



2012 REPORT TO THE COMMUNITY

Western District of Washington

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As we close the book on 2012 and move forward in 2013, I want to report to the community on the activities and priorities of the U.S. Attorney's Office for the Western District of Washington. Every person in our office is honored to serve the people of this region. We work hard to advance the safety of our nation, the security of our communities and the rights of victims of crime. In 2012 we made significant progress in many of our priority areas: terrorism, violent crime, cybercrime and protecting vulnerable communities from both financial crime and physical exploitation.

We also focused on stripping criminals of their profits, returning monies to taxpayers and victims. In 2012, we recovered more than \$40 million to compensate the victims of crime and support the federal treasury and law enforcement activities. We have been able to discharge our mission in a manner that is fiscally responsible and adds value to the federal treasury. [As I reported in December 2012](#), we collected restitution for the victims of convicted predator Weldon Marc Gilbert, and forfeited to the U.S. Treasury the proceeds of crime, including more than \$5 million from an illegal internet gambling business.

Our diverse district presents many challenges. We have urban areas and vast open lands, National Parks and National Forests. It is home to the largest military base west of the Rockies (Joint Base Lewis-McChord). We share a water and land border with Canada and have two of the ten busiest sea ports in the United States. Part of our work is to reach out to all communities and residents as we work to build a safe and secure America. I want to express my thanks to all who keep Western Washington a safe and welcoming place to live, work and raise our children. My colleagues and I look forward to continuing to meet these challenges in 2013.

The following are some of our accomplishments from 2012.

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TERRORISM AND NATIONAL SECURITY

National security is the top priority for the Department of Justice and our office. We work closely with our law enforcement partners, particularly the FBI-led Joint Terrorism Task Force. The primary goal is to detect, disrupt and dismantle any domestic or international terrorist operations before harm can occur. We also prosecute those who are responsible for terrorist acts and other threats to our national security.

In 2012 we obtained a guilty plea from defendant Abu Khalid Abdul-Latif who led a plot to attack military and civilian personnel at the Military Entrance Processing Center in South Seattle. The FBI and Seattle Police infiltrated and stopped the plot before it could be executed. Both defendants have now been convicted and [Abdul-Latif faces 17 to 19 years in prison when sentenced](#).

After more than five years of difficult litigation, Ahmed Ressay, the so-called “Millennium Bomber,” was sentenced to 37 years in prison. This [successful prosecution](#) will keep the man who plotted to blow up Los Angeles International Airport at the millennium behind bars into his 60’s. He likely will be deported to Algeria following his prison term with the possibility of additional punishment in that country.

We also saw the completion of the prosecution of those responsible for the arson of the University of Washington Urban Horticulture Center. The final two members of a domestic terror cell known as “The Family” were sentenced to prison for the 2001 fire that destroyed the \$6 million facility. Justin Solondz, who built the destructive device that started the fire was [sentenced to seven years in prison](#), and Brianna Waters, who acted as a lookout at the fire scene, was [sentenced to four years in prison](#).

VIOLENT CRIME

Violent crime can have particularly devastating impacts on communities. Addressing violent crime requires not just strong enforcement, but identifying and supporting efforts to prevent crime and support communities suffering from criminal activity. We have focused efforts on stemming the flow of illegal guns and getting dangerous criminals off the street. In tribal communities, we also have charged a number of violent crimes, including homicides. In addition, we used civil enforcement powers to regulate gun shops that were not following the law.

Our office continues to be a leader in prosecuting felons who illegally possess firearms. In the last three years, our prosecutions of serious felons have increased 45 percent. [The Seattle Times recently profiled these efforts to address this critical community concern](#). Further, with a spike in shootings in the City of Seattle, we expanded our efforts to ensure the worst offenders would face federal time. As a result we took many additional defendants into federal custody for gun crimes, including a defendant previously convicted as a juvenile in the “Tuba Man” beating death case.

Additionally, our office worked with federal and local law enforcement on multiple undercover operations to get guns off the streets. These initiatives resulted in numerous weapons, including assault rifles, being taken out of the hands of criminals. Working with undercover police officers and informants, law



Announcing the Kent Valley “hot spot” initiative



Weapons seized by law enforcement

enforcement officers posed as “fences” for stolen goods, purchasing dozens of weapons from felons, including weapons that had been stolen in burglaries. You can read more about these initiatives [here](#) and [here](#).

Throughout 2012, prosecutors and our law enforcement partners worked to convict those swept up in our 2011 hot-spot initiative, called Center of Attention. Among the 25 federal defendants, nearly all have now been convicted and sentenced. Two dozen have pleaded guilty or were convicted at trial, including the successful prosecution of an armed career criminal just before the end of the year. To date, 21 defendants have been sentenced to prison, including significant prison time for defendants selling large amounts of dangerous drugs and firearms. In fact, the total amount of prison time that judges have imposed on the federal Center of Attention defendants is nearly 1400 months, or 115 years.

The U.S. Department of Justice also awarded some key grants to help prevent violence especially among our youth. The Seattle Police Department was one of a dozen nationwide who received additional funding for a police officer focused on reducing teen violence. In addition to funding the officer, DOJ provided nearly \$1 million for additional community policing activities as well as outreach programs for young people.

CYBERCRIME

Cybercrime is a growing threat to our national security and our financial and personal well being. For three years, I have chaired Attorney General Eric Holder’s Advisory Subcommittee on Cybercrime and Intellectual Property Enforcement (“Cybercrime Committee”). The Cybercrime Committee works to identify and address issues on a national basis, and focuses on countering cyber threats with innovative approaches on both the policy and enforcement fronts.

Through the Cybercrime Committee, I worked with the National Security Division and the Criminal Division of the Department of Justice to create a national network of National Security Cyber Specialists. This network ensures that every United States Attorney’s office has a designated and trained attorney to deal with any national security cyber event. Each of these lawyers works closely with the FBI and other law enforcement agencies to monitor and assess cyber threats in their District and to work with private and public industries that may be targets of the threats. Cyber space respects no national or state boundaries. Thus, a key function of the network will also be to ensure that information relating to cyber threats is brought together so it can be assessed in its entirety.

Our enforcement efforts resulted in the prosecution of hackers and schemers from around the globe. We completed the prosecution of three men here in Seattle who both burglarized businesses and hacked into their computer systems, including payroll and employees personal financial information. You can read about the [case here](#).

We continue to work to extradite a [Russian hacker](#) from Cyprus to hold him accountable for 2008 denial of service attacks on Amazon.com. And we dismantled a “carding ring” that stretched from the U.S. to Europe with the arrests of a Dutch citizen in March 2012, who was just [sentenced to 12 years in prison](#), and the arrest of a California rap artist in Los Angeles in July 2012. Credit card information that was “skimmed” by hackers from local Seattle businesses was transmitted overseas where it was sold to the California criminal group and others who used it for fraud. More on the case can be found [here](#) and [here](#).

In October, our office hosted its [second-annual Cybercrime Conference](#) to bring together national experts to address some of the most pressing issues in cyberspace, from national security to on-line privacy. With cyber threats rapidly evolving, there is significant risk to our daily lives, economy and personal and national security. To confront the cyber threats we need to ensure that law enforcement, private industry and our international partners are sharing information, working together and coordinating responses. The Cybercrime Conference encourages that sharing, and thus helps us meet that goal.



The 2012 Cybercrime Conference featured the head of DOJ's National Security Division, Assistant Attorney General Lisa Monaco

FINANCIAL CRIMES

The year began with the sentencing of Darren Berg, whose fraud using the Meridian Group of investment funds defrauded victims of more than \$100 million. [Berg](#) was sentenced to 18 years in prison. The following month another investment advisor was indicted for a \$46 million investment fraud scheme. You can read more [on U.S. v. Spangler here](#). As the year closed out, hard money lender [Todd Hoss](#) was sentenced to eight years in prison for defrauding investors, and former financial advisor [Michael D. Montgomery](#) got a five-year prison term for stealing from his elderly client and his heirs.

In 2012 we dismantled a mortgage fraud scheme that brought down Pierce Commercial Bank. [Former bank vice president Shawn Portmann](#) pleaded guilty in September 2012 and was recently sentenced to 10 years in prison. Portmann led a scheme that created false documents for loan files, ultimately causing more than \$10 million in bad loans for Pierce Commercial Bank, leading to the closure of the bank. Nine other bank employees were prosecuted and sentenced to prison or other detention for their roles in the scheme.

CIVIL RIGHTS

Protecting civil rights is a top priority for the DOJ and this office. This year, to continue building a solid civil rights enforcement foundation and make it even more sustainable, we created a Civil Rights Program within the U.S. Attorney's Office with designated and dedicated assistant U.S. Attorneys and staff. Our enforcement efforts are coupled with significant outreach into the diverse community in the District.

This year, the United States entered into a comprehensive, cooperative agreement with the City of Seattle to implement sustainable reforms within the Seattle Police Department (SPD). The agreement seeks to resolve issues raised by the Justice Department's investigation into SPD to ensure effective and constitutional policing in Seattle. The agreement is subject to an independent monitor and court oversight. It requires SPD to revise its use of force policies and enhance its training, reporting, investigations and supervision of uses of force. The agreement also requires revisions to policies, training, and supervision relating to both bias-free policing, and stops and detentions; improves supervision and accountability mechanisms to ensure implementation of the reforms on the ground; and creates the Community Police Commission.

In October, U.S. District Judge James L. Robart appointed Merrick Bobb, a nationally recognized expert on police accountability, as the independent monitor of the agreement. More info is available [here](#).

We continue to work to protect the employment rights of members of the Armed Services returning home from Iraq and Afghanistan. In one case, a Navy reservist alleged that a Washington State law

enforcement agency, over nearly a decade, failed to allow him to take the sergeant's promotional exam that he had missed because of multiple deployments. When he finally took the exam, he ranked first in his promotional class. We facilitated and drafted a settlement with the law enforcement agency, in which the service member will be granted significant damages, an earlier retroactive promotion date, and an appropriate eligibility date for the Lieutenant's exam. Perhaps more importantly, the settlement includes a revision of the law enforcement agency's policy on promotional exams so that it is consistent with the Uniformed Services Employment and Reemployment Rights Act.

PROTECTING THE ENVIRONMENT

Our region is one of the most beautiful in the world, and our natural resources help define our communities. It was a busy year in the environmental crimes arena, with the prosecution of those who polluted our water, cut down our trees and illegally harvested scarce resources. The owner of a [barge that spilled thousands of gallons of oil on the Columbia River](#) will be sentenced in early 2013 after pleading guilty in 2012. A [developer](#) was sent to prison for failing to manage storm water pollution from his building site, a first-of-its-kind prosecution, and a former National Park employee was prosecuted for illegally dumping sewage at Mount Rainier. Prison is also the next stop for a [Brinnon man](#) who stole old growth trees from Olympic National Forest. And Harbor Seafoods forfeited 112 tons of illegally imported [Russian King Crab](#).



Old growth timber stolen from Olympic National Forest

PROTECTING TAXPAYERS FROM FRAUD, WASTE AND ABUSE

We continue to enhance our use of both civil litigation and criminal prosecutions to protect the interests of consumers and taxpayers. Just last month our office played a critical role in the [\\$762 million settlement with Amgen](#) over its marketing and promotion of a misbranded drug. Other settlements include [\\$18.5 million from Lifewatch](#) for improperly billing Medicare for cardiac monitoring services, and [\\$4.2 million from Actel-Lucent](#) for failing to test and certify an emergency communication system the company installed in Iraq.

We also help ensure that federal benefits are preserved for the people that need them, and are not subject to fraud and abuse. We prosecuted a wealthy couple who [fraudulently claimed housing benefits](#) intended for the poor while living in a waterfront home, traveling the world and owning expensive jewelry. We prosecuted a large extended family who for years had [family members pose as disabled](#) so they could collect hundreds of thousands of dollars in state and federal benefits, and we are prosecuting individuals who [recruited veterans to repeatedly lie about their travel](#) to obtain medical care, so that they could inflate their travel reimbursements and share a cut with all involved.

PROTECTING VULNERABLE COMMUNITIES

Through our work with Project Safe Childhood and the FBI's Innocence Lost Task Force, we put predators behind bars for long sentences. A [number of defendants involved](#) in trafficking young women for

sex were prosecuted this year. Multiple defendants were prosecuted [for child pornography offenses](#). Some of these defendants were sentenced to lengthy federal sentences because they have prior convictions for crimes against children.

As U.S. Attorney I reached out to every public elementary and middle school in Western Washington with tips for students and parents about staying safe online. You can access the tip sheets [here](#). In November, we partnered with Educational Service District 112 for a special presentation for parents on internet safety. The Columbian newspaper in Vancouver featured the event (“[Cyber world's threats to kids topic of talk](#)”). In 2013, I plan to continue my outreach efforts in this area to keep our kids safe even as technology advances and changes.

INDIAN COUNTRY

With 25 federally recognized tribes in Western Washington, our work with sovereign tribes to prosecute felony offenses remains a priority. We are fortunate to have strong Tribal partners. This year our work included a variety of matters, including murder and assault cases. We worked closely with Tribal law enforcement and the FBI to investigate crimes in Indian Country. You can read more about our prosecutions [here](#).

The Department of Justice is supporting Tribal law enforcement with grants aimed at registering and monitoring sex offenders living in tribal communities. [More than \\$1 million in grant funding](#) is being shared by the Showalter, Lower Elwha, Chehalis, Lummi and Quinault Tribes. The money is targeted toward enhancing sex offender registration programs; improving information sharing about sex offender registration and notification; collecting, storing, and analyzing sex offender biometric and DNA data for investigative purposes.



The Lummi Nation is the third largest tribe in Washington State

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We are using every tool at our disposal to keep our community safe. In addition to criminal prosecutions, strong civil enforcement and aggressive asset forfeiture, I am working with the courts, other prosecutors, community groups and public defenders to develop new programs to reduce recidivism caused by drug addiction, mental illness and discrimination.

I am very proud to have worked with the U.S. District Court, U.S. Probation and Pretrial Services Office, and the Federal Public Defender to create the Drug Reentry Alternative Model (DREAM) program in Western Washington. DREAM is a comprehensive court program that blends drug treatment and sanction alternatives to effectively address offender behavior, rehabilitation and the safety of the community. Participants are carefully screened and must not have any violence in their record. Those accepted in the program enter a plea of guilty and begin the DREAM program as an alternative to being sentenced to prison. Successful completion of the DREAM program leads to dismissal of charges.

Breaking the cycle of crime is also critical. Our office provided advice and guidance to a reentry

working group established by the King County Prosecuting Attorney's Office. The working group developed recommendations to reform Washington's system of reentry to improve outcomes for men and women released from the State's prisons, to reduce crime, and to enhance public safety. We also regularly partner with the Community Partnership for Transition Services and other grass roots reentry coalitions throughout the District. As part of our Project Safe Neighborhoods program, prosecutors from our office regularly visit state prisons to educate violent offenders about the penalties they face if they illegally possess firearms and thus seek to reduce recidivism.

It is a privilege to serve as U.S. Attorney for the Western District of Washington. I am grateful for your support and partnership and look forward to continuing our work together.



A handwritten signature in black ink that reads "Jenny A. Durkan". The signature is written in a cursive, flowing style.

Jenny A. Durkan
February 5, 2013