



**DISTRICT OF NEVADA
UNITED STATES ATTORNEY'S OFFICE
DISTRICT ACCOMPLISHMENTS 2012**

United States Attorney's Office
District of Nevada
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From The Desk of U.S. Attorney Daniel G. Bogden

Dear Friends, Law Enforcement Partners, and Members of the Court Family:

It is my great honor to serve as United States Attorney for the District of Nevada, and to lead an outstanding group of dedicated professionals who are determined to make a difference in our communities, state and country. I want to express my appreciation and congratulations to each for their service and commitment to the Department of Justice and our United States Attorney's Office. We had another stellar year in 2012, with achievements in all divisions of our office. It was a real team effort - one in which we can all be proud. This newsletter highlights those achievements and the outstanding efforts of our employees, who, day in and day out, strive to further the mission of our office. I want to personally thank our entire staff, law enforcement and community colleagues, and members of the court family for contributing to our successes and accomplishments.

NEVADA UNITED STATES ATTORNEY'S OFFICE COLLECTS \$94 MILLION IN 2012

One of the responsibilities of U.S. Attorney's Offices is to enforce and collect civil and criminal debts owed to the United States and criminal debts owed to federal crime victims. It gives me great pleasure to state that the Nevada U.S. Attorney's Office collected \$94 million in 2012 in criminal, civil and asset forfeiture cases and settlements. Of this amount, \$85 million was collected in criminal actions, \$3 million was collected in civil actions, and \$6 million was collected in criminal and civil forfeitures. The \$94 million represents more than nine times the appropriated budget of the Nevada U.S. Attorney's Office for 2012. The District of Nevada U.S. Attorney's Office out-collected many of the nation's larger districts in 2012, and was ranked 16th in the nation out of 94 districts. Many of the monetary collections go to victims, and the rest go into the U.S. Treasury or to participating investigating agencies to be used for a variety of law enforcement purposes. Included in the Nevada collections was approximately \$3.8 million that was collected from Jacktrade, LLC, Richard Tavano, James Scott, and Louis Tavano, as part of several settlement agreements and asset forfeitures related to the operation of an unlicensed bookmaking business. Also included was \$1 million received from Las Vegas pain management doctor Steven Kozmary to resolve Medicare fraud allegations, and \$1 million from Lam's Pharmacy to resolve allegations that it violated federal distribution and recordkeeping laws pertaining to controlled substances. The U.S. Attorney's Office is dedicated to protecting the public and recovering funds for the federal treasury and for victims of federal crime. We will continue to hold accountable those who seek to profit from their illegal activities.



NEVADA AUSA NICHOLAS DICKINSON RECEIVES NATIONAL DIRECTOR'S AWARD

District of Nevada AUSA Nicholas D. Dickinson has been awarded a 2012/2013 Director's Award for his outstanding prosecution of four men in Las Vegas who used undocumented persons to help them unlawfully obtain millions of dollars of unemployment benefits from Nevada and the federal government. Defendants Eloy Garcia, Efrain Garcia, Francisco Garcia and Nabor Garcia pleaded guilty to conspiracy, mail fraud and money laundering offenses, and were sentenced in February 2012 to prison terms and ordered to forfeit a number of homes they purchased in Las Vegas with proceeds from the crimes. The extent of the fraud was staggering. The defendants filed almost 600 fraudulent unemployment claims and obtained over \$4 million in amounts of less than \$1,000. AUSA Dickinson will receive the Director's Award in a ceremony to be held this spring in the Robert F. Kennedy Main Justice Building, in Washington D.C.

NEVADA U.S. ATTORNEY NOMINATES 20 OTHERS FOR DIRECTOR'S AWARD

In addition to AUSA Dickinson, 20 other individuals, including AUSA's, case agents and support staff, were nominated by Nevada U.S. Attorney Daniel G. Bogden for a national Director's Award this year. Each of the nominated individuals was greatly deserving; however, only a limited number of recipients were selected for a national award. Others nominated were:

AUSAs Daniel Hollingsworth and Eric Johnson, ICE HSI Special Agent Laura Hodgdon, and Nevada Gaming Control Board employees Deputy Chief James Taylor and Supervisor Creighton Felt for their efforts in obtaining criminal convictions against five persons and a corporation and over \$8 million in forfeitures in cases involving illegal bookmaking and money laundering;

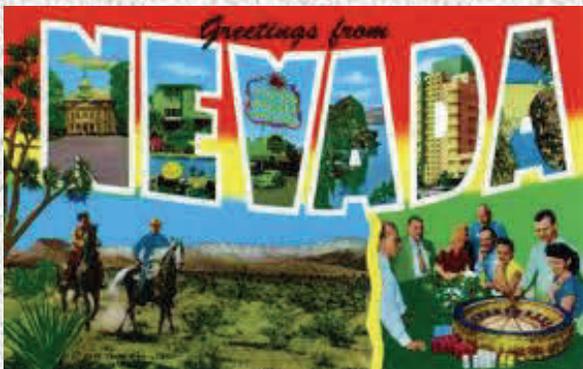
AUSAs Cristina Silva and Phillip Smith, Victim Witness Coordinator Jaye Willis, ATF Special Agent Jason Grace, Clark County Chief Deputy District Attorney Nell Christiansen, and LVMPD Officer Shelby Garden for their work on the Southern Nevada Project Safe Neighborhoods Task Force;

AUSAs Dan Schiess, Brian Pugh, Kathryn Newman, and Sarah Griswold, DOJ Trial Attorney Brian Young, FBI Supervisory Special Agent Scott Hunter, and FBI Special Agent Mike Rawlins for their work on the Southern Nevada Mortgage Fraud Task Force;

AUSA Roger Wenthe for a civil action pertaining to the recovery of \$600,000 of stolen property and software from the USAF; and

AUSA William Reed for leading the Northern Nevada Project Safe Neighborhoods Task Force.

Congratulations to all of these individuals for their excellent contributions to the District of Nevada and the Department of Justice.



OFFICE NEWS AND HAPPENINGS

New Building/Office Space Status

In last year's newsletter, we highlighted our upcoming move into the "Federal Justice Tower," which is currently being constructed by SDA, Inc. on the southeast corner of Clark Street and Las Vegas Boulevard. The new building and parking garage will house our new offices, U.S. Immigration and Customs Enforcement, the Office of the Inspector General for the Department of Labor, and Federal Protective Services, and is expected to be completed by the end of 2013.



New Employees

Welcome to the following new employees who joined the District of Nevada U.S. Attorney's Office in 2012. Budget Officer Carin Miles, AUSAs Susan Cushman and Robert Knief, Student Clerks Liz Pantner, Joenita Turner, Mara Woo, Estevan Enriquez, and Priscilla Ortiz, Paralegal Michelle Lewis, and contractors Vandy Fiedler, Patrick Shelton, Carol Foster, and Ray Southwick.

Departing Employees

Farewell to Elizabeth Baechler-Warren, Kathleen Bliss, Ari Caytuero, Dana Chrystall, Henry Enriquez, Brad Giles, Terri Jamison, Jessica Helm, D.J. Kartes, Nancy Koppe, Rob MacDonald, Terrie Murray, Sophia Thomason, and Jean Umland.

Federal Length of Service Awards

On February 3, 2012, at our annual Super Bowl Chili Cook-Off in the Las Vegas office, we recognized a number of employees who received federal length of service awards, including Melissa Taylor, Roger Yang, Patrick Rose, Michael Chu, and Ari Caytuero, who received 5-year awards; Glenda Newby, Bill Reed, and Sue Fahami, who received 10-year awards; Darlene Mills, Camille Damm, Robert Bork, and Aylin Alexander, who received 25-year awards; and Steve Myhre and Bert Labrador who received 30- and 35-year awards, respectively! Congratulations and thanks to all these employees for their dedication, commitment and federal service.

Office Sponsored Training Events

In March and April, we co-sponsored sovereign citizens movement training and child sex trafficking training with federal, state and local law enforcement in Reno. In June, we held a mortgage fraud summit in Las Vegas. In July, we held our 16th Annual Native American Conference in Reno. In August, we held our statewide annual anti-terrorism conference and we co-sponsored firearm crime/Project Safe Neighborhood training for law enforcement in Las Vegas. In December, we co-sponsored an all-drug summit with the Nevada High Intensity Drug Trafficking Area, and also held fraud and identity theft and sovereign citizens movement trainings in Las Vegas.



CRIMINAL DIVISION STATISTICS

The Criminal Division had a very busy and productive year, which resulted in an almost three percent increase in the number of cases filed and the number of defendants charged. The below statistics are based on the federal fiscal year, October 1, 2011, through September 30, 2012.

There were 510 criminal cases filed against 720 defendants. There were 624 defendants convicted, which includes guilty pleas and trials, and the conviction rate was 93%. Of the defendants convicted, 506 were sentenced to prison, with the largest percentage (32%) being sentenced to over five years in prison.

Thirty-five percent (35%) of the cases filed were violent crime-related; 20% were immigration-related; 17% were drug cases; 12% were white collar crime, and the rest fell into categories such as theft, government regulatory offenses, organized crime, Indian Country offenses, and official corruption.

There were 23 cases disposed of by trial during the calendar year and 18 during the fiscal year.



CRIMINAL CASES OF SIGNIFICANCE

The office prosecuted many significant and successful criminal cases in 2012. Below are just a few highlights.

USA v. Nicholas Ghafouria, et al. - On January 3, 2013, Nicholas Ghafouria, the leader of a drug trafficking organization which unlawfully transported thousands of Oxycodone pills from Las Vegas to Alaska, was sentenced to 15 years in prison and ordered to forfeit over \$1.2 million in cash and property for his guilty plea to conspiracy, drug and money laundering charges. Twenty-seven defendants were charged in the scheme, and most were sentenced to prison.

USA v. Charles Horkey, et al. - On December 13, 2012, the owner and eight employees or associates of a prominent limousine service in Las Vegas, were arrested following their indictment on federal racketeering charges related to the distribution of controlled substances, the facilitation of illegal prostitution, and the commission of credit card and bank fraud crimes. Horkey, the owner of the limousine company, allegedly encouraged and directed the criminal activity, and required drivers to pay him a cut of the money they were receiving from the criminal activities. The case is pending trial.

USA v. Alfred T. Sapse et al. - On November 28, 2012, following a four-week jury trial, a well-known Henderson pediatrician, Ralph Conti, and his co-conspirator, Alfred Sapse, were convicted of conspiracy and fraud for taking thousands of dollars from chronically ill patients for purported stem cell implant procedures that the patients were told might cure or provide relief for their diseases, including multiple sclerosis and cerebral palsy. Sapse is awaiting sentencing, and Conti died soon after the conviction following an unrelated medical procedure.

USA v. Steven E. Jones et al. - On October 31, 2012, Clark County Family Court Judge Steven Jones and five other individuals were charged with conspiracy, fraud, and money laundering crimes for allegedly devising and participating in an investment fraud scheme in which they obtained over \$3 million from victims. The case is pending trial.

CRIMINAL CASES OF SIGNIFICANCE

USA v. De Rong Shang - On October 22, 2012, De Rong Shang was sentenced to six years in prison for defrauding several Las Vegas casinos of about \$1 million by using a casino credit marker scheme. Shang was convicted by a jury in March 2012 of one count of conspiracy to commit wire fraud and 22 counts of wire fraud. A co-defendant, Juli Eaton, pleaded guilty and was sentenced in July 2012 to five months in prison.



USA v. Paul Wagner - On October 12, 2012, Las Vegas area homebuilder Paul Wagner was convicted by a jury of conspiracy and fraud charges for selling houses at inflated prices in order to fraudulently obtain mortgage loans and to defraud federally insured banks and lenders of more than \$8 million. Using a fraudulent scheme, Wagner sold about 78 houses from March 2007 to mid-2009. Many of the homes went into foreclosure after Wagner stopped making the mortgage payments. Wagner is currently scheduled to be sentenced on April 27, 2013.

USA v. Lawrence Davidson - On September 10, 2012, former Las Vegas lawyer Lawrence Davidson was sentenced to 105 months in prison and ordered to pay \$936,300 in restitution for his guilty pleas to a number of felony criminal charges, including mail fraud, money laundering, making a false statement in an application for a passport, aggravated identity theft, and willfully failing to appear at court hearings, including trial. Davidson was stealing personal injury settlements from clients and fled to Israel to avoid prosecution.

Operation Mountain Sweep - On August 21, 2012, United States Attorneys in several states announced Operation Mountain Sweep, an eight-week, multistate marijuana operation targeting large-scale, illegal marijuana grows on public lands. The operation, which lasted from July 1 through the end of August 2012, involved public lands in Arizona, California, Idaho, Nevada, Oregon, Utah and Washington, and the eradication of over 500,000 marijuana plants. In Nevada, law enforcement officers seized over 30,000 marijuana plants, as well as trash, irrigation line, and harmful chemicals from public lands in Clark County, Lincoln County, White Pine County and Douglas County.

USA v. Lloyd Gardley et al. - On August 2, 2012, Lloyd Gardley pleaded guilty to conspiracy, bank fraud, and wire fraud for organizing and operating a mortgage fraud scheme in which he and others used straw buyers and prepared false applications to obtain mortgage loans in order to obtain loan proceeds for themselves. Gardley and his co-schemers conducted 28 fraudulent real property sales transactions involving 21 homes and obtained more than \$18.9 million in loans. Other co-schemers are awaiting trial.

USA v. Nicholas Bickle, et al. - On July 17, 2012, Nicholas Bickle, a U.S. Navy SEAL convicted by a jury of multiple felony weapons charges, including dealing in stolen firearms, was sentenced to 17½ years in federal prison. From about March 2009 to November 2010, Bickle conspired with three others to sell machineguns and other weapons possessed by Bickle when he returned from Iraq. The firearms included over 30 AK-47 type machineguns and multiple pistols previously procured by the United States for Iraqi security forces.



CRIMINAL CASES OF SIGNIFICANCE

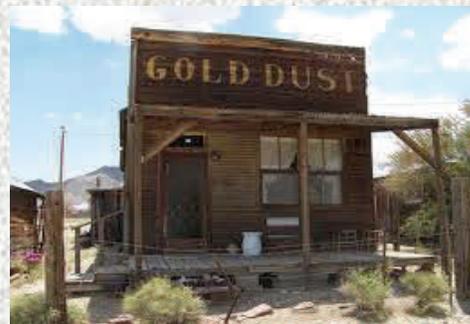
USA v. Brett Depue - On June 15, 2012, Brett Depue, of Gilbert, Arizona, was sentenced to 262 months in prison for defrauding federally insured financial institutions of over \$24 million in a Las Vegas mortgage fraud scheme that involved over 100 properties in Las Vegas and Henderson. During the beginning of the scheme, Depue orchestrated simple straw buyer transactions in which the straw buyers purchased properties using 100 percent financing. The properties were purchased at a price above the asking price, and the difference was disbursed at closing to one of Depue's business entities. Later, Depue began using "double escrows" in which a buyer purchased a property and soon thereafter resold it to a straw buyer at an inflated price, often on the same day.

USA v. Harvey Whittemore - On June 6, 2012, Nevada lobbyist and lawyer Harvey Whittemore was charged with making illegal campaign contributions to an elected member of Congress, causing false statements to be made to the Federal Election Commission (FEC) and making false statements to the FBI. The case is pending trial.

USA v. James E. Tinnell - On May 7, 2012, Las Vegas physician James Tinnell M.D. was sentenced to two years in prison for his guilty plea to unlawfully selling prescriptions for powerful and highly addictive painkillers. Dr. Tinnell had been practicing medicine in Nevada for almost 30 years. Tinnell represented himself to be a specialist in pain management and an advocate of medical marijuana therapy.

USA v. Steven Grimm et al. - On March 23, 2012, three former Las Vegas real estate industry professionals were sentenced to lengthy federal prison terms for their involvement in a mortgage fraud scheme that involved over 200 properties and caused over \$52 million in losses to federally-insured banks. Steven Grimm was sentenced to 25 years in prison; his ex-wife, Eve Mazzarella, was sentenced to 14 years in prison; and Melissa Becroft was sentenced to three years in prison. All three were also ordered to pay approximately \$2.3 million in restitution.

USA v. Alexander Kostyukov, et al. (Operation Open Market) - In January and March 2012, 50 individuals were indicted as part of an investigation into a transnational criminal organization, known as "Carder.su," which operated principally out of Las Vegas and whose members allegedly sold contraband, such as counterfeit documents and stolen bank account information on the organization's websites. The members of the organization are charged with multiple crimes such as racketeering, conspiracy, and manufacturing and trafficking in false identification documents and access device cards (debit and credit cards). The cases are pending trial.



PROGRAM DEVELOPMENTS & HIGHLIGHTS

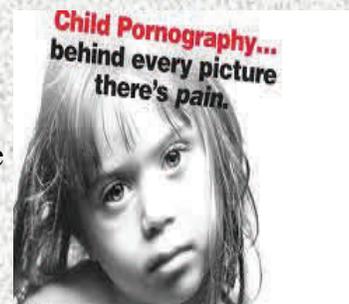
Mortgage Fraud

In the mid- to late 2000's, Nevada suffered from an overwhelming surge of fraudulent residential mortgage transactions which created life-altering financial hardships for many innocent homeowners and caused hundreds of millions of dollars of loss to financial institutions and investors. In 2008, the U.S. Attorney's Office responded by making mortgage fraud prosecutions a priority. By 2009, the FBI had identified hundreds of potential targets responsible for the fraud. The District made full use of additional resources provided by DOJ Headquarters in Washington D.C. Since the inception of our mortgage fraud program in the spring of 2008, and through the end of 2012, about 213 persons have been charged with federal mortgage fraud crimes in Nevada. Most of those individuals were convicted and are in prison. For the first several years of this program, most of the investigations and prosecutions centered around loan origination fraud. Over the last several years, because of the residential housing and mortgage loan crisis, the fraudsters have moved into other areas, such as refinance and foreclosure rescue fraud, and we are now prosecuting some of those cases. Cases of note besides Wagner, Gardley, Depue, and Grimm mentioned in the previous section, include that of Henry Lee Stuckey, who was sentenced in September 2012 to 11 years in prison for defrauding over 65 individuals in a credit and mortgage relief scam, and the jury trial conviction of Tarl Brandon in June 2012 for recruiting and using straw buyers to fraudulently purchase more than 20 houses in the Las Vegas area, causing losses to the financial institutions of approximately \$8 million.



Child Exploitation

Project Safe Childhood (PSC) is a DOJ program that aims to combat the sexual exploitation of children. It includes the investigation and prosecution of persons for crimes such as the possession and trading or sale of child pornography, traveling across interstate lines to have sexual relations with a minor, sexual abuse of a minor, selling or buying children, sex offender registration crimes, and many others. During federal fiscal year 2012, 60 persons were charged with federal PSC offenses in Nevada, and 74 new investigations of such crimes were opened. Almost all of these persons charged were convicted and sentenced to more than five years in prison. Cases of note include a 70-year-old man, William Greenfield, who was sentenced in August 2012 to almost 22 years in prison and lifetime supervised release for child pornography convictions. Greenfield had just been released from federal prison for a prior child pornography conviction when he was caught again. Joseph Guintoli, of Reno, was sentenced in May 2012 to 97 months in prison and lifetime supervised release for his guilty plea to receipt of child pornography. Guintoli had amassed a child pornography collection of over 20,000 electronic files. Anthony Gilbert Thompson, of Reno, was sentenced in May 2012, to 10 years in prison and lifetime supervision for his guilty plea to possession of child pornography. Thompson, who had a prior 2009 federal conviction for possession of child pornography, was located in a hotel room in Reno with a computer that contained child pornography.



PROGRAM DEVELOPMENTS & HIGHLIGHTS

Drug Trafficking

During federal fiscal year 2012, we filed 88 cases against 162 persons for federal drug crimes. Cases of note include Las Vegas-based narcotics dealer, Bryan Binns, aka Jose Silva Ayala, who was sentenced on May 1, 2012, to almost 20 years in prison for coordinating the importation and interstate shipment of large quantities of methamphetamine, heroin, cocaine, and marijuana across state lines; Juan Carlos Macias-Chavez, a member of the drug trafficking organization, the “Border Brothers,” sentenced on May 23, 2012, to nine years in prison for distributing large amounts of methamphetamine, marijuana and cocaine in Las Vegas; and Jesus Burgos, sentenced on May 29, 2012, to just over 11 years in prison for leading a group of individuals who were working out of Las Vegas to transport near-pure grade methamphetamine to the Billings, Montana area.



We have also continued to aggressively prosecute persons who are unlawfully distributing and trafficking in prescription drugs. Las Vegas physician James Tinnell, M.D. was sentenced on May 7, 2012, to two years in prison for unlawfully selling prescriptions for painkillers to persons who did not have a medical necessity for them. Another Las Vegas physician, Vinay Bararia, M.D., was charged in May with unlawfully distributing hydrocodone and oxycodone pills from the parking lot of the Centennial Hills Hospital in Las Vegas. Finally, as mentioned in our criminal cases of note, we wrapped up the guilty pleas and sentencing of 27 persons, including Nicholas Ghafouria, who were transporting large quantities of oxycodone pills from Las Vegas to Alaska and laundering the proceeds through bank accounts in Las Vegas.

In August 2012, we also participated in Operation Mountain Sweep in which over 30,000 marijuana plants were removed by law enforcement from public lands in Clark County, Lincoln County, White Pine County and Douglas County.

Identity Fraud/Theft & Other Financial Fraud Crimes

During federal fiscal year 2012, federal charges were brought against 53 persons for federal identity fraud or identity theft crimes in Nevada, representing an almost 150 percent increase over the prior fiscal year. An additional 60 persons were charged in fiscal year 2012 with other financial fraud crimes, including bankruptcy fraud, consumer fraud, investment fraud, bank fraud, and securities fraud. Cases of note include the indictment of 13 persons in April 2012 on conspiracy and identity theft charges for installing skimming devices on the card readers on ATM access doors at Las Vegas-area banks for the purpose of stealing the information and making counterfeit credit cards; the conviction of Ryan Masters in November 2012 for unlawfully obtaining thousands of credit, debit and gift card numbers and using them to obtain cash and to buy electronics which he later resold; and the guilty plea and conviction of Aneal Maharaj in October for defrauding 17 individuals of almost \$1.5 million in an investment fraud and marketing scheme involving early mortgage payoffs.



PROGRAM DEVELOPMENTS & HIGHLIGHTS

Violent Crime

The U.S. Attorney's Office receives and prosecutes violent crime cases under a number of different Department of Justice-sponsored programs, including Project Safe Neighborhoods and its anti-gang and organized crime initiatives. During federal fiscal year 2012, 203 persons were charged with federal violent crimes in the District of Nevada. The majority (154) of these persons were charged and convicted of federal gun crimes, such as felon in possession and use of a firearm during a drug trafficking or violent crime, and sentenced to more than five years in prison.



Significant violent crime cases prosecuted in southern Nevada include Corey Thompson, who was sentenced in October 2012 to 19½ years in prison for murdering a woman with a firearm during a drug deal at the Moulin Rouge apartments in Las Vegas; Jose Figueroa, Raymond Juarez, and Chase Sitton, who were sentenced to 25, 19, and 7 years in prison, respectively, for robbing six Las Vegas-area convenience stores; and Jason Wiley, a 28-year-old Las Vegas man who was convicted by a jury and sentenced to 237 years in prison for committing nine armed robberies of convenience stores in Las Vegas.

In June 2011, the Reno Branch Office helped create a multi-agency task force to investigate and prosecute the most problematic violent criminals in northern Nevada. During 2012, this task force screened 86 firearms/violent crime cases and filed federal charges against 25 individuals for federal gun or violent crimes. Cases of note include a 24-year-old Reno man, Randy Ancheta, who was sentenced to 20 years in prison in December for robbing five convenience stores over an eight-day period during late 2011 and early 2012; another Reno man, James Jackson, who had eight prior felony convictions and was sentenced in November to 15 years in prison for carrying a loaded gun into a Reno casino; and John Devencenzi, who had several prior felony convictions and was sentenced to 25 years in prison in December 2012 for robbing two brothers at gunpoint in their Reno home and carjacking them.

Health Care Fraud

The District's health care fraud program continued to be very busy and proactive during federal fiscal year 2012. We filed criminal health care fraud charges against five individuals and filed or responded to eight civil health care fraud cases. Cases of note include the July 2012 guilty pleas of Las Vegas dentist Mauricio Vargas and his office manager Enoch Renteria to felony health care fraud for submitting false claims to a union's insurance administrator for dental work that was not actually performed, and the September 2012 settlement with a Las Vegas cancer doctor, Navneet Sharda, M.D., who agreed to pay the U.S. Department of Justice \$486,000 to resolve allegations that from January 2006 through March 30, 2010, he made improper billings to Medicare. Dr. Sharda allegedly overbilled federal health care insurance programs such as Medicare, TRICARE, and the FEHB, by unbundling the billings for the treatments he provided.

PROGRAM DEVELOPMENTS & HIGHLIGHTS

Southwest Border Enforcement

In federal fiscal year 2012, we charged 108 persons with immigration crimes, including unlawful reentry by a deported alien and harboring aliens. In 2012, 120 persons were convicted of immigration crimes and 96 were sentenced to prison.

Re-Entry Court - Nevada CLEAR Court

Beginning in 2010, the United States Attorney's Office in Reno joined a project to plan and initiate an offender re-entry program for the U.S. District Court in Nevada. Led by United States Magistrate Judge Valerie Cooke, and in partnership with the Federal Public Defender's Office and the United States Probation Office, "Court Led Efforts At Recovery" or "CLEAR Court," officially began in May 2011 with three participants. On April 4, 2012, two out of six participants successfully graduated from CLEAR Court. We had another graduation on November 28, 2012, and three more participants graduated. Efforts have already begun to expand CLEAR Court and our re-entry Court efforts to southern Nevada to cover the entire district.

Indian Country

In 2012, we filed charges against 16 persons for crimes committed on Nevada Indian lands. These cases include violent and non-violent crimes. We held our 16th annual Native American statewide conference in Reno from July 24 through July 26. DOJ grants totaling \$1.2 million were awarded to four northern Nevada Indian tribes in 2012 to assist them in their crime prevention and law enforcement efforts and to provide services for victims and youth.



**U.S. Attorney Bogden with the *Many Winds Drum Group* at the
2012 Nevada Native American Conference**

CIVIL DIVISION STATISTICS

The Nevada U.S. Attorney's Office Civil Division handles both defensive and affirmative litigation. Each year, lawsuits are filed against the government as a result of its policies, laws, operations, and entitlement programs, as well as law enforcement initiatives, military actions, and counterterrorism efforts. The Civil Division defeats millions of dollars in unmeritorious claims every year. In its affirmative litigation, the Division brings suits on behalf of the United States, primarily to recoup money lost through fraud, loan defaults, and the abuse of federal funds. Annually, millions of dollars are returned to the treasury, Medicare, and other programs as a result of the Civil Division's litigation efforts.

During federal fiscal year 2012, our civil division filed or responded to 310 cases. In 166 of these cases, our office represented federal agencies that were sued.

The civil division obtained judgments in favor of the United States in 130 cases, and reached settlements in another 66 cases.

The civil division collected \$94 million during 2012 in criminal, civil and asset forfeiture cases and settlements, which exceeded the office budget by nine times over and placed us 16th in the nation in the amount of money collected by the 93 United States Attorney's Offices.

CIVIL CASES OF SIGNIFICANCE

During 2012, the asset forfeiture unit of the civil division worked on over 30 forfeiture cases, in which approximately \$8 million in cash and other assets were seized and forfeited from Michael Jelinsky, Jeffrey Jelinsky, Knud Christiansen, Howard Rubinsky, John DeCrosta, the Poker Palace Casino, Youbet.com, Jacktrade, LLC, and others. The five individuals above, as well as Jacktrade, all pleaded guilty to crimes pertaining to the operation of an illegal bookmaking business using various legal southern Nevada casinos and offshore betting services.

During 2012, the asset forfeiture unit of the civil division worked with the appellate unit on more than 20 appeals in cases in which the U.S. District Court had refused to enter forfeiture money judgments. The Ninth Circuit reversed the district court and reversed and remanded these cases back to the District Court for decisions regarding the forfeitures. These efforts will result in the federal government receiving millions of dollars in forfeiture judgments and recoveries that it would not have received had the office not pursued the appeals.



APPELLATE DIVISION STATISTICS

Nine Circuit Briefs Filed:	72
Ninth Circuit Dispositions:	97 (90 favorable; 7 adverse)
Published Decisions:	6 (3 favorable; 3 adverse)
Cases Argued in Ninth Circuit:	22



APPELLATE DECISIONS OF SIGNIFICANCE

As indicated by the above numbers, it was a busy year for our appellate division and the Ninth Circuit Court of Appeals handed the office a number of significant appellate victories.

United States v. Perelman, published 8/28/12. The defendant fraudulently obtained federal benefits by falsely claiming to have a service-related disability based on wounds suffered while serving in Vietnam. Although Perelman did serve three months in Vietnam, he did not see combat or suffer any wounds. Perelman accidentally shot himself in the leg many years after the war ended, but claimed to have won the Purple Heart medal in Vietnam. Perelman was prosecuted for fraudulently obtaining benefits, and for fraudulently obtaining and wearing a Purple Heart. On appeal, Perelman claimed that the federal law prohibiting the unauthorized wearing of military medals was overbroad and he raised First Amendment concerns. The Court rejected Perelman’s challenge holding that the law was not overbroad and could be applied when the wearer of the medals intends to deceive.

United States v. Bilyeu, United States v. Biggers, United States v. Johnson, et al. Following the Ninth Circuit’s 2011 published opinion in *United States v. Newman*, which reversed a Nevada district court order refusing to impose a forfeiture money judgment and held that forfeiture was mandatory, the office handled more than 20 appeals in cases in which the district court had refused to enter forfeiture money judgments. The issues included whether “obtaining proceeds” means that the defendant personally received them (it does not), whether *Newman* applies to cases pending at the time *Newman* was published (it does), and whether a defendant can avoid forfeiture under the 8th Amendment without demonstrating that the forfeiture is “grossly disproportionate” to the crime (he can’t). As a result of these efforts, the federal government is receiving millions of dollars in forfeiture judgments and monetary recoveries that it would not have received had this office not pursued the appeals.

United States v. Howard and Linda Awand, filed 1/25/12 (unpublished). The Ninth Circuit rejected the Awands’ effort to reverse their convictions for willfully failing to pay approximately \$2.5 million in federal taxes on their theory that the federal law was void for vagueness and failed to delimit prosecutorial discretion. The Awands unsuccessfully claimed that the IRS duped them into believing that failure to pay taxes would subject them only to civil penalties. The Ninth Circuit held that the Awands failed to show that they actually relied on explicit IRS statements or reasonably relied on the past imposition of merely interest and civil penalties following their earlier noncompliance with filing and payment deadlines. The decision also held that the government’s decision to prosecute the Awands, and not other late payers, was not evidence of arbitrary enforcement in light of the length and magnitude of the Awands’ violations, and that the evidence was sufficient to prove the Awands intentionally and voluntarily violated a known legal duty.

USAO STAFF 2012

Below is a list of USAO staff that made all of our significant achievements a reality in 2012.

Adam Flake	Darlene Beltran	Kelly Muranaka	Peter Levitt
Alan Heintz	Darlene Ruckard	Kim Bush	Phillip Smith
Amber Craig	Debbie Salas	Kimberly Frayn	Priscilla Ortiz
Andrew Duncan	Debbie Waite	Kishan Nair	Ray Southwick
Angel Beltran	Doriayn Olivarra	Kitty Smith	Rob Ellman
Aristides Caytuero	Elizabeth Baechler	Kristian Falcon	Rob MacDonald
Aylin Alexander	Elizabeth Olson	Mara Woo	Robert Bork
Bert Labrador	Ellenrose Jarmolowich	Mary Ann King	Robert Knief
Blaine Welsh	Eric Johnson	Mary Booker	Roger Wenthe
Brad Giles	Estevan Enriquez	Megan Rachow	Roger Yang
Brandon Jaroch	Eunice Jones	Melissa Taylor	Ron Rachow
Brian Pugh	Glenda Newby	Michael Chu	Russ Marsh
Brian Sullivan	Greg Addington	Michael Humphreys	Sarah Griswold
Burt Carle	Gregg Damm	Michael Large	Sarah Lauer-Overby
Camille Damm	Heidi Skillin	Michael West	Seth Mecum
Carin Miles	Holly Vance	Michelle Lewis	Sharon Stenstadvold
Carol Foster	James Keller	Mireya Black	Sophia Thomason
Carla Higginbotham	Jaye Willis	Nadia Janjua-Ahmed	Steve Myhre
Carlos Gonzalez	Jean Umland	Nancy Koppe	Sue Fahami
Carol Farago	Jessica Finley	Natalie Collins	Sue Knight
Christie Sequeira	Jessica Helm	Nicholas Dickinson	Susan Cushman
Christina Brown	Joannie Silvershield	Nicole Reitz	Terri Jamison
Crane Pomerantz	Joenita Turner	Norma Vizcarra	Terrie Murray
Cristina Silva	Johanna Mallari	Pam Martin	Tim Vasquez
D.J. Kartes	Judy Farmer	Pamela Mrenak	Vandy Fiedler
Dan Hollingsworth	Judy Godfrey	Pat Walsh	William Foley
Dan Schiess	Justin Pingel	Patricia Allen	William Reed
Dana Chrystall	Kate Newman	Patrick Rose	
Daniel Bogden	Kathleen Bliss	Patrick Shelton	

IN CLOSING....

On his first day as Attorney General, Eric Holder promised that the Department of Justice's top priority — and its chief responsibility — would be protecting the security, rights and interests of the American people. U.S. Attorney Bogden has strived to uphold those responsibilities in the District of Nevada. Together with the extraordinary men and women who serve in the Department of Justice and U.S. Attorney's Offices, we will continue our important work on behalf of all Americans and Nevada. We are looking forward to another busy, productive year during 2013, and once again, thanks to all of the agencies, community colleagues, and members of the court family for helping us with our important work in Nevada.



Current home of the United States Attorney's Headquarters Office in Las Vegas—the Lloyd George United States Courthouse



Future home of the United States Attorney's Office in Las Vegas—the Federal Justice Tower



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