



## Federal Agents Raid Calif. Marijuana University

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

Submitted at 1:50 AM April 4, 2012

MyFoxAtlanta.com on April 2, 2012 released the following:

“TERRY COLLINS, Associated Press OAKLAND, Calif. (AP) – Federal agents on Monday targeted a San Francisco Bay area medical marijuana training school started by a leading pot advocate who has been instrumental in pushing for ballot measures to legalize the drug.

The doors to Oaksterdam University in downtown Oakland were blocked by U.S. marshals and yellow tape following the early morning raid by agents with the Internal Revenue Service and the U.S. Drug Enforcement Administration.

Agents carted trash bags of unknown materials out of the school as protesters gathered to condemn the action. A museum connected to the school and a nearby medical marijuana dispensary operated by Oaksterdam founder Richard Lee also were raided.

Demonstrators outside the multistory building, some openly smoking marijuana, held signs demanding an end to federal crackdowns on marijuana, which remains illegal under federal law.

Ryan Hooper, 26, of Oakland, wearing an Oaksterdam hat and sweat shirt, said he had finished taking courses at the school in February.

“This is not in the best interest of the city,” Hooper said. “If they close the dispensaries, all of this stuff is going to go back underground.”

Oaksterdam University was founded by Lee, who spent more than \$1 million as the main backer of a California ballot measure defeated in 2010 that would have legalized marijuana in the state for recreational use. Lee did not immediately return a message seeking comment.

The school offers classes to would-be medical marijuana providers in fields

ranging from horticulture to business to the legal ins-and-outs of running a dispensary. It does not distribute marijuana.

Arlette Lee, an IRS spokeswoman and no relation to Richard Lee, told reporters that agents were serving a federal search warrant but said she could not otherwise comment on the purpose of the raid. “What we are doing here today is under seal,” Lee said.

Agents also raided Richard Lee’s home and briefly detained him during their search but did not arrest him, said Dale Sky Jones, Oaksterdam’s executive chancellor.

“Clearly, they’re trying to knock down one of the leaders in the cannabis reform movement,” Jones said.

No other arrests were reported, and it was unclear if the raid was prompted by a civil or criminal complaint. Jack Gillund, a spokesman for the U.S. attorney’s office, also declined comment.

The raid was the latest move by the federal government to crack down on California’s thriving medical marijuana industry. Federal prosecutors across the state joined late last year to shut down dozens of dispensaries by threatening to seize landlords’ property if they did not evict marijuana retailers.

The government’s action came as a surprise to medical marijuana advocates because the city of Oakland has been somewhat of a safe haven for pot clinics. The city has long allowed four medical marijuana dispensaries to legally operate under city ordinances and recently awarded permits that would allow four more to open.

“Oakland has one of the most highly regulated systems for distributing medical marijuana in the state,” said Stephen Gutwillig, California’s director for the Drug Policy Alliance. “We think this is a campaign by the U.S. attorneys not just to

limit but to kill access to medical marijuana in California.”

Others countered that pot advocates are mistaken if they believe the Obama administration wouldn’t take action. “This is a warning signal to any city including Oakland that they should tread very carefully when sanctioning an illegal activity,” said Kevin Sabet, a former senior adviser to the president’s drug czar and an assistant professor at the University of Florida. “The brazenness of Oakland and other cities like this has actually made them a target.”

Some observers said the federal government’s decision to go after Oaksterdam shows it’s not going to back down.

“It doesn’t get much more confrontational than that,” said Alex Kreit, a law professor at the Thomas Jefferson School of Law in San Diego.”

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## Attorney General Eric Holder Speaks at the Chicago Health Care Fraud Prevention Summit

(USDOJ: Justice News)

Submitted at 11:12 AM April 4, 2012

“How did we get here? In large part, because – nearly three years ago – the Departments of Justice and Health and Human Services came together in a new way, and made a collective commitment

to meeting our shared goals and responsibilities. This commitment inspired Secretary Sebelius and I to launch a landmark joint initiative – the Health Care Fraud Prevention and Enforcement Action Team, known as ‘HEAT,’” said Attorney General Holder.



# Federal authorities watching investigations of Milwaukee police

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

Submitted at 9:04 AM April 4, 2012

Journal Sentinel on April 4, 2012 released the following:

“By Gina Barton of the Journal Sentinel  
Allegations that seven Milwaukee police officers and a sergeant may have sexually assaulted people and violated their civil rights while conducting body cavity searches on the street have led to the most sweeping investigation of the Police Department in at least a decade.

Milwaukee County prosecutors have launched a John Doe investigation, an inquiry in which prosecutors can compel testimony and subpoena documents without public knowledge.

Simultaneously, the civilian Fire and Police Commission and the department’s internal affairs division are reviewing numerous complaints dating back a couple of years.

The FBI and the U.S. attorney’s office are closely monitoring the local investigation. If federal authorities are not satisfied with the outcome, they could launch an investigation of their own, as they did after the 2004 beating of Frank Jude Jr. by a group of off-duty officers.

In the Jude case, three officers were acquitted in state court. Ultimately, those three and four others were convicted in federal court.

And that’s not the only federal prosecution in recent years.

In total, at least 13 former Milwaukee police officers have been convicted of federal crimes since 2005.

But filing criminal charges isn’t the only way the federal government can get involved in fighting police corruption.

If federal authorities discover a pattern of civil rights abuses, a 1994 law gives them the authority to sanction an entire police department. Under the Obama administration, officials in Washington, D.C., have stepped up those prosecutions, known as “pattern or practice” investigations, experts say.

Federal authorities look for trends that show departments are tolerant of illegal or abusive behavior by officers, said David Harris, a professor at the University of Pittsburgh School of Law who specializes in police accountability issues.

“The argument that there are a few bad apples, I don’t buy that,” he said. “The fact that they are allowed to exist and thrive in the open for years and years means you have a dysfunctional organization.”

Racial profiling; searches and seizures

without probable cause; the targeting of minority populations for harassment; a poor citizen complaint process; excessive use of force; or excessive use of weapons or Tasers all could warrant federal intervention, Harris said.

The complaints about potentially illegal searches in Milwaukee’s District 5 that came to light two weeks ago follow two Journal Sentinel investigations that raise questions about the department’s procedures: One in December found wide racial disparities in traffic stops and searches; and one in October showed how 93 officers kept their jobs despite run-ins with the law.

“In any large organization, you are going to have some bad people,” Harris said.

“But when those bad people are not rooted out, when discipline is uneven, when there is no sense that there is justice, when the department investigates itself, you undermine public confidence – even if crime is down.”

Pattern or practice investigations usually are triggered when the American Civil Liberties Union or another civil rights group files a complaint with the Department of Justice in Washington, D.C., according to Scott Greenwood, a constitutional and police civil rights attorney who also serves as national counsel for the ACLU.

Locally, the ACLU of Wisconsin is conducting its own research into both the invasive searches and the traffic stops, according to Chris Ahmuty, executive director. If the department and the Fire and Police Commission are not cooperative, filing a federal complaint could be the next step, he said.

“There’s not a contradiction between civil liberties and professional police service,” Ahmuty said. “This idea that the officers’ motives, if they are pure, that somehow ameliorates the harm, that doesn’t wash. You could see that could sort of infect the whole culture of the Police Department.”

Michael G. Tobin, executive director of the Fire and Police Commission, said it would be premature to conclude that a pattern of misconduct has occurred, he said in a statement.

“The fact that people have come forward indicates to me that there is confidence in the system that we have for handling these matters,” Tobin said. “Sometimes we lose track of the fact that we have made so many positive changes that have increased the public trust over the past five years or so. We have to keep earning that trust on a daily basis in everything we do, from the beat cop talking respectfully with

everyone they meet, to the way we handle this investigation.”

Milwaukee Police Chief Edward Flynn was unavailable to comment.

Since 1997, the Justice Department has investigated more than two dozen police agencies – including those in New Orleans, Seattle and Maricopa County, Ariz., where the sheriff made illegal immigration his top priority – for potential pattern or practice violations, according to the DOJ’s website.

Pattern or practice investigations, conducted by the special-litigation section of the Justice Department’s Civil Rights Division, generally last several months and involve interviews with potential victims and a review of department records.

When it comes to department policies and procedures, Justice Department investigators are interested not only in whether good ones exist, but also whether they are followed, Harris said.

“If they have the systems but don’t use them, that could be just as bad a problem,” he said. “It could be your systems are just window dressing and you do things the way you have always done them.”

The investigations almost always result in a memorandum of understanding or a consent decree, both of which are agreements among the Justice Department, municipal and police officials and community members to work together for change, according to Harris and Greenwood. The key difference is that a consent decree is enforced by a federal judge.

While most agreements include monitoring of the police department and regular reporting of progress, other requirements vary.

In New Orleans, a consent decree is still being hammered out. In the meantime, FBI agents have taken up residence inside the internal affairs division, which, like Milwaukee’s, investigates its own officers when they are accused of wrongdoing.

In Seattle, the city and the Justice Department each have developed improvement plans and are working on an agreement to fix problems. The Justice Department has urged the Police Department “to collect and analyze data that could address and respond to the perception that some of its officers engage in discriminatory policing,” according to a letter federal officials wrote to the city’s mayor at the end of their investigation.

The Maricopa County, Ariz., sheriff’s



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office must improve its training, data collection, complaint system and communication with non-English speakers, according to a letter to the county attorney presenting the Justice Department's findings. Whether any or all of those reforms end up in an agreement remains to be seen.

It may take years for a pattern or practice investigation to yield tangible results, according to Harris.

"What this is supposed to result in is a transformed police department with state-of-the-art practices and all the rules for up-to-date police interaction with civilians," he said.

The police chief must take the lead in changing the department's culture, according to Greenwood.

That's what happened in Cincinnati 10 years ago, said Greenwood, who served as lead counsel in the case there. The Department of Justice came in after 15 African-American men, some of them unarmed, died at the hands of police, according to Tom Streicher, Cincinnati police chief at the time. It resulted in riots, he said.

Although he initially resisted change, the Justice Department's involvement helped him realize the department needed to be more transparent, Streicher said.

"Anybody who thinks they can do it alone is a fool," he said. "No entity can do it all by itself because a police agency isn't meant to serve itself any more than the government is meant to serve itself. You have to engage the public and you have to keep them engaged and you have to be accountable to the public because they

### Former Executive of Miami-Based Ocean Bank Sentenced to Serve 37 Months in Prison for Participating in Bribery Scheme and Filing False Tax Returns

(USDOJ: Justice News)

Submitted at 12:52 PM April 4, 2012

A former executive of Ocean Bank, a financial institution headquartered in Miami, was sentenced today for participating in a scheme to accept bribes and for failing to report income on federal income tax returns

give you the power and authority to police them. If you don't have accountability, history has shown us you are destined to revisit what occurred before."

At that time, the Cincinnati Police Department refused to release information about pending investigations, a policy that still exists within the Milwaukee Police Department and many others around the country. The Cincinnati Police Department's agreement with the Justice Department changed all that.

"The agreement required us to share anything and everything we do with anyone who wanted to know about it," Streicher said. "There was no more, 'We can't discuss this because it's under investigation.'" "

Within eight hours of an incident, the investigating officer was required to produce a PowerPoint presentation that could be shared with the public, Streicher said. Documents such as incident reports were given to the media before investigations were complete. When police officers were accused of wrongdoing, the department released their names and the allegations against them immediately.

"That evokes a lot of confidence in people," Streicher said. "That's what the Justice Department can do: Making policing better. Making police more responsible and accountable for their actions, as well as providing guidelines to improve the overall agency."

Federal oversight in Milwaukee would go a long way toward changing a number of questionable customs, policies and procedures in the Police Department here,

according to attorney Jonathan Safran, who represented Jude.

"We believe that better policies and procedures, utilizing outside agencies, and maybe having an independent monitor involved to review the investigations and outcomes, would restore citizens' respect for, and cooperation with the City of Milwaukee Police Department," he said in a statement."

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## Hollenbeck attorney up for sentencing Wednesday

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

Submitted at 10:10 AM April 4, 2012

Winston-Salem Journal on April 4, 2012 released the following:

"By: WESLEY YOUNG

Federal prosecutors are recommending a 90-year sentence for Atlanta securities lawyer Gregory Bartko, who was convicted in 2010 of securities fraud in a case that involved the testimony of convicted Kernersville investment counselor Scott Hollenbeck.

Bartko's attorneys are arguing in federal court that Bartko instead should have a "reasonable" sentence that would free him immediately. They say Bartko would still be barred from law and the securities industry, and that court-ordered restitution would, "for all intents and purposes, impoverish him."

Bartko has been in jail since his conviction, awaiting sentencing.

Sentencing is scheduled for 9 a.m. today in Courtroom 1 on the seventh floor of the Terry Sanford Federal Building at 310 New Bern Ave. in Raleigh.

Bartko is best known here for his role in representing a court-appointed receiver in a successful effort to obtain the return of millions of dollars raised by Hollenbeck from mom-and-pop investors and placed with a Montana coal mine. Bartko negotiated the return of \$20 million from the mine operators, though he and another lawyer received criticism for taking \$4 million in legal fees from that amount.

Bartko's conviction relates to two investment plans that involved Hollenbeck raising money in a fraudulent way.

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# Connecticut art gallery owner arrested on federal charges alleging fraud

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

Submitted at 4:28 AM April 4, 2012

PostCrescent.com on April 3, 2012 released the following:

By John Christoffersen, Associated Press "BRIDGEPORT, Conn. (WTW) — An art dealer was arrested on fraud charges Tuesday, more than a year after his Madison gallery was raided by the FBI.

David Crespo, who has been accused previously of dishonest dealings in the art world, appeared in U.S. District Court in Bridgeport on mail and wire fraud charges. He was released on \$50,000 bond.

Crespo owned Brandon Gallery, which was raided in November 2010 by FBI agents who seized several pieces of artwork. At the time Crespo denied that he was the target of a federal probe and said he was assisting a larger investigation into art fraud.

Crespo's attorney and his wife declined to comment at Tuesday's hearing.

Philip Coffaro, a Long Island art gallery owner who once did business with Crespo, said he was interviewed by FBI agents who showed him fraudulent certificates that Crespo had apparently

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Prosecutors say Bartko involved the Hollenbeck investors in losses of \$3.4 million and knew about Hollenbeck's fraudulent sales methods.

They also fault Bartko's role in the coal mine recovery, saying that Bartko was actually defrauding the coal mine investors because he never repaid the part of the money that went toward a Bartko investment, not the coal mine.

Bartko's lawyers say Bartko did not know that any of the money in either of his two investment funds had been raised illegally.

The defense attorneys say giving Bartko a 90-year sentence would be out of proportion to the crime, pointing out statistics that show that Bartko's sentence would be longer than those handed out to convicted murderers, kidnappers and other criminals.

Hollenbeck, sentenced in 2008 to 14 years in prison, received a reduced sentence for testifying against Bartko and John Colvin, another Hollenbeck associate convicted in 2010 of fraud. Hollenbeck is slated for release in October 2015."

used to overstate the value of signed Marc Chagall prints. Crespo would buy items from him for around \$200 and mark them up as much as \$10,000 for sale as far afield as Korea, Coffaro said.

"The certificates were disgusting," Coffaro said.

Coffaro had a falling-out with Crespo in 2008 when he accused his former associate of selling off a piece of art that did not belong to him.

A lawsuit in the Eastern District of New York alleged that Coffaro loaned Crespo a Salvador Dali painting, "Folle Folle Folle Minerva." Coffaro said Crespo later refused his demands to return it, giving it instead to another man to pay off a debt.

Coffaro spent \$40,000 to reclaim the painting and sold it for about \$220,000, but Crespo continued to claim ownership of the painting, according to a complaint.

A judge ruled in 2010 that Coffaro is the rightful owner. That ruling is under appeal.

"David is his own worst enemy," said Coffaro, who owns Gallery 25 in Mineola, N.Y. "He took advantage of the system. He took advantage of people. He's very smooth."

The next court hearing for Crespo was

scheduled for July 13."

[18 U.S.C. § 1341 – Mail Fraud](#)

[18 U.S.C. § 1343 – Wire Fraud](#)

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