

# US Attorneys Roundtable

NAPABA Conference

November 7, 2015

# Agenda

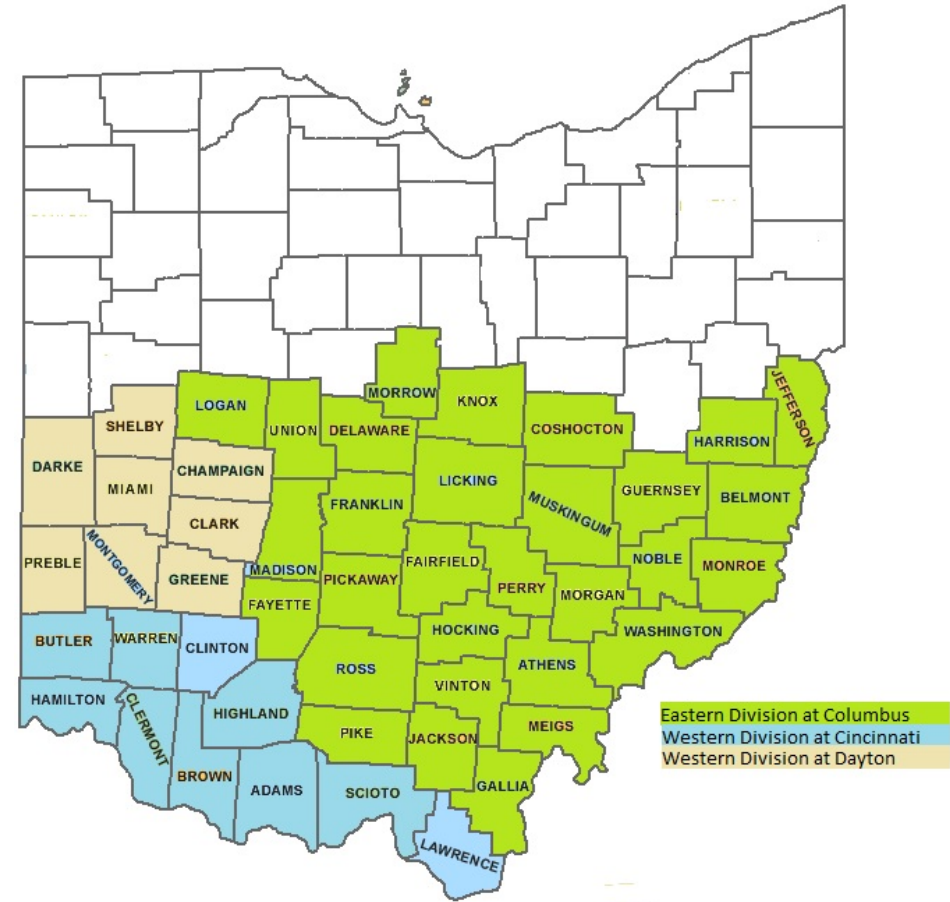
- Introduction
- The Districts and U.S. Attorneys
- The Appointment Process
- Trends & Cases
- Policies
- Conclusion

# Introduction

- US Attorneys are the “local” office for the Department of Justice
  - District have a large geographic footprint, large population
- Post-financial crises, there is a renewed focus on criminal and civil enforcement
- Provide information on:
  - US Attorneys
  - Trends
  - Cases
  - Better understand the offices
  - Familiarity in resolving cases

# US Att’y for S.D. Ohio: Carter Stewart

- Appointed in 2009
- US Attorney for S.D. Ohio
  - District covers the southern half of Ohio, including Columbus, Dayton, Cincinnati
  - Population of over 5 million
- Member of AG’s Advisory Committee
- Child Exploitation Working Group



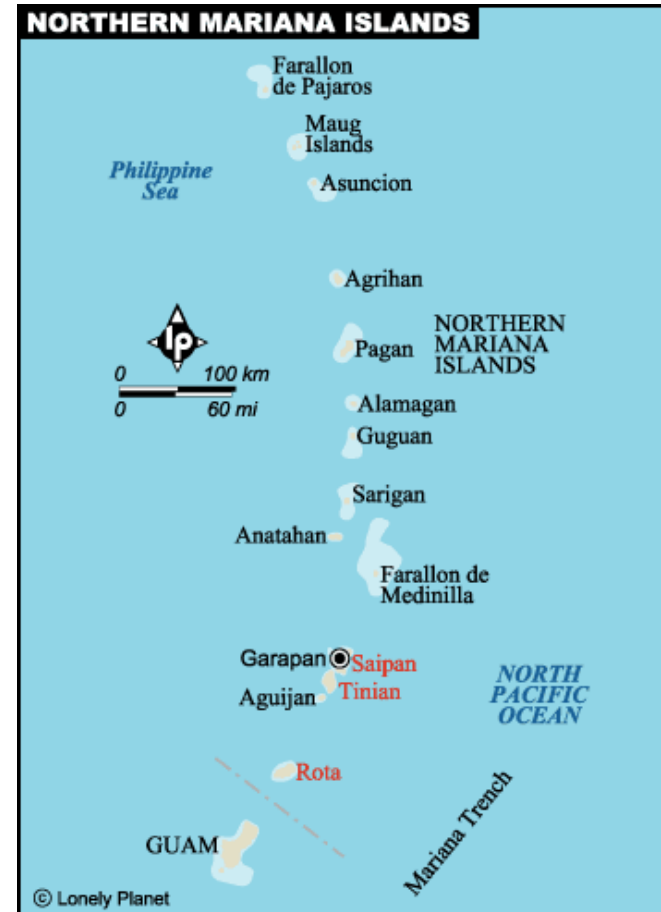
# U.S. Att’y for D. Hawai’i: Florence Nakakuni

- Appointed in 2009
- US Attorney for D. Hawaii
  - District covers Hawaii
  - Population of 1.4 million
  - Over 150,000 square miles of protected federal lands and ocean
- Over 35 years in federal service



# US Atty. For D. Guam & N. Mariana Islands: Alicia Anne Garrido Limtiaco

- Appointed in 2010
- Jurisdiction cover D. Guam and D. N.M.I.
  - Population of over 210,000
  - Includes 8 pacific islands
  - 750 sq. miles and over 350,000 sq. miles of territorial waters
- Former A.G. of Guam



# The U.S. Attorney Appointment Process

- What attracted you to the position
  - Public service
  - Management
  - Prosecutorial discretion
  - Wide-angle Impact
- Like most federal positions, an open application process
- Approved by home state Senator
- Vetted by DOJ
- Appointed by President

# Getting Noticed

- Reputation as lawyer
  - Civil v. criminal
- Experience in federal service
- Relationships
  - With Senate staff
  - With the presidential administration
  - With state government



# The Application

- Detailed FBI background check
- Voluminous and detailed disclosures
  - Every place you have lived
  - Every case you have litigated
  - Every place you have worked
    - Every supervisor you had
  - Every speech you've made, every writing you have published
- Recommendations

# The Home State Interview: Hawaii

- Staff Interview
  - Detailed inquiry into past work performance
  - Making sure had substantial litigation experience
  - Relationships
- Sen. Inouye Interview
- Sen. Akaka Interview

# The Home State Interview: S.D. Ohio

- Vetting by Sen. Brown Staff
- Judicial appointment panel interview
  - Over a dozen prominent attorneys from the N.D. Ohio
  - Competitive interview process
  - Detailed inquiry into background and work history
- Sen. Brown Interview
- Sen. Voinovich
  - Management experience
  - Record as AUSA and in private practice

# The Home State Interview: D. Guam & N.M.I.

# DOJ Interviews

- Staff Interview
  - Background and Work History
  - David Margolis
    - Policy questions
    - Legal heroes
- AG Interview
  - Questions about background
  - Skeletons
  - Ideas for the Office

# Appointment Takeaways

- Keep great historical records
- Disclose everything up front
  - Policy position at odds with current administration
  - Prior indiscretions
- Reputation and standing in local community matters a lot

# Trends & Cases

- National Security
- Environmental
- Public Corruption
- Human Trafficking
- White Collar Cases
- Drugs & Violent Crime

# National Security

- Every district's top priority
- Terrorism
- Foreign intelligence officers
- Industrial espionage



# National Security: Cases: Ohio

- United States v. Abdirahman Mohamud
  - 23 year old Columbus resident
    - Charged with providing material support to terrorists
  - Travelled to Syria to obtain terrorist training
  - Instructed to return to U.S. to commit an act of terrorism
- United States v. Cornell
  - 21 year old Cincinnati resident
  - Charged with attempting to provide material support to ISIL

# National Security: Cases: Hawaii

- United States v. Noshir Gowanda
  - Stealth bomber engineer with Northrup
  - Selling defense information to China and other countries
  - Assisted PRC in designing a low observable cruise missile exhaust system nozzle capable of rendering missile less susceptible to detection and interception
  - 17 counts including espionage, conspiracy, money laundering, and tax offenses
  - Serving 32 year federal sentence

# National Security: Cases: Hawaii

- United States v. Benjamin Bishop
  - 59 year old Hawaii resident
  - Lt. Col in Army Reserve
  - Charged with disclosing classified information to 27 year old Chinese graduate student with whom he had a romantic relationship
  - Information relating to nuclear weapons systems, early-warning radar systems and other U.S. Defense programs
  - 87 month sentence

# National Security: Cases: Guam & N.M.I.

# National Security: Trends

- Increased military resources in the Pacific
  - More foreign intelligence activity
  - Industrial espionage
- Terrorism
  - Traveler cases
  - Domestic radicalization
  - Use of social media
    - Terrorist propaganda is slick, targeted, and appealing to youth

# Environmental: Cases: Guam & N.M.I.

# Environmental: Cases: Hawai'i

- Matson Terminals, Inc.
  - Underwater pipe that transported molasses to disposal area
  - Pipe was leaky
  - 233,000 gallon molasses spill in September 2013
  - Killed more than 25,000 fish and other marine life
  - Agreement to pay \$1 million restitution
- Keoje Marine Co., Ltd.
  - Chief Engineer of an oil tanker and assistant engineer were convicted of dumping oily waste into Hawaii waters
  - \$1.15 million criminal penalty, \$250k to Nation Fish and Wildlife Foundation to support projects to protect and restore marine resources
- Hawaiian Accessories Inc.
  - A Hawaii company, its owner, and other employees were indicted in June 2015 for conspiracy to smuggle: walrus ivory carvings; whale bone carvings; and black coral carvings
  - Trial set for 2016

# Environmental: Cases: Ohio

- United States v. Daniels

- Defendants New Energy Fuels and Chieftan Biofuels purported to produce biodiesel, which would have earned tradeable energy credits and tax credits worth \$1 per gallon.
- Defendants were not producing biodiesel, but a cheaper, lower quality fuel known as “cutter” or “bunker.”
  - Improperly claimed \$7 million in tax credits; \$15 million in tradeable energy credits

- United States v. Beatty

- First prosecution under Native American Grave Protection Act in Southern Ohio.
- 4 Defendants charged with digging up Native American bones and artifacts



# Environmental: Trends

- Interagency coordination and community outreach
  - Resulting in more effective environmental enforcement.
    - Example: Coast Guard
- Large scale agriculture may result in significant adverse effects
  - Fertilizer and manure run-off
- Illegal harvesting of fish
  - Ohio River: harvesting of paddlefish and catfish for roe is endemic.
  - Coordination is difficult due to differing state laws covering this activity
- Oil spills and pollution
  - Fracking boom

# Public Corruption: Cases: Ohio

- United States v. Amer Ahmad
  - Former Deputy Treasurer to State of Ohio, pleaded guilty to federal program bribery and conspiracy
  - Ahmad directed brokerage work for the Ohio treasury to Douglas Hampton, a securities broker in return for payments.
  - Hampton received \$3.2 million in commissions
  - Ahmad and other co-conspirators received \$500k from Hampton
  - Fled to Pakistan
  - Awaiting extradition

# Public Corruption: Cases: Hawai'i

- Ofc. Roddy Tsunezumi
  - Former HPD police officer
  - Extortion and protection racket relating to local businesses
  - 33 months
- Ofc. Feso Malufau
  - Conspired to smuggle meth through USO Family prison gang
  - 97 months

# Public Corruption: Cases: Guam

# Public Corruption: Trends

- Increased use of camera phones and surveillance video making public corruption cases more viable
  - “Under color of law” – no longer officers words against victim
- Uptick in bribery involving federal programs
  - Usually involving large dollar amounts to incentivize public officials

# Human Trafficking: Cases: Guam & N.M.I.

# Human Trafficking: Cases: Hawai'i

- Mac Farms, Kauai Coffee Co., Kelena Farms, Captain Cook Coffee
  - Enforcement action brought in conjunction with EEOC
  - Over 500 Thai workers
  - Debt bondage, unsanitary conditions, threats of violence
  - One of largest labor trafficking cases in U.S.
  - \$2.4 million settlement
- Rodney D. King
  - Sex trafficking case involving minors and adults
  - 25 year sentence

# Human Trafficking: Cases: Ohio

- United States v. Arrick
  - Father and son advertised services for prostitutes
  - Coerced victims through heroin, threats of force
  - Son serving 10 year sentence
  - Father serving 13 year sentence
- United States v. Alexander
  - 16 year old victim introduced by Thomasina Howard to sex trafficker (Valerio Alexander) in exchange for drugs
  - Trafficker took photos of the victim and posted on sex services website, backpage.com
  - Victim was made to engage in intercourse for money at trafficker's direction
  - 15 year prison sentence



# Human Trafficking: Trends

- Increasing understanding of sex trafficking, with sex workers being viewed as victims, rather than perpetrators
  - Greater number of cases being investigated and prosecuted
- Better investigative techniques and coordination
  - Uncovering organized crime's involvement in trafficking
  - More international cooperation
    - Thai Judges and Prosecutors

# White Collar: Cases: Ohio

- United States v. Harrison
  - Fraud case involving scam product OXY Water, similar to Vitamin Water
  - Victims included: R&B artist Ne-Yo, Greg Jennings (NFL), other professional athletes
  - Defendants used investors funds to support lavish lifestyle
  - Victims lost over \$9 million
- United States v. Zafar
  - \$10.1 million fraud scam involving investments into purported Pakistani real estate
  - Defrauded over \$3.5 million from employees of the Miami Heat
  - 72 month sentence

# White Collar: Cases: Guam & N.M.I.

# White Collar: Cases: Hawai'i

- Mahealani Ventura Oliver
  - Hawaiian woman who ran a charitable organization focused on benefitting Native Hawaiians
  - Defrauded \$468k in mortgage, credit card, and debt elimination scams
  - 6 ½ year sentence
- George Lindell and Holly Hoaeae
  - Ponzi scheme involving \$26 million invested by 166 Maui residents.
  - Over \$9 million lost in scheme.
  - Using radio and TV ads, urged investors to attend weekly workshops to “harness” the equity in their homes by investing in secure corporate bonds.
  - In fact, Defendants invested in “junk” bonds, and used the remainder to support their luxurious lifestyle.
- Andy Yip
  - Businessman who operated an off the books business that sold watches.
  - Failed to report income from off the books business.
  - Hong Kong bank accounts in wife’s name that were not reported
  - Civil audit finds unexplained deposits of \$600k
  - 2 counts of failure to commit report foreign financial agency transactions

# White Collar: Trends

- Increase in cyber-crime.
  - For companies, governments, and other institutions, not a question of “if,” but “when”
  - Increased use of scamming, phishing, and other fraudulent email scams to companies
    - Coordination between private sector and government
  - Credit card fraud rings
    - 4-5 day shopping spree to buy high-end merchandise
- Use of off-shore accounts
  - U.S. can issue subpoenas to identify taxpayers in tax havens
  - Logical next focus is in the Asian Pacific region, such as Singapore
- Affinity frauds
  - Members of closely knit ethnic, cultural, religious or professional groups are targeted by con artists.
  - Con community leaders, and then rest of the community follows

# Drugs & Violent Crime: Cases: Hawai'i

- Naeem Williams
  - Only capital case in Hawai'i, which has no state death penalty
  - Convicted of killing 5-year old daughter
    - Repeated child abuse
  - Jury could not agree on death sentence; received LWOP

# Drugs & Violent Crime: Cases: Ohio

- United States v. Fletcher; United States v. Ledbetter (the “Short North Posse Cases”)
  - *Fletcher* involves 22 person conspiracy charged with distributing cocaine, oxycodone, crack, and marijuana
  - *Ledbetter* is the largest federal murder indictment in Ohio, involving 20 co-conspirators.
    - Covers 13 previously unsolved murders.
    - Involves wide ranging drug enterprise.
- United States v. Temperance
  - Involves father and daughter physicians who allegedly operated a pill mill in Portsmouth, Ohio.
  - Seeing 20 customers a day, and charging cash for opioids

# Drugs & Violent Crime: Guam & N.M.I



# Drugs & Violent Crime: Trends

- Prescription opiates are becoming pricey
  - “Pill mill” prosecutions of corrupt doctors and service providers have been successful
  - Cartels are flooding the market with cheap heroin to meet demand
- In Hawaii, 95% of cases involve methamphetamine or “Ice”
  - Has gotten cheaper, purer, more prevalent over time
    - 99% pure meth is common
    - Five pound seizure was rare 6 years ago
    - Ten pound seizure is now routine

# Policy Developments

- National Security
  - More frequent and effective coordination
    - Joint Terrorism Task Force
  - Use of data monitoring
- Public Corruption
  - Federal programs account for \$500 million in tax incentives
  - Increasing risk of bribery
  - Creation of multi-jurisdiction tax forces in state capitals to focus on corruption

# Policy Developments

- Cyber-crime
  - Corporate hacking
  - Identity theft
  - Child pornography
  - Partnering with private sector
    - Access of phone data

# Conclusion

- Questions?
- Thank You!