

#### The Federal Crimes Watch Daily

When The FBI Comes Calling...\*

Federal Criminal Defense Lawyers

Thursday, March 8, 2012

www.McNabbAssociates.com

## LulzSec hacker opens up over drinks, says FBI informant leader 'took one for team'

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

Submitted at 9:57 AM March 8, 2012

Fox News on March 7, 2012 released the following:

"Written By Jana Winter

The notorious hacker who helped the FBI bring down his worldwide empire is a martyr who took the rap for the crimes of his colleagues, a LulzSec member told FoxNews.com over beers at a Manhattan dive bar, just hours after learning the news about the shadowy figure known online as "Sabu."

"People are freaking out. Everyone's totally freaking out," the hacker said. "Everyone's in shock."

While some see Sabu, whose real name is Hector Xavier Monsegur, as a Judas, it seemed that at least in the early shellshocked hours, Sabu's followers remained loyal to their leader.

"Bill Gates, Steve Jobs, Sabu — I mean of our generation, he's going to remembered in history," the LulzSec hacker said, nursing a beer hours after learning the organization had been dealt the cruelest blow of all. "No one is going to forget him. He's going to be remembered in history."

LulzSec is believed responsible for computer attacks that crippled banks, multi-national corporations and even governments. Fox, Sony and MasterCard were among its corporate scalps, and the international collective also mounted damaging attacks on servers of Yemen, Zimbabwe and even the CIA, taunting its targets from afar as it brought their websites down.

The hacker described the reactions of the stunned community as news of FoxNews.com's report outing Sabu as a months-long cooperating witness reverberated online throughout the hacking community on Tuesday. The report detailed how Monsegur has worked for the feds for the last eight months, manipulating his minions with misinforming tweets, warning them off of targets and ultimately unmasking top lieutenants for authorities. Yet some of the hackers who have taken orders from him still believe in the 28-year-old welfare dad

who lived in a housing project on New York's Lower East Side.

In fact, the revered hacking honcho "took one for the team" by copping to hacks done by others, and some believe he even may have tried to warn his people as the FBI watched his every move, the hacker told FoxNews.com, while noting Monsegur "never warned anyone to my knowledge."

At the bar, the hacker explained how many in the community had come to this conclusion.

The immediate response of the community was to pore over Monsegur's court records when they were unsealed, looking for clues. The long list of hacks he confessed to included attacks mounted by his legions, which some believed showed he was taking not just credit, but blame.

"He is taking one for the team, protecting the community by sacrificing himself," the hacker said. "These were hacks that everyone did — not Sabu. He admits to everything so the community is safe. That's what a lot of people think." But even if Monsegur wasn't directly responsible for some of LulzSec's hacks, he always played a role. The hacker told FoxNews Sabu passed along links, provided real time assistance with hacks and gave specific directions.

"Sabu says, 'Do this, do that," the hacker explained. "He did everything. He was our leader, so anything you wanted to do you had to get permission, Sabu's approval." Since the guidance always came online, Sabu's army of hackers knows it is likely their own identities may have been exposed through correspondence captured on Sabu's FBI-controlled computer. "Everyone talked to him," the hacker said.

"Everyone. Everyone is really scared."
"People talked to him like this: 'Okay, this is how I hacked X company. This is when I am going to hack X. This is the step-by-step of what I'm doing while hacking a system.'

"Sabu has all this (on servers)," the hacker said. "Or really, the FBI has all of this." Still reeling from the betrayal, hackers sifted through logs of Sabu's correspondence following his June 7

arrest. For the next 30 days, the cyberspace mastermind went dark, arousing suspicions he'd been found out by the feds. But he resurfaced on the web in August, just after entering a hushed-up guilty plea to charges of identity theft. None seemed to know he had been flipped, although his new BlackBerry aroused suspicion among some within the hacking community. From that point on, the group that struck fear in the hearts of corporations, banks and even governments, was being led by a turncoat. On one blog, Sabu's disciples claimed he had tried to warn his cohorts with a cryptic message: "You don't know who is your friend, don't trust anybody," he purportedly posted just before he took his plea deal.

Still, the hacking community isn't unanimous in its view of Sabu. There is anger, fear and disbelief, hackers told FoxNews.com. When asked directly if the hacker was personally afraid of being connected to Sabu while he was working for the feds, the hacker took a swig of beer, and sighed.

"Yes," the hacker said. "Yes I am.""

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

Federal Criminal Defense Attorneys Videos:

Federal Crimes – Be Careful Federal Crimes – Be Proactive Federal Crimes – Federal Indictment Federal Crimes – Detention Hearing

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.



# Federal Jury Acquits All Six in a High-Profile Alabama Federal Corruption Case

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

Submitted at 9:51 AM March 8, 2012

AJC.com on March 7, 2012 released the following:

"Jury acquits all 6 in Ala. casino corruption case

By PHILLIP RAWLS

The Associated Press

MONTGOMERY, Ala. — A jury acquitted a casino owner, three current or former state lawmakers and two other defendants on all counts Wednesday in a high-profile federal case that alleged the legislators were being bribed to legalize gambling in the state.

The jury returned its verdict after seven days of deliberations. One-by-one, each defendant stepped up to a podium in front of the judge to hear the verdicts. They nodded in agreement with the jury's decision, squeezed their attorneys' hand or bounced nervously as the clerk said not guilty. Family members in the gallery sobbed in relief, and when court recessed, there were hugs all around.

"We feel like this case was built on innuendos, lies and half-truths," said Tom Coker, a casino lobbyist who was among those acquitted.

The federal investigation of vote buying began with three Republican legislators telling the FBI they were offered campaign contributions if they would support legislation designed to let electronic bingo games operate in Alabama.

Federal prosecutors said behind the scenes, two casino operators and their lobbyists were offering millions in campaign contributions, benefit concerts by country music entertainers, free polling and other incentives for votes.

The trial was the second for the defendants. The first ended in August with no convictions, two defendants acquitted, and the jury unable to resolve all charges against the remaining defendants.

"This is truly a day to celebrate, and ladies and gentlemen, the celebration starts

now," said VictoryLand casino owner Milton McGregor.

State Sen. Harri Anne Smith said she would walk into the Senate on Thursday and get to vote again.

"I got my life back today and I want to thank God for that jury," Smith said. Also acquitted were former Sens. Larry Means and Jim Preuitt, and Country Crossing casino spokesman Jay Walker. McGregor, the casino owner, was accused of offering large campaign contributions to legislators for their votes for gambling legislation. Smith and the former senators were accused of agreeing to accept bribes in return for their votes. The jury found McGregor and the others innocent on charges that included conspiracy and bribery.

The case was the latest in a series of government corruption investigations in Alabama, including the conviction of former Gov. Don Siegelman and former HealthSouth CEO Richard Scrushy on bribery charges in 2006 and a probe of Alabama's two-year college system that brought down three legislators and the system's former chancellor in 2008.

The three Republican legislators who cooperated with the FBI recorded calls and meetings and the FBI tapped phones during a yearlong probe that coincided with Republican Gov. Bob Riley creating a task force to shut down electronic bingo. Riley said the machines, featuring flashing lights and sound effects, were illegal slot machines and not simply an electronic version of paper bingo.

Riley's task force seized machines and won court battles while casino operators failed in 2009 and in 2010 to pass protective legislation.

Ronnie Gilley, the developer of Country Crossing casino, and two of his lobbyists, Jennifer Pouncy and Jarrod Massey, pleaded guilty to conspiracy. Former state Rep. Terry Spicer of Elba also pleaded guilty to accepting bribes from Massey and Gilley. All four helped the prosecution and are scheduled for sentencing in April.

Prosecutors said Gilley provided Smith with \$200,000 in campaign money, plus a fundraising concert by John Anderson and Lorrie Morgan. They accused Gilley and McGregor of promising Means \$100,000 for his vote. They accused Gilley, McGregor and Walker of promising Preuitt \$2 million in contributions, a fundraising concert by country music starts and other campaign support. Defense attorneys argued the case was based on lies told by the guilty in hopes of getting lighter punishment.

All three indicted senators voted for the gambling legislation when it passed the Senate on March 30, 2010. The FBI announced its investigation two days later, and the bill died in the House without coming to a vote.

McGregor's casino, 15 miles east of Montgomery, was once the state's largest with 6,000 machines, but it has been closed since the crackdown in 2010. Other casinos, including one in Dothan operated by Gilley's former partners, are operating. One thing that was never in dispute in the trial was the profitability of electronic bingo. McGregor's attorneys acknowledged his casino in Shorter made \$40 million in 2009 when it was operating all year and lost \$4 million in 2010 when it was closed most of the year."

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.

## Attorney General Eric Holder Testifies Before the U.S. Senate Committee on Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies

(USDOJ: Justice News)

Submitted at 10:04 AM March 8, 2012

"Despite the significant fiscal constraints the federal government has faced in recent years, the 116,000 dedicated employees who serve in Department offices around the world have made significant – and, in

many cases, historic – progress in safeguarding our citizens from terrorism, violent crime, financial fraud, and a range of threats that often disproportionately threaten the most vulnerable members of society," said Attorney General Holder.

### Justice Department Officials Raise Awareness of Disaster Fraud Hotline

(USDOJ: Justice News)

Submitted at 10:15 AM March 8, 2012

Suspected fraudulent activity pertaining to relief efforts associated with the recent series of tornadoes in the Midwest and South should be reported to the NCDF hotline at 866-720-5721.