The Federal Crimes Watch Daily

When The FBI Comes Calling...®

Federal Criminal Defense Lawyers Wednesday, October 12, 2011 www.McNabbAssociates.com

Florida Man Arrested in "Operation Hackerazzi" for Targeting Celebrities with Computer Intrusion, Wiretapping, and Identity Theft

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

Submitted at 3:47 PM October 12, 2011

The Federal Bureau of Investigation (FBI) on October 12, 2011 released the following:

"LOS ANGELES—A man accused of targeting the entertainment industry by hacking into the personal e-mail accounts of celebrities was arrested today after being charged with a range of cyber-related crimes, announced André Birotte Jr., the United States Attorney in Los Angeles; and Steven Martinez, the Assistant Director in Charge of the FBI's Los Angeles Field Office.

Christopher Chaney, 35, of Jacksonville, Florida, was arrested this morning by FBI agents without incident. A federal grand jury in Los Angeles returned a sealed indictment yesterday charging Chaney with violations under Title 18 of the U.S. Criminal Code, including: accessing protected computers without authorization; damaging protected computers without authorization; wiretapping; and aggravated identity theft.

According to the indictment, which was unsealed this morning, Chaney used several aliases while illegally obtaining personal information of numerous celebrities through a series of computer intrusions. The aliases used include: "trainreqsuckswhat," "anonygrrl," and "jaxjaguars911."

Investigators believe that Chaney used publicly available sources to mine for data about his female and male victims, all of whom are associated with the entertainment industry. Once Chaney gained access and control of an e-mail account, he would obtain private information, such as e-mails and file attachments, according to the indictment. In addition, investigators believe that Chaney was led to new victims by accessing the address books of victims whose computers he already controlled.

Throughout the 11-month investigation, agents identified over 50 victims whose accounts were illegally accessed by Chaney. The 26-count indictment details specific instances in which Chaney violated 11 of the victims, some of whom are identified by initials only. The victims are identified in the indictment as: Simone Harouche, Mila Kunis, Christina Aguilera, Scarlett Johansson, Renee Olstead, B.P., J.A., L.B., L.S., D.F., and B.G.

The indictment specifically charges Chaney with illegally accessing the computers, e-mail accounts and account settings of several victims, beginning November 13, 2010, through February 10, 2011. The indictment further alleges that Chaney knowingly caused the transmission of programs, information codes and commands, resulting in damage to e-mail servers, causing losses of at least $5,000 per instance. Chaney also used the identities of some of the victims to illegally access and control computers, according to the indictment. In other instances, Chaney allegedly intercepted and endeavored to intercept wire communications; specifically, e-mails and attachments.

In most cases, Chaney accessed the administrative settings on the victims' accounts so that all of their e-mails would automatically be forwarded to a separate e-mail account Chaney controlled. This form of wiretapping allowed Chaney to continually receive victims' e-mails even after a password had been reset.

Investigators determined that Chaney distributed some of the files he obtained illegally, including photos of celebrities, and offered them to various celebrity blog sites. Some of the illegally obtained files, including private photographs, were ultimately posted online as a result of Chaney's alleged activities.

"While the case against Mr. Chaney involves celebrities who were targeted because of their fame, this case reminds us that we are all potential victims of computer hackers," said United States Attorney André Birotte Jr. "Everyone can take simple steps that will help protect a computer system. Taking these steps will go a long way in protecting yourself from the financial and emotional costs of having someone intrude on your private life and potentially steal your identity."

"As we highlight cyber awareness during the month of October, it's important to remember that, although these victims appear to have been targeted based on their celebrity, similar methods may be used to illegally access any one of our computers," said Steven Martinez, Assistant Director in Charge of the FBI's Los Angeles Field Office. "Strict computer security should be practiced when using smart phones, laptops, desktops, iPads, or any other device that provides Internet access."

Chaney will have an initial appearance in United States District Court in Jacksonville, Florida. It is anticipated that the government will request that Chaney be removed to Los Angeles, the district in which he was charged, to face prosecution.

If convicted on all counts, Chaney faces a statutory maximum penalty of 121 years in federal prison. This investigation was conducted by the FBI. The charges against Chaney will be prosecuted by the United States Attorney's Office.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt."

To find additional federal criminal news, please read Federal Crimes Watch Daily.

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U.S. v. Maxzone Vehicle Lighting Corp.

(Antitrust Division: Criminal Case Filings)

Submitted at 11:29 AM October 12, 2011

Document filed on September 12, 2011

- Information

Prosecutors: Women talk of jihad in recorded calls

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

Submitted at 9:30 PM October 12, 2011

CBS News on October 12, 2011 released the following:

"(AP) MINNEAPOLIS — Two Minnesota women accused of funneling money to a terror group in Somalia talked about collecting money for al-Shabab, supporting fighters instead of other charities and the possibility that FBI was listening in on their conversations, according to hours of recorded phone calls played for jurors.

Prosecutors have built the bulk of their case by playing more than 80 phone calls recorded during a 10-month wiretap on the home and cellphones of Amina Farah Ali, 35. In those calls, prosecutors allege, Ali is heard talking to her co-defendant, 64-year-old Hawo Mohamed Hassan, as well as leaders of al-Shabab in Somalia. The calls include recordings of teleconferences in which the women gave religious lectures and collected donations.

Ali and Hassan are accused of being part of a "deadly pipeline" that routed money and fighters from the U.S. to Somalia. The women, U.S. citizens of Somali descent, are charged with conspiracy to provide material support to a foreign terrorist organization. The women have said they were raising money for needy refugees in Somalia.

The recorded calls are all in Somali. Jurors are following along with written transcripts that have been translated into English by the government.

In one October 2008 call between Ali and Hassan, prosecutors allege that as the two women were discussing where the money should go, Ali said the priority be those who stand up for Islam. "Let the civilians die," she said. In a Feb. 10, 2009, teleconference, Ali told others, "Let's forget about the other charities — how about the jihad?"

Ali and Hassan are among 20 people charged in Minnesota's long-running federal investigations into recruiting and financing for al-Shabab, which the U.S. considers a terror group with ties to al-Qaida. Investigators believe at least 21 men left Minnesota — home to the country's largest Somali community — to join al-Shabab. Though others have pleaded guilty to related charges, the women are the first to go on trial.

Ali faces 12 counts of providing such support — for allegedly sending more than $8,600 to the group from September 2008 through July 2009. Hassan faces three counts of lying to the FBI.

Since last week, prosecutors have been methodically presenting evidence to connect Ali's phone conversations to the counts against her, matching dollar figures mentioned in calls to phone numbers or accounts of al-Shabab members, and to receipts from hawalas, or money transfer businesses.

According to some of the wide-ranging calls, Ali gets updates from an al-Shabab member about the fighting in Somalia. In many, she tells others how to send funds to Somalia. She gives fictitious names and the numbers of al-Shabab accounts to those who will be sending the money, and talks about sending it in small amounts to avoid detection, prosecutors said.

In one call, Ali explains she will not get a license for her charity because she doesn't want to report where the money is going. "I don't want to lie to God," she said.

Ali's attorney, Dan Scott, noted during cross-examination of FBI Special Agent Michael Wilson that his client took steps to ensure the money people donated specifically for orphans went to the orphans — and nowhere else. In one call that took place in November 2008, Scott notes, Ali ticks off a list of donations, totaling $7,000, that went to a variety of causes including the wounded, mentally ill, poor people — and al-Shabab.

Scott also noted that after the U.S. declared al-Shabab a terror group in February 2008, the FBI made no attempt to "inform her that she should not be sending money to this newly declared foreign terrorist organization."

In one call between Ali and Hassan, dated May 6, 2009, Hassan and Ali talk about sending girls out to collect money in Seattle, North Carolina, and elsewhere. In that call, Hassan says others should "forget about the families at this moment, because the frontline is empty."

In another call between Ali and Hassan, on April 3, 2009, the two women talk about how anyone could be listening in to the teleconferences, including "all troublemakers, FBI and people sent by them and filth."

In a teleconference on Feb. 10, 2009, an unidentified man asks who the fundraising is for. Ali replies: "Brother, whom do you want to give it to? The orphans, the poor … the Mujahidin (holy warriors)? Actually, jihad is your duty brother. What are you going to pledge?""

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Virginia Man Accused of Acting as Unregistered Agent of Syrian Government and Spying on Syrian Protestors in America

(USDOJ: Justice News)

Submitted at 9:27 AM October 12, 2011

Mohamad Anas Haitham Soueid, 47, a resident of Leesburg, Va., has been charged for his alleged role in a conspiracy to collect video and audio recordings and other information about individuals in the United States and Syria who were protesting the government of Syria and to provide these materials to Syrian intelligence agencies in order to silence, intimidate and potentially harm the protestors.

Husband and Wife Indicted for Investment Fraud Scheme

(USDOJ: Justice News)

Submitted at 10:27 AM October 12, 2011

John Robert Graves, 52, and Sara Turberville Graves, 44, both of Fredericksburg, Va., are charged in the Eastern District of Virginia with one count of conspiracy to commit mail and wire fraud, one count of mail fraud and four counts of wire fraud.

Statement of Attorney General Eric Holder on Guilty Plea by Umar Farouk Abdulmutallab

(USDOJ: Justice News)

Submitted at 12:40 PM October 12, 2011

"Contrary to what some have claimed, today's plea removes any doubt that our courts are one of the most effective tools we have to fight terrorism and keep the American people safe," said Attorney General Holder.

Several remain at large in Ark. corruption probe

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

Submitted at 9:17 PM October 12, 2011

The Associated Press (AP) on October 12, 2011 released the following:

"By NOMAAN MERCHANT, Associated Press

LITTLE ROCK, Ark. (AP) — Federal officials continued their search Wednesday for several people who remained at large following a widespread crackdown on corruption that culminated in the arrests of dozens of others this week in eastern Arkansas.

FBI spokesman Steve Frazier said the bureau and other law enforcement agencies were still hunting for the last of the 70 people indicted on racketeering, money laundering and drug charges as part of the four-year investigation known as "Operation Delta Blues." Five law enforcement officers were among those indicted.

Fifty-one people were arrested Tuesday, and another five were arrested Wednesday, including some who turned themselves in, Frazier said. Those detained were expected to appear Thursday morning in federal court.

U.S. Attorney Christopher Thyer said in an interview that he expected some defendants to take guilty pleas "relatively quickly." He declined to say if any of the defendants had agreed to cooperate with the ongoing investigation.

"If they want their day in court, we're willing to give it to them," Thyer said.

News of the investigation rocked Helena-West Helena, a Mississippi Delta town plagued for years by crime, poverty and allegations of corruption. Some residents awoke Tuesday to the sound of helicopters buzzing overhead.

"I'm thankful," said Linda Walters, a school bus driver who waited outside a press conference Tuesday afternoon after hearing the news.

She said the constant gunfire outside her home had forced her to look into moving to another city.

"I have to go sleep, hit the floor every time I hear a bullet shot," she said. "I'm so upset."

Helena-West Helena Mayor Arnell Willis sat next to reporters during the news conference. Willis had gone to Little Rock a month ago to plead with Thyer for federal help. Thyer didn't tell Willis about Operation Delta Blues until Tuesday's arrests, but Willis said he didn't mind.

"Welcome to the dawning of a new day in the Delta," he told reporters afterward.

The indictments accused the five officers of taking payments to guard shipments of cocaine and other drugs. Phillips County sheriff's deputy Winston Dean Jackson is allegedly caught on a federal wiretap talking to another deputy about a payment by a defense lawyer in exchange for "failing to perform law enforcement duties."

The unidentified deputy said the payment fell under "the good old boy" system and that anyone not involved would "get rolled over."

Thyer would not comment on any future indictments but said the investigation was still ongoing.

According to the indictment, Jackson responded, "You get rolled over, exactly. Cause nobody say … ain't nothing but the good old boy system."

Helena-West Helena police officers Herman Eaton, Robert "Bam Bam" Rogers and Marlene Kalb allegedly escorted drug shipments, each receiving $500 from someone posing as a drug dealer. A Marvell police officer, Robert Wahls, is charged with accepting money from an informant and escorting a drug shipment.

It was not immediately clear if the five officers had attorneys yet. Relatives of the officers could not be reached. The federal public defender's office in Little Rock did not return requests for comment.

Hundreds of officers from the FBI, Arkansas State Police and other agencies helped make Tuesday's arrests. An FBI special agent was shot during one arrest, but was not seriously injured and later released from the hospital."

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'Underwear bomber' pleads guilty in trial

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

Submitted at 9:45 AM October 12, 2011

CNN on October 12, 2011 released the following:

"Umar Farouk AbdulMutallab, the Nigerian man accused of trying to detonate an explosive device in his underwear aboard a Christmas 2009 flight to Detroit, pleaded guilty in court Wednesday.

On Tuesday, the prosecution finished its opening statement and the defense said it would reserve the right to give an opening statement at a later point in the trial.

The judge in the trial refused to prevent the prosecution from calling the device he allegedly carried a "bomb."

U.S. District Judge Nancy Edmunds also refused to exclude a photo of AbdulMutallab's burned genitals from the evidence.

While at previous court appearances AbdulMutallab has had outbursts — including yelling "Osama's alive," a reference to Osama bin Laden — he remained calm Tuesday.

AbdulMutallab was indicted on charges including attempted use of a weapon of mass destruction, conspiracy to commit an act of terrorism, and possession of a firearm or destructive device in furtherance of an act of violence.

He was a passenger on Northwest Airlines Flight 253 en route from the Netherlands to Detroit on Christmas Day 2009.

U.S. officials say the terror group al Qaeda in the Arabian Peninsula was behind the alleged bombing attempt."

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Oil Company Pleads Guilty to Clean Air Act and Obstruction of Justice Crimes in Louisiana

(USDOJ: Justice News)

Submitted at 5:14 PM October 12, 2011

Pelican Refining Company LLC, pleaded guilty today to felony violations of the Clean Air Act and to obstruction of justice charges in federal court in Lafayette, La.

Owner of Houston Health Care Company Sentenced to 33 Months in Prison for Medicare Fraud

(USDOJ: Justice News)

Submitted at 7:21 PM October 12, 2011

The owner and operator of a Houston durable medical equipment (DME) company was sentenced yesterday in Houston federal court to 33 months in prison for his role in a Medicare fraud scheme.

Florida Couple and Utah Man Indicted for Alleged Roles in Procurement Fraud Scheme Involving Foreign Military Materials

(USDOJ: Justice News)

Submitted at 7:20 PM October 12, 2011

Three individuals were charged in an indictment returned today by a federal grand jury in Utah for their alleged roles in a bribery and fraud scheme involving federal procurement contracts.

U.S. v. Allen K. French

(Antitrust Division: Criminal Case Filings)

Submitted at 11:47 AM October 12, 2011

Document filed on September 15, 2011

- Plea Agreement

U.S. v. Bridgestone Corporation

(Antitrust Division: Criminal Case Filings)

Submitted at 11:38 AM October 12, 2011

Document filed on September 15, 2011

- Criminal Information