



Former Guard Charged with Allegedly Attempting to Communicate National Defense Information to People's Republic of China

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

Submitted at 6:35 AM September 29, 2011

The Federal Bureau of Investigation (FBI) on September 28, 2011 released the following:

“WASHINGTON— Bryan Underwood, a former contract guard working at a U.S. Consulate in China, has been charged in a superseding indictment with one count of attempting to communicate national defense information to a foreign government, two counts of making false statements, and one count of failing to appear in court pursuant to his conditions of release.

The superseding indictment, which was returned today by a federal grand jury in the District of Columbia, was announced by Lisa Monaco, Assistant Attorney General for National Security; Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

Underwood, 31, was first charged in an indictment on Aug. 31, 2011, with two counts of making false statements and was arrested on Sept. 1, 2011. On Sept. 21, 2011, Underwood was scheduled to appear at a status hearing in federal court in the District of Columbia, but failed to do so. The FBI located Underwood in Los Angeles and arrested him there in the early morning hours of Sept. 24, 2011. Underwood will be brought back to the District of Columbia for arraignment on the superseding indictment. If convicted of the charges against him in the superseding indictment, Underwood faces

a maximum potential sentence of life in prison.

According to the superseding indictment, from about March 1, 2011, to about Aug. 5, 2011, Underwood knowingly and unlawfully attempted to communicate photographs and other information relating to the national defense to representatives of the People's Republic of China (PRC), with the intent and reason to believe that these materials would be used to the injury of the United States and to the advantage of a foreign nation.

The indictment further alleges that on Aug. 5, 2011, Underwood made a false statement when he stated to an FBI representative that he was intending to assist the FBI when he wrote a letter stating his “interest in initiating a business arrangement” with the PRC. Underwood also made a false statement, according to the indictment, when he stated to an FBI representative that he was intending to assist the FBI when he took certain photographs of his place of work. Finally, the indictment alleges that Underwood failed to appear in court on Sept. 21, 2011 in accordance with the conditions of his release, after his initial arrest on Aug. 31, 2011.

“As this case demonstrates, we remain vigilant in protecting America's secrets and in bringing to justice those who attempt to compromise them,” said Assistant Attorney General Monaco. “Our national security depends upon our ability to keep our most sensitive information confidential. Bryan Underwood is charged with trying to pass American secrets to China and then lying

to cover up his betrayal,” said U.S.

Attorney Machen. “I want to congratulate the FBI for so quickly tracking down this defendant in California so that he could be brought back to the District of Columbia to face these charges.”

“The FBI is committed to working with our partners in the U.S. Government to prevent the compromise of U.S. national security information by those who would attempt to sell it for personal gain,” said FBI Assistant Director in Charge McJunkin. “Those who seek to flee from justice should know that the FBI will locate and apprehend them.”

This investigation was conducted by the FBI's Washington Field Office, with assistance from the State Department's Bureau of Diplomatic Security. The prosecution is being handled by the U.S. Attorney's Office for the District of Columbia and Trial Attorney Ryan Fayhee from the Counterespionage Section of the Justice Department's National Security Division.”

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#).

Douglas McNabb and other members of the U.S. law firm practice and write and/or report extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at mcnabb@mcnabbassociates.com or at one of the offices listed above.



Former President of Registered Investment Adviser Firm Charged with Allegedly Committing Mail Fraud and Obstruction

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

Submitted at 7:23 AM September 29, 2011

The Federal Bureau of Investigation (FBI) on September 28, 2011 released the following:

“SAN FRANCISCO— Today the United States Attorney’s Office for the Northern District of California charged Kurt S. Hovan, of Belvedere, Calif., with mail fraud and obstruction, United States Attorney Melinda Haag announced. The charges result from Hovan’s alleged fraudulent use of “soft dollars” and his subsequent obstruction of an investigation being conducted by the Securities and Exchange Commission (SEC).

According to the information filed today, Hovan, 43, is alleged to have created a scheme to defraud brokerage firms into paying “soft dollars” to Hovan’s brother, who then funneled the money back to benefit Hovan’s company, Hovan Capital Management, LLC (HCM). “Soft dollars” are credits from a brokerage firm on commissions generated by client trades in brokerage firm accounts. Brokerage firm clients, such as a registered investment adviser firm like HCM, are allowed to use those credits to pay for research services to benefit the investment adviser’s clients. The investment adviser, however, must disclose its use of these “soft dollar” credits, and the investment adviser is prohibited from using these credits to pay for its own benefit instead of its clients’ benefit.

According to the information, Hovan allegedly caused the creation of Bolton Research, LLC, in Connecticut. Hovan then submitted invoices to brokerage firms to support requests that those firms pay Bolton using HCM’s accumulated soft dollars. Hovan falsely claimed to the brokerage firms that Bolton’s invoices reflected charges for independent research Bolton had conducted to benefit HCM’s clients. The brokerage firms paid the invoices to Bolton, which was, in fact, simply Hovan’s brother. Hovan’s brother then funneled a substantial amount of the payments back to HCM to pay HCM’s rent.

In January 2010, the SEC asked Hovan to provide documentation of the purported independent research Bolton had conducted. In response, Hovan allegedly created false and misleading documents to falsely reflect that Bolton had conducted significant independent research, that Bolton had prepared reports summarizing the research, and that Bolton had done so on a schedule coinciding with the monthly soft dollar payments to Bolton. Hovan then produced these false documents to the SEC, and later falsely stated to the SEC that He did not create them.

Hovan’s initial appearance in federal court has not been scheduled. The maximum statutory penalty for mail fraud, in violation of Title 18, United States Code, Section 1341, is 20 years in prison, a \$250,000 fine, and five years of supervised release. The maximum

statutory penalty for obstruction is five years in prison, a \$250,000 fine, and three years of supervised release. Any sentence following conviction, however, would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Doug Sprague is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Rayneisha Booth. The prosecution is the result of a five-month investigation by the Federal Bureau of Investigation, with substantial assistance from the San Francisco Regional Office of the Securities and Exchange Commission.

Please note, an information contains only allegations against an individual and, as with all defendants, Mr. Hovan must be presumed innocent unless and until proven guilty.

Further Information:

Case #: CR 11-0699 RS”

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#).

Douglas McNabb and other members of the U.S. law firm practice and write and/or report extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at mcnabb@mcnabbassociates.com or at one of the offices listed above.

Madison Federal Grand Jury Returns Indictments

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

Submitted at 5:52 AM September 29, 2011

The Federal Bureau of Investigation (FBI) on September 28, 2011 released the following:

“MADISON, WI— A federal grand jury in the Western District of Wisconsin, sitting in Madison, returned the following indictments today. You are advised that a charge is merely an accusation and that a defendant is presumed innocent until and unless proven guilty.

Eau Claire Man Charged with Child Pornography Crimes

David J. Kmetz, 43, Eau Claire, Wis., is charged with one count of distributing child pornography and one count of

possessing a computer hard drive containing child pornography. The indictment alleges that on July 26, 2010, he distributed computer images and video files containing visual depictions involving the use of minors engaged in sexually explicit conduct, and that he possessed the computer hard drive on January 11, 2011.

If convicted, Kmetz faces a penalty of at least five years and up to 20 years in federal prison on the distribution count, and 10 years on the possession count. The charges against him are the result of an investigation by the Federal Bureau of Investigation. The prosecution of this case has been assigned to Assistant U.S. Attorney Peter M. Jarosz.

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.

MADISON page 4



More than 2,900 convicted criminal immigrants arrested, ICE says

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

Submitted at 8:16 AM September 29, 2011

CNN on September 29, 2011 released the following:

“By the CNN Wire Staff

Washington (CNN) — In a huge, seven-day operation covering all 50 states and four U.S. territories, U.S. Immigration and Customs Enforcement officials arrested 2,901 convicted criminal immigrants as part of the “Cross Check” enforcement operation, ICE officials announced Wednesday.

ICE officials trumpeted the arrests at a news conference designed to highlight “the Obama administration’s ongoing commitment to prioritizing the removal of criminal aliens and egregious immigration law violators.”

ICE Director John Morton said all those arrested had prior criminal convictions, including 1,282 who had multiple convictions. More than 1,600 of those arrested had felony convictions including manslaughter, attempted murder, kidnapping, armed robbery, drug

trafficking, child abuse, sexual crimes against minors and aggravated assault. Forty-two of them were gang members and 151 were convicted sex offenders, officials said.

ICE officials acknowledged that despite the large number of arrests, there were still an estimated 1 million convicted criminal aliens in the United States. Morton said one of the issues ICE is trying to deal with is the lack of notification to immigration authorities when offenders are released from jail.

Most of the people detained — 2,642 — were men. Those arrested came from 115 countries, with immigration fugitives accounting for 681 of those detained in the operation, Morton said. Of the people arrested, 386 were illegal re-entrants.

“The results of this targeted enforcement operation underscore ICE’s ongoing commitment and focus on the arrest and removal of convicted criminal aliens and those that game our nation’s immigration system,” Morton in a statement released before the news conference. “Because of the tireless efforts and teamwork of ICE

officers and agents in tracking down at large criminal aliens and fugitives, there are 2,901 fewer criminal aliens in our neighborhoods across the country.”

ICE began conducting large-scale operations to target convicted criminal aliens in December 2009 and since then, nine regional and national Cross Check operations — including last week’s — have resulted in the arrest of more than 7,400 convicted criminal aliens.”

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#).

Douglas McNabb and other members of the U.S. law firm practice and write and/or report extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at mcnabb@mcnabbassociates.com or at one of the offices listed above.

Feds to seek new indictment vs. Greig

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

Submitted at 8:08 AM September 29, 2011

Turnto10.com on September 28, 2011 released the following:

“By: DENISE LAVOIE | AP Legal Affairs Writer

BOSTON — Federal prosecutors plan to seek a new indictment against the longtime girlfriend of former Boston crime boss James “Whitey” Bulger, according to a written status report filed in court Wednesday.

Catherine Greig, 60, already has been indicted for allegedly helping Bulger elude authorities after he fled Boston in late 1994, just before he was indicted on racketeering charges. The couple was apprehended in Santa Monica, Calif., in June after spending more than 16 years on the run.

Greig’s lawyers and prosecutors are expected to present the status report to a judge in court Thursday.

The filing by prosecutors, which was

reviewed by The Associated Press, says the government “anticipates seeking a superseding indictment in the future.” No other details were provided.

Greig has pleaded not guilty to a charge of conspiracy to harbor and conceal a fugitive. The charge carries a maximum prison sentence of five years.

Her lawyer, Kevin Reddington, did not immediately return a message left on his cellphone seeking comment Wednesday.

Bulger, the former leader of the notorious Winter Hill Gang, is charged for his alleged role in 19 murders. Prosecutors say Greig actively helped Bulger, now 82, escape capture.

Her lawyer has said she was in love with Bulger and didn’t know the extent of his alleged crimes when she left Boston with him in 1995.

In their court filing Wednesday, prosecutors say it is premature to know whether there could be a plea deal in the case against Greig.

“It is too early to determine whether plea

negotiations will resolve this case,” First Assistant Jack Pirozzolo and Assistant U.S. Attorney James Herbert wrote.

Reddington has said Greig will not cooperate with authorities in their case against Bulger.

“She’s going to trial on the case – that’s it,” Reddington said last month, after Greig pleaded not guilty to the charge.”

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#).

Douglas McNabb and other members of the U.S. law firm practice and write and/or report extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at mcnabb@mcnabbassociates.com or at one of the offices listed above.



MADISON

continued from page 2

Waterloo Man Charged with Embezzlement

Allen R. Howe, 63, Waterloo, Wis., is charged with embezzling \$56,723.74, from the Allen Howe & Son, Inc. Simple Retirement Account Trust. The indictment alleges that from December 2006 through September 2009, he withheld that amount of Allen Howe & Son, Inc. employee contributions, and failed to make payments to any financial institution on behalf of those employees.

If convicted, Howe faces a maximum penalty of five years in federal prison. The charge against him is the result of an investigation by the U.S. Department of Labor, Employee Benefits Security Administration. The prosecution of this case has been assigned to Assistant U.S.

Attorney Peter M. Jarosz.”

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#).

Douglas McNabb and other members of the U.S. law firm practice and write and/or report extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at mcnabb@mcnabbassociates.com or at one of the offices listed above.