



FEDERAL NOTES

DEPARTMENTS

<i>Federal Drug and Gun Cases</i>	3
<i>Training</i>	2
<i>Criminal Docket</i>	5
<i>Civil Docket</i>	6

POINTS OF INTEREST

<i>Armed for his "lifestyle"</i>	4
<i>Human trafficking</i>	5
<i>\$2 million collected</i>	6
<i>Sex offender in prison for failing to register</i>	5

APPELLATE BRIEF: \$18 MILLION PENALTY FOR MERCURY STORAGE AFFIRMED

The Court of Appeals for the First Circuit affirmed Southern Union Company's conviction for illegally storing mercury at a site in Pawtucket. The Court also upheld \$18 million in fines and assessments that U.S. District Court Judge William E. Smith imposed on the company.



Southern Union, which owned New England Gas, began removing mercury from customers' gas meters in 2001. At first the company contracted to have the mercury shipped to a processing facility. That contract lapsed, however, and the mercury accumulated in a shed at a company-owned site off Tidewater Street in Pawtucket. Vandals broke into the shed in 2004, took several containers of mercury, splashed some of it about the site, and spilled more at a nearby housing complex. Residents of the complex were displaced for two months while workers cleaned up the mercury.

After a federal jury found Southern Union guilty of illegally storing hazardous waste, the company faced a fine of \$50,000 for each day of storage — a maximum fine of \$38 million. Judge Smith fined the company \$6 million and ordered it to pay an additional \$12 million to various public and non-profit agencies, including the Rhode Island Foundation, the Red Cross, and the Pawtucket Fire Department.



Workers cleaning up spilled mercury in 2004
(trial exhibit photo)

The company appealed both the conviction and the fine and assessments. However, in an opinion affirming both, Chief Judge Sandra L. Lynch wrote that the company's conduct, storing hazardous waste under deplorable conditions, justified a "penalty substantial enough to attract the attention of large corporations." *Assistant U.S. Attorney Donald C. Lockhart on appeal; at trial: Assistant U.S. Attorney Terrence P. Donnelly, DOJ Environmental Trial Attorney Kevin Cassidy, Diane Chabot, EPA-CID.*

TRAINING: GRANTS, GRANTS, GRANTS



Thomas Mon-geau, Director of the Public Safety Grants Administration Office, and U.S. Attorney Peter Neronha, co-sponsors of the training.



In December, police chiefs, administrators, and officers received a solid foundational training in obtaining and administering federal grants. Sponsored by the U.S. Attorney's Office and the Rhode Island Public Safety Grants Administration Office, the training covered all aspects of federal grants for law enforcement, — pre-application planning, grant acquisition, grant writing, and procedures for managing grant awards. The trainer, Michael C. Zagury, is a 32-year public service veteran, who conducts training on behalf of the Department of Justice, Bureau of Justice Assistance.

TRAINING OPPORTUNITIES

Criminal Asset Forfeiture

Taking the Profit Out of Crime



Conducting investigations into criminally derived assets;
Making a case that will result in the forfeiture of criminal assets.

March 1, 9:30 AM to 12:30 PM, at the U.S. Attorney's Office
Contact Tom Connell, 401-709-5032, thomas.connell@usdoj.gov

Firearms Investigations



Hosted by the Rhode Island State Crime Laboratory, the 13 Critical Tasks Workshop is based on the premise that successful firearms investigations depend on the effective management of information found on the inside and outside of a gun — the ballistics data for matching and identifying data for crime gun tracing.

March 23, 8:30 Am to 4:00 PM, 214 Fogarty Hall, 41 Lower College Road, on the URI Kingston Campus. Contact Dennis C. Hilliard, 401-874-2893, dch@uri.edu.

FEDERAL DRUG AND GUN CASES

Request for the “long one” nets a guilty plea to a firearms offense



Anthony Losardo phoned his girlfriend from the ACI, asking her to retrieve the “long one” from a locked garage before the owners found it. Woonsocket Police obtained a recording of that phone call and secured a search warrant for the garage, where they seized a .22 caliber semi-automatic rifle. Subsequent investigation determined that Losardo had rented the garage and was its sole user. He



pleaded guilty to being a felon in possession of a firearm and is awaiting sentencing. He had prior convictions for credit card fraud and narcotics offenses. *Assistant U.S. Attorney Richard W. Rose.*

Armed Career Criminal sentenced to 15 years

Providence Police suspected **Roger Garcia** of selling heroin from his apartment. When they went to his apartment they saw him toss a plastic bag containing heroin into the bathroom. A search turned up a 9mm pistol in a backpack in his son’s room. Garcia said the gun was his. A federal judge determined that Garcia’s violent criminal record qualified him as an armed career criminal under federal law, and sentenced him to 15 years in prison. “This case demonstrates again that guns and drugs



do not exist in a vacuum, and are often found together in the hands of serious criminals who plague our neighborhoods,” U.S. Attorney Peter F. Neronha said. *Assistant U.S. Attorney Richard W. Rose.*

Newport drug trafficker sentenced to 10 years in prison

When DEA Task Force agents and Newport Police executed a search warrant at **Samuel Garcia**’s residence in Newport, they found about four pounds of marijuana stashed in the attic. Agents found additional marijuana, some cocaine and a 9mm handgun in Garcia’s bedroom. Garcia said he’d been selling the drugs for about a month because he was afraid he was going to lose his apartment. He also said he planned to sell the gun, which he had bought in New Hampshire. Garcia pleaded guilty to drug trafficking and firearms violations and a federal judge sentenced him to ten years in prison.



Assistant U.S. Attorney Sandra R. Hebert.

FEDERAL DRUG AND GUN CASES

“Probationary” gang member admits dealing in Ecstasy



FBI agents assigned to the Safe Streets Task Force were able to attend and record an organizational meeting of the Trinitarios street gang. Seventeen people were at the meeting, including **Jose Cabrera**, who on another occasion sold an undercover agent 100 Ecstasy pills. FBI agents arrested Cabrera and he pleaded guilty to trafficking in Ecstasy. Cabrera acknowledged at his plea hearing that he is a “probationary” member of the Trinitarios, a street gang originating in New York.

Cabrera is awaiting sentencing. *Assistant U.S. Attorney Zechariah Chafee.*

Three convicted in heroin smuggling conspiracy

Ervin Fegueroa and his brother, **Elio Figueroa**, both of Cranston, used body couriers to smuggle heroin into the country from Guatemala. The couriers swallowed heroin pellets wrapped in latex before departing Guatemala for Rhode Island. The Figueroas repackaged the heroin and sold it in New England, shipping more than \$100,000 in profits back to Guatemala. DEA Task Force agents monitored hundreds of telephone conversations in which Ervin Figueroa arranged heroin shipments totaling more than a kilogram. After hearing extensive testimony from East Providence Police Detective and Task Force Agent Darren Ellinwood, a federal jury convicted both Figueroas of conspiracy, drug-trafficking and money laundering. A third defendant, **Carlos Rodas**, of Guatemala, who was one of the couriers, was also convicted at trial. In October 2009 another conspirator, **Jose Lazala** pleaded guilty to heroin smuggling and firearms offenses. He was sentenced to 122 months in prison. Three other defendants have pleaded guilty to their roles in the smuggling operation and await sentencing. *Assistant U.S. Attorneys Sandra R. Hebert and William J. Ferland.*



He armed himself for his “lifestyle” and is serving a 70-month prison sentence

James Lombardi armed himself because of his “lifestyle,” and as a means to protect the women who worked in his escort service. That’s what he told investigators after he was arrested for possessing a 12 gauge shotgun. Lombardi has prior felony convictions for robbery and assault. He pleaded guilty to being a felon in possession of a firearm and a federal judge sentenced him to 70 months in prison. *Assistant U.S. Attorney Stephanie S. Browne.*



CRIMINAL DOCKET SHEET

Sex offender sentenced for failing to register after moving to Rhode Island

In 1995 **Michael Sampson** was convicted in Massachusetts of a sex offense involving a teenager. He moved from New Bedford to Providence in September 2009 but failed to notify authorities of his address change. The federal Sex Offender Registration and Notification Act requires convicted sex offenders to register their address with police after relocating to another state. Police discovered that he was living in Rhode Island after



Providence Police arrested him on drug charges less than two months after he had moved to Providence. A federal judge sentenced Sampson to 30 months in prison for the SORNA violation. *Assistant U.S. Attorney Mary E. Rogers.*

Two plead guilty to human trafficking

Nathan Pope recruited two women from Indianapolis and brought them to a Warwick hotel for prostitution. **Jan M. Wales** remained in Indianapolis and used the Internet to schedule liaisons for the women. Pope assaulted one of the women at the hotel, whereupon she contacted Warwick Police. ICE agents later arrested Pope in a hotel near Bradley International Airport, Connecticut. Both Pope and Wales pleaded guilty to conspiracy and transporting an individual across state lines to



engage in prostitution, a violation of the Mann Act. They await sentencing *Assistant U.S. Attorney Terrence P. Donnelly.*

Three sentenced for online trading of child pornography

Robert M. Lopes, of Coventry, **John H. Roberts**, of Glocester, and **John G. Hathaway**, of Warwick, were arrested by the multi-agency Internet Crimes Against Children Task Force (ICAC), which is led by the Rhode Island State Police. They had been trading child pornography on line. Lopes, Roberts, and Hathaway were sentenced to five years in prison and ordered to pay a total of \$40,000 in restitution to a child porn subject identified as "Vicky." Federal law provides for restitution to identified victims of child pornography to pay for medical services, psychiatric and psychological care, and other costs resulting from their victimization. In one such case, the victim, now an adult, said in court filings that she is victimized again each time someone trades the pornographic images taken of her as a child. *Assistant U.S. Attorney Mary E. Rogers.*



(CONTINUED NEXT PAGE)

CIVIL DOCKET SHEET

U.S. Attorney's Office collected \$2 million in FY 2010



The U.S. Attorney's Office collected \$2,013,000 in Fiscal Year 2010. Criminal assessments, including fines and restitution to victims, totaled \$800,000; civil collections totaled \$1,060,000; and \$153,000 worth of criminal assets, either derived from crimes or used to commit crimes, were forfeited to the government. Collections for FY 2010, which ended September 30, did not reflect \$7.5 million paid in October by a Chinese pharmaceutical company that was smuggling human growth hormone. GeneScience Pharmaceutical Company and its CEO, Lei Jin, jointly forfeited \$4.5 million in criminal assets and paid an additional \$3 million to finance programs countering the effects of illicit doping in sports. *Financial Litigation Unit: Assistant U.S. Attorney Leslie J. Kane, Paralegal Specialist Sandra L. Mascola, Data Analyst April Ovian, and Auditor Danny L. Saccoccio.*

CRIMINAL DOCKET SHEET (CONTINUED)

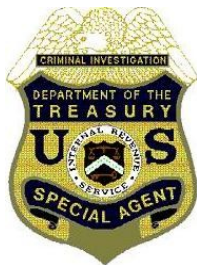
Real estate attorney, a former state senator, sentenced for mortgage fraud

Christopher Maselli, of Johnston, falsified bank and tax documents to obtain loans. Maselli applied for a series of loans, primarily mortgages, from several federally insured banks. To qualify for the loans, Maselli lied about his income and assets and produced fabricated documentation, including false tax returns and bank statements, to support his misrepresentations. Generally, the banks relied on his false statements in approving loans totaling more than \$1.7 million. Maselli, who resigned as a state senator and consented to disbarment after federal criminal charges were filed, pleaded guilty to eight counts of bank fraud. A federal judge sentenced him to 27 months in prison. *Assistant U.S. Attorney Dulce Donovan.*



Construction contractor pleads guilty to tax evasion, is sentenced to prison

Gerald Diodati concealed from the IRS \$586,000 in earnings. Diodati converted business proceeds into cash and used check cashing services to help conceal his income and avoid paying taxes. The case arose from an investigation in which the FBI set up a dummy corporation, Hemphill Construction, to do demolition work. Hemphill subcontracted to Diodati, who proposed that Hemphill keep 20% of what it owed him and pay him the balance in cash to reduce his tax liability. Diodati was sentenced to a year and a day in prison. *Scott Lawson, Trial Attorney, Organized Crime and Racketeering Section.*



U.S. ATTORNEY'S OFFICE
RHODE ISLAND



50 Kennedy Plaza, 8th floor
Providence, Rhode Island 02903

Phone: 401-709-5000

Fax: 401-709-5001

United States Attorney
First Assistant U.S. Attorney
Civil Chief & Asset Forfeiture
Criminal Chief
Deputy Criminal Chief / Narcotics
Anti-Terrorism
Law Enforcement Coordinator
Public Information

Peter F. Neronha
Kenneth P. Madden
Michael P. Iannotti
Stephen G. Dambruch
Adi K. Goldstein
Brian J. Pires
Thomas Connell
Jim Martin

On the Web at <http://www.usdoj.gov/usao/ri/>



NATIONAL CRIME VICTIMS' RIGHTS WEEK
— APRIL 10-16, 2011 —



SPONSORED BY U.S. DEPARTMENT OF JUSTICE • OFFICE OF JUSTICE PROGRAMS • OFFICE OF CRIME VICTIMS' RIGHTS