



Environmental Crimes Case Bulletin

U.S. Environmental Protection Agency
Office of Criminal Enforcement, Forensics and Training

This bulletin summarizes publicized investigative activity and adjudicated cases conducted by OCEFT Criminal Investigation Division special agents, forensic specialists, and legal support staff. To subscribe to this monthly bulletin you may [sign up for email alerts](#) on our publications page. Unless otherwise noted, all photos are provided by EPA-CID.

June—July 2020

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United States
Environmental Protection
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Ohio Man Sentenced for Illegal Slaughter and Discharge of Animals

The U.S. Attorney for the Northern District of Ohio, announced on July 7, 2020 that Amin M. Salem, age 61, of Westlake, was sentenced to 33-months imprisonment after entering a plea of guilty to money laundering, unpermitted discharge into a waterway of the United States, and the slaughter of animals for commercial use without a permit on December 17, 2019. According to court documents, Amin Salem operated an unregulated slaughterhouse in Elyria and polluted a stream by dumping animal blood and other fluids. Salem then laundered the profits from the illegal slaughterhouse operation at Cleveland-area gas stations.

"Salem's blatant disregard for the rules and regulations governing our food and water supply put the health of countless people at risk, all so he could make a quick profit," said U.S. Attorney Justin Herdman. "These actions, combined with his admitted money laundering activities, all show that Salem's sentence was earned and justified."

"Amin Salem attempted to conceal the profits from the illegal sale of lamb through his legitimate gas station bank accounts, but the financial expertise of IRS Criminal Investigation and the joint investigative efforts of our federal, state and local counterparts unraveled this money laundering scheme," said Bryant Jackson, Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office.

"The defendants blatantly disregarded environmental laws by discharging animal waste directly into a local stream," said Special Agent in Charge Jennifer Lynn of EPA's criminal investigation program in Ohio. "This sentencing demonstrates that EPA and its law enforcement partners will not tolerate actions that endanger communities and natural resources."

According to the indictment, from September 2014 through March 2016, Salem owned two properties in Elyria, Ohio where he, and others, slaughtered animals for commercial sale and personal consumption without any licenses or permits. As part of the slaughterhouse operation, Salem discharged blood and other bodily fluids into Engle Ditch, a waterway that emptied into Beaver Creek and Lake Eire. In total, Salem slaughtered at least 400 lambs or goats weighing approximately 25,000 pounds.

From October 2010 through March 2016, Salem owned several Cleveland area gas stations where he sold his adulterated and uninspected meat. Proceeds from the sales of the meat were deposited into gas station bank accounts in an attempt to conceal their source and further facilitate the illegal slaughtering operation. In total, over \$695,000 was deposited into the bank accounts for the gas station located at 3934 West 117th Street in Cleveland, Ohio, with approximately \$88,000 coming from the illegal sale of meat.

Also indicted in this matter were Mohamed Salem (Amin Salem's son), age 34, of Westlake and Zahran Al-Qadan, age 57, of Cleveland. Al-Qadan was sentenced to two years of probation, the first four months as



home confinement. Mohamed Salem is awaiting sentencing.

This case was investigated by the FBI, IRS-Criminal Investigations, USDA-OIG, USDA-FSIS, EPA's Criminal Investigation Division, Ohio Investigative Unit, Ohio Department of Taxation, Ohio Department of Agriculture, BCI, Ohio EPA, Lorain County Sheriff's Office, Guernsey County Sheriff's Department, Cleveland Division of Police, Westlake Police Department and Strongsville Police Department. The case was prosecuted by a DOJ litigation team.

Former Custom Carbon Processing Official Sentenced to Prison, Fined for Violating Clean Air Act for Actions Leading to Explosion of Montana Oil Processing Plant

The former president of Custom Carbon Processing, Inc. was sentenced on July 10, 2020 to 18 months in prison, three years of supervised release and fined \$50,000 for his actions related to an explosion that injured three workers at the company's oil processing plant in Wibaux, Montana.

A jury in September found Peter Margiotta, 63, of Edmonton, Alberta, Canada, guilty of all three counts in an indictment, including conspiracy, Clean Air Act—general duty and Clean Air Act-knowing endangerment.

U.S. District Judge Susan P. Watters presided. Judge Watters took restitution under advisement and will issue a ruling later. Margiotta was released pending assignment to a federal prison.

"By failing to comply with the law in the construction and operation of a plant that handled hazardous materials, Mr. Margiotta endangered his employees, three of whom were injured in the explosion. Companies doing business in Montana must follow environmental regulations," U.S. Attorney Alme said.

"By knowingly operating an oil processing facility without appropriate safeguards, the defendant endangered workers and the public," said Bert Marsden, Resident Agent in Charge of the Environmental Protection Agency's criminal enforcement program. "Today's sentencing reflects the egregious nature of the defendant's actions."

"Employees expect that their employers prioritize their safety by ensuring adherence to Federal safety regulations. In hazardous material transportation and processing, this expectation is paramount," stated Cissy McCune, Regional Special Agent-in-Charge, U.S. Department of Transportation Office of Inspector General. "Our work with the U.S. Attorney's Office and agents from the U.S. Environmental Protection Agency, which resulted in the sentencing of Mr. Margiotta, is a testament to our commitment to protecting the safety of our nation's transportation workforce."

"The hard work and dedication of our federal partners to bring justice for victims and hold Mr. Margiotta accountable for his unacceptable actions is to be commended," said Rita Lucero, Acting Regional Administrator for OSHA's Denver Region. "OSHA will continue to collaborate with federal agencies to hold employers accountable if they violate federal workplace safety and health laws that place their employees at risk of serious physical harm and death."

During a five-day jury trial, the prosecution presented the following evidence:

Margiotta was president and CEO of Custom Carbon Processing, a Wyoming company that constructed the Michels Disposal Well and Oil Reclamation Facility in Wibaux in 2012. The construction was done in ways that allowed extremely hazardous hydrocarbon vapors and air pollutants to be released into the air.

On July 4, 2012, Margiotta directed the opening of the plant before implementing appropriate electrical wir-



ing, ventilation and other safety measures. On that date, the project manager emailed Margiotta: “The control panels must be moved asap with the explosion proof wiring. We also run the risk of killing someone, not only our operators but also customers.”

Margiotta also directed employees to accept shipments of highly volatile and flammable “natural gas condensate” or “drip gas” into the operations in a purported effort to help thin and process the slop oil at the plant.

Margiotta disregarded repeated warnings from the plant’s foreman that the natural gas condensate was not effective in thinning the slop oil and instead was creating a dangerous situation because of its highly volatile and flammable nature.

On Dec. 29, 2012, the plant accepted a delivery of natural gas condensate. During the offloading of the material, hazardous and flammable vapors from the condensate filled the plant building and spread out the open bay doors where the truck delivering the condensate was located. The vapors reached an ignition source, triggering an explosion that injured three employees and extensively damaged the plant, the truck and trailer involved in the delivery.

This Clean Air Act prosecution was of national significance not only for the extent of the harm caused, but also because it is the first trial conviction under 42 U.S.C. Sec. 7413(c)(5), which imposes increased penalties for anyone who knowingly releases hazardous air pollutants knowing that, at the time of the release, they have put someone in imminent danger of death or serious bodily injury. It is also the first conviction under 42 U.S.C. Sec. 7412(r)(1), which places a general duty on owners/operators of facilities handling extremely hazardous substances to prevent and mitigate the consequences of accidental releases of those substances.

Assistant U.S. Attorney Bryan Dake and Special Assistant U.S. Attorney Eric Nelson prosecuted the case, which was investigated by EPA’s Criminal Investigation Division, the U.S. Department of Transportation Office of Inspector General and the Occupational Safety and Health Administration.

Wyoming Renovator Sentenced for Illegal/Improper Asbestos Removal

On June 9, 2020, Jacob Davis was sentenced in the District of Wyoming to pay a \$9,000 fine, complete a three-year term of probation, and perform 120 hours community service. Restitution will be determined at a later date.

In March 2015, during a building renovation, Davis violated the Clean Air Act by, among other things: failing to provide authorities with written notice prior to disturbing regulated asbestos-containing material (RACM) at the facility; failing to keep RACM wet during removal; and failing to properly dispose of RACM.

EPA's Criminal Investigation Division conducted the investigation. The case was prosecuted by DOJ.

Missouri Pesticide Application Technician Pleads Guilty after Residential Misapplication of Restricted-Use Pesticide

On July 22, 2020, James Leach pleaded guilty to violating the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) for misapplying zinc phosphide, a restricted-use pesticide. Sentencing is scheduled for October 21, 2020.

Leach worked as a licensed pesticide technician for B&D Pest Solutions, LLC. In January 2018, Leach applied zinc phosphide in open areas on the main floor of a residence where six people lived, including four young children. He later documented where he had treated the residence. The product label clearly indicated the product is not to be applied in areas accessible to children or pets.

EPA's Criminal Investigation Division conducted the investigation and DOJ is prosecuting the case.

Former EPA Fugitive Pleads Guilty to Wire Fraud for Illegal Disposal of Radioactive Filters

On July 14, 2020, James Kenneth Ward pleaded guilty to wire fraud for defrauding an oil/gas operator by promising to legally dispose of radioactive contaminated “filter socks.” Sentencing is scheduled for October 22, 2020.

Zenith Produced Water, LLC owned and operated saltwater disposal wells. Workers use tubular nets, known as filter socks, to collect pollutants and radioactive substances from the saltwater produced from oil drilling. Zenith paid Ward \$9,977 to properly incinerate and dispose of the filter socks. Ward, instead, dumped them in an abandoned gas station in North Dakota. This case was prosecuted in the District of Montana since Ward cashed checks there between August 2011 and August 2012.

Prosecutors charged Ward in April 2017, but he was a fugitive from pending state larceny charges in Wyoming at the time. Authorities recently apprehended Ward (on a domestic violence charge). After resolving charges in Wyoming, authorities transferred him into federal custody in Montana.

EPA’s Criminal Investigation Division conducted the investigation and a DOJ litigation team is handling the prosecution.



Abandoned gas station where Ward dumped radioactive filter socks

Atlanta Georgia Resident Arrested for Scheme to Sell Illegal Products Claiming to Protect Against COVID-19

On June 11, 2020, Stephen Matthew Shumaker was charged with mail fraud and knowingly distributing and selling a misbranded pesticidal device.

“Shumaker allegedly used the COVID-19 pandemic to sell a product that does not provide the benefits he advertised,” said U.S. Attorney Byung J. “BJay” Pak. “We are proud to be part of the Georgia COVID-19 Task Force, which continues to identify and prosecute those who attempt to perpetrate Coronavirus-related fraud schemes.”

“The U.S. Postal Inspection Service will remain vigilant in bringing to justice anyone that seeks to defraud individuals during this pandemic,” said Tommy D. Coke, Inspector in Charge of the Atlanta Division. “This scheme highlights the importance of collaborating with our law enforcement partners to investigate and stop those seeking to take advantage of innocent victims.”

“The defendant is charged with knowingly selling a fraudulent product during the COVID-19 public health emergency in order to make a profit,” said Environmental Protection Agency Assistant Administrator for Enforcement and Compliance Assurance Susan Bodine. “EPA and our partners in law enforcement remain vigilant to protect consumers from this kind of outrageous behavior. To find out how to protect yourself from fraudulent products please [see EPA’s compliance advisory](#).”

“Selling a misbranded pesticidal device as a protection for COVID-19 gives unsuspecting buyers a false sense of hope and places them in danger,” said acting Special Agent in Charge Robert Hammer, who oversees Homeland Security Investigations (HSI) operations in Georgia and Alabama. “HSI is proud to support the Georgia COVID-19 task force in protecting our citizens from these fraudsters.”

“The Federal Trade Commission appreciates the opportunity to work with the U.S. Attorney’s Office and the COVID-19 Task Force on such an important case,” said Anna Burns, the Commission’s Southeast Regional Director. “Interagency cooperation is essential to ensuring U.S. consumers are protected from fraud associated with the coronavirus pandemic.”

According to U.S. Attorney Pak, the charges, and other information presented in court: Shumaker allegedly engaged in a scheme to defraud by soliciting thousands of Georgia residents with false claims that the Beyond Guardian Air™ air purifier kills every major viral and bacterial infection, including the COVID-19 coronavirus disease, in the home. According to the EPA, the device for sale is also a misbranded pesticidal device, another violation of federal law.

Stephen Matthew Shumaker, 43, of Marietta, Georgia, appeared before U.S. Magistrate Judge Christopher C. Bly. Members of the public are reminded that a complaint only contains charges. The defendant is presumed innocent of the charges and it will be the government’s burden to prove the defendant’s guilt beyond a reasonable doubt at trial.

The Department of Justice recommends that Americans take the following precautionary measures to protect themselves from known and emerging scams related to COVID-19:



Independently verify the identity of any company, charity, or individual that contacts you regarding COVID-19.

Check the websites and email addresses offering information, products, or services related to COVID-19. Be aware that scammers often employ addresses that differ only slightly from those belonging to the entities they are impersonating. For example, they might use “cdc.com” or “cdc.org” instead of “cdc.gov.”

Be wary of unsolicited emails offering information, supplies, or treatment for COVID-19 or requesting your personal information for medical purposes. Legitimate health authorities will not contact the general public this way.

Do not click on links or open email attachments from unknown or unverified sources. Doing so could download a virus onto your computer or device.

Make sure the anti-malware and anti-virus software on your computer is operating and up to date.

Ignore offers from suspicious sources for a COVID-19 vaccine, cure, or treatment. Remember, if a vaccine becomes available, you won't hear about it for the first time through an email, online ad, or unsolicited sales pitch.

Check online reviews of any company offering COVID-19 products or supplies. Avoid companies whose customers have complained about not receiving items.

Research any charities or crowdfunding sites soliciting donations in connection with COVID-19 before giving any donation. Remember, an organization may not be legitimate even if it uses words like “CDC” or “government” in its name or has reputable looking seals or logos on its materials. For online resources on donating wisely, visit the Federal Trade Commission's website at www.ftc.gov.

Be wary of any business, charity, or individual requesting payments or donations in cash, by wire transfer, gift card, or through the mail. Don't send money through any of these channels.

Be cautious of “investment opportunities” tied to COVID-19, especially those based on claims that a small company's products or services can help stop the virus. If you decide to invest, carefully research the investment beforehand. For information on how to avoid investment fraud, visit the U.S. Securities and Exchange Commission (SEC) website.

This case is part of Georgia's Coronavirus (COVID-19) Fraud Task Force, aimed at better protecting the citizens of Georgia from criminal fraud arising from the pandemic. Formed by Georgia's leading state and federal prosecutors, the task force serves to open channels of communication between partner agencies and more rapidly share information about COVID-19 fraud, while ensuring each fraud complaint is reported to the appropriate prosecuting agency. The task force member agencies include the Office of the Governor of Georgia, the Office of the Attorney General of Georgia, the U.S. Attorney's Office for the Northern District of Georgia, the U.S. Attorney's Office for the Middle District of Georgia and the U.S. Attorney's Office for the Southern District of Georgia. Georgia's three U.S. Attorneys, the Attorney General of Georgia, and the Executive Counsel for the Governor's Office serve on the task force. If you think you are a victim of a scam or attempted

fraud involving COVID-19, contact the National Center for Disaster Fraud Hotline at 866-720-5721 or submit an NCDF Disaster Complaint online at www.justice.gov/DisasterComplaintForm.

The U.S. Postal Inspection Service, EPA's Criminal Investigation Division and the U.S. Immigration and Customs Enforcement, Homeland Security Investigations are investigating this case, with assistance from the Federal Trade Commission. The case is being prosecuted by DOJ.

An indictment is merely an accusation. Defendants are presumed innocent unless and until proven guilty.

Eleven Defendants Charged in Honolulu, Hawaii Federal Court with Racketeering and Other Offenses

Superseding indictment includes charges against Michael J. Miske, Jr. for the July 2016 kidnapping and murder of 21-year-old Johnathan Fraser

Kenji M. Price, the U.S. Attorney for the District of Hawaii, Eli S. Miranda, Special Agent in Charge of the Honolulu Field Office of the Federal Bureau of Investigation (FBI), Tom Murdock, Special Agent in Charge of the Seattle Field Office of the Internal Revenue Service Criminal Investigation (IRS-CI), Josh Allen, Acting Special Agent in Charge of the Office of the Environmental Protection Agency, Criminal Investigative Division (EPA-CID), Lucia Cabral-Dearmas, Acting Special Agent in Charge of the Honolulu Field Office of Homeland Security Investigations (HSI), and Aaron Joseph, Regional Agent in Charge of the Seattle Field Division of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) announced the unsealing of a Superseding Indictment on July 15, 2020, charging Michael J. Miske, Jr., and 10 other defendants with racketeering conspiracy and other offenses. The Superseding Indictment includes charges against Miske for his role in the kidnapping and murder of 21-year-old Johnathan Fraser in July 2016.

A prior Indictment, which charged Miske and another defendant with participation in a cocaine trafficking conspiracy, was also unsealed July 15, 2020.

Eight of the defendants were arrested on July 15, 2020. One defendant has not been arrested and remains at large. Two of the defendants, Lance Bermudez and Dae Han Moon, were already in state custody. The case has been assigned to United States District Judge Derrick K. Watson.

As alleged in the Superseding Indictment unsealed on July 15, 2020 in Hawaii federal court[1]:

From at least in or about the late 1990s, up to and including the date of the Superseding Indictment, Michael J. Miske, Jr., aka “Bro,” John B. Stancil, Kaulana Freitas, aka “Shorty,” Lance L. Bermudez, aka “Hammah,” Dea Han Moon, aka “Dayday,” Preston M. Kimoto, Harry K. Kauhi, aka “Harry Boy,” Norman L. Akua III, Hunter J. Wilson, and Jarrin K. Young, the defendants, and others known and unknown, conspired to conduct and participate in the conduct of the affairs of a racketeering enterprise, the “Miske Enterprise,” through a pattern of racketeering activity. The racketeering activity included acts involving murder, kidnapping, arson, and robbery. It also included acts relating to murder-for-hire, chemical weapons, extortionate credit transactions, racketeering, interference with commerce through robbery and extortion, drug trafficking, wire fraud, fraud in connection with identification documents, financial institution fraud, the Currency and Foreign Transactions Reporting Act, money laundering, and obstruction of justice.

From at least in or about March 2016 and continuing to on or about July 30, 2016, Miske conspired with others to kidnap and murder 21-year-old Johnathan Fraser. In March 2016, Miske instructed a co-conspirator to develop a plan for kidnapping and murdering Fraser, and told that co-conspirator that he/she could name the price for carrying out the murder. In or about June 2016, MISKE arranged for the purchase of a Boston Whaler vessel that could be used to dump Fraser’s body into the ocean after Fraser was kidnapped and killed. On or about July 30, 2016, Fraser was kidnapped and killed. On that same day, another of Miske’s co-conspirators took Fraser’s significant other on a “spa day,” thereby ensuring that Fraser and his significant other would be separated from each other when Fraser was kidnapped.

Miske and other members and associates of the Miske Enterprise participated in various other acts of violence:

- In or about 2016, Miske, Stancil, Bermudez, Moon, and Kauhi conspired to commit the murder-for-hire of an individual (“Victim-1”) whom Miske suspected of cooperating with law enforcement.
- On or about May 23, 2017, Miske and Stancil attempted to cause the death of another person (“Victim-2”) and committed an assault of Victim-2, and did so using at least one firearm.
- From the late 1990s and continuing to in or about 2018, Miske, Stancil, Buntenbah and others known and unknown, conspired to commit assaults in aid of racketeering.
- In or about October 2017, Miske, Kimoto, and others known and unknown conspired to kidnap another person (“Victim-3”) in Honolulu, Hawaii. Two of Miske’s co-conspirators, acting on Miske’s instructions, kidnapped Victim-3 in Honolulu and restrained him/her in their vehicle.
- In or about 2016, Stancil, Bermudez, Kauhi, and Akau participated in a gunpoint robbery of another person (“Victim-4”) during which they robbed Victim-4 of methamphetamine.
- On or about August 24, 2016, Bermudez and Wilson participated in a gunpoint robbery of another person (“Victim-5”) during which they robbed Victim-5 of controlled substances.

In or about March 2017, Miske, Stancil, and Freitas, and others known and unknown, conspired to release a chemical weapon, namely, chloropicrin, into nightclubs in Honolulu, Hawaii. As part of this conspiracy, chloropicrin was released into two different nightclubs.

Multiple defendants conspired to distribute and possess with intent to distribute controlled substances, including methamphetamine, cocaine, oxycodone, and marijuana.

Between on or about April 21, 2017 and July 3, 2017, Miske and others participated in a scheme to defraud Bank of Hawaii through the preparation and submission of materially false documents as part of loan applications.

Charts containing the name, ages, charges, and maximum penalties for the defendants are available in the [Department of Justice July 15, 2020 Press Release](#). The maximum potential sentences in this case are prescribed by Congress and are provided for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Mr. Price praised the outstanding investigative work of the FBI, IRS-CI, EPA-CID, HSI, and ATF. He also thanked the Honolulu Police Department for the work of personnel who participated in this matter in their role as Task Force Officers with the FBI, and thanked the Drug Enforcement Administration, the Coast Guard Investigative Service, the United States Marshals Service Fugitive Task Force, the Hawaii National Guard, 93rd Civil Support Team, and the Office of Investigations—Office of the Inspector General for the Social Security Administration for their assistance.

Assistant U.S. Attorneys Michael Nammar, Micah Smith, and Mark A. Inciong are in charge of the

prosecution. Assistant U.S. Attorney Marion Percell is in charge of the forfeiture component of the case.

The charges contained in the Superseding Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.