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FINAL U.S. DEFENDANT TO FACE CHARGES RELATED TO INTERNATIONAL CHILD PORNOGRAPHY CONSPIRACY CASE

Defendant part of major conspiracy uncovered by Operation Nest Egg

WASHINGTON – The final U.S. defendant arrested in connection with a series of superseding indictments charging 26 individuals for their participation in an online child pornography conspiracy will make his initial appearance today in federal court in Indianapolis, to face charges related to his alleged participation in the conspiracy, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division, U.S. Attorney Timothy M. Morrison of the Southern District of Indiana, Deputy Chief Postal Inspector Guy Cottrell for the U.S. Postal Inspection Service (USPIS), and Assistant Secretary John Morton of U.S. Immigration and Customs Enforcement (ICE).

Edward Oedewaldt, 47, was arrested in Arcadia, La., on April 23, 2010, after an extensive search involving assistance from law enforcement in the United States and abroad. Oedewaldt is charged with one count of conspiracy to advertise child pornography, one count of conspiracy to distribute child pornography, 13 counts of advertising child pornography and two counts of distributing child pornography. An indictment is merely an accusation and a defendant is presumed innocent until and unless proven guilty at trial beyond a reasonable doubt.

The charges against Oedewaldt and his 25 co-defendants are a result of “Operation Nest Egg,” an ongoing and joint investigation led by the Criminal Division’s Child Exploitation and Obscenity Section (CEOS), the U.S. Attorney’s Office for the Southern District of Indiana, USPIS and ICE. Operation Nest Egg, launched in February 2008, targeted the 26 defendants charged in the Southern District of Indiana, as well as approximately 500 additional individuals located throughout the world for their involvement in an online group dedicated to trading images of child pornography.

According to court documents filed in the Southern District of Indiana, Oedewaldt and 25 co-conspirators participated in a sophisticated, password-protected Internet bulletin board group, which existed to allow members to meet like-minded individuals with a sexualized interest in children, to discuss that interest and to trade images of child pornography. The defendants are charged with conspiring to advertise and distribute child pornography, along with substantive counts of advertising and distributing child pornography. According to court documents, the defendants allegedly served as

administrators and members of the bulletin board and played an active role in decisions that affected its administration. Twenty-two of the 26 defendants charged in the conspiracy have been arrested. Nineteen of the 22 individuals arrested have been convicted or have pleaded guilty.

“The individuals who participated in this Internet-based bulletin board exploited the most innocent and vulnerable in our society,” said Assistant Attorney General Breuer. “The Department of Justice is committed to working with law enforcement agencies in the United States and abroad to find and prosecute those responsible for trafficking in images of child sexual exploitation.”

“This investigation produced one of the largest number of conspirators charged in a single advertising and distribution case,” said U.S. Attorney Morrison. “The fact that four at-large defendants remain identified only by their screen names attests to the great obstacles law enforcement had to overcome.”

On April 15, 2010, Roger Lee Loughry Sr., 57, of Baltimore, was convicted by a federal jury in the Southern District of Indiana for his role as an administrator of the online bulletin board. Following a four-day trial, Loughry was found guilty of one count of conspiracy to advertise child pornography, one count of conspiracy to distribute child pornography, 12 counts of advertising child pornography, and two counts of distributing child pornography. Loughry faces a mandatory minimum sentence of 15 years in prison, a maximum sentence of 30 years in prison, a fine of \$250,000 and a lifetime term of supervised release following his prison term.

Six of the 19 individuals who have pleaded guilty for their role in the conspiracy have been sentenced to prison. On May 21, 2010, Thomas Lenti, 42, of Brooklyn, N.Y., was sentenced to 20 years in prison for his role as a lead administrator for the bulletin board group. Lenti was previously convicted in 2000 of sexually abusing a minor who was under the age of 11. On May 19, 2010, William Gregory, 56, of Chester, Va., was sentenced to 10 years in prison. Also on May 19, 2010, Jonathan Hans, 37, of Woodstock, Ga., was sentenced to 10 years in prison for his role in the conspiracy.

On Sept. 21, 2009, Charles Werenczak, 47, of Jamestown, N.Y., a convicted sex-offender in the state of New York, was sentenced to 378 months. Kevin Harkless, 53, of Copper Hill, Va., who was previously convicted of child pornography offenses in Pennsylvania, was sentenced on Nov. 30, 2009, to 240 months in prison. Patrick Jansen, 28, of Lockport, N.Y., was sentenced to 15 years in prison on Oct. 30, 2009.

Each defendant also received a lifetime of supervised release following their release from prison as part of their sentence.

“This arrest underlines the fact that there will be no refuge for child sexual predators who believe that they pursue their perverse behavior with impunity online,” said Assistant Secretary Morton. “Law enforcement agencies will work tirelessly across jurisdictions and national boundaries to protect children anywhere in the world.”

“The Postal Inspection Service is proud to have participated in this multi-agency initiative,” said Deputy Chief Postal Inspector Guy Cottrell. “Through Operation Nest Egg, multiple offenders who trafficked in child pornography were identified and arrested and huge amounts of child pornography have been seized. Most importantly, many children have been rescued from further sexual abuse and exploitation.”

Four of the 26 individuals charged in the conspiracy remain at large and are known only by their online identities. Efforts to identify and apprehend these four individuals continue.

To date, as a result of Operation Nest Egg, more than 80 searches have been conducted in the United States. In total, more than 50 individuals have been arrested and 35 individuals have been convicted. The investigation is ongoing. Numerous members of the Internet-based bulletin board were found to have been personally sexually abusing children, sometimes producing images of the sexual abuse. For example, lead administrator Delwyn Savigar of the United Kingdom, was identified and arrested in partnership with the U.K.’s Child Exploitation and Online Protection Centre, for his involvement in the conspiracy. After his initial arrest, Savigar was identified through DNA testing as the perpetrator of a previously unsolved sexual assault against a minor female in Great Britain, to which he pleaded guilty. Following this discovery, Savigar was linked to additional incidents of sexual assaults. Ultimately, he pleaded guilty to either abusing or attempting to abuse three minors from 1999 to 2002. He was sentenced to 14 years in prison in the United Kingdom. To date, 16 child victims have been identified through Operation Nest Egg.

Operation Nest Egg is a spinoff investigation from leads developed through “Operation Joint Hammer,” the U.S. component of an ongoing global law enforcement operation targeting transnational rings of child pornography trafficked through the Internet and U.S. mail. Operation Joint Hammer was initiated through evidence developed by European law enforcement and shared with U.S. counterparts by Europol and Interpol.

This case was brought as part of Project Safe Childhood, a nationwide initiative to combat the growing epidemic of child sexual exploitation and abuse, launched in May 2006 by the Department of Justice. Led by U.S. Attorneys’ Offices and the Criminal Division’s Child Exploitation and Obscenity Section (CEOS), Project Safe Childhood marshals federal, state and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as to identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov.

The case is being prosecuted by Assistant U.S. Attorney Steven D. DeBrotta of the Southern District of Indiana, Assistant U.S. Attorney Elizabeth M. Yusi of the Eastern District of Virginia and CEOS Trial Attorney Alecia Riewerts Wolak. The investigation was conducted jointly by CEOS’ High Technology Investigative Unit, ICE and USPIS,

with assistance provided by the Northern Virginia/Washington, D.C. Internet Crimes Against Children (ICAC) Taskforce, the Indiana ICAC Taskforce, Indiana State Police, and numerous local and international law enforcement agencies across the United States and Europe.

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