



Gupta seeks calls thrown out of U.S. insider trial

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

Submitted at 12:29 PM May 8, 2012

CNBC on May 8, 2012 released the following:
"NEW YORK (Reuters) – Former Goldman Sachs board member Rajat Gupta, the most prominent corporate figure indicted in a U.S. crackdown on insider trading, has asked a judge to throw out more than two dozen phone conversations that the government has sought to present as evidence at his trial. Gupta's lawyers argued in court papers filed Monday night that as many as 26 recorded calls had nothing to do with allegations that Gupta gave inside tips to his onetime friend, convicted Galleon Group hedge fund manager Raj Rajaratnam.

Gupta's trial starts on May 21 in U.S. District Court in Manhattan. A onetime head of McKinsey & Co, he is accused of giving Rajaratnam secrets of Goldman and Procter & Gamble board meetings in 2007 and 2008. In addition to sitting on the Goldman board, Gupta also was a director at P&G.

Gupta, 63, has denied the charges, which include five counts of securities fraud and one count of conspiracy. He says he lost money investing with Rajaratnam and that as many as four other Goldman personnel could have tipped off Galleon. Gupta could face up to 25 years in prison if convicted of securities fraud.

Rajaratnam is serving an 11-year prison term, the longest sentence handed down for insider trading in the United States, after being convicted in the same court a

year ago. Much of the evidence against him was gathered in FBI wiretaps, revealing a network of contacts providing inside information.

"It appears that the government seeks to reprise the Rajaratnam trial in order to shore up its weak circumstantial case against Mr. Gupta, resorting to evidence about other companies and other alleged conspiracies," Gupta's lawyers said in the court papers.

They said the calls "likely are extremely prejudicial, likely to focus the jury's attention on matters outside the indictment."

A spokeswoman for the office of the Manhattan U.S. Attorney declined to comment. The office's prosecutions of insider trading at hedge funds in recent years have led to dozens of people either pleading guilty or being convicted at trial.

U.S. District Judge Jed Rakoff will rule on which evidence may be heard by the jury.

A pre-trial hearing is scheduled for May 16.

Prosecutors say Gupta gave Rajaratnam advance knowledge of a \$5 billion investment in Goldman by Warren Buffett's Berkshire Hathaway Inc at the height of the 2008 financial crisis, Goldman's surprise fourth-quarter 2008 loss, and P&G's quarterly earnings in late January 2009. Gupta was also charged with providing non-public information about Smucker's acquisition of Folgers from P&G in 2008.

The case is USA v Gupta, U.S. District Court for the Southern District of New York, No. 11-907.

(Reporting By Grant McCool; Editing by Martha Graybow, Dave Zimmerman)
(This story corrects Gupta's age to 63 in the 4th paragraph)"

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Direct Resource Inc. Agrees to Pay \$450,000 to Settle Allegations of Selling Foreign Products to Federal Agencies

(USDOJ: Justice News)

Submitted at 10:06 AM May 8, 2012

Direct Resource Inc. has agreed to pay the government \$450,000 to resolve allegations that the company falsely claimed payment in violation of the Trade Agreements Act (TAA), which prohibits the sale of products to federal agencies

U.S. v. Robert D. Rosenberg

(Antitrust Division: Upcoming Public Hearings)

Submitted at 10:30 AM May 8, 2012

from countries that do not have a reciprocal trade agreement with the United States, the Justice Department announced today. The Columbus, Ohio, company allegedly knowingly sold products from China, a country that does not have such an agreement with the United States.

Sentencing hearing has been scheduled for July 10, 2012 at 2:30 p.m. Eastern

U.S. v. Daniel Moshe Naeh

(Antitrust Division: Upcoming Public Hearings)

Submitted at 10:12 AM May 8, 2012

Sentencing hearing has been scheduled for June 20, 2012 at 10:00 a.m. Eastern



Ex-Army Officers Arraigned on Charges of Allegedly Stealing Over \$2.7 Million in Defense Funds

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

Submitted at 1:30 PM May 8, 2012

The Federal Bureau of Investigation (FBI) on May 8, 2012 released the following:

“Officers Allegedly Stole Government Funds While on Military Duty in Saudi Arabia

ATLANTA—Jasen Minter, 41, of Fayetteville, Georgia, was arraigned today before United States Magistrate Linda T. Walker on federal charges of conspiracy and theft of more than \$2,700,000 from the U.S. government while serving as an Army captain in Saudi Arabia. Minter is charged in a federal indictment along with Louis E. Nock, 45, of Orlando, Florida, who served as a senior non-commissioned officer with Minter in Saudi Arabia. Nock was arraigned on the same charges yesterday before Judge Walker. Both defendants were released on bond.

United States Attorney Sally Quillian Yates said of the case, “Military officers carry heightened responsibilities to their fellow servicemen as well as the public, including the duty to be diligent and honest with every taxpayer dollar. The Army’s mission in Iraq is simply too important for its own officers to steal critical resources from their fellow servicemen and, as alleged in this case, line their own pockets with cash.”

According to United States Attorney Yates, the charges, and other information presented in court: In 2006, then-Captain Minter and Sergeant First Class Nock were finance officers assigned to the U.S.

Military Training Mission (USMTM) in Saudi Arabia. The indictment, which was returned by a federal grand jury on May 1, 2012, alleges that, while serving in Saudi Arabia, Minter and Nock embezzled over \$2,700,000 from a U.S. government bank account at the Saudi Arabia American Bank (SAMBA) in Riyadh. Funds in this government account were to be used to operate the USMTM finance office, which supports U.S. troops. The indictment alleges that Minter and Nock conspired to withdraw the \$2.7 million in two transactions but never delivered the monies to the finance office. Instead, they shipped it back to the United States to fund luxurious lifestyles for themselves and their families.

The charges carry a maximum possible sentence of five years in prison on the conspiracy count, 10 years in prison on each count of theft, and a fine of up to \$250,000 on each count. In determining the actual sentence, the court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

Members of the public are reminded that the indictment only contains charges. The defendants are presumed innocent of the charges, and it will be the government’s burden to prove the defendants’ guilt beyond a reasonable doubt at trial.

This case is being investigated by special agents of the Army Criminal Investigation Command, the Defense Criminal Investigative Service, the Federal Bureau of Investigation, and the Air Force Office

of Special Investigation.

Assistant United States Attorney David Leta is prosecuting the case.”

[US v. Jasen Minter et al](#)
[18 U.S.C. § 371](#)
[18 U.S.C. § 641](#)

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Clemens trial hears FBI witness describe handling of needles

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

Submitted at 9:53 AM May 8, 2012

MySanAntonio.com on May 7, 2012 released the following:

“By Stewart M. Powell and Regina Garcia Cano

WASHINGTON — Prosecutors on Monday tediously chronicled the shipment, handling and testing of medical waste allegedly containing DNA from former pitcher Roger Clemens in a bid to show he used performance-enhancing drugs before allegedly lying about it to Congress.

Though even U.S. District Judge Reggie

Walton urged government lawyers to speed it up, federal prosecutor Steve Durham methodically questioned FBI special agent John Longmire to describe the treatment of needles, cotton balls and vials allegedly used by Brian McNamee to inject the legendary pitcher with the controversial substances.

Prosecutors are banking that subsequent testimony by lab technicians will establish that medical waste retained by McNamee for more than seven years contains both Clemens’ DNA and outlawed performance-enhancing drugs such as anabolic steroids or human growth hormone.

Clemens, 49, a seven-time Cy Young Award winner, has not been charged with using performance-enhancing medications that are banned without a doctor’s prescription. But prosecutors are trying to use the medical waste and McNamee’s expected testimony as early as today to show that Clemens used the medications — a first step in the prosecution’s effort to prove that Clemens had lied to Congress in 2008 when he denied using anabolic steroids or human growth hormone.

Longmire’s detailed accounting for the medical waste Monday focused on at least

Former Loan Officer Sergio Martinez Indicted by a Federal Grand Jury with Bank Fraud, False Statement to Influence a Financial Institution, Wire Fraud, and Conspiracy to Commit Wire Fraud in an Alleged Mortgage Fraud Scheme

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

Submitted at 12:09 PM May 8, 2012

The Federal Bureau of Investigation (FBI) on May 7, 2012 released the following:

“Former Loan Officer and Resident of Tucson Indicted for Mortgage Fraud Scheme

TUCSON— Last week, a five-count indictment was unsealed. The indictment, which was returned by a federal grand jury on March 29, 2012, charges former loan officer Sergio Martinez, 35, of Tucson, with bank fraud, false statement to influence a financial institution, wire fraud, and conspiracy to commit wire fraud. Martinez was arrested on the indictment last month in Buffalo, New York.

The indictment alleges that Martinez participated in a scheme to defraud a financial institution in order to obtain financing. Although Martinez was not the listed loan applicant, he allegedly caused to be submitted a loan application that contained material false statements including: (1) a false representation that the loan applicant was self-employed; (2) a falsely inflated income; and (3) a false representation that no part of the down payment was borrowed. The indictment further alleges that another document submitted to the lender falsely represented that the borrower would provide \$359,982.38 in cash to close the deal when, in fact, the borrower and Martinez received a separate loan that was used to

provide most of that cash. These documents were allegedly provided to obtain \$1.4 million in loans to purchase a \$1.75 million home. After the financing was used to purchase the property, the home went into foreclosure due to lack of payments. The foreclosure resulted in a significant loss to the lender.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

A conviction for bank fraud, false statement to influence a financial institution, wire fraud, and conspiracy to commit wire fraud each carries a maximum penalty of 30 years in prison, a \$1,000,000 fine, or both. In determining the actual sentence, Judge Collins will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. Judge Collins, however, is not bound by those guidelines in determining a sentence.

The investigation preceding the indictment was conducted by the Internal Revenue Service-Criminal Investigation Division and the Federal Bureau of Investigation. The prosecution is being handled by the U.S. Attorney’s Office, District of Arizona, Tucson.”

[US v Sergio Martinez – Federal Criminal Indictment](#)

[18 U.S.C. § 1014](#)

[18 U.S.C. § 1343](#)

[18 U.S.C. § 1344](#)

[18 U.S.C. § 1349](#)

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U.S. thinks underwear bomb was built by Al Qaeda in Yemen

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

Submitted at 9:22 AM May 8, 2012

Los Angeles Times on May 7, 2012 released the following:

“WASHINGTON — The FBI is analyzing a sophisticated underwear bomb that U.S. officials believe was built by Al Qaeda’s affiliate in Yemen in an effort to target Western aviation.

U.S. officials said Monday that there was no imminent threat to U.S. jetliners. But the explosive device, which the CIA obtained from another government, demonstrates Al Qaeda’s continued interest in building a bomb that can pass through airport security and bring down a passenger jet, the officials said.

The FBI said in a statement that “the device is very similar to IEDs that have

been used previously by Al Qaeda in the Arabian Peninsula (AQAP) in attempted terrorist attacks, including against aircraft and for targeted assassinations.” An IED is an improvised explosive device.

“We have no specific, credible information regarding an active terrorist plot against the U.S. at this time, although we continue to monitor efforts by Al Qaeda and its affiliates to carry out terrorist attacks, both in the homeland and abroad,” the Department of Homeland Security said in a statement. “Since this IED demonstrates our adversaries’ interest in targeting the aviation sector, DHS continues, at the direction of the president, to employ a risk-based, layered approach to ensure the security of the traveling public.”

In December 2009, a would-be suicide

bomber aboard a Detroit-bound airliner attempted to detonate an explosive device in his underwear. The bomb failed to detonate, and officials later traced the device to the Al Qaeda group in Yemen.

Despite the timing, U.S. officials said they had no direct evidence of a plot tied to the first anniversary of the killing of Osama bin Laden last week.

In a statement, the White House said President Obama was first informed of the latest plot in April by his Homeland Security and counter-terrorism advisor, John Brennan.

“While the president was assured that the device did not pose a threat to the public, he directed the Department of Homeland Security and law enforcement and

CLEMENS

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three needles, one syringe, two cotton swabs, two cotton balls, gauze pad and at least two sheets of Kleenex. Some of the waste had been stored by McNamee in an empty Miller Lite beer can for at least seven years; other items of the waste had been loosely stored before McNamee turned all of the medical waste over to federal authorities in January 2008.

Prosecutors contend the medical waste stems from McNamee injecting Clemens with performance-enhancing drugs on multiple occasions between 1998 and 2001 before players were subjected to mandatory random drug testing.

Clemens' defense team sought to undermine the FBI agent's testimony with repeated questions about just how carefully agents handled individual items of medical waste.

"During the time you had custody of the evidence you didn't do anything untoward to that evidence?" defense lawyer Michael Attanasio asked Longmire. The FBI agent

U.S.

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intelligence agencies to take whatever steps necessary to guard against this type of attack," said Caitlin Hayden, deputy spokeswoman of the National Security Council. "The disruption of this IED plot underscores the necessity of remaining vigilant against terrorism here and abroad."

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said he had not.

Attanasio sought to use Longmire's testimony to call into question McNamee's handling of the forensic evidence before he turned it over to federal authorities.

"Did you ever seal medical waste in an open container like a beer can?" Attanasio asked.

Longmire replied: "I have not done that. That is not what they trained us to do."

Longmire acknowledged that some items were only tested by the FBI lab while others also were tested by two private independent medical labs in California."

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