



## Chicago Man Indicted for Allegedly Causing 15 Investors to Lose Approximately \$600,000 in Ponzi-Type Fraud Scheme

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 4:56 PM June 6, 2012

The Federal Bureau of Investigation (FBI) on June 6, 2012 released the following:

“CHICAGO— A Chicago man who operated an investment trading pool allegedly fraudulently obtained approximately \$1.4 million and caused some 15 individual investors to lose about \$600,000, federal law enforcement officials announced today. The defendant, Christopher Varlesi, was charged with six counts of mail and wire fraud in an indictment returned yesterday by a federal grand jury. Varlesi allegedly misappropriated a substantial portion of investor funds for his own benefit, including misusing \$99,750 in May 2010 to pay for a year’s rent for an apartment in the Trump International Hotel and Tower in Chicago and to make Ponzi-type payments to other investors.

Varlesi, 53, of Chicago, will be arraigned at a later date in U.S. District Court. He was the sole proprietor of Gold Coast Futures & Forex, which purported to buy and sell securities and commodities and operate a pool of investor money for trading purposes but was not actually registered or licensed to do so. The indictment seeks forfeiture of approximately \$600,000.

The charges were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent in Charge of the Chicago Office of the Federal Bureau of Investigation. The Illinois Securities Department assisted in the investigation, as did the Commodity Futures Trading Commission, which filed a civil enforcement lawsuit against Varlesi in March of this year.

According to the indictment, between July 2008 and January 2012, Varlesi made

false representations to clients about using their money to trade gold, commodity futures, and foreign currency, the expected return on their investments, and the security of their money. He fraudulently retained investors’ funds and concealed the scheme by creating and distributing false account statements and making Ponzi-type payments to investors, the charges allege. Varlesi also allegedly told clients that their investments were guaranteed to be profitable, with no risk of losing principal. As part of the scheme, the charges allege that he provided promissory notes to certain investors, falsely promising to return the entire principal amount of their investment, as well as guaranteed interest ranging between five to 7.5 percent per month.

The government is being represented by Assistant U.S. Attorney Sarah E. Streicker.

Each count of wire and mail fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine, and restitution is mandatory. The court may also impose a fine totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. If convicted, the court must impose a reasonable sentence under federal sentencing statutes and the advisory United States Sentencing Guidelines.

The investigation falls under the umbrella of the Financial Fraud Enforcement Task Force, which includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch and, with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who

perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit: [www.stopfraud.gov](http://www.stopfraud.gov).

An indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.”

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The author of this blog is Douglas C. McNabb. Please feel free to contact him directly at [mcnabb@mcnabbassociates.com](mailto:mcnabb@mcnabbassociates.com) or at one of the offices listed above.

## Autoliv Inc. and a Yazaki Corp. Executive Agree to Plead Guilty to Price Fixing on Automobile Parts Installed in U.S. Cars

(USDOJ: Justice News)

Submitted at 10:31 AM June 6, 2012

Stockholm-based Autoliv Inc. has agreed

to plead guilty for its role in a conspiracy to fix prices of seatbelts, airbags and steering wheels installed in U.S. cars to

one automobile manufacturer and a separate conspiracy to fix prices of seatbelts to another.



# Operation Prairie Thunder Results in Drug Trafficking Charges Against 17 on Standing Rock Sioux Reservation

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 4:48 PM June 6, 2012

The Federal Bureau of Investigation (FBI) on June 5, 2012 released the following:  
 “Multiple Law Enforcement Agencies and Prosecutors’ Offices Involved in 14-Month Operation and Arrests Made Today BISMARCK— U.S. Attorney for the District of North Dakota Timothy Q. Purdon announced that a total of 17 defendants have been arrested and charged with drug trafficking offenses in federal court in North Dakota and South Dakota and in Standing Rock Sioux Tribal Court as a result of Operation Prairie Thunder. The federal and tribal drug charges are the result of “Operation Prairie Thunder,” a 14-month-long investigation by the Federal Bureau of Investigation and the Bureau of Indian Affairs Office of Justice Services on the Standing Rock Reservation. Multiple arrests of Operation Prairie Thunder defendants were made today on the Standing Rock Reservation by a cooperating team of federal, local, and tribal law enforcement officers.

In Bismarck, U.S. Attorney Purdon said, “The charges filed as a result of Operation Prairie Thunder will make the Standing Rock community stronger and safer. The U.S. Attorney’s Office is committed to a strategy in Indian Country that is built on close cooperation between federal, state, local, and tribal law enforcement agencies and prosecutors. This cooperation has resulted in charges being filed, not just in federal court, but also in the Standing Rock Sioux Tribe’s own tribal court where appropriate. Cooperation like this means better law enforcement, better prosecutions and safer communities.”

In Sioux Falls, U.S. Attorney for the District of South Dakota Brendan Johnson said, “These indictments illustrate the progress that is being made in Standing Rock and throughout Indian Country in South Dakota and North Dakota. The success of this investigation was the result of close cooperation between dedicated professionals in numerous law enforcement agencies.” U.S. Attorney Johnson added, “These are serious offenses, and we will continue our efforts to work with our law enforcement partners to investigate and eradicate large-scale drug conspiracies in the Dakotas.”

In Fort Yates, Standing Rock Sioux Chief Prosecutor Grant Walker said, “Close

cooperation between the Standing Rock Sioux Tribal Prosecutor’s Office and the U.S. Attorney’s Office has allowed the tribe to participate directly in Operation Prairie Thunder by charging, where appropriate, additional defendants tied to this investigation in tribal court. By being a partner in this operation, the Standing Rock Tribe is able, through the exercise of its own sovereignty, to make its own important contribution to the safety of its community.”

Acting Special Agent in Charge Richard D. Schwein of the Federal Bureau of Investigation’s Minneapolis Field Office, which includes North Dakota and South Dakota said, “The arrests resulting from this joint investigation serve as a shining example of cooperative law enforcement efforts in the region. The FBI, along with our partners, remains unwavering in its commitment to the safety and well-being of people on the Standing Rock Reservation.”

“Jurisdictional issues exist throughout Indian Country and working together with other federal, state, and local agencies in a common goal is essential for Indian Country law enforcement,” said Bureau of Indian Affairs Special Agent in Charge Mario Redlegs. “This operation affirms to the people of Standing Rock that we are watching vigilantly and ensuring that they do have a safe place to live.”

U.S. Attorney Purdon praised the coordinated efforts of the Federal Bureau of Investigation, Bureau of Indian Affairs Office of Justice Services, United States Marshals Service, Homeland Security Investigations, Drug Enforcement Administration, Sioux County Sheriff’s Department, and the United States Parole and Pre-Trial Services in achieving the near simultaneous arrests today on the Standing Rock Reservation of many of those charged in the Operation Prairie Thunder cases.

Those charged as a result of Operation Prairie Thunder include:

Charged in United States District Court, District of North Dakota:

- Casey Dogskin, 5023 Mule Deer Street, Fort Yates, North Dakota; possession with intent to distribute and distribution of marijuana;
- Donald White Lightning, 5014 3rd Avenue, Cannonball, North Dakota; possession with intent to distribute and distribution of marijuana (two counts);
- Francis Lester, 5664 Douglas Skye Complex, Fort Yates, North Dakota;

- possession with intent to distribute and distribution of morphine; possession with intent to distribute and distribution of Ritalin; possession with intent to distribute and distribution of Oxycodone;
- Bryan See Walker, 5659 Douglas Skye Complex, Fort Yates, North Dakota; possession with intent to distribute and distribution of marijuana (two counts);
- Paul Miner, 29 5Hawk Avenue, Fort Yates, North Dakota; possession with intent to distribute and distribution of hydrocodone; possession with intent to distribute and distribution of marijuana; possession with intent to distribute and distribution of oxycodone;
- Sage Claymore, 479 Whitetail Street, Fort Yates, North Dakota; possession with intent to distribute and distribution of marijuana (two counts);
- James Grant, 546 Warrior Street, Fort Yates, North Dakota; possession with intent to distribute and distribution of morphine;
- Muriel Long Feather, address unknown; possession with intent to distribute and distribution of oxycodone;
- Winfield Kills Crow, address unknown; possession with intent to distribute and distribution of morphine;
- Allen Siegfried, 5005 4th Ave., Cannonball, North Dakota; possession with intent to distribute and distribution of morphine;

Charged in United States District Court, District of South Dakota:

- Chaske Little Bear, address unknown; distribution of a controlled substance (two counts);
- Francine Jensen, address unknown; distribution of a controlled substance;

Charged in Standing Rock Sioux Tribe Tribal Court:

- Lance Summers Fort Yates, North Dakota; criminal sale of drugs
- Chad Yellow Lodge Fort Yates, North Dakota; criminal sale of drugs
- Odette Elk, Fort Yates, North Dakota; criminal sale of drugs
- Rodney Claymore, address unknown; criminal possession of drugs;
- Claude Ramsey, address unknown; criminal possession of drug paraphernalia

An indictment or a complaint is not evidence that the defendants committed the crimes charged. The defendants are



# An aggressive, all-out defense

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 9:57 AM June 6, 2012

ESPN on June 6, 2012 released the following:

“By Lester Munson

WASHINGTON — It would be easy for Roger Clemens and his legal team to poke a few holes in the evidence against him and then argue to the jury that federal prosecutors have failed to meet the Constitution’s requirement of proof “beyond a reasonable doubt.” If they managed to convince one or two jurors, they could hope for a deadlock in the jury’s deliberations and a mistrial and a technical victory.

That is not what they are doing. As they presented their 14th witness on Tuesday, they were in the middle of a massive effort that seeks nothing less than the total destruction of the government’s effort and a not-guilty-on-all-counts verdict that will vindicate Clemens and begin to restore his legacy as one of baseball’s greatest pitchers.

It’s a highly unusual strategy. There was enough doubt about the government’s evidence after the four-day cross-examination of the prosecutors’ star witness, Brian McNamee, that many defense lawyers would have concluded their efforts and relied on the jury to find the necessary “reasonable doubt.” McNamee confessed to numerous lies, mistakes and exaggerations, the kinds of admissions that most defense lawyers agree are enough to persuade one or more dubious jurors to hold out for a not guilty verdict.

But lead Clemens attorney Rusty Hardin’s cross-examination of McNamee was only the beginning, not the end, of the defense effort.

Relying on a high school teammate, retired ballplayers, expert witnesses, a housekeeper, two masseuses, a broadcaster, and even an FBI agent, Hardin is offering answers to every element of the government’s charges against Clemens. And there is more to come. Hardin says he’ll finish his presentation of as many as 21 witnesses on Friday, and when he is done, it promises to be an impressive accumulation of evidence.

Here’s a look at how the Clemens lawyers have responded so far to the government’s charges that Clemens lied to Congress when he denied that he had ever used steroids or HGH.

At the center of the government’s case is a trove of syringes, cotton balls, vials, and ampoules that McNamee claims he used to inject Clemens with performance-enhancing drugs. McNamee gathered the

physical evidence after injecting Clemens in August 2001, stored it in a beer can and a FedEx box in his house, and finally turned it in to the government in January 2008. The prosecutors used an FBI expert and a forensic scientist from a private lab to show that Clemens’ DNA was present on some of the materials.

On Tuesday afternoon, Bruce Goldberger, a Ph.D. forensic toxicologist who is the founder and director of a lab at the University of Florida, explained to the jury that the physical evidence did not meet the standards that apply to the collection and preservation of physical evidence.

Goldberger’s testimony came after a vigorous and extended argument from Asst. U.S. Attorney Daniel Butler, who insisted to U.S. District Judge Reggie Walton that Goldberger was not qualified to offer expertise on the collection of evidence and was qualified only to examine substances (blood, urine, drugs) in his laboratory. Clearly impressed with Goldberger and his knowledge of evidence collection, Walton allowed Hardin to present the expert to the jury.

Commingling the cotton balls, the syringes, and the other materials in what may have been a damp beer can, Goldberger said, leads to the possibility of “cross-contamination” and precludes the connection of any of the materials to anyone.

Speaking calmly and persuasively in what was the most powerful testimony in the entire trial, Goldberger told the jury that “the possibility of contamination leads to unreliable laboratory conclusions” and “there must be certainty beyond a reasonable doubt before we can make the scientific connection” between the material and an individual.

In the course of Goldberger’s testimony, the language of the trial was transformed with words like “manipulation” and “fabrication” and “garbage” suddenly being used in connection with materials the prosecutors had described as “medical waste.”

Goldberger told the jury that the material was doubly suspicious because it had been “collected and preserved by the accuser.” Hardin was soon referring to McNamee as the “accuser-collector.”

Butler’s cross-examination of Goldberger did not help as he quarreled with Goldberger about his qualifications and picked at him with questions about the “back story” of a piece of evidence. Butler succeeded only in allowing Hardin to come back with a question that prompted Goldberger to conclude that the physical evidence was the worst Goldberger had seen in 30 years of working with trial

evidence.

On another central issue in the trial, Hardin has managed to suggest something that seemed totally unlikely ballplayers’ use injections of Vitamin B12 the way most of us use aspirin or Tylenol. Clemens, in what once seemed to be a weak response to allegations that he had been injected with steroids, claimed that the injections were B12.

Former pitcher Mike Boddicker told the jury that B12 injections were common during his 13 years in the big leagues and that he once walked into the Boston Red Sox training room and was surprised to see Clemens with his pants down being injected in the buttocks with B12. Boddicker, another charming and engaging witness for the defense, told the jury that he could see “B12 on the vial on the training table.

Like the other MLB players that Hardin and Clemens have presented, Boddicker seemed to capture the attention of the jury with his stories that he survived in the big leagues for 13 years with an 84-mph fastball and that he was once traded from the Baltimore Orioles to the Red Sox for Brady Anderson and Curt Schilling.

Prosecutor Steven Durham tried to cross-examine Boddicker by raising the well-known, unwritten law of an MLB clubhouse that what happens in the clubhouse stays in the clubhouse. It was supposed to show that Boddicker would skew his testimony to help Clemens. But, instead, it opened the door for Hardin to return with Boddicker’s report that Clemens would frequently leave the clubhouse in uniform to visit children in Boston hospitals and that he insisted that his teammates tell no one, especially media, about it.

The enormous Clemens-Hardin effort clearly has the prosecutors scrambling. In his attempt to prepare for Goldberger’s testimony, Butler was on the phone with Goldberger on Tuesday morning, only hours before Goldberger appeared before the jury. To prepare for Boddicker’s testimony, the prosecutors sent an FBI agent to interview him on Sunday before his Tuesday appearance.

The defense strategy is proactive, and it is aggressive. It fits what we know of the Clemens way of doing things. It’s working now, but as another great ballplayer said, “It ain’t over ’til it’s over.””

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Douglas McNabb – McNabb Associates, P.C.’s  
Federal Criminal Defense Attorneys

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# 45 Indicted in Major DEA-Led Investigations of Alleged Drug Trafficking Operations at San Juan International Airport

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 10:29 AM June 6, 2012

U.S. Drug Enforcement Administration (DEA) on June 6, 2012 released the following:

“–Multi-Ton Quantities of Cocaine Shipped Aboard American Airlines Commercial Aircraft Destined for Continental United States–

June 6 (San Juan, PR) – On May 31, a federal grand jury indicted 25 individuals as a result of an investigation lead by the Drug Enforcement Administration, the Puerto Rico Police Department (PRPD), and the Puerto Rico Department of Justice, announced today United States Attorney Rosa Emilia Rodríguez-Vélez.

The defendants are charged in a 16 count indictment with violations of the Racketeer Influenced and Corrupt Organizations Act (RICO) and conspiracy to possess with intent to distribute cocaine.

The defendants were members and associates of a criminal organization whose members and associates engaged in narcotics distribution and criminal acts principally out of the Luis Muñoz Marín International Airport in Carolina, Puerto Rico. The leader of the organization is Maribel Rodríguez-Fragoso, aka “La Flaca.”

The indictment alleges that in or around 2010 until May 2012, members of the enterprise and their associates carried kilograms of cocaine in backpack/bags, or hidden on their person, or driving official work vehicles into the Airport through the employees secured entrance. Once in the secured area, they would transfer the kilograms of cocaine to couriers inside of a designated restroom, who would then board flights departing to the continental United States.

It is further alleged that members of the enterprise transported large sums of drug proceeds in the form of U.S. currency from the continental United States to Puerto Rico. Some of the drug proceeds were used to purchase items, such as vehicles, which were regularly used to further the enterprise.

DEA Deputy Administrator Thomas M. Harrigan today said, “Americans have a right to expect the highest integrity from those they entrust with their safety, and

**U.S. v. Stephen E. Hruby**

(Antitrust Division: Criminal Case Filings)

Submitted at 3:51 PM June 6, 2012

DEA is committed to protecting that trust. Today’s arrests at one of the nation’s busiest airports reflect our relentless commitment to working with our partners to aggressively fight drug trafficking, not only at our nation’s points of entry, but at source, transit, and arrival zones throughout the world.”

The case is being prosecuted by Assistant United States Attorneys Brian Kidd, Sean Torriente and Justin Martin from the Organized Crime and Racketeering Section. This unit operates under the Narcotics Unit, and it is supervised by the Chief of the Narcotics Unit, AUSA Timothy Henwood. This unit is yet another component of our new initiative against violent crime and illegal firearms.

A second indictment unsealed today charges 20 individuals for aiding and abetting each other, and conspiracy to possess with intent to distribute in excess of 9000 kilograms of cocaine, aboard American Airlines commercial aircrafts. At times pertinent to this indictment, convict Wilfredo Rodríguez-Rosado, aka “Mogoyo” recruited and organized a group of individuals to package, transport and deliver suitcases loaded with kilograms of cocaine to the American Airlines cargo area at the Luis Muñoz Marín International Airport. Moreover, he recruited and organized a group of American Airlines employees to ensure that those suitcases were smuggled into American Airlines aircrafts destined to Miami and Orlando, Florida and Newark, NJ.

The case was investigated by the DEA, the PRPD, and the FBI, with the collaboration of the San Juan Municipal Police, and prosecuted by Assistant United States Attorneys Olga Castellón, Mariana Bauzá and Maritza González. “The defendants in this investigation not only utilized their positions and security access to smuggle large quantities of illegal narcotics, but they also compromised the safety and security at one of the Caribbean’s most vital airports,” said Acting Special Agent in Charge of the Caribbean Division, Pedro Janer. “DEA will continue to dismantle these organizations that think they can blatantly use legitimate entities to carry out their smuggling operations.”

“The United States Attorney’s Office,

along with our state and federal law enforcement counterparts, will continue investigating and prosecuting drug trafficking organizations which use our island as a trans-shipment point for drugs to the U.S. mainland. The use of commercial aircraft to smuggle narcotics in and out of Puerto Rico, also creates a serious threat to our national security,” said Rosa Emilia Rodríguez-Vélez, U.S. Attorney for the District of Puerto Rico.

The defendants in both cases are facing a minimum term of imprisonment of 10 years up to life. Criminal indictments are only charges and not evidence of guilt. A defendant is presumed to be innocent until and unless proven guilty.

The DEA Caribbean Division would also like to extend its gratitude to the DEA Divisions in New York, Miami, Newark and Dallas for their incredible support and assistance.”

Douglas McNabb – McNabb Associates, P.C.’s

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The author of this blog is Douglas C. McNabb. Please feel free to contact him directly at [mcnabb@mcnabbassociates.com](mailto:mcnabb@mcnabbassociates.com) or at one of the offices listed above.

Document filed on April 17, 2012

• [Plea Agreement](#)



# Former Gunnison County Man Charged in Alleged Scheme to Defraud Investors in NASCAR Business

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 11:42 AM June 6, 2012

The Federal Bureau of Investigation (FBI) on June 5, 2012 released the following:  
“DENVER— Michael Patrick Corrigan, age 57, formerly of Gunnison County, Colorado, was arrested early this morning without incident in Tuscaloosa, Alabama for mail and wire fraud offenses related to his fraudulent actions involving the sale of investment opportunities in a NASCAR memorabilia company, U.S. Attorney John Walsh and FBI Special Agent in Charge James Yacone announced today. Corrigan appeared in U.S. District Court in Birmingham, Alabama, where he was advised of the charged pending against him and the penalties related to those charges. A detention hearing is scheduled to take place later this week in Birmingham. He will eventually come to Colorado so that he can face the charges here, where he was indicted.

According to the indictment, Racezing Mania Corporation (RZM) was incorporated in Colorado in April 2006. Michael Patrick Corrigan was the registered agent. The purpose of RZM was to be a distributor of NASCAR memorabilia, specifically, die-cast cars and apparel. The business was registered to an address in Crested Butte. There was also a P.O. box in Clarksville, Indiana. NascarMania LLC was the parent company of RZM. NascarMania was incorporated under the laws of the Nevada in 2005. This company was also controlled by Corrigan. In addition, Markettron Holdings LLC was also controlled by Corrigan. From the companies' inceptions, until the latter part of 2007, Corrigan was president of NascarMania and treasurer of RZM. Corrigan maintained his position as treasurer of RZM, and he and his wife had sole control of RZM finances of RZM.

The stated purpose of RZM was to specialize in racecar team sponsorships, custom-die cast car sales, and Internet marketing sales. RZM also offered “investment opportunity and value to both current and potential investors.” Between 2005 and 2008, Corrigan, using material misrepresentations and omissions,

fraudulently solicited investors into his NASCAR memorabilia business. To create an appearance of credibility, the defendant created a RZM board of directors, which included several investors of RZM.

Corrigan solicited and interacted with investors through e-mail, telephone calls, mailings, and Internet websites. He also initiated a “club concept” in which investors contributed \$500 for a membership position. Corrigan promised every investor a percentage of the sales of the NASCAR-related merchandise. He also sold membership to “affiliate sites,” or websites available for purchase by investors, for \$1,250. The purpose of these sites was to sell NASCAR memorabilia through “spam” e-mails sent by RZM, which directed potential customers to the affiliate's website. Corrigan guaranteed investors would receive a minimum of \$100 weekly net profit, as well as 10,000 leads per week a \$250 commissions for every affiliate site sale. An “E-Commerce” club offered membership positions for \$5,000. Investors involved in this club were promised a percentage of the company's returns from the Internet sales of NASCAR-related merchandise.

During the course of the scheme, Corrigan claimed to have the ability to generate income and profits through his three business units. He claimed to be expecting first-year sales totaling \$38,500,000, netting \$15,409,688 in profit. By 2011, Corrigan projected sales totaling \$308,336,426, netting \$135,852,298 in profit. Corrigan also informed investors and potential investors that RZM stock would be publicly traded, and, as a result, depending on the amount of the initial investment with RZM, several investors would become millionaires. The defendant was never authorized to use investor funds for his or his family's personal use. Between 2005 and 2008, he obtained approximately \$950,000.

“Combating investment fraud is one of this office's top priorities: scamming investors out of their hard-earned dollars has criminal consequences, including potential prison time,” said U.S. Attorney John Walsh.

“The FBI does not take white-collar crime lightly and will aggressively pursue those that take advantage of hard working Americans,” said FBI Special Agent in Charge James Yacone. “The FBI will continue to protect the financial wealth of individuals enabling our economy to continue to grow safely and securely.”

Corrigan faces four counts of mail fraud and four counts of wire fraud. If convicted, he faces not more than 20 years in federal prison and up to a \$250,000 fine, per count. He could also be ordered to pay restitution.

This case was investigated by the Federal Bureau of Investigation.

Corrigan is being prosecuted by Assistant U.S. Attorney Michelle Heldmyer.

The charges contained in the indictment are allegations, and the defendant is innocent unless and until proven guilty.”

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# Former President of Maryland Corporation Indicted for Allegedly Embezzling Over \$885,000

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 11:08 AM June 6, 2012

The Federal Bureau of Investigation (FBI) on June 5, 2012 released the following:  
 “Corporate Checks to Phone Sex Partners and Prostitutes Claimed as Advertising Expenses

BALTIMORE— A federal grand jury today returned an indictment charging Mark Chandler Goodnow, age 55, of Pasadena, Maryland, with wire fraud for embezzling more than \$885,000 from a corporation he controlled.

The indictment was announced by United States Attorney for the District of Maryland Rod J. Rosenstein and Special Agent in Charge Richard A. McFeely of the Federal Bureau of Investigation. “Corporate officers are fiduciaries for investors and other stakeholders,” said U.S. Attorney Rod J. Rosenstein. “A corporate executive cannot spend money for personal benefit and falsely report it as a business expense.”

According to the one count indictment, Goodnow was the president and chief executive officer of a fast food franchise that maintained its principal office in Severna Park, Maryland. From September 2006 to January 2011, Goodnow allegedly diverted company funds to pay personal expenses.

The indictment alleges Goodnow wrote hundreds of unauthorized corporate checks totaling more than \$885,000. Goodnow allegedly used corporate money to pay three Texas women for telephone sex, to pay personal expenses of one of

## OPERATION

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presumed innocent until the government meets its burden in court of proving guilt beyond a reasonable doubt.

The Operation Prairie Thunder cases are being prosecuted in North Dakota federal court by Assistant U.S. Attorney Gary Delorme, in South Dakota federal court by Assistant U.S. Attorney Jay Miller, and in Standing Rock Sioux Tribal Court by Chief Tribal Prosecutor Grant Walker.”

Douglas McNabb – McNabb Associates, P.C.’s  
 Federal Criminal Defense Attorneys  
 Videos:

the women, and to pay prostitutes in Maryland. Goodnow allegedly concealed the unauthorized expenditures by reporting them in the company’s records as advertising expenditures.

Goodnow faces a maximum sentence of 20 years in prison and a fine of \$250,000. Goodnow’s initial appearance in federal court in Baltimore is expected to be scheduled later this week.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

This law enforcement action is part of President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch and, with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

United States Attorney Rod J. Rosenstein

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thanked the FBI for its work in the investigation and praised Assistant U.S. Attorney Martin Clarke, who is prosecuting the case.”

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# FBI raids Glenville apartment

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 2:35 PM June 6, 2012

TimesUnion.com on June 6, 2012 released the following:

“By Paul Nelson

GLENVILLE — A fugitive wanted for his alleged role in a 2009 drug-related killing in South Florida was among three people nabbed by FBI agents during a Tuesday morning raid of an apartment not far from the local police department, according to authorities and court documents.

Gilberto Santiesteban Jr. faces federal charges of kidnapping resulting in a death and aiding and abetting in the abduction and slaying of a man named Fidel Ruz Moreno, according to the criminal complaint and affidavits.

The legal documents states that Moreno, 35, was among of group that allegedly forced their way into and stole a large amount of pot from one of the places in Miami Dade County that Santiesteban and members of his family had been running a major hydroponic marijuana growing operation.

In June 2009, several members of the drug syndicate are accused of carjacking, kidnapping, and killing Moreno, who they

identified through surveillance footage of being involved in the home invasion and robbery, the criminal complaint indicates. Santiesteban and two others identified as Alejandro Pimentel, 46, and Estrella Mijares, 29, were nabbed at an apartment on Glenridge Road Tuesday morning. It's unclear how the trio ended up in Glenville.

Pimentel and Mijares, are charged with federal conspiracy to possess with intent to distribute 1,000 or more marijuana plants and aiding and abetting, for their alleged role in the drug operation from January of 2004 to May 2012. Mijares is described in court papers as Santiesteban's "paramour."

In all, five defendants face federal kidnapping with death resulting charges while a total of 11 face narcotics offenses for their part in the pot growing business.

The FBI Office in Albany confirmed Tuesday that they conducted an "operation" in Glenville but declined to elaborate, citing the investigation is ongoing. FBI agents were assisted by Glenville Police."

Douglas McNabb – McNabb Associates, P.C.'s

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# FBI agents search NW Indiana government office

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 11:33 AM June 6, 2012

ABCLocal.go.com on June 6, 2012 released the following:

Associated Press

“June 6, 2012 (CROWN POINT, Ind.) — FBI and state police investigators searched a local government office in northwestern Indiana's Lake County, leaving with several computers and boxes of documents.

At least nine officers took part in the search Tuesday lasting about four hours at the Lake County surveyor's office in Crown Point. County Attorney John Dull tells The Times of Munster that the investigators had a court order for the search.

Surveyor George Van Til says he was surprised by the search and didn't know what the investigation was about.

A spokeswoman for the U.S. attorney's office didn't immediately return a call seeking comment Wednesday about the search.

Van Til was first elected county surveyor in 1992. The office oversees flood control projects and has spent millions on the county's computerized Geographic Information System."

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# Nevada Lobbyist Harvey Whittemore Indicted for Making Unlawful Campaign Contributions and Lying to Investigators

(USDOJ: Justice News)

Submitted at 5:54 PM June 6, 2012

F. Harvey Whittemore, 55, of Reno,

Nevada, was charged with one count of making excessive campaign contributions, one count of making contributions in the

name of others and two counts of making a false statement to a federal agency.



# Diane S. Bundy Indicted by a Federal Grand Jury in Pittsburgh Alleging Health Care Fraud and Obtaining a Controlled Substance Through Fraud

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 9:34 AM June 6, 2012

The Federal Bureau of Investigation (FBI) on June 5, 2012 released the following:

“Greensburg Woman Charged with Health Care Fraud

PITTSBURGH— A resident of Westmoreland County, Pennsylvania has been indicted by a federal grand jury in Pittsburgh on a charge of health care fraud and obtaining a controlled substance through fraud, United States Attorney David J. Hickton announced today.

The two-count indictment named Diane S. Bundy, 38, at 1096 Brick Hill Road, Greensburg, Pennsylvania, as the sole defendant.

According to the indictment, from December 2008 to October 2011, Bundy forged prescriptions for Schedule III and Schedule IV drugs, presented them to pharmacies and used the insurance provided by UPMC For You, UPMC Health Plan, First Energy Corporation, Gateway Health Plan, Coventry Health Plan, and Highmark insurance companies

to pay for the fraudulent and forged prescriptions.

The law provides for a maximum total sentence of not more than 14 year in prison, a fine of \$500,000, or both. Under the Federal Sentencing Guidelines, the actual sentence imposed would be based upon the seriousness of the offense and the prior criminal history, if any, of the defendant.

Assistant United States Attorney Nelson P. Cohen is prosecuting this case on behalf of the government.

The Federal Bureau of Investigation, Pennsylvania State Police (Greensburg and Uniontown Stations), and the Greensburg Police Department conducted the investigation leading to the indictment in this case.

An indictment is an accusation. A defendant is presumed innocent unless and until proven guilty.”

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## Court denies Loughner’s request for rehearing

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 11:25 AM June 6, 2012

The Associated Press (AP) on June 6, 2012 released the following:

“PHOENIX (AP) — An appeals court rejected a request by lawyers for the man accused of shooting former Rep. Gabrielle Giffords to rehear their arguments over their mentally ill client’s forced medication with psychotropic drugs.

Attorneys for Jared Lee Loughner had asked the 9th U.S. Circuit Court of Appeals for a rehearing after the court in March denied their request to halt their client’s forced medication.

The court on Tuesday denied the request to hear the appeal again.

Loughner has pleaded not guilty to 49 charges stemming from the January 2011

shooting in Tucson that killed six people and wounded former U.S. Rep. Gabrielle Giffords and 12 others.

The trial court judge on the case has set a June 27 hearing in Tucson to consider whether Loughner is mentally fit to stand trial.”

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## Deputy Attorney General James M. Cole Testifies Before the Senate Judiciary Committee

(USDOJ: Justice News)

Submitted at 10:59 AM June 6, 2012

"As someone who spent over a dozen years as a prosecutor and then nearly twenty more as a defense attorney, I know

firsthand the importance that discovery plays in ensuring criminal defendants fair trials. But, at the same time, I am acutely aware of the other critical interests – such as the safety and privacy of witnesses and

victims – that our criminal justice system properly takes into account," said Deputy Attorney General Cole.





## AGGRESSIVE,

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### **Perth Amboy, New Jersey, to Upgrade Sewer System to Resolve Clean Water Act Violations**

*(USDOJ: Justice News)*

Submitted at 3:34 PM June 6, 2012

Under the agreement, which was lodged by the Department of Justice in federal court today, the city will reduce the amount of sewage and other pollutants that flow out of 16 combined sewer points into the Raritan River and Arthur Kill.

### **Attorney General Eric Holder Speaks at the Justice Department's LGBT Pride Month Celebration**

*(USDOJ: Justice News)*

Submitted at 11:21 AM June 6, 2012

"Here at the Justice Department, we can all be proud of the robust efforts that are underway to combat discrimination – in all its forms – in every community, every workplace, and every school," said Attorney General Holder.

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