



# UNITED STATES ATTORNEY'S OFFICE EASTERN DISTRICT OF VIRGINIA

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**FOR IMMEDIATE RELEASE:**

**October 26, 2007**

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## **Interstate trafficker in firearms for drugs conspiracy pleads guilty**

**(Norfolk, Virginia)** – Harold B. Phillips, III, age 30, of New Jersey, pled guilty yesterday to conspiracy to exchange firearms from Virginia for drugs and cash in New Jersey and New York. Chuck Rosenberg, United States Attorney for the Eastern District of Virginia, and Edgar A. Domenech, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), Washington Field Division, made the announcement after the plea was accepted by United States District Judge Jerome B. Friedman.

Phillips was originally indicted by a federal grand jury on April 20, 2007, but the firearms for drugs conspiracy charge and related drug distribution charges were brought in a superseding indictment on July 19, 2007. Sentencing has been set for January 17, 2007 before United States District Judge Walter D. Kelley, Jr. Phillips faces a maximum penalty of 20 years in prison.

In a statement of facts filed with his plea agreement, Phillips admitted that he conspired with four Virginia residents who obtained firearms in Virginia, including a World War II machinegun, two assault rifles, and numerous pistols, and transported them up to Phillips in New Jersey. Phillips then arranged for the firearms to be exchanged for cash, cocaine, marijuana, and Ecstasy in New Jersey and New York City. The drug and firearms conspiracy began to unravel after Phillips was arrested by U.S. Secret Service agents on March 30, 2006, in Manhattan on counterfeiting charges. At the time Phillips had with him a loaded pistol which had been purchased in Virginia. ATF agents traced the firearm to an individual in Virginia Beach. Phillips and two of his co-conspirators concocted an innocent cover story to explain Phillips' possession of the gun. In October, 2006, Phillips pled guilty to counterfeiting charges in the United States District Court for the Southern District of New York. Phillips then tried to get one of his co-conspirators to create a letter containing the false cover story for Phillips to use in his scheduled New York federal sentencing. Thereafter Phillips' four Virginia co-conspirators were

charged for their parts in the guns for drugs scheme and all four have previously pled guilty to federal felony charges and are awaiting sentencing in Norfolk.

This case was investigated by the Bureau of Alcohol, Tobacco, Firearms, and Explosives. Assistant United States Attorney James A. Metcalfe is prosecuting the case on behalf of the United States.

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