



Qui Pro Domina Justitia Sequitur

EASTERN TEXAS

A Newsletter Published by the U.S. Attorney's Office for the Eastern District of Texas

Inaugural Edition

FEBRUARY 2004

Operation Columbia

The Eastern District Remembers

One year ago this month, the eyes of Texas and the world focused on the Eastern District of Texas. This beautiful land of pine forests, meandering creeks and bountiful lakes unceremoniously became the final resting place for the Space Shuttle Columbia and its seven Heroes. We wept with the world while we gathered debris, manned phones and provided meals and warmth for the thousands of volunteers involved with the recovery effort. Our tiny communities held prayer vigils for the families of the lost astronauts and grieved for their loved ones as if they were our own.

February 1, 2003 was a sad day in East Texas. A day we, as an office and as fellow Texans, will never forget. Within hours of this tragedy, we mobilized and made arrangements for a command center to house the thousands of volunteers and law enforcement officials flocking to the region. Phones were installed, computers were networked and an extraordinary effort began. Our role in this effort went beyond recovery. We led law enforcement in the investigation and prosecution of several individuals who impeded the recovery process. No stone went unturned, no lead went unchecked. We made it our priority to ensure that every piece of the Columbia was recovered in a manner consistent with the mission at hand. Our attorneys manned phones while offering legal assistance to the many local, state and federal agents at the command site. They donned raincoats and maneuvered all terrain vehicles through thick underbrush searching for every piece of the lost spacecraft. During this process, when we felt most vulnerable and saddened, much as we did on September 11, 2001, we triumphed as the bond that makes us Americans became even stronger.

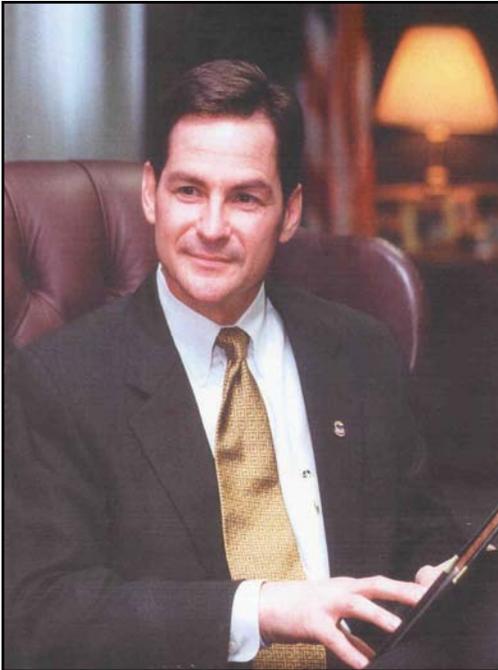
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This EDTX lapel pin was created in remembrance of the events of February 1, 2003.

SENIOR MANAGEMENT EARNS HIGH MARKS DURING 2003 EVALUATION



U.S. Attorney Matt Orwig

Excerpt from the May, 2002, EARS Review of the Eastern District

“The Honorable Matthew D. Orwig, was confirmed as the USA on April 12, 2002. His prior experience includes time in private practice, time as an AUSA, and as serving as a law clerk for the federal court. He began his 12 years with the Department in 1989, serving as an AUSA in the Northern District of Texas. He was uniformly lauded by the investigative agencies for his understanding of the federal system and his ability to network with state and local partners in carrying out the priorities of the office. The District’s judicial officers have applauded the USA’s leadership and accessibility. The USA has a good understanding of the key issues relating to the District and travels frequently to coordinate with his staff as well as federal, state and local law enforcement agencies. USA Orwig, having previously served a detail in the Office of Legal Counsel, is well attuned to the responsibilities and appropriate relations with EOUSA and the Department in general. He supports the EARS program and encourages his managers to be a part of the evaluation process both to improve his AUSAs as managers, and to assist the Department as a whole. The USA is energetic and enthusiastic about his job. He has a clear vision of where he wants the USAO to be and carefully considers his options in close consultation with his senior management team. The changes in management instituted by the USA have had a positive effect on the USAO and have been largely applauded by the staff, the agencies and the judiciary.”

SENIOR MANAGEMENT STAFF



First Assistant Becky Gregory, housed in the Plano office, oversees the daily operations of the District



Criminal Chief Malcolm Bales, housed in the Lufkin office, runs the Criminal Division with the wisdom of Solomon



Civil Chief Randi Russell, housed in the Tyler office, also serves as the FLU Chief

ANTI-TERRORISM EFFORTS: TERROR ON THE HOMEFRONT

EASTERN DISTRICT THREATS ARE TOP PRIORITY

The top priority in the Eastern District of Texas (EDTX) is to detect, disrupt and dismantle the networks of terror before they can strike at our nation. As Attorney General John Ashcroft said, "The goal is to be on the front end of terrorism and not behind it; to stop terrorist activity before it occurs and not react to it; and to arrest and prosecute before one person is harmed."

To meet these goals the EDTX has established an Anti-Terrorism Advisory Council. It includes numerous members of federal, state and local law enforcement agencies. Also included are fire and emergency management officials, industry and public officials. The Council meets frequently to share information related to terrorism and to develop preventative measures that protect the citizens and critical infrastructure of the District. Further, the ATAC works closely with the JTTF to investigate all terrorism leads that arise within the District.

The EDTX has recently created an Anti-Terrorism and National Security Section within the Criminal Division. This section is responsible for providing close legal support to law enforcement agencies that investigate national security related matters. The section will also be responsible for liaison, training and legal duties as it relates to the district's two JTTFs and ATAC.

Attorneys assigned to the Anti-Terrorism and National Security

Section were selected because of their unique experience, expertise and dedication to our country's anti-terrorism efforts. Attorneys in this section successfully prosecuted William Krar, a white supremacist and militia-man, for possession of deadly sodium cyanide and the component parts to disperse the poisonous gas. The sodium cyanide device had the capability of killing everyone within a 30,000 square foot facility within ten minutes.

Krar's associates were also convicted for possessing a large arsenal of weapons and bombs capable of inflicting death and destruction.

AUSA Brit Featherston is the Anti-Terrorism Coordinator for the Eastern District of Texas



Evidence recovered in east Texas in
U.S. V. Krar and Bruey

Top: Boxes of ammunition

Middle: Sodium Cyanide, when mixed
with strong acids, becomes lethal

Bottom: Rifles

CRIMINAL DIVISION: IN THE NEWS

The Criminal Division of the United States Attorney's Office is responsible for the investigation and prosecution of matters and cases involving violations of federal criminal law. Since Matt Orwig became U.S. Attorney, the Criminal Division has

worked even harder, faster and better.

There has been a significant increase in the number of convictions in the last several years. Orwig has set clear priorities for the Division's

37AUSAs and two Senior Litigation Counsels. The priorities are Anti-Terrorism, Violent Crime (including drugs and gun prosecutions), White Collar/Public Corruption and Child Pornography.

Anti-Terrorism

The most significant Anti-Terrorism case in the Eastern District has been *U.S. v. Krar and Bruey*. The East Texas couple is awaiting sentencing for possession of an enormous cache of weapons, including the components for making sodium cyanide bomb capable of killing thousands. (see previous page)

An Iowa man will be spending 51 months in prison for threatening a Plano, Texas, mortgage company with anthrax. Countrywide Mortgage Company received a call that anthrax had been dumped into the air conditioning unit. Countrywide Mortgage alerted federal authorities and together they traced the call to a work number in Indianola, Iowa. AUSA Andrew Stover prosecuted Larry Reynolds who pleaded guilty to Threatening the Use of a Weapon of Mass Destruction.



Violent Crime/Drugs/Guns

Dozens were arrested when a combined task force of federal, state and local law enforcement agents targeted drug operations in Harrison County. In April, 2003, a federal grand jury returned a 54-count indictment charging 15 individuals with drugs and weapons charges. The indictments were the result of a 16 month investigation into an organization that was a major source of methamphetamine, cocaine, marijuana and illegal firearms in the East Texas area of Marshall and Longview. Six months later, a follow-up investigation resulted in the indictment of 19 individuals on drugs and weapons charges. One drug dealer received a 177 month sentence, others are still awaiting sentence.

A 15 month OCDETF investigation into gang activities in Tyler, Texas resulted in the dismantling of the violent East Side Locos gang and the prosecution of 14 gang members. The gang's criminal activities included numerous acts of violence and intimidation, including several drive-by shootings which injured several people and left one innocent bystander, struck by a bullet, paralyzed. Of the 14 individuals indicted in March 2003, **AUSA Bill Baldwin** secured a jury verdict against one of the leaders of the gang, and guilty

pleas by ten other members. Sentences to date have ranged between 65 and 168 months.

In what may be the longest prison sentence handed down in an alien smuggling investigation, Troy Phillip Dock and Jason Steven Sprague were each sentenced to 405 months in federal prison in November 2003. They are in prison for padlocking more than 30 undocumented aliens into a tractor-trailer and driving across Texas on a summer day. With the temperature reaching a lethal level two people were killed and many others injured before authorities were able to halt their murderous trip.



Emergency personnel remove a body from the trailer of a truck in Anna, Texas. Two men received lengthy prison sentences for the alien smuggling ring that resulted in this person's death.



Top: AUSAs Keith Giblin and Joe Batte with their Director's Awards for Superior Performance



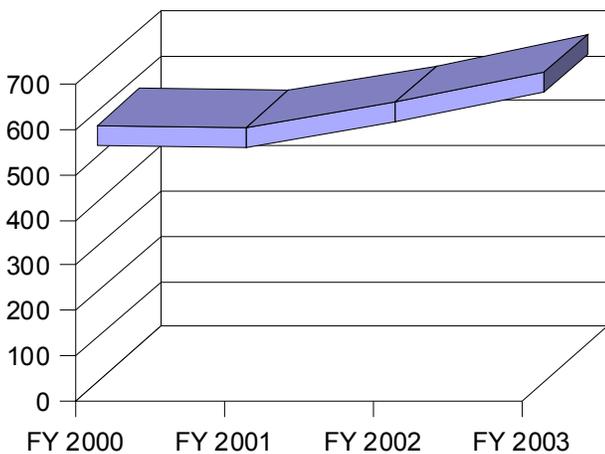
Right: Headlines from the public corruption trial of the former Mayor of Beaumont

Public Corruption/White Collar

On July 9, 2003, former Beaumont Mayor David Moore, and former Beaumont City Councilman John K. Davis were sentenced to federal prison for accepting bribes in return for using their influence to affect the city's decisions concerning Terry Samuel, a San Antonio businessman. The convictions of Moore and Davis were the

culmination of a lengthy investigation into corruption at the Beaumont city hall that saw five other prominent individuals convicted and sentenced to prison for their dealings with city hall. We are very proud that AUSAs Joe Batte and Keith Giblin, as well as FBI Special Agents Mark Broome and Tim Brewer, were awarded EOUSAs Director's Awards for their excellent work on these cases.

EDTX Convictions



This graph illustrates the steady increase of criminal convictions in the Eastern District of Texas for the past four Fiscal Years.



An East Texas man who claimed he had invented a revolutionary moneymaking plan, will be spending 292 months in prison for his chicanery. Chief U.S. District Judge John Hannah sentenced Al Petty, a 69 year-old Overton man, to the lengthy prison term and ordered him to pay \$12,244,607.53 in restitution. Petty's "brainchild" was a fraudulent high-yield telemarketing scheme that in reality was a classic Ponzi scheme.

METH BUSTERS

WHO YA GONNA CALL

The manufacturing of methamphetamine is a rapidly growing problem in the Eastern District of Texas. The rural nature of much of the District is conducive to the small-scale labs that manufacture methamphetamine. To deal with this growing problem, the EDTX has formed a task force of federal, state and local officials called Meth Busters. The U.S. Attorney's office is leading this District-wide initiative to deal with the prob-

lem in a comprehensive manner. Meth Busters features three components. First, the aggressive prosecution of criminal offenses involving the manufacture of meth and the possession of meth or precursor chemicals, including pseudoephedrine. Secondly, the development of an outreach program to provide training for law enforcement across the District, and to educate store owners, pseudoephedrine wholesalers, and the

general public of the dangers it poses to the community. Thirdly, to measure the problem and to evaluate the effectiveness of efforts to dampen the epidemic.



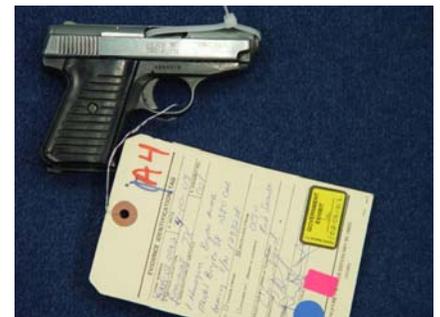
Project Safe Neighborhoods (PSN) is proving to be an effective prosecution tool in the Eastern District of Texas (EDTX). Since May 2000, when the District implemented its gun crime initiative, firearm-related prosecutions have dramatically increased. The increase is due, in large part, to an aggressive outreach and training campaign that has convinced many of the local police officers and prosecutors

that the most violent gun offenders can best be addressed through the PSN initiative.

From Fiscal Year 2000 to Fiscal Year 2003, with the launch of PSN, federal prosecutions of firearm offenses in the EDTX have increased 75%. Those prosecutors have increased 46% during the last fiscal year.

The number of defendants prosecuted for firearm offenses has increased 111% since the beginning of PSN. There has been a 73% increase during the last fiscal year alone. Moreover, these defendants are receiving sig-

nificant sentences for their offenses. In FY 2003, 72% of the defendants prosecuted for firearm offenses received sentences of imprisonment of three years or more, and 45% received sentences of imprisonment of five or more years.



CIVIL DIVISION

The Civil Division, with its eight AUSAs and one Senior Litigation Counsel, has many responsibilities including Affirmative Civil Enforcement, Financial Litigation, Asset Forfeiture, Defensive Litigation, and Bankruptcy.

Affirmative Civil Enforcement (ACE)

The focus has been on the completion of several complex and significant cases. *US ex rel. Foster V. Warner Lambert, Inc.*, is the largest health care fraud ACE case settlement in the history of the EDTX. Warner Lambert paid more than \$49.2 million for failing to give Medicare its "best price" for the drug Lipitor. Co-defendant, Bob Jones, also paid \$200,000 in criminal restitution.

The District expressed its commitment to working parallel proceedings with the resolution of two significant cases: *US v. Richard Daniel and Trinity Pharmacy* in which Richard Daniel was sentenced to

five years probation and settled the false claims case for \$131,000; and, *US v. Development Resources, Inc. (DRI)* in which DRI was accused of falsifying workers' compensation invoices to receive higher reimbursement of their expenses under a program designed to employ handicapped and disabled persons. The government lost approximately \$200,000 as a result of the fraud. DRI agreed to settle its civil liability for \$462,500.

Defensive and FTCA Litigation

There has been a steady increase in the number of complex tort cases seeking multi-million dollar damages filed in the EDTX during the past few years. These actions are challenging and diverse, ranging from auto accidents involving U.S. Postal Service and other federal employee drivers, to medical malpractice cases involving VA facilities and community health centers.

Financial Litigation Unit (FLU), Asset Forfeiture and Debt Collection

The FLU uses aggressive enforcement actions including writs of execution and garnishment to increase collections. In FY 2003, the FLU collected \$3,019,590 in criminal monetary impositions. During the same period, \$50,585,275 in civil collections (including \$50,176,876 in ACE monies) was banked. To date, more than \$1.5 million dollars has been collected in FY 2004.

Asset Forfeiture brought in \$710,082 in FY 2003. That could be significantly increased in FY 2004 because of one case. Nearly \$1.3 million in currency was seized on Interstate 10 near Beaumont. A Motion for Summary Judgment is being prepared by AUSA Dave Henderson.

PRISON IN EDTX HOLDS CIVIL CASELOADS CAPTIVE



Beaumont is home to one of the largest correctional facilities in the U.S., housing approximately 5,000 prisoners.

The Federal Correctional Complex located in Beaumont, Texas, is one of the largest correctional facilities in the United States. It is situated on 961 acres of property located four miles south of the City of Beaumont. The FCC houses only male inmates of varying security levels and has a population of approximately 5,000 inmates and almost 1,000 staff members. Over the past several years, there has been a significant increase in the number of prisoner cases handled by our office. The Beaumont office currently has approximately 60 prisoner-related cases pending.

The actual correctional complex consists of four separate institutions: Satellite Prison Camp (SCP), Low Security Federal Correctional Institution (FCIL), Medium Security Federal Correctional Institution (FCIM), and a High Security United States Penitentiary (USP). The FCIL has a rated capacity of 1536 inmates; the FCIM has a rated capacity of 1152; the USP has a rated capacity of 960; and the SCP has a rated capacity of 384.



WE WILL NEVER FORGET

U.S. Attorney Matt Orwig's office is decorated with a very special display. A huge American Flag rests proudly on the wall behind his desk. As with every American Flag it is a source of patriotism, honor and inspiration. But this flag is special. A certain reverence is felt as one stands before it. This flag flew at ground zero in New York City.

Between October 2001 and May 2002 this flag sat atop the rubble at the World Trade Center site. A beacon of hope and inspiration for all who participated in the recovery and clean-up of ground zero. If you look closely you can see the grime and the dirt of its seven month vigil. The flag also has the names of the law enforcement agencies that lost men in the terrorist attacks: the New York Police Department, the New York Fire Department, the Port Authority Police Department, United States Secret Service, Federal Bureau of Investigation,



New York Office of Tax Enforcement and the New York Court Security.

This historic flag has been loaned to the Eastern District of Texas by the New York Police Department. New York Police Detective Thad Todd sent the flag to the Beaumont office after speaking at the 100 Club Annual Officer of the Year banquet in April 2002.

Even though it is hanging in the office of the U.S. Attorney, Mr. Orwig encourages employees and visitors of the office to look at the flag when visiting Beaumont. "This flag has been loaned to the U.S. Attorney's Office. This flag represents all that is good in the United States, and I want to share its meaning with everybody in the office."

FAREWELL COLUMBIA

Deep East Texas is an unlikely place for a national tragedy. It is rural, sparsely populated and rarely the focus of the nation's attention. That changed in a few terrifying moments on Saturday, February 1, 2003.

When the space shuttle Columbia broke apart and its remnants rained down across East Texas, the attention of the world converged on East Texas.

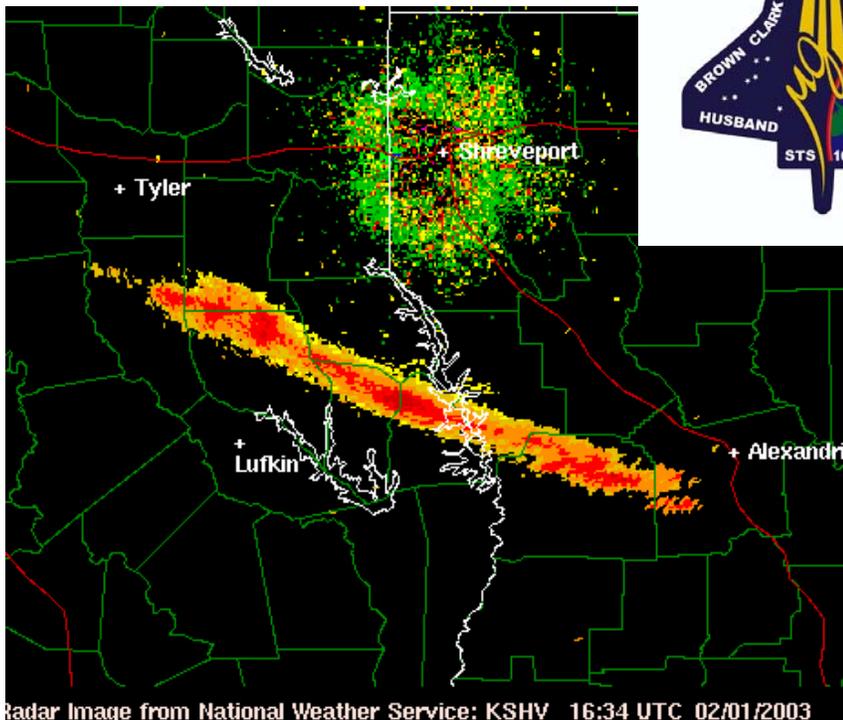
The U.S. Attorney's Office for the Eastern District of Texas responded to this enormous challenge. The Lufkin office mobilized to assist the army of federal workers and volunteers

who descended on Angelina County in the days following the tragedy. They helped secure the facilities needed for coordinating the search and the accommodations for the workers.

AUSAs from Beaumont, Lufkin and Tyler took turns working around the clock providing legal advice for the massive search for debris. Thousands of pieces of debris were collected in the first week and that was just a fraction of what fell. U.S. Attorney Matt Orwig took a strong stand against souvenir hunters. He repeatedly warned there

would be zero tolerance for any interference with the gathering of evidence to determine the cause of the shuttle accident. Nonetheless, 10 to 20 criminal investigations into shuttle theft were opened, and the EDTX prosecuted five individuals for stealing debris.

This was a tragedy of enormous proportions. It touched many lives in many ways and brought the attention of the world on East Texas. The U.S. Attorney's Office responded quickly and professionally to this national emergency.



“The same Creator who named the stars, also knows the names of the seven souls we mourn today. The crew of the shuttle Columbia did not return safely to Earth, yet we can pray that all are safely home.”
President Bush in address to the nation, 2-1-03

Field of debris as depicted by the National Weather Service Radar as the Space Shuttle Columbia explodes and disintegrates over the Eastern District of Texas.

Proudly Serving

AUSAs ON DETAIL

Teamwork and patriotism come easily to the employees of the EDTX. This spring, a number of employees are serving their country through details or military service.

Two employees are on detail in Washington D.C. to help evaluate the thousands of claims for the September 11th Victims' Compensation Fund. Assistant United States Attorneys **Jennifer Lowery** and **Jim Noble** are reviewing claims for compensation from firefighters, police officers, emergency workers, military personnel, and civilians that were in or around the WTC or Pentagon at the time of the 9/11 attacks. They evaluate their eligibility for the fund under the provisions of the statute and determine the amount of compensation to which each claimant is entitled.

AUSA **Tom Ferraro** is working on a one year detail to the Criminal Division's Counter Terrorism Section. He is assisting federal witnesses in depositions in the trial of the State of Oklahoma v. Terry Nichols.

AUSAs IN UNIFORM

The EDTX has three AUSAs in the reserves.

Colonel **Gregg Marchessault** is in the Army Reserve. He is currently performing duties as a Military Judge at Fort Hood, Texas and assigned to the 150th Legal Support Detachment (Military Judge), Alexandria, Virginia. His last extended period of active duty was after 9/11. From December 2001 through June 2002, Col. Marchessault served as the Chief of the Army Trial Team organized to prosecute cases before Military Commissions.

Colonel **Alan R. Jackson** is in the Air Force Reserve. He is currently performing duties as the Mobilization Assistant to the Staff Judge Advocate, Air Combat Command, Langley AFB Virginia. He has been in that position since February 24, 2004.

Lt. Col **Randall Fluke** has just completed a two week deployment to Germany where he served as Team Director of the 1st Legal Support Organization with the Army Reserve. One year ago, he was called to active duty for Enduring Freedom/Iraqi Freedom and served as Deputy Command Judge Advocate for a unit slated for Turkey.

NAVIGATING THE EASTERN DISTRICT

Logistics in the EDTX can be a challenge because of the numerous offices and the distances between those offices. The situation worsened two years ago when American Airlines pulled out of Beaumont leaving the home office with limited air service to other EDTX offices. It means hardy souls have two unappealing options to get from one end of the district to another: Driving, which translates into

roughly six hours in a car coming from Sherman or five hours driving from Texarkana or Plano; or flying which could take just as long when traveling from Plano once you calculate early check-in times, and even longer from Sherman and Texarkana.

To ease the demanding travel burdens, and save the government money, the district has leased five government cars. The Plano office has two cars

to support the AUSAs who travel back and forth to the federal courthouse in Sherman 50 miles away. There are also two cars in Lufkin and one in Beaumont for the routine trips across the district for litigation support, grand jury appearances and district meetings. All agree the lease cars have made traveling more convenient; the travel budget looks a lot better as well.



COURTHOUSE IN PLANO

Plano, the largest city in the Eastern District, will finally get its own federal court. Since 1907, Sherman has been the home of the federal court in the counties north of Dallas. That was not a problem as long as Collin and Denton counties remained rural and sparsely populated. But the explosive suburban growth of Dallas in the last 20 years has created a logistical nightmare. More than 75 percent of the Sherman Court's cases originate in

Collin and Denton Counties. However, every suit that originates in Plano must be filed in Sherman, a city 50 miles to the north, or in Tyler, located 100 miles to the southeast. Prosecutors face driving these distances whenever they make court appearances.

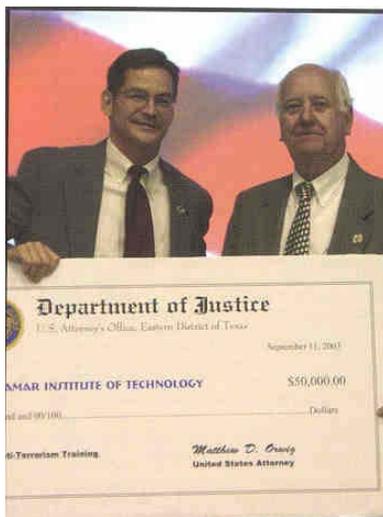
Last fall, Congress ended a 12-year legislative impasse and approved legislation allowing the federal judiciary to hold court in Plano. While no timelines have been set for establishing the

new Plano court, some issues have been resolved. U.S. District Judge Richard Schell, one of two judges in Sherman, said he will become Plano's first federal judge.

The location of the courthouse has not yet been determined, but we look forward to the time when AUSAs from Plano no longer have to drive to Sherman for court appearances.

DOJ GRANT TO FUND HOMELAND SECURITY PROGRAM IN BEAUMONT

US Attorney Matt Orwig presents a \$50,000 check to Dr. Robert Krienke, president of Lamar Institute of Technology in Beaumont. The Department of Justice grant will be used to enhance instruction and provide scholarships for stu-



dents who attend Homeland Security classes. LIT has developed a Homeland Security Program that provides quality education and training and is being duplicated across the country.

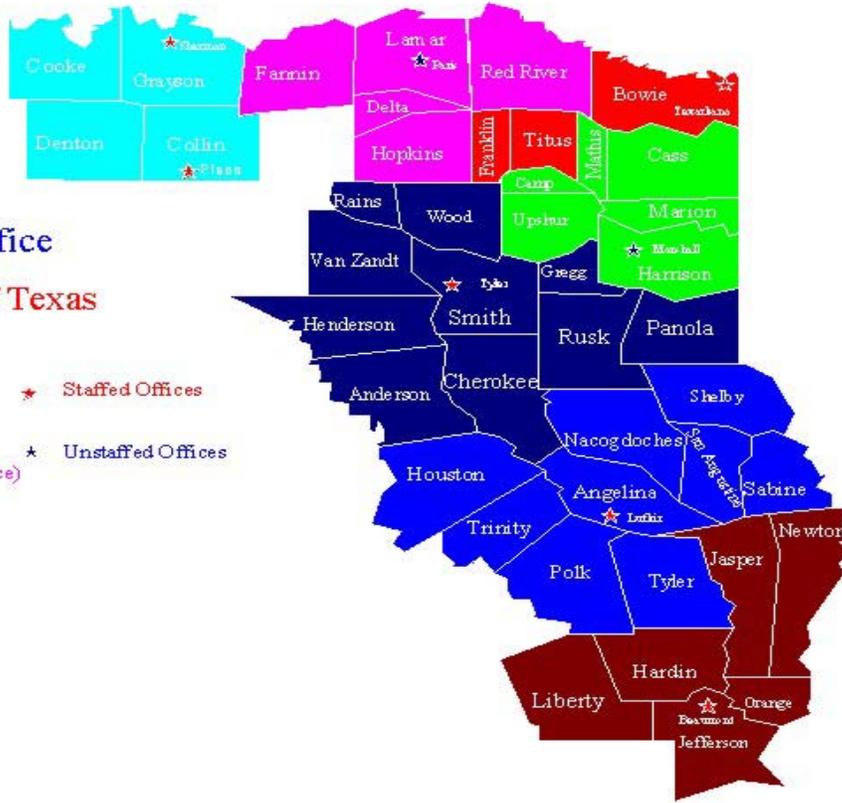
INTRODUCING OUR NEW AO

The search is over! The EDTX will soon welcome a new Administrative Officer. **Linda DiPietro** has accepted the post to oversee administrative duties. Ms. DiPietro currently works in Wisconsin for the Department of Agriculture, Natural Resources Conservation Service as the Regional Administrative Officer. Although she has never worked for DOJ, she is a long-time federal employee with experience in human resources, budget, procurement and IT.

"Linda will make an excellent addition to the District," said U.S. Attorney Orwig. "I am confident she will be committed to the mission of the office and put service to the Department first."

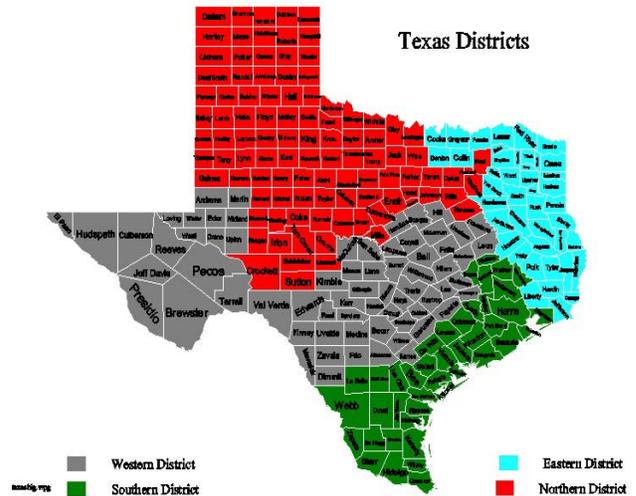
**U.S. Attorney's Office
Eastern District of Texas**

- Beaumont Division (1) ★ Staffed Offices
- Marshall Division (2) ★ Unstaffed Offices
- Paris Division (3) (no office)
- Sherman Division (4)
- Texarkana Division (5)
- Tyler Division (6)
- Lufkin Division (9)



**HISTORY OF THE
EASTERN DISTRICT**

The Eastern District of Texas is the oldest district in the State, tracing its roots back to Texas statehood. On December 29, 1845 the United States Congress created the Judicial District of Texas. Seated in Galveston, the District covered the entire state. A dozen years later Congress divided the judicial districts, forming the Eastern and Western Districts of Texas. Samuel May, who had been the United States Attorney for the District of Texas, remained the U.S. Attorney for the Eastern District. As Texas continued to grow, Congress created the Northern District in 1879 and the Southern District in 1902. Matt Orwig is the 22nd U.S. Attorney for the Eastern District of Texas since the current judicial district was formed 102 years ago.



SOON TO BE ON-LINE!



<http://www.usdoj.gov/usao/txe/>

If you have ideas or suggestions for the EDIX On-Line, please contact Ann Thurber or Butch Henderson.

For comments or suggestions, please contact Davilyn Brackin at 409/839-2538 or Davilyn.Brackin@usdoj.gov