in a report filed with the Texas Commission on Environmental Quality ("TCEQ") for the year 2000. According to the indictment, Citgo operated its Corpus Christi refinery in 2000 with more than 57 megagrams of benzene in waste streams which were exposed to the air. One megagram is equal to one metric ton. Federal regulations

limit refineries to operating with no more than six megagrams of benzene in their exposed waste streams. Citgo also is charged with operating with more than seven megagrams of benzene in its exposed waste streams in 2001.

The indictment further states that Citgo used two large open top tanks as oil water separators between January 1994 and May 2003 without the required emission controls. During an unannounced inspection in March 2002, TCEQ inspectors found approximately 4.5 million gallons of oil in the two open top tanks. These tanks also attracted migratory birds, several of which were killed (including four cormorants, five pelicans, and 20 ducks) after they landed in the open tanks and were trapped in the oil. As a result, Citgo Refining and Vrazel were charged with an additional five counts of violating the Migratory Bird Treaty Act.

This case was investigated by the Texas Environmental Crimes Task Force which includes the United States Environmental Protection Agency Criminal Investigation Division, the United States Fish and Wildlife Service, the Federal Bureau of Investigation, the Texas Parks and Wildlife Division, and the Texas Commission on Environmental Quality.

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**United States v. Krister Evertson, No. 4:06-CR-00206 (D. Idaho), ECS Trial Attorney Ron Sutcliffe [REDACTED], AUSA Michelle Mallard [REDACTED] and ECS Paralegal Claire Martirosian [REDACTED]**

On June 19, 2007, Krister Evertson, a.k.a. "Krister Ericksson", was convicted by a jury on all counts.

Evertson, the owner and president of SBH Corporation, was charged in September 2006 with violating the Hazardous Materials Transportation Safety Act and with two RCRA storage and disposal violations.

Evertson transported 10 metric tons of sodium metal from its port of entry in Kent, Washington, to Salmon, Idaho, where he used some of the sodium in an effort to manufacture sodium borohydride. In August of 2002, the defendant arranged

for the transportation of sodium metal not used in the manufacturing process and other sludges and liquids held in several above ground storage tanks from the manufacturing facility to a separate storage site. Evertson failed to take protective measures to reduce the risk of possible contamination or harm during transportation, despite the fact that sodium metal and the materials in the tanks are highly reactive with water. The material subsequently was abandoned.

On May 27, 2004, the Environmental Protection Agency responded to the storage facility and removed the sodium metal, some of the sludge in the bottom of the tank, and another tank with corrosive liquid in it. Commercial laboratories refused to accept the sludge for testing due to its reactivity with water. When EPA tested the sludge at its own lab, it was classified as a hazardous waste. The EPA ultimately spent over \$500,000 on the cleanup of, and response to, Evertson's abandonment of the hazardous waste.



**Corroded drum**

Sentencing is scheduled for August 28, 2007. This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division, the United States Department of Transportation Office of the Inspector General, and the Federal Bureau of Investigation.

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**United States v. Artemios Maniatis et al., No. 2:07-CR-00024 (E.D. Calif.), ECS Assistant Chief Kris Dighe [REDACTED] ENRD Attorney John Irving [REDACTED] and AUSA Robert Tice-Raskin [REDACTED]**

On June 5, 2007, defendants Athenian Sea Carriers, Ltd. (“ASC”), and chief engineer Artemios Maniatis were acquitted of all charges. Defendant Dimitrios Georgakoudis’ trial, which previously was severed, will begin on September 24, 2007.

ASC, the operator of the *M/T Captain X Kyriakou*, Maniatis, and first engineer Georgakoudis were variously charged in a seven-count indictment with conspiracy to violate APPS, false statements, obstruction and destruction of evidence, and substantive violations of the same statutes stemming from the routine illegal discharge of sludge and waste oil from the vessel.

Investigation began during the fall of 2006 when a crew member informed the Coast Guard National Response Center that he was routinely ordered to discharge oil overboard. Coast Guard inspectors subsequently discovered a bypass pipe and evidence that these illegal discharges had not been recorded in the vessel’s oil record book. The crew member also alleged that the oil content meter had been “tricked” to allow oily bilge waste to be discharged directly overboard. Further evidence indicated that portions of the bypass pipe had been incinerated or thrown overboard with some crew members falsely stating that they were unaware of the illegal discharges. The defendants also were alleged to tried to coerce a subordinate crew member to not reveal the violations to inspectors.

This case was investigated by the United States Coast Guard Investigative Service and the United States Environmental Protection Agency Criminal Investigation Division, with assistance from the Coast Guard Pacific JAG Office.

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## Indictments

### **United States v. Barry McMaster, No. 07-CR-00247 (W.D. Pa.), AUSA Luke Dembosky** [REDACTED]

On June 27, 2007, Barry McMaster, was charged with two misdemeanor Endangered Species Act violations for offering for sale, and causing the shipment of, an endangered species in interstate commerce.

On or about November 12, 2004, McMaster is alleged to have offered a tiger skin for sale in interstate commerce and then caused the skin to be shipped in interstate commerce on or about December 14, 2004.

This case was investigated by the United States Fish and Wildlife Service.

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### **United States v. Ionia Management S.A. et al., Nos. 3:07-CR-00134, 07-CR-60147, 07-CR-0043, 1:07-CR-00496 (D. Conn., S.D. Fla., E.D.N.Y., D.V.I.), ECS Trial Attorneys Malinda Lawrence [REDACTED] and Jim Nelson [REDACTED] ECS Senior Counsel Rocky Piaggione [REDACTED] Supervisory AUSA Anthony Kaplan [REDACTED] and AUSAs William Brown [REDACTED] Taryn Merkl [REDACTED] and Tom Watts FitzGerald [REDACTED]**

On June 20, June 14, and June 7, 2007, Ionia Management S.A. (“Ionia”), a Greek company that manages a fleet of tanker vessels, was charged in four districts for its role in the overboard dumping of waste oil from the *M/T Kriton* into international waters and falsification of records to impede the United States Coast Guard and other authorities from learning of the illegal conduct. The ship’s second engineer, Edgardo Mercurio, also is charged.

The indictments, returned in Connecticut, Florida, New York, and the Virgin Islands, charge Ionia Management and Mercurio with falsifying records to conceal the illegal discharge of waste oil, and using and presenting false oil record books to the Coast Guard during port inspections. Mercurio is additionally alleged to have encouraged other crew-members to lie to the Coast Guard about the violations. Ionia was on probation in the Eastern District of New York for a similar case in 2004 at the time of these new charges.

These cases were investigated by the United States Coast Guard and the United States Environmental Protection Agency Criminal Investigation Division.

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**United States v. Nicholas Miritello, No. 7:07-mj-00894 (S.D.N.Y.), AUSA Anne Ryan** [REDACTED]

On June 6, 2007, Nicholas Miritello, an employee of the New York City Department of Environmental Protection (“NYDEP”), was arrested on a complaint charging four felony false statement violations for making false entries in NYDEP records relating to the turbidity levels of drinking water.

NYDEP is required to monitor water for turbidity at four-hour intervals every day at the facility known as the Catskill Lower Effluent Chamber. The defendant was charged with making false entries in the log book which supposedly reflect numerical results derived by the various tests he was required to run, when in fact he had not performed all of the required steps on four separate occasions in 2005.

Although turbidity itself causes no ill health effects, it can interfere with disinfection and provide a medium for microbial growth. Turbidity further may indicate the presence of disease-causing organisms, including bacteria, viruses, and parasites.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division, the New York City Department of Investigation, and the Federal Bureau of Investigation.

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**United States v. Canal Barge Company, Inc., No. 4:07-CR-00012 (W. D. Ky.), ECS Senior Trial Attorney Jennifer Whitfield** [REDACTED] **and AUSAs Madison Sewell** [REDACTED] **and Randy Ream** [REDACTED]

On June 6, 2007, an indictment was returned charging Canal Barge Company, Inc. (“CBC”), port captain Paul Barnes, captain Jeffrey Scarborough, and pilot Randolph Martin with conspiracy and violations of the Ports and Waterway Safety Act and the Clean Water Act.

The indictment states that on or about June 16, 2005, CBC Barge 222 had a benzene leak while on the Ohio River and did not report the leak (or hazardous condition) to the United States Coast Guard. The defendants are further alleged to have concealed the leak by patching it up and then transferred the barge to another barge company without informing the second company of the leak. A few days later the patch failed, causing another leak, exposing crew members on the vessel to benzene fumes, and requiring them to seek medical attention.

Trial is scheduled to begin on August 27, 2007.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the United States Coast Guard.

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## Pleas / Sentencings

### **United States v. Spindletop Drilling Company, No. 5:07-CR-00016 (E.D. Tex.), AUSA Jim Noble**



Damaged net

On June 26, 2007, Spindletop Drilling Company pleaded guilty to a misdemeanor violation of the Migratory Bird Treaty Act.

On September 6, 2006, U.S. Fish and Wildlife agents inspected the company's "Pewitt D" lease in rural Titus County. The inspection led to the discovery of approximately twelve dead Northern Mockingbirds and one dead Mourning Dove in an oil sludge pit on the property. While Spindletop had originally covered the pit with a net to prevent such an occurrence, over time portions of the net had sunk below the surface.

At the time of the plea, the company offered photographs and testimony demonstrating that it already had made the necessary repairs to the netting over the oil sludge pit and was implementing additional compliance mechanisms to avoid any future incidents.

This case was investigated by the United States Fish and Wildlife Service.

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### **United States v. Jeffery Diaz, No. 06-CR-0050 (N.D. Calif.), ECS Senior Trial Attorney Bob Anderson and AUSA Michael Nerney**

On June 25, 2007, Jeffrey Diaz was sentenced to pay a \$5,000 fine and serve 21 months' imprisonment, followed by three years of supervised release. The court agreed with the government that the value of the 12 Austrian Eagle Owls eggs smuggled by the defendant was most likely the value of the live birds that a competent breeder could have hatched from the eggs, figuring a 70% hatch rate. This owl is listed as endangered, with a retail value of several thousand dollars per bird.

Diaz pleaded guilty in November of last year, on the eve of trial, to two felony smuggling counts and two felony false statement counts for smuggling the eggs in 2005 and then lying about it on customs forms and elsewhere.

At the sentencing hearing the government also presented undisputed testimony that the smuggling of fertile eggs into the U.S. from Austria without the required quarantine period posed a tangible threat of disease transmission to humans, including the bird flu. Substantial economic harm in the form of Exotic

Newcastles Disease also could be caused, destroying commercial



Austrian Eagle Owl

poultry flocks and causing a ban on poultry exports, as has happened in the past.

This case was investigated by the United States Fish and Wildlife Service.

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**United States v. Michael “Richard” Zacharof, No. 3:07-CR-00026 (D. Alaska), AUSA Aunnie Steward** [REDACTED].

On June 19, 2007, Michael Zacharof pleaded guilty to a violation of the Marine Mammal Protection Act for illegally selling genitalia from northern fur seal, a depleted species, to be re-sold in a Korean gift shop.

Zacharof is an Alaska native who illegally sold marine mammal parts in June 2005. Specifically, he sold more than 100 raw seal genitalia also known as “oosiks” to be re-sold at a Korean gift shop in Anchorage, Alaska, for approximately \$100 a piece. The defendant was the president of the Aleut Community of St. Paul Island Tribal Government. He also was the co-signatory with the National Marine Fishery Service on the agreement for cooperation in the conservation of the northern fur seals in 2000. Marine mammal parts are illegal to sell unless they have been converted into an authentic native handicraft by a Native Alaskan.

Sentencing is scheduled for October 7, 2007. This case was investigated by the National Marine Fisheries Service.

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**United States v. Fernando Magnaye, No. 3:07-CR-00077 (D.N.J.), ECS Senior Counsel Claire Whitney** [REDACTED] **and AUSA Brad Harsch** [REDACTED]

On June 12, 2007, chief engineer Fernando Magnaye was sentenced to serve five months in prison and was ordered to pay a \$3,000 fine for his role in attempting to cover up illegal discharges of oil sludge and oil-contaminated bilge waste on board the *M/T Clipper Trojan*. At sentencing, the court made a point of stating that the violation in this case was "serious."

The defendant pleaded guilty in February 2007 to charges of presenting a false document to Coast Guard inspectors and to attempting to obstruct a Coast Guard inspection in an effort to conceal the ship’s illegal discharges of oil sludge and oil-contaminated bilge waste overboard into the ocean.

Magnaye presented the ship's oil record book (“ORB”) to inspectors on June 15, 2006, in Port Newark, New Jersey, falsely stating that the book was accurate. Magnaye knew that, from January through June 2006, there were illegal discharges of oil sludge and contaminated bilge waste that were not recorded in the ORB. Additionally, Magnaye asked the ship's fourth engineer to ensure that the Coast Guard would take a false reading of the contents of the ship's bilge sludge oil tank. Magnaye did so because an accurate reading of the tank's contents might have exposed the false entries in the ORB.

This case was investigated by the United States Coast Guard.

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**United States v. Terrance Yates, No. 8:07-CR-00202 (D. Md.), ECS Trial Attorney Noreen McCarthy [REDACTED] and AUSA Gina Sims [REDACTED]**

On June 11, 2007, Terrance Yates pleaded guilty to an information charging him with making false statements on a report submitted to the U.S. EPA in connection with the improper disposal of asbestos-containing waste materials.

Yates owned and operated Hazport Solutions, Inc., which contracted with asbestos abatement companies to transport regulated asbestos-containing material ("RACM") from asbestos abatement sites to authorized landfills. Between August 2004 and July 2006, Yates contracted with at least five hazardous waste removal companies to transport between 12 and 17 trailers full of RACM from locations in Maryland, Virginia, and the District of Columbia to an EPA-approved landfill in Pennsylvania. Instead of

transporting the waste to the approved landfill, however, the defendant took the trailers to a lot in Severn, Maryland, where he left them for more than a year until they were discovered by law enforcement. Some of the bags containing asbestos had been damaged, and loose asbestos-containing debris was found in the trailers.

Yates subsequently returned waste shipment records to the companies that had paid for the proper disposal, falsely certifying that the waste had been disposed of at the Pennsylvania landfill.

The clean-up of the abandoned trailers cost approximately \$57,000. Sentencing is scheduled for September 17, 2007.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the Maryland Department of the Environment.

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**United States v. Branko Lazic, No. 2:07-CR-00324 (E.D. Pa.), ECS Senior Counsel Rocky Piaggione [REDACTED] AUSA Albert Glenn [REDACTED] and SAUSA Joseph Lisa [REDACTED]**

On June 11, 2007, Branko Lazic, owner of Bilaz, Inc., pleaded guilty to one Clean Air Act violation for the improper removal of asbestos from the Mattison Elementary School in Ambler, Pennsylvania, in June 2002.

The defendant and his company were hired to remove asbestos from several areas in the elementary school, which was undergoing renovation. Lazic admitted that he left the elementary school during the asbestos removal process despite knowing that it was likely the workers he employed would not properly remove the asbestos.

After the removal work was completed in preparation for the new school year, janitors and teachers removed a white dust residue from the floors and furniture.



**Trailer with abandoned RACM**

Sentencing is scheduled for October 1, 2007. This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division and the Pennsylvania Attorney General's Office.

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**United States v. Santa Maria Refining Company, No. 2:07-CR-00277-279, 281 (C.D. Calif.), AUSAs David Willingham [REDACTED] and Dorothy Kim [REDACTED]**



**Santa Maria Refinery**

On June 11, 2007, the Santa Maria Refining Company (“SMRC”), a subsidiary of Greka Energy Corporation, was sentenced as a result of violating the Safe Drinking Water Act and for making false statements. SMRC was sentenced to pay a \$1 million fine, with \$500,000 of the fine to be paid toward the Los Padres National Forest Restoration Project. The company also will complete a three-year term of probation, pay \$15,500 in restitution to EPA, and must implement an environmental compliance program.

In April 2004, EPA began investigating allegations that officials at the Greka Energy (“Greka”) facility in Santa Maria, California, were knowingly and routinely discharging oil refinery waste into Class II underground injection wells that are only to be used for brine separated from crude oil during the refining process. These officials were also believed to have lied to the EPA and to the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources, about this practice. The company pleaded guilty in April of this year to intentionally pumping contaminated wastewater generated during the refining process into wells that were not permitted for that use. SMRC also pleaded guilty to a false statement violation after admitting that one of its managers had lied to EPA in an effort to convince the agency that it was not injecting the wastewater into the ground for disposal purposes.

Three employees, Robert Thompson, Edward Stotler and Brent Stromberg, also pleaded guilty in April to making false statements to the EPA, denying that they had knowledge of the illegal wastewater discharges into the injection wells. They are scheduled to be sentenced on October 4, 2007.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division.

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**United States v. Michael Sofoulis et al., No. 1:06-CR-00004 (D. Alaska), ECS Senior Trial Attorney Bob Anderson [REDACTED] and SAUSA Todd Mikolop [REDACTED]**

On June 4, 2007, Michael Sofoulis was sentenced to serve six months' incarceration, followed by one year of supervised release. He also must pay a \$15,000 fine plus \$5,000 in restitution to the state of Alaska. Sofoulis pleaded guilty to a misdemeanor violation of the Marine Mammal Protection Act for his involvement in a scheme to sell walrus headmounts made from tusks and skulls beach-collected by co-defendant Frederick Reynolds, who falsified the registration documents. Reynolds pleaded guilty in May of this year to conspiracy to violate the Lacey Act, Marine Mammal Protection Act, and to make false statements.



**Walrus headmount**

The defendants were charged in September 2006 with conspiracy, Lacey Act, false statement, and witness tampering violations, as well as a violation of the Marine Mammal Protection Act, stemming from the illegal sale of beach-found

walrus ivory. Federal law allows for this ivory to be legally retained for 30 days prior to registration or tagging. The ivory also subsequently may be transferred, but only for non-commercial purposes, and prior written authorization must be obtained from the United States Fish and Wildlife Service.

Reynolds removed ivory from walrus carcasses that had washed ashore and then prepared certificates that falsely listed other persons as the "hunter" or "owner" of the walrus parts. He further

used tagging gear owned by his mother-in-law to sell the ivory (configured as “headmounts”) for \$1,000 or more with the help of his friend, Sofoulis, a guide. After hearing of the investigation, Sofoulis approached a fellow guide to whom he had sold ivory and advised him to hide the headmount and remove the tags. He later suggested to this guide/customer that the latter lie to investigating agents about his purchase of the headmount.

Reynolds is scheduled to be sentenced on September 17, 2007. This case was investigated by the United States Fish and Wildlife Service.

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**United States v. Randall Cone, No. 2:07-CR-00074 (E.D. Pa.), SAUSA Martin Harrell** [REDACTED]

On May 31, 2007, former asbestos contractor Randall Cone was sentenced to complete a five-year term of probation, four months of which will be served as home confinement. He was further ordered to pay a \$500 fine and \$18,000 in restitution.

Cone pleaded guilty in February 2007, to a one-count information charging him with a Clean Air Act violation in connection with the transportation of asbestos waste in 2000.

In 2000 Cone was the owner and operator of R. Cone Environmental Services, Inc. He was hired in the spring of 2000 to remove and dispose of asbestos-containing material from a building in Philadelphia that was being converted into a charter school. Cone then hired an individual to transport this material for disposal, but it eventually was abandoned in a semi-trailer at a parking lot in New Jersey. The material was discovered in 2005 by a company that was redeveloping the property in Camden, New Jersey, which subsequently paid approximately \$18,000 to dispose of the asbestos waste and trailer.

This case was investigated by the United States Environmental Protection Agency Criminal Investigation Division.

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[Redacted content]

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CORRECTION: Regarding the summaries of the *Fleet Management* and *Frank Coe* vessel prosecutions noted in the June edition, we neglected to credit the United States Environmental Protection Agency Criminal Investigation Division for its contribution to those investigations.

**Are you working on Environmental Crimes  
issues?**

Please submit information to be included in the *Environmental  
Crimes Monthly Bulletin* by email to:

  
Elizabeth R. Janes  
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