



United States Attorney's Office for the Eastern District of Pennsylvania



2019 Annual Performance Report

United States Department of Justice
United States Attorney's Office for the Eastern District of Pennsylvania

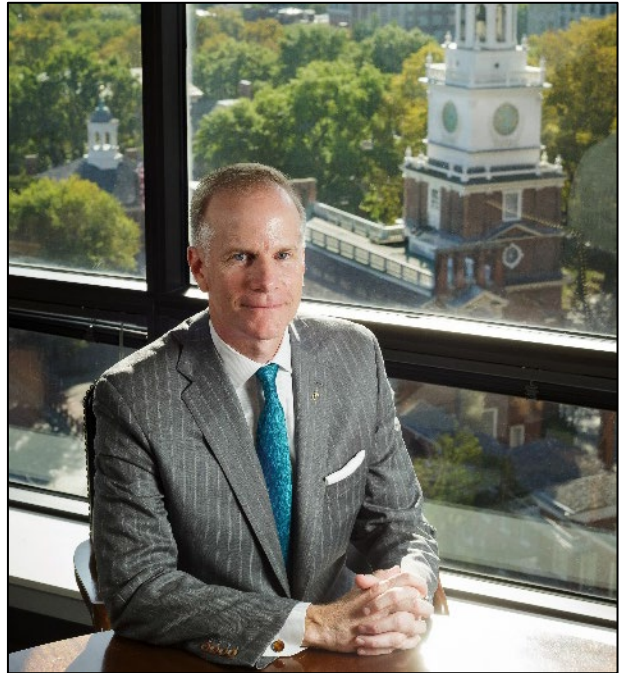
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I. Message from William M. McSwain, United States Attorney for the Eastern District of Pennsylvania

As the chief federal law enforcement officer in the Eastern District of Pennsylvania, I am proud to share the first ever Annual Performance Report for the United States Attorney's Office for the Eastern District of Pennsylvania. It provides a snapshot of the work our Office has undertaken during fiscal year 2019 to serve and protect the nearly six million residents of the District.

On April 6, 2018 – the day I became the United States Attorney for this District – I set two strategic goals for the Office. The first was to increase productivity, which had seen a decline in past years, particularly in terms of the number of criminal prosecutions pursued and the number of defendants charged. I pledged to reverse that trend and to aggressively prosecute those who violate federal law in this District, no matter who those offenders are. Though our resources are not endless, and we cannot bring every case federally, I wanted to optimize the resources at our disposal and work at capacity by charging as many cases as possible that we deemed appropriate and worthy of federal prosecution.



The reason for this first goal is simple: the more cases the Office brings, the greater positive impact we have on the communities we serve. For example, in our criminal prosecutions, the penalties available under federal statutes and sentencing guidelines are often greater than what might be available for similar conduct under state law. The practical effect is that the defendants we prosecute – the more culpable criminals whose conduct warrants federal prosecution – are off the streets for a longer period of time (and others are deterred from committing similar conduct).

The second strategic goal was to increase transparency about the work that we do. This serves two main purposes. First, there is a general deterrent effect on crime and misconduct that flows from sharing information about specific cases with the broader public. Second, and just as importantly, increased communication with the public ensures accountability. The residents of this District have a right to know about the cases that we bring and how our resources are allocated.

Delivering on these strategic goals required dedication and hard work, and I am pleased to report that we delivered excellent results on both of our goals. The number of case filings – both criminal and affirmative civil cases – were higher in 2019 than they have been in many years, placing the Office among the highest producing United States Attorney's Offices in the country.

This annual report is divided into three sections. Section II provides an overview of the operations and organizational structure of the Office. Section III provides performance results for 2019 and is organized around the two main strategic goals described above. For more information about the Office, I invite you to review our website at <https://www.justice.gov/usao-edpa> and our daily communications on Twitter.

The year 2019 marked tremendous accomplishments by the men and women in our Office. I am proud to serve with dedicated professionals who are devoted to the cause of justice.

II. About the Office: Who We Are and What We Do

A. Overview

The United States Attorney's Office for the Eastern District of Pennsylvania (EDPA) is one of 94 field offices of the United States Department of Justice. Each field office is led by a Presidentially appointed United States Attorney who serves as the chief law enforcement officer for the District. The EDPA Office is one of the largest in the country in terms of personnel, with nearly 300 full-time employees. It serves a population of nearly six million residents and covers a geographic area of roughly 4,700 square miles across nine counties in southeastern Pennsylvania – Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Montgomery, Philadelphia, and Northampton counties. We have a main office in Philadelphia, situated across from Independence Hall and the Liberty Bell, and a satellite office in Allentown.

The mission of the EDPA Office is to enforce federal law and represent the interests of the United States in all criminal and civil matters arising within the District; to ensure public safety against domestic and foreign threats; to provide federal leadership in preventing and controlling crime; to seek just punishment for those guilty of unlawful behavior; to ensure fair and impartial administration of justice for those within our District; and to foster partnerships with government agencies and community groups.

The Office investigates and prosecutes a broad array of criminal conduct that violates federal law. Today, the Office is a national leader in many important areas of criminal law enforcement, including public corruption, white collar fraud, violent crime, international narcotics trafficking, and national security. It is also a national leader in the civil law realm. Our Office has historically had one of the busiest and most prolific civil practices in the country, with a robust pipeline of affirmative civil enforcement cases that seek civil penalties (oftentimes in lieu of, or in addition to, criminal prosecution) against those who commit fraud against government agencies and benefit programs, such as Medicare, Medicaid, and social security.

The Office is represented in court by federal prosecutors – also called “Assistant United States Attorneys,” or “AUSAs” – who are assigned to one of two Divisions within the Office, Criminal or Civil. There are approximately 140 full-time AUSAs in the District; approximately 110 of these are assigned to the Criminal Division, with the remaining assigned to the Civil Division. The Office also has an Administrative Division of dedicated professionals who support both the Criminal and Civil Divisions.

In fulfilling the Office's mission, AUSAs and our support staff work with federal agencies within the Department of Justice (such as the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Bureau of Alcohol, Tobacco, and Firearms) as well as many other federal agencies authorized to investigate and arrest individuals. We also work with hundreds of agencies at the state and local level, including the Pennsylvania State Police, the Pennsylvania Attorney General's Office, the District Attorney's Offices from each of the nine counties in our District, and local police departments.

The 2019 Executive Leadership of the Office is: U.S. Attorney William M. McSwain; First Assistant U.S. Attorney Jennifer Arbittier Williams; Deputy U.S. Attorney Louis D. Lappen; Senior Advisor to the U.S. Attorney, Clare Putnam Pozos; Counsel to the U.S. Attorney, Alison Donahue Kehner; Criminal Division Chief Denise S. Wolf; and Civil Division Chief Gregory B David. They are pictured below.



Seated (L to R): U.S. Attorney McSwain, Jennifer Williams
 Standing (L to R): Denise Wolf, Clare Pozos, Gregory David,
 Louis Lappen, and Alison Kehner

B. Criminal Division

The Criminal Division caseload covers a broad swath of subject matters across all areas of federal criminal law. The Division is led by the Criminal Chief, who reports to the First Assistant U.S. Attorney, who in turn reports to the U.S. Attorney. In most instances, criminal cases are assigned to a subject matter unit, headed up by supervisors who oversee cases of the same type.¹ The list below provides a snapshot of the subject matter units and the types of criminal prosecutions that they handle:

- [Corruption, Labor Racketeering, and Civil Rights Unit:](#) Targets local, state, and federal officials who abuse their power for personal gain. AUSAs in this unit prosecute crimes like bribery, kickbacks, extortion, pay-to-play schemes, police corruption, tax crimes, and civil rights violations.
- [Economic Crimes Unit:](#) Prosecutes fraudsters of all sorts – people who lie and steal from unsuspecting victims, committing everything from consumer fraud and elder fraud schemes, to securities fraud, insider trading, and mortgage fraud.
- [Health Care and Government Fraud Unit:](#) Prosecutes criminals who cheat our government benefit systems – everyone from doctors who illegally dispense opioids, to healthcare providers who submit phony billings to Medicare, to criminals who lie to obtain other fraudulent government benefits.
- [Narcotics and Organized Crime Unit:](#) Targets cartels and other large-scale traffickers of cocaine, crack, heroin, synthetic opioids, methamphetamine and other deadly drugs, who often use violence in the course of committing their drug crimes.
- [National Security, Cyber Crime, and Immigration Unit:](#) Handles cases involving international and domestic terrorism, espionage, and computer intrusions. Also prosecutes immigration fraudsters and illegal aliens who, on multiple occasions, have reentered the country illegally after deportation, often having committed violent crimes while in our country.
- [Violent Crime Unit:](#) Prosecutes a vast array of violent crimes, including bank robberies, robberies of commercial businesses, carjackings, kidnappings, arsons, child exploitation, human trafficking, and firearms violations.

¹ There are three units in the Criminal Division to which cases are not assigned by subject matter. Those are: (1) the General Crimes Unit, which handles a variety of criminal cases and is the unit where more junior AUSAs are assigned when they first join the Office; (2) the Appeals Unit, which handles the criminal appeals filed in U.S. Court of Appeals for the Third Circuit; and (3) the Asset Forfeiture and Financial Litigation Unit, which handles debt collection for all cases across the Office.

SPOTLIGHT:

EDPA's Violent Crime Unit

The year 2019 was a violent one in Philadelphia. The city recorded the highest number of homicides since 2007, with a total of 355 slayings. Also, more people were shot in Philadelphia in 2019 than in any other year since 2010, according to police statistics. During this time period, the Philadelphia District Attorney's Office pursued a number of policies and practices that undoubtedly contributed to this escalating violence. In response, our Violent Crime Unit worked with federal, state, and local law enforcement partners to identify cases that we could take federally in order to fill the void created by the District Attorney Office's soft-on-violent crime approach.

The Violent Crime Unit delivered, charging more cases in fiscal year 2019 than any other unit in the Office. It charged 208 cases as compared to 136 in 2018, which is a 53% increase in just one year.

And in Philadelphia's most dangerous neighborhoods, our prosecutions skyrocketed. We focused our efforts on Project Safe Neighborhood (PSN) target districts – areas that police statistics identify as “hot spots” for violent crime and narcotics trafficking in Philadelphia. In fiscal year 2019, we charged 143 cases (and 195 defendants) in PSN districts as compared to 82 cases (and 92 defendants) charged the previous year. That is a whopping 72% increase in the number of cases this Office took federally, and a 112% increase in the number of defendants prosecuted. In addition to the full-time AUSAs assigned to the Criminal Division, the Office proactively sought out ways to increase the ranks of its violent crime prosecutors. For example, we applied for, and received, a grant from the Department of Justice's PSN program to fund the appointment of two full-time Special Assistant United States Attorneys (SAUSAs) for two years. These two prosecutors were hired by the Pennsylvania Attorney General's Office, specifically to be cross-designated to our Office to prosecute violent crimes occurring in some of Philadelphia's most violent neighborhoods.

C. Civil Division

The Civil Division is led by the Civil Chief, who reports to the First Assistant U.S. Attorney, who in turn reports to the U.S. Attorney. The Civil Division divides most of its caseload into two categories:

- (1) affirmative civil enforcement (“ACE”) cases in which the Office files suit as the plaintiff against individuals or companies who have allegedly committed fraud, waste, or abuse on the government, and the government is primarily seeking money damages as a result; and
- (2) defensive cases in which the Office defends the government against civil lawsuits arising under federal law, including such topic areas as employment disputes, tort claims arising on federal property, and bankruptcy matters.

Most civil AUSAs handle a caseload comprised of both affirmative and defensive matters. However, the Office formed a new unit in fiscal year 2019, the ACE Strike Force, designed to aggressively move certain affirmative matters forward. AUSAs assigned to this Strike Force focus exclusively on complex, affirmative matters and are also charged with increasing the pipeline of affirmative cases through improved relations with our federal agency partners and the private attorneys who represent corporate whistleblowers.

III. Performance Results for Fiscal Year 2019

A. Strategic Goal #1: Increased Productivity

By every measure, 2019 was a very productive year in the U.S. Attorney's Office for the Eastern District of Pennsylvania.

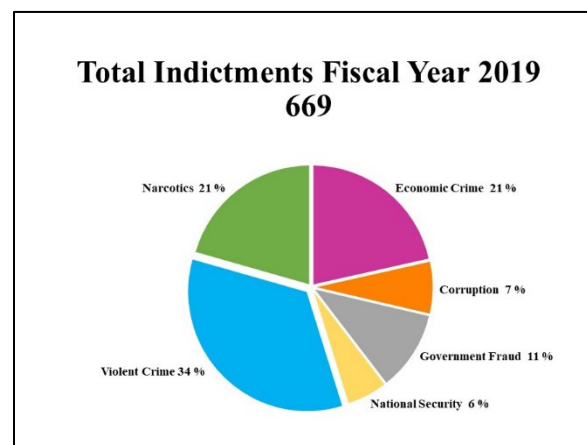
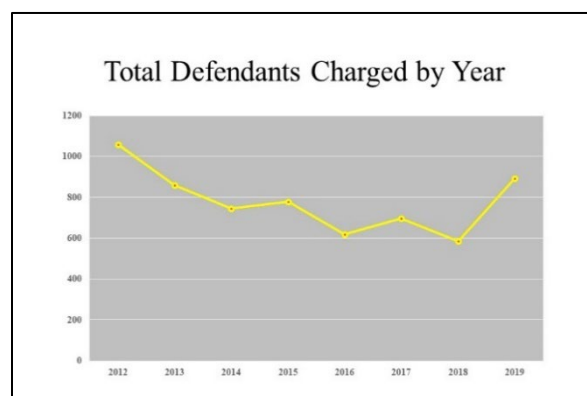
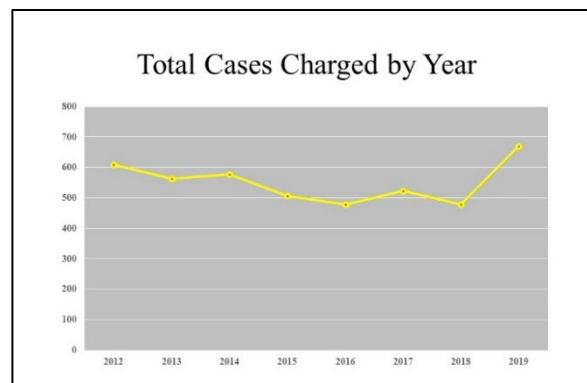
Our Criminal Division logged 669 prosecutions, up from 478 in the previous fiscal year. That is a 40% increase in the number of criminal cases filed in this District and represents the highest number of cases charged by the Office in nearly a decade.

Similarly, the number of defendants indicted – another measure of Office productivity and case complexity – saw a dramatic increase in 2019. We charged 894 defendants in fiscal year 2019, up from 599 in 2018. That is a 49% increase in just one year, and the largest number of defendants charged since 2012.

Looking across the subject matter units in the Criminal Division, every unit experienced an overall increase in the number of cases filed in 2019 as compared to 2018. And, in line with the Department of Justice's stated priorities – such as reducing violent crime and addressing the opioid epidemic – the Office dramatically increased our work in those areas. For example, drug trafficking prosecutions that focused on opioid distribution increased 45% in 2019 as compared to 2018.² And as detailed above, the Violent Crime Unit's productivity skyrocketed: it charged 53 percent more cases in 2019 as compared to 2018.

Similarly, in the Civil Division, the Office achieved a record number of affirmative civil enforcement settlements in 2019. And in terms of monetary value, the Civil Division recovered approximately \$125 million from companies that were under investigation for allegedly committing fraud against the United States.

Finally, in 2019, the Office's Financial Litigation Unit, which is responsible for debt collection, recovered over \$264 million in criminal and civil debts owed to the United States, bringing the total amount of recovery (including civil settlements) to over \$389 million.



This graphic provides the percentage of cases, by subject matter, that comprise the total number of prosecutions filed in 2019.

² In 2019, we charged 71 such drug trafficking cases, as compared to 49 during 2018. These prosecutions involve opioids, fentanyl, fentanyl analogues, and heroin.

B. Strategic Goal #2: Increased Transparency and Public Engagement

The second strategic goal for the Office was to increase transparency and engagement with the community. In order to accomplish this, we had to be creative and proactive about increasing communication and outreach, so that the community better understood the work that the Office does.

1. Community Engagement and Outreach Highlights

To increase transparency and community engagement, we formed a new unit, the Office of Public Affairs and External Engagement (OPAEE). The mission of OPAEE is to promote transparency and information sharing with the community, foster relationships with law enforcement stakeholders and the public, and work with community groups on deterrence initiatives and crime prevention.

The Office has increased transparency in a number of ways. First, we improved our engagement with the media. The Office has made local, national, and international news headlines in the last year, garnering coverage of our cases from major media outlets, including: *The Wall Street Journal*, *The New York Times*, *The Washington Post*, *U.S. News & World Report*, *Los Angeles Times*, *The Boston Globe*, *Newsweek*, *USA TODAY*, *Forbes*, *Business Insider*, *Reuters*, *POLITICO*, *The Philadelphia Inquirer*, *Pittsburgh Post-Gazette*, *ABC News*, *CBS News*, *NBC News*, *NPR*, *Law360*, and *Law.com*. Additionally, U.S. Attorney McSwain participated in multiple TV and radio interviews on a variety of topics impacting the Office, including several national TV appearances on CNN and Fox News.



EDPA's Office of Public Affairs and External Engagement 2019
Seated (L to R): Clare Pozos, U.S. Attorney McSwain, Jennifer Williams, and Alison Kehner
Standing (L to R): Michele Mucellin, Jennifer Crandall, Michael Pease, Cynthia Zuidema, Elizabeth Powell, and Claudia Deitch

Second, U.S. Attorney McSwain spoke at a number of prominent civic, legal, and law enforcement meetings in order to foster community engagement and promote the Office's work. These include the Chamber of Commerce of Greater Philadelphia Board of Directors' Meeting, the Citizens' Crime Commission of Greater Philadelphia Board Meeting, and The Association of Corporate Counsel of Greater Philadelphia's Summit for General Counsel and Chief Legal Officers. Furthermore, U.S. Attorney McSwain traveled across the District to meet personally with the leaders of many businesses and non-profit organizations operating in southeastern Pennsylvania. The purpose of these meetings was to open the lines of communication with these organizations, get a better sense of the types of safety concerns that they experience, and encourage referrals to the Office. One consistent theme from these meetings was cybersecurity concerns. As a result, the Office partnered with the Federal Bureau of Investigation and hosted an innovative Cybersecurity Conference at the National Constitution Center in Philadelphia, where over 150 corporate and non-profit representatives met to discuss these issues and learn best practices for responding to a cyberattack.

Third, on the law enforcement front, the Office has focused on increased coordination and partnership with its federal, state, and local law enforcement agency partners in many ways. One prime example of this collaborative approach is the institution of our new Law Enforcement Executive Meetings. Each month, U.S. Attorney McSwain hosts representatives from over 40 agencies at our Philadelphia Office to share information across agencies, provide the group with an update about each agency's work, and discuss law enforcement trends.



U.S. Attorney McSwain speaking at a press conference.

Fourth, in the areas of crime prevention and rehabilitation, the Office has expanded its reach to engage with a broad swath of constituents. For example, the Office continues to participate in the three innovative problem-solving courts in the Eastern District of Pennsylvania: Supervision to Aid Re-entry (STAR) Court, Mental Health Protocol, and the newly formed Relapse Prevention Court. These programs are designed to assist formerly incarcerated individuals as they re-enter society after serving their federal sentences.

Finally, the Office's anti-violence public awareness campaign, #fedcrimegetsfedtime, shares information with the public about the consequences of committing a crime with an illegal firearm.



Re-entry Court Graduation 2019.
Pictured L to R:
U.S. Circuit Judge Luis Felipe Restrepo,
U.S. Attorney McSwain,
U.S. Magistrate Judge Timothy Rice

2. Highlights from High Impact Cases

In 2019, the Office was involved in a variety of groundbreaking criminal and civil cases and was at the forefront of many important areas of federal law enforcement. From fighting the scourge of public corruption to busting up gang violence to shutting down opioid pill mills, prosecutors in the Office worked in myriad ways to keep the District safe. Here are highlights from some of the significant cases that we handled.

Holding Public Officials Accountable

- Prosecuting labor leaders: In January 2019, prominent Philadelphia labor leader John Dougherty ("Johnny Doc"), Philadelphia City Councilman Robert Henon, and several associates were charged in a sweeping public corruption indictment. The indictment alleges that Dougherty used union funds as a personal slush fund to pay for his and others' expenses, bankrolling everything from lavish meals, to big screen TVs, to baby food. It also alleges Dougherty paid Henon an annual union salary of \$70,000 to use his position on City Council to illegally serve Dougherty's interests. Trial is pending.
- Mayors are not above the law: In October 2018, former Allentown Mayor Edwin Pawlowski was sentenced to 15 years in prison for a pay-to-play scheme in which he awarded lucrative city contracts to companies who contributed to his political campaigns. And in April 2019, former Reading Mayor Vaughn Spencer was sentenced to 8 years in prison after he solicited campaign contributions for his primary election in exchange for lucrative municipal engineering contracts.

- [Neither are sheriffs:](#) In April 2019, John Green, the former Philadelphia Sheriff, was sentenced to 5 ½ years in prison after his conviction for steering millions of dollars of business from the Philadelphia Sheriff’s Office to specific vendors in exchange for receiving bribes worth more than \$1 million over nine years.
- [Nor political strategists, judges, constables, or public safety directors:](#) In May 2019, Kenneth Smukler, a former political strategist for ex-U.S. Congressman Bob Brady, was sent to prison for orchestrating an unlawful payment of \$90,000 to one of Brady’s 2012 primary challengers to induce him to drop out of the race. Smukler also lied about the payments in two campaign finance reports. In August 2019, Robert Hoopes, a former Director of Public Safety in Lower Southampton Township, John Waltman, a former Magisterial District Judge, and Bernard Rafferty, a Deputy Constable, were sentenced to prison for extorting bribes and kickbacks from Bucks County businessmen and conspiring to launder money for individuals they believed were engaged in narcotics trafficking and healthcare fraud.

Prosecuting Hate Crimes and Human Rights Violations

- [Raiding the “Tacony Dungeon”:](#) Linda Ann Weston was the ringleader of a group that targeted mentally disabled victims and coerced them into designating Weston as their caretaker so that she could collect their social security disability benefits. The defendants lured victims with promises of friendship or romantic involvement, and then kidnapped, tortured, beat, and held them against their will. Weston and her co-defendants were charged with multiple crimes, including racketeering, hate crimes, involuntary servitude, human trafficking, benefits fraud, kidnapping, and murder. The case garnered national and international attention and raised awareness of the issue of mentally disabled individuals being abused in order to collect government benefits. In 2019, AUSAs Rich Barrett and Faithe Moore Taylor were awarded the Department of Justice Attorney General’s Award for Distinguished Service – one of the Department’s highest awards – for their groundbreaking work on the case.



U.S. Attorney McSwain and AUSA Rich Barrett after the awards ceremony.

- [Putting Liberian War Criminal “Jungle Jabbah” Behind Bars:](#) While a commander of one of the warring factions during Liberia’s first civil war, Mohammad Jabbateh committed a host of war crimes, including sexual enslavement, murder, mutilation, and ritual cannibalism. After escaping prosecution in Liberia, he came to the United States, where his true identity became known after he lied on multiple immigration documents. He was convicted of immigration fraud and perjury for concealing his horrendous wartime conduct and sentenced to 30-years in prison. The case garnered national and international attention, and the two prosecutors on the case, Nelson S.T. Thayer and Linwood C. Wright, received a Directors’ Award from the Executive Office of the United States Attorneys recognizing their exemplary work bringing Jabbateh to justice.



Pictured L to R: U.S. Attorney McSwain with Jabbateh trial team members Nelson S.T. Thayer and L.C. Wright, Lifetime Achievement Award Recipient Peg Hutchinson and Civil Division Chief Greg David

Fighting Terrorism

- [Prosecuting “theblackflag”](#): Ali Charaf Damache, aka “theblackflag,” was sentenced to 15 years in prison after pleading guilty to conspiracy to commit murder and providing material support to terrorist groups. Damache was the ringleader of a cell tasked with killing a Swedish artist who drew the Islamic prophet Muhammad in a cartoon. He radicalized two individuals, Jamie Ramirez, a/k/a “Jihad Jamie,” and Colleen LaRose, a/k/a “Jihad Jane,” to recruit men on the Internet to wage violent jihad in Europe and elsewhere. Damache’s sentencing marked the end of a nine-year prosecution of these individuals.

Record Setting Drug Bust

- [Record-Setting Cocaine Bust in Philadelphia](#): In July 2019, the *MSC Gayane*, a freight ship docked at the Packer Marine terminal, was seized by this Office, after 20 tons of cocaine were discovered in containers aboard the vessel. The cocaine had a street value of over 1 billion, making the seizure one of the largest in U.S. history.

Dismantling Violent Drug Trafficking Organizations

In 2019, this Office successfully dismantled several drug trafficking organizations (DTOs) in the District.

- [Original Block Hustlaz \(“OBH”\)](#): Philadelphia rapper Abdul West, a/k/a “AR-ab,” and members of his entourage were convicted at trial of running a large-scale North Philadelphia drug trafficking operation implicated in at least two murders. AR-ab ran the operation under his record label, Original Block Hustlaz.

Charles “Dark Lo” Sally, a member of AR-ab’s crew, was arrested during the OBH trial for witness intimidation after he allegedly threatened a cooperating witness who was about to testify.

- [Jarmon DTO](#): Philadelphia drug kingpin Juan Jarmon was sentenced to 30 years in prison for operating an elaborate crack cocaine distribution business out of the Normal Blumberg Public Housing Complex in North Philadelphia. Jarmon led an around the clock crew of drug packagers, lookouts, shift sellers, and enforcers who provided protection from rival drug dealers and levied taxes on members.
- [Trinidad DTO](#): Ten members of the “Trinidad” drug gang operating out of Reading (including its kingpin, Jesus Feliciano-Trinidad) were charged with orchestrating a string of murders in the course of distributing cocaine, heroin, fentanyl, crack cocaine, and other drugs.
- [3rd & Bone & Ject Boyz Rival DTOs](#): Twenty-two members of two rival Chester drug gangs were taken off the streets when they were indicted and arrested for conspiracy and trafficking in cocaine, fentanyl, heroin and crack. The defendants charged were either members of the 3rd & Bone or Ject Boyz crews, two allegedly violent, rival drug gangs that competed for the same customers and operated territories next to each other in the city of Chester. The indictment alleged that 3rd & Bone gang members were involved in an attempted murder of a Ject Boyz member.
- [True Hittaz DTO](#): Nine members of the “True Hittaz” crew were prosecuted and convicted of distribution of phencyclidine and cocaine base, among other drugs. This violent DTO operated out of the Kensington section of Philadelphia.

Addressing the Opioid Crisis

- [Preventing the Opening of Deadly Drug Injection Sites](#): In response to a non-profit’s plans to open the nation’s first ever supervised heroin injection site in Philadelphia, the Office filed a civil lawsuit to prevent the opening of the site, asking the court to declare that the site would violate our nation’s drug laws. In our view, not only would such a site violate federal law, but also it would normalize heroin use in such a manner as to greatly worsen the opioid crisis.
- [Shutting Down “Pill Mills”](#): Pill mills are places where doctors and other medical professionals illegally hand out dangerous opioids that are not medically necessary. In 2019, the Office prosecuted several dozen medical professionals for illegally distributing opioids. These physicians and healthcare providers wrote prescriptions for “patients” without seeing, treating, or examining them, causing hundreds of thousands of pills to flood the streets of our District. In one case, our Office worked with agents from the Drug Enforcement Administration to raid a pain management clinic, Advanced Urgent Care, with four locations in the District. At this clinic, healthcare professionals were writing opioid prescriptions in exchange for money, and one of the treating physicians was alleged to have traded opioids for sexual favors.
- [Stopping Chinese Drug Traffickers from Killing Americans with Fentanyl](#): Three Chinese nationals were indicted for conspiring with a former Montgomery County Deputy Sheriff, David Landis, to import fentanyl into our District. Fentanyl is a powerful and deadly synthetic opioid. In this case, it was linked to overdose deaths in Georgia, Illinois, Ohio, and Tennessee.

- [Decimating Large-scale Oxycodone Distribution Ring](#): Leon Little, the mastermind of a large-scale oxycodone distribution conspiracy, was sentenced to 34 years in prison for trafficking nearly 400,000 oxycodone pills. Little recruited “patients” to fake their medical ailments in order to obtain painkiller prescriptions, and then Little repackaged the painkillers and sold them on the streets. He profited over \$3 million from his crimes and used his drug proceeds to live high on the hog – purchasing vehicles, real estate, and even a UPS franchise. This was the longest sentence ever recorded in the District for a federal pill-trafficking case.

Combating Gang Violence, Illegal Firearms Use, and Illegal Immigration

- [Opposing Soft-on-Violent Crime Policies](#): Jovaun Patterson shot and nearly killed a store owner with an AK-47 during a store robbery in West Philadelphia. The Office stepped in and charged Patterson federally after the Philadelphia District Attorney’s Office authorized a shockingly low plea deal for Patterson’s crime. Even though the victim is confined to a wheelchair for life, the local plea deal could have meant that Patterson would serve as little as 3 ½ years in prison on the local charge – far less time than he would serve on a federal sentence.
- [Targeting Gang Violence](#): Khalil Smith was the leader of a ruthless, violent gang that committed a series of armed robberies, kidnappings, and carjackings in Philadelphia over the course of 20 months. Gang members kidnapped their victims and subdued them with physical force and torture – even waterboarding and pouring boiling water on the genitals of some of their victims – to obtain ransom money and drugs. Smith was sentenced to life plus 207 years of imprisonment for his violent crime spree, and his co-conspirators are also serving decades in prison.
- [Prosecuting Illegal Aliens Who Commit Violent Crimes](#): After being deported to his native Honduras, Juan Ramon-Vasquez illegally re-entered the country and returned to Philadelphia. While in the city, he was arrested for new crimes but released from local custody without local officials ever alerting federal immigration agents, due to Philadelphia’s “sanctuary city” policy. After he was released from local custody, Ramon-Vasquez raped a young child. We then prosecuted him federally for illegal re-entry in order to prevent him from being on American streets ever again.

Punishing Fraudsters Who Target Vulnerable Victims

- [Prosecuting “the Godfather” of Pay Day Lenders](#): Charles Hallinan and his co-conspirators concocted one of the largest pay day lending schemes in history, preying on lower income individuals who needed short-term loans to cover necessities and charging them exorbitant fees on the loans. Hallinan was convicted of RICO conspiracy, sentenced to a 14-year prison sentence and ordered to pay a fine of \$1.5 million and forfeit \$64 million in assets.

- [Combating Elder Fraud](#): Yahaira Diaz will serve 65 months in prison for her role as the leader of a large-scale fraud scheme commonly referred to as a “grandparents’ scheme.” This type of scam targets elderly victims who receive a disturbing phone call – someone telling them their grandchild is in danger and asking them to send money to help.

In a second significant elder fraud case, the Office secured a guilty verdict at trial against John Conner, a lawyer who defrauded his elderly client out of her life savings – approximately \$95,000, which he gambled away at casinos. Conner was sentenced to serve nearly four years in prison for his crimes.

Cracking Down on Healthcare Fraud

Federal law prohibits drug manufacturers from submitting false claims for payment to the federal government through Medicare, Medicaid, and other federally funded programs. The Office has a number of tools and several federal statutes it can use to hold responsible parties – from individual physicians to entire drug companies – accountable for such fraud. In bringing these cases, our criminal and civil Assistant U.S. Attorneys often work together on these types of cases to reach the most impactful result. That can be settlements where allegations of civil fraud are resolved, criminal prosecutions, or both.

- [Excessive Billing and Kickbacks](#): Pentec Health, a drug and nutritional supplements provider, paid \$17 million to resolve allegations that it billed Medicare and other federal healthcare programs fraudulently during the compounding process of its drug Proplete. Pentec also allegedly waived patient co-payments and deductibles in order to induce prescriptions for its drug in violation of the federal Anti-Kickback Statute that serves as a check on improper relationships between doctors and pharmaceutical companies.

Mallinckrodt Corp. paid \$15.4 million to resolve claims that its company, Questcor, paid illegal kickbacks to doctors in the form of lavish dinners and entertainment, to induce prescriptions of the company’s drug, “Acthar” for the treatment of multiple sclerosis. The company allegedly sought to induce doctor referrals, which violates the Anti-Kickback Statute and the False Claims Act.

Generic drug manufacturer Heritage Pharmaceuticals paid \$7.1 million to resolve allegations that it engaged in a scheme to artificially inflate generic drug prices and engaged in other anti-competitive behavior. The relevant drugs addressed a wide variety of health conditions, including high blood pressure, asthma, and diabetes.

Spiro Kassis, M.D. paid \$1.4 million, agreed to never seek a controlled substance registration, and consented to a 15-year exclusion from Medicare and Medicaid to resolve civil allegations that he illegally prescribed opioids to patients, when those prescriptions had no legitimate medical purpose. In a parallel criminal proceeding, Kassis pled guilty to 14 counts of illegal distribution of controlled substances and is scheduled to be sentenced in 2020.