



Community Report

Western Washington

From U.S. Attorney Tessa Gorman:



It has been a busy and productive year in the Western District of Washington. Our priorities continue to include keeping communities safe, protecting civil rights, defending government agencies in litigation, and working on crime prevention strategies including improving reentry for those involved in the criminal justice system. In Fiscal Year 2023, which ended October 1, 2023, DOJ statistics show we filed 198 criminal cases involving 285 defendants. That is an increase from 2022. Our filings regarding violent crime are up 6%. Our Organized Criminal Enterprises Drug Task Force (OCDETF) filings are up 105%. Those increases reflect our efforts to stem

the tide of deadly fentanyl into our communities. Our work continues to stop the flow of drugs and the flow of cash and weapons to drug cartels based in Mexico.

Of key importance to the office and community are our cases involving civil rights, including [hate crimes](#). We are seeing a disturbing spike in threats and actions motivated by hate for diverse communities. Last month, as part of our [United Against Hate program](#), I met with leaders of the Asian American Pacific Islander community to encourage reporting of hate incidents.



We have added a third Tribal Liaison so we can better serve the needs of our 25 Tribal communities. We work in partnership with the tribes on their law enforcement priorities.

An office priority remains holding corporations and white-collar offenders accountable for their conduct. In November, we joined our partners in the Justice Department's Criminal Division and National Security Division in obtaining [guilty pleas and a record \\$4 billion penalty from Binance, the largest cryptocurrency exchange in the world, and its now former CEO Changpeng Zhao, who pleaded guilty to violation the Bank Secrecy Act](#). In addition to violating the BSA through its failure to implement an effective anti-money laundering program, Binance also pleaded guilty to failure to register as a money transmitting business and violating sanctions. This failure to implement an effective AML program meant Binance processed transactions by users who laundered proceeds of illicit transactions and caused millions of dollars of transfers between U.S. persons and people in sanctioned countries including Iran, Syria, and Cuba.

Our Civil Division continues to work on civil rights matters, including robust enforcement of the Americans with Disabilities Act (ADA). Our district is a leader in improving health care compliance with the [ADA for those who are deaf, deaf-blind, or hard of hearing](#). Effective communication is a focus for much of our ADA work in other settings as well.

Crime prevention and working to improve reentry programs for those in the criminal justice system are critical priorities. This year, we again sponsored the ["If Project"](#) at the Federal Detention Center. The program works to break the cycle of incarceration and help participants prepare to build new crime-free lives outside prison walls. I found the work of the class very impactful with keen insights from the women.



We continue to work with the court and Federal Public Defender's Office to assist defendants with successfully completing our drug court known as [DREAM](#). The Drug Reentry Alternative Model is a pre-adjudicative diversion drug court providing an intensive form of presentence supervision with direct, regular judicial involvement. It is always inspiring to hear the stories of those who have successfully completed the program. I hope we can develop a similar program for those experiencing mental health challenges. Some of our leadership staff is meeting with our court and defender partners and researching ways we could divert some appropriate defendants to a Mental Health court.

This report highlights some of our work in the Western District of Washington. I want to thank the people of my office who work hard each day to pursue justice and keep our communities safe. And of course, key to all our efforts are the partnerships we have with law enforcement and community groups, all working together to improve life here in Washington.

A handwritten signature in blue ink that reads 'Tessa Gorman'.

Tessa M. Gorman
U.S. Attorney – Western District of Washington

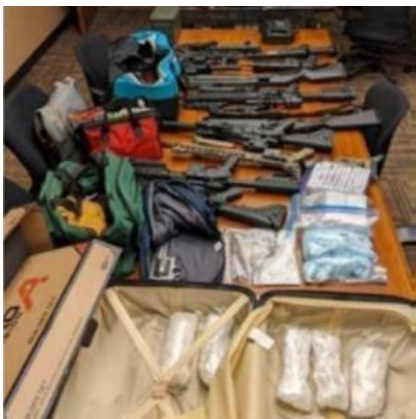
Community safety – Twin threats of firearms and fentanyl

Federal law enforcement works tirelessly to stem the flow of potentially deadly fentanyl pills into Western Washington. The Western District of Washington filed 63 drug prosecutions in 2023, involving some 135 defendants. That is 14% more drug cases and a 27% increase in drug defendants over last year. Our cases focus on cartel connected organizations, violent drug dealers, and those having a dramatic impact on our communities.

The Criminal Enterprises Unit leads investigations of organized drug trafficking groups. Whether the traffickers are operating in the urban core or in our rural communities, law enforcement makes stopping the flow of deadly fentanyl a top priority. At right are some of the blue fentanyl pills seized in the district. Some of those trafficking these drugs have clear connections to [Mexico based cartels such as CJNG – a group known for its violence](#). [Two leaders of that drug trafficking organization were sentenced to 17 and 12 years in prison](#).



The influx of fentanyl tainted pills into Western Washington continues to wreak havoc on our communities with fentanyl overdose deaths at an all-time high in King County.



In [March 2023, we indicted 24 people](#) connected to a white supremacist prison gang for trafficking fentanyl, meth, and other drugs. Law enforcement seized nearly 2 million doses of fentanyl and more than 225 firearms – some shown at left.

As part of our commitment to public safety and interdicting gun crime, federal prosecutors [joined with the Seattle Police Department and Drug Enforcement Administration](#) to prosecute those who were dealing drugs in key downtown Seattle hot spots while carrying firearms. Our

Terrorism and Violent Crime Unit prosecuted nine people who were selling narcotics – primarily fentanyl pills (such as those at right) -- at 12th and Jackson (Chinatown/International District) and at 3rd and Pike/Pine. These vibrant parts of Seattle have become a magnet for crime with open air drug dealing. Ongoing efforts by the city and federal partners are aimed at returning a sense of safety to these sections of the city. In one of the cases we prosecuted from this effort, [an armed drug dealer from the downtown area](#) was sentenced to five years in prison.



Firearm Crimes

Stopping violent crime, especially those involving firearms, is a top priority. Of great concern is the proliferation of “Ghost guns” – firearms that have been manufactured without a serial number or made of materials that don’t register on a metal detector. Such weapons cannot be traced by law enforcement. In one recent case, a person who was prohibited from possessing guns was arrested with the polymer gun shown at right. [The firearm is fully automatic with an extended magazine.](#) He was sentenced to ten years in prison.



In October, a [King County man was convicted following a road rage incident](#) of illegal firearms possession. The defendant was prohibited from possessing firearms but used one to shoot at another driver following a road incident on a

major highway in east King County in 2022.

In June, a Seattle man was [arrested in connection with a string of pot shop robberies](#). At left are the eight guns found in his possession when arrested at a SeaTac motel.



In the first use of a new “straw purchasing” statute we [charged two men with illegally purchasing more than](#)

[100 firearms](#). Twenty-four of those guns have been linked to crime scenes. Trial in the case is scheduled for March 2024.

Uniquely Federal Prosecutions

Just last month, we sentenced one of two defendants tied to power outages on Christmas Day 2022. [One defendant was sentenced to 18 months](#) in prison for the attack on four power stations that cut power to thousands of people. The motive was greed – cutting the power to burglarize businesses.

A prolific mail thief was arrested while illegally possessing firearms. This defendant had repeatedly stolen mail vehicles and the keys that unlock mailboxes. The conduct was so egregious, residents in one area of the city had to pick up their mail at the post office instead of having it delivered to their post boxes. [The defendant pleaded guilty in December](#) and will be sentenced in March 2024.



A former King County Jail Guard was indicted and arrested in November following an investigation of drug trafficking into the jail. [The former guard and four other people were indicted in the bribery and drug trafficking scheme.](#)

In an unusual case, [a former military member from Joint Base Lewis McChord was indicted for attempting to pass sensitive military information to China](#). The former soldier is scheduled for trial in January 2025. Watching out for National Security and Domestic Terrorism are critical parts of the work we do.

In August, we called attention to a [disturbing growing trend: sexual assaults on aircraft](#). Since that announcement, [we have convicted a Seattle man who assaulted a teen returning from a school trip to France](#). Cases against an [Alaska man](#) and a [North Carolina man](#) are still pending.

COVID-19 Fraud

The U.S. Attorney's Office for the Western District of Washington has brought some of the first prosecutions of defendants who used fraud to steal Covid-19 benefits. Our office led the way in the prosecution of those committing fraud on a rental assistance program. In December, [the leader of a ring that fraudulently obtained more than \\$3 million from King County's rental assistance program pleaded guilty](#). She used the money for luxury travel, shopping sprees and even plastic surgery in Colombia.

[A Canadian resident, who is a Nigerian citizen, pleaded guilty](#) in December to defrauding pandemic programs of more than \$1 million. He will be sentenced in March.

And a [former Seattle resident was sentenced to 8 years in prison](#) for his \$1 million fraud on pandemic programs. The defendant stole the identities of more than 50 Washington residents to fraudulently claim unemployment benefits and small business loans.

Tax and Economic Crimes

A former finance director who embezzled millions from two Seattle-area non-profit organizations was sentenced to 41 months in prison. [The former finance director stole from a non-profit that provided medical care to those who cannot afford it and the other non-profit works to assist youth in the criminal justice system](#). She used the more than \$3 million she stole to pay for luxury vacations, her mortgage and gambling debts.

A [Whatcom County contractor was sentenced to two years in prison for](#) failing to pay more than \$1 million in employment taxes on his employees. Instead of paying his taxes, the contractor paid for racehorses and improvements to his estate (shown at right).



An [Arizona man who led a \\$50 million tax fraud scheme was sentenced to nine years in prison](#). The defendant failed to show up to serve his prison term and is being sought by law enforcement.

Tax preparers from [Vancouver](#), [Bellevue](#), [Graham](#), and [Snohomish County](#) all faced charges for falsifying tax returns.

Cyber Crime

This year we saw the intersection of cybercrime with organized retail theft. [We charged a Michigan man with operating “Simple Refunds”](#) an online scheme where customers were encouraged to purchase goods and then have coconspirators lie about receiving or returning them. One company in Western Washington lost \$1.4 million to the scheme.

The [final two defendants in the bribery scheme involving Amazon consultants](#) and third party sellers were sentenced to fines, home detention and prison. The two corrupted the Amazon Marketplace with bribes, forged documents, and false claims.

In November 2022, [a grand jury indicted two Estonians for a cryptocurrency Ponzi scheme](#). Efforts to extradite the pair for the \$575 million scheme continue.

Prosecutors indicted a [Bremerton man for an extensive “swatting” campaign](#) that put people at risk across the U.S. and Canada. The case is pending trial.

Earlier this month a [French National was sentenced to three years in prison](#) for conspiracy to commit wire fraud and aggravated identity theft for a hacking scheme tied to the notorious ‘ShinyHunters’ cybercrime group.

Northern Border

We dismantled a human trafficking conspiracy over the northern border that used ride-share vehicles to transport migrants to Seattle and the South Sound. [One of the leaders was sentenced to 45 months in prison](#).

In November we arrested [a Romanian National who was attempting to smuggle others across the border](#). The case is emblematic of the risky smuggling schemes being undertaken at the Northern Border and of great concern to law enforcement.

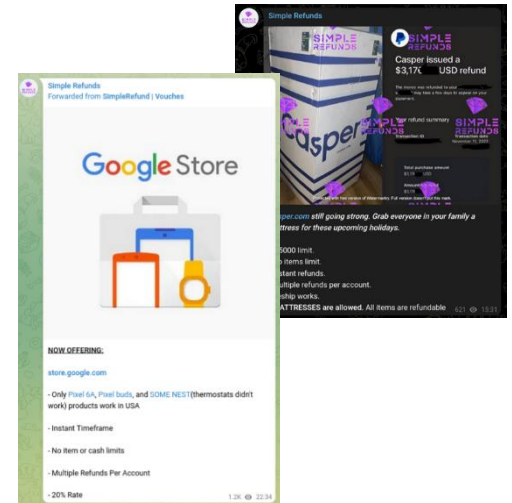
Environmental Crime

The Western District of Washington continues to aggressively prosecute environmental crimes.



Prosecutors tried and a jury convicted the plant manager and owners of [a barrel reconditioning company](#) for a ten-year scheme to dump corrosive chemicals into the King County sewer system. [In September, the leader of the scheme was sentenced](#) to 18 months in prison and a \$250,000 fine.

The prosecution of the owners of a Ridgefield automotive shop continues. [The indictment alleges the shop removed federally required emissions control equipment](#) from diesel pick-up trucks.



Indian Country

A variety of crimes in our Tribal communities are prosecuted in federal court. Our prosecutions range from drug trafficking, sexual assault, domestic violence, and other violent crime to environmental and wildlife issues, such as overfishing or killing protected birds. We work closely with our tribal communities to identify what is most important in their communities.

In a groundbreaking prosecution, [two artists who falsely claimed to be Native American Artists](#) pleaded guilty to violating the [Indian Arts and Crafts Act](#).



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award) worked closely with tribal leaders and the Indian Arts and Crafts Board to explain the damage art, falsely labeled as Native, does to our tribal communities and artisans.

Other prosecutions include: A member of the Swinomish Tribe was sentenced to [six years in prison for dealing drugs while armed](#). The defendant was one of three men preying on tribal and non-tribal members with their drug dealing of fentanyl and methamphetamine.

A member of the [Tulalip Tribes pleaded guilty to involuntary manslaughter](#) for the February 2020 crash that killed his passenger while they were off-roading at the family gravel pit.

[A former tribal councilmember and police officer was sentenced to 34 years in prison](#) for sexual abuse of minors.

Civil Division and Financial Litigation Program

The Civil Division continues to defend federal agencies and employees in 389 matters filed in 2023, in filings ranging from medical malpractice, tort, immigration, employment, Freedom of Information (FOIA), and Administrative Procedures Act (APA). The Civil Division also affirmatively files suit over civil rights violations or civil fraud on the government.

The Financial Litigation Program handles legal proceedings to enforce criminal fines, restitution orders, and civil judgments. In fiscal year 2023, the office collected \$12.3 million in criminal debts (restitution to victims of crime), and \$11.9 million in civil debts. The criminal and civil collections were nearly double what was collected in FY 2022.

False Claims Act

Our Affirmative Civil Enforcement attorneys reached settlements with various entities that submitted false claims to the government for reimbursement. A company with [sleep disorder clinics in Washington and California paid \\$644,562](#) to resolve claims it had improperly billed government health care programs.

A [California non-profit is paying the government \\$364,126 to resolve claims](#) it improperly billed the Economic Development Administration (EDA) as part of a grant to build a medical and nurse training facility.

And a [Puyallup wound healing medical firm paid \\$292,132 to resolve claims it improperly billed](#) government health care programs for services in nursing facilities in Washington, Oregon, Utah, and Idaho.

Civil Rights

Our Civil Rights Unit settled several matters related to the American with Disabilities Act (ADA) by getting a wide variety of organizations to update their services or physical spaces to ensure access. In December, [attorneys resolved three ADA complaints regarding hotels and motels in Western Washington](#). Six additional hotels are under investigation.

[Three matters were resolved with nursing homes regarding their policies toward those disabled by Opioid Use Disorder](#) and policies surrounding assistive devices for patients who are deaf or hard of hearing.

And [University Hospital Northwest resolved complaint that it failed to provide appropriate services for a patient who is deaf](#).



The Civil Rights Unit continues to monitor policing reforms implemented by the City of Seattle under the consent decree. In June, Assistant Attorney General Kristen Clarke visited Seattle to commend the Seattle Police Department on the progress it has made. In September, U.S. District Judge James L. Robart terminated most of the provisions of the consent decree saying SPD had

demonstrated compliance. However, [Judge Robart identified two areas where Seattle Police must still make progress – crowd control policies and the officer disciplinary system](#). Seattle Police continue to work on these areas of reform.

In the community

U.S. Attorney Gorman is making it a priority to meet with leadership of all 25 tribal nations in our district.

Here she and our Tribal Liaisons are meeting with the Swinomish Tribe.

For the second year in a row the U.S. Attorney's Office participated in the Seattle Day of Service. Below is our team at Woodland Park.



The U.S. Attorney's Office continued a Speaker's Series with community members providing their expertise. Below is a presentation on hate crimes presented by the Anti-Defamation League (ADL),





In October, the U.S. Attorney's Office joined law enforcement partners for "Trunk and Treat" - an event for kids in what has been a crime-plagued neighborhood of Tacoma.

At right the U.S. Attorney's Office presented a training for 150 members of industry, government agencies, and law enforcement on the Bank Secrecy Act/Anti-Money Laundering statutes.



For the third year in a row, the U.S. Attorney's Office hosted a booth at a career fair for youth at the Muslim Association of Puget Sound (MAPS), which is the largest Mosque in the Pacific Northwest.

