



Former Oklahoma Detention Officer Indicted for Allegedly Assaulting an Inmate

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

Submitted at 8:27 AM January 19, 2012

The U.S. Department of Justice (DOJ) on January 18, 2012 released the following: "A federal grand jury in Muskogee, Okla., has indicted Jerrod Porter Lane, 26, former detention officer at the Muskogee County Jail (MCJ) in Oklahoma, on six charges related to two separate assaults of an inmate housed at MCJ and the subsequent attempts to cover up his behavior, all during October 2011.

Lane is charged with violating the civil rights of the victim for spraying him with Oleoresin Capsicum (OC or pepper spray) on Oct. 1, 2011, while the victim was fully restrained. Lane is also charged with falsifying both his own incident report and the report of a fellow jailer when Lane falsely wrote that the victim was physically resisting and that the victim was not restrained at the time Lane dispensed his pepper spray.

Lane is also charged with conspiring with Phillip Oliver, an inmate at MCJ, to assault that same victim on Oct. 6, 2011. Lane is further charged with once again violating the civil rights of the victim when he directed inmate Phillip Oliver to go into the victim's cell and assault him. Specifically, Lane and Oliver agreed that

Justice Department Charges Leaders of Megaupload with Widespread Online Copyright Infringement

(USDOJ: Justice News)

Submitted at 2:43 PM January 19, 2012

Seven individuals and two corporations have been charged in the United States with running an international organized criminal enterprise allegedly responsible for massive worldwide online piracy of numerous types of copyrighted works, through Megaupload.com and other related sites, generating more than \$175 million in criminal proceeds and causing more than half a billion dollars in harm to copyright owners.

Justice Department Charges Leaders of Megaupload with Widespread Online Copyright Infringement

fbi (Current)

Submitted at 6:00 AM January 19, 2012

Oliver would assault the victim because the victim was making verbal comments and noise while restrained inside a cell at MCJ. The indictment further alleges that Lane told Oliver to "go in there and do what you gotta do," promising to cover for Oliver if he later got into trouble for assaulting the victim. The indictment alleges that thereafter, Lane remotely popped open the victim's cell door, allowing Oliver to assault the victim, who was not resisting or posing a threat to anyone.

Lane faces a maximum penalty of 10 years in prison for both the conspiracy and civil rights offenses. He faces a maximum penalty of 20 years in prison for falsification of incident reports. Finally, Lane faces a maximum penalty of five years in prison for making materially false statements to the FBI.

An indictment is merely an accusation, and the defendant is presumed innocent unless proven guilty.

Inmate Oliver pleaded guilty last week in U.S. District Court in Muskogee, Okla., to one count of conspiracy for his role in conspiring with Jerrod Lane to assault the victim.

Four Men Indicted in Houston on Federal Hate Crime Charges Related to the Assault of African-American Man

(USDOJ: Justice News)

Submitted at 10:53 AM January 19, 2012

The Justice Department announced today that a federal grand jury in Houston has indicted Charles Cannon, 26; Michael McLaughlin, 40; Brian Kerstetter, 32; and Joseph Staggs, 49, on federal hate crime charges related to a racially motivated assault of a 29-year-old African-American man.

— U.S. Department of Justice

being prosecuted by Assistant U.S. Attorney Ryan M. Roberts for the Eastern District of Oklahoma and Trial Attorney Fara Gold of the Civil Rights Division of the U.S. Department of Justice."

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.

Assistant Attorney General Laurie Robinson Speaks at the U.S. Conference of Mayors Criminal and Social Justice Committee Meeting

(USDOJ: Justice News)

Submitted at 12:52 PM January 19, 2012

"At the Department of Justice, we know protecting communities falls on your shoulders. Most crime, we know, is handled by local law enforcement, local prosecutors, and local judges, not to mention their local allies outside the justice system," said Assistant Attorney General Robinson.



U.S. charges 7 in Alleged \$62 million Dell insider-trading case

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

Submitted at 5:17 AM January 19, 2012

Reuters on January 18, 2012 released the following:

“By Basil Katz and Grant McCool (Reuters) – U.S. prosecutors charged seven people, described as a circle of friends who formed a criminal club, with running a \$62 million insider trading scheme – the latest salvo in a years-long probe of suspicious trading at hedge funds.

The FBI in New York arrested four people on Wednesday and authorities announced previously secret charges against three others, making it one of the largest sweeps in the government’s investigation.

The seven charged worked for five different hedge funds and investment firms and reaped nearly \$62 million in illegal profits on trades in Dell Inc, the prosecutors said. That is similar in magnitude to insider trading gains made by Raj Rajaratnam, the convicted founder of the Galleon Group hedge fund.

The charging document told “by now, a sadly familiar story,” Manhattan U.S. Attorney Preet Bharara said at a news conference.

“It describes a circle of friends who essentially formed a criminal club, whose purpose was profit and whose members regularly bartered lucrative inside information,” Bharara said.

Dubbed “Operation Perfect Hedge” by the FBI, the probe has examined suspected sharing of confidential business information with hedge fund managers and analysts. Rajaratnam was arrested as part of the investigation and is now serving an 11-year prison term following his conviction by jury trial last year.

The defendants arrested on Wednesday include Anthony Chiasson, who co-founded the Level Global Investors hedge fund. He turned himself in to the FBI in New York, an agency spokesman said. A U.S. magistrate judge released him on \$5 million bail during a brief appearance in Manhattan federal court. Chiasson was not asked to enter a plea, but his lawyer, Gregory Morvillo, said his client denied the charges.

Todd Newman, who headed technology trading for hedge fund Diamondback Capital Management from Boston, was also arrested. Diamondback said in a letter to investors on Wednesday that it had been “proactively assisting” criminal prosecutors and the U.S. Securities and Exchange Commission in the case against

Newman and another former employee, Jesse Tortora.

Chiasson and Newman are accused of illegally trading ahead of computer maker Dell’s earnings announcements for the first and second quarters of 2008, netting them profits, respectively, of \$57 million and \$3.8 million. Another defendant, Jon Horvath, is accused of making an illegal \$1 million trade in Dell. Horvath was released on \$750,000 bail after a court appearance in New York.

In a parallel civil action, the SEC said investment analyst Sandeep “Sandy” Goyal of Princeton, New Jersey, obtained Dell quarterly earnings information and other performance data from an insider at Dell in advance of earnings announcements in 2008.

Goyal tipped then Diamondback analyst Tortora of Pembroke Pines, Florida, with the inside information, and Tortora in turn tipped several others, leading to insider trades on behalf of Diamondback and Level Global hedge funds.

The fourth man arrested was California-based hedge fund manager Danny Kuo, officials said.

A Dell representative said the company had cooperated with authorities.

The SEC charged Diamondback Capital and Level Global as well as the individuals.

SEC: SYSTEMIC DISHONESTY

At Wednesday’s news conference, SEC Enforcement Division chief Robert Khuzami said the cases, along with Galleon and prosecutions of some so-called expert network firms, “reflect systemic dishonesty and exposes a deeply-embedded level of corruption.”

Newman had been placed on leave of absence from Diamondback in 2010 and subsequently was let go by that firm. Reuters in November reported the government’s interest in Newman.

Chiasson, Newman, Horvath and Kuo were charged in U.S. District Court in Manhattan with one count each of conspiracy to commit securities fraud and securities fraud, according to court documents.

Horvath, who was also arrested on Wednesday, is currently employed at Sigma Capital management, a unit of Steven Cohen’s \$14 billion hedge fund SAC Capital, said a person familiar with the case who is not authorized to speak publicly. A spokesman for SAC Capital could not immediately be reached for comment.

Criminal charges also were made public against Goyal, Tortora and Spyridon

Andonakis, a former junior analyst at Level Global who all previously pleaded guilty and are cooperating.

Lawyers for the three men could not be reached to comment.

Lawyers for Newman and Kuo also could not be reached to comment.

FBI Assistant Director-in-Charge Janice Fedarcyk said in a statement that the agency has arrested more than 60 people in the crackdown.

“This initiative is far from over,” she said. “If you are engaged in insider trading, what distinguishes you from the dozens who have been charged is not that you haven’t been caught; it’s that you haven’t been caught yet.”

The criminal complaint – signed by FBI agent David Makol, who was assigned to the Galleon investigation – accused Newman and Chiasson of using information obtained by the three cooperators and their network of sources at companies to make illegal trades.

MORE HEADACHES FOR SAC

Horvath’s arrest creates more headaches for fund industry titan Cohen, who has not been accused of wrongdoing.

Federal investigators have been looking into allegations of wrongful trading at SAC for more than four years, Reuters has previously reported, and Horvath’s arrest comes after criminal cases of others who have been tied to SAC.

Donald Longueuil, a one-time SAC portfolio manager, last year was sentenced to 2-1/2 years in prison for insider trading while Noah Freeman, another former SAC portfolio manager, cooperated with the government and pleaded guilty.

The investigations of insider trading began at least eight years ago and were first made public in October 2009. Most of the dozens of defendants charged have pleaded guilty or been convicted.

Many of the cases have been based at least in part on the use of government wiretaps authorized by federal judges. Four hedge fund firms – Level Global, Diamondback, Loch Capital Management and Barai Capital Management – were raided by the FBI in late 2010. Level Global, Loch and Barai have since folded.

Rajaratnam remains the best-known investor implicated in the probe. Rajat Gupta, a former chief of the consulting firm McKinsey & Co and director of both Goldman Sachs Group Inc and Procter & Gamble Co, has been charged with providing illegal tips to Rajaratnam. He is fighting those charges.

Ten Individuals Charged by a Federal Grand Jury for Alleged Conspiracy to Commit Health Care Fraud

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

Submitted at 2:28 PM January 19, 2012

The Federal Bureau of Investigation (FBI) on January 19, 2012 released the following:

“Ten Individuals Arrested for Health Care Fraud

SAN JUAN, PR—On January 12, 2012, a federal grand jury returned two indictments against 10 individuals for conspiracy to commit health care fraud, announced Rosa Emilia Rodríguez-Vélez, United States Attorney for the District of Puerto Rico. The investigation was led by the Department of Health and Human Services, Office of the Inspector General (HHS-OIG), with the collaboration of the United States Secret Service (USSS) and the Federal Bureau of Investigation (FBI).

Gilberto Gómez, president of Monte Mar Health Corporation (Monte Mar), PROMEDS Medical Inc. (PROMEDS) and Quality Care Medical Supply (Quality); Yolanda García-Rodríguez, aka “Yolanda Gómez,” wife of Gómez and president of PROMEDS, secretary/treasurer of Monte Mar and an authorized official of Quality; Lissette Acevedo, independent sales coordinator; Doctor Francisco Garrastegui; Luisa Nieves, independent sales coordinator; Glendaly Báez, billing director for Monte Mar, PROMEDS and Quality; Mario Rivera, independent sales coordinator; and Marcos Sarraga, independent sales coordinator, are charged in a 39-count indictment for conspiracy to commit health care fraud and a forfeiture allegation of \$1,956,750.54. The government seeks to forfeit two bank accounts, one investment account, and a Gallery Plaza Condominium located in the Condado area in San Juan, Puerto Rico.

The indictment alleges that from on or about November, 2008, until on or about May, 2010, Monte Mar submitted at least 1,518 false and fraudulent claims to Medicare totaling approximately \$2,993,127.35 for Durable Medical Equipment (DME) that was not medically necessary, causing Medicare to disburse approximately \$1,440,597.65. In March 2010, the indictment further alleges that after Monte Mar had been placed in a pre-payment status by Medicare, defendants Gilberto Gómez and Yolanda García-Rodríguez purchased PROMEDS and submitted false claims to Medicare seeking reimbursement for DME, including power wheelchairs, power

pressure reducing air mattresses and knee orthosis. PROMEDS submitted at least 359 fraudulent claims to Medicare totaling approximately \$786,368.34, causing Medicare to disburse approximately \$335,493.12. In October 2010, the indictment alleges that a third company, Quality, was purchased by Gómez and García-Rodríguez after PROMEDS had been placed in a pre-payment status by Medicare. From on or about October 2010, until May, 2011, Quality submitted at least 115 false claims to Medicare totaling approximately \$298,321.26, causing Medicare to disburse approximately \$180,659.77. The indictment alleges a total amount of \$4,077,816.95 fraudulently billed by using Monte Mar, PROMEDS and Quality, where Medicare disbursed a total of approximately \$1,956,750.54.

Doctor Francisco Garrastegui was a physician licensed to practice medicine in Puerto Rico but not a Medicare provider. Garrastegui signed and completed false progress notes, prescriptions, Certificate of Medical Necessity (CMNs) and Statements of Ordering Physician for Medicare beneficiaries that were billed by Monte Mar, PROMEDS and Quality. The doctor was paid kickbacks by the three health corporations for the preparation of these false documents. The other defendants’ participation during the conspiracy involved the creation and submission of the fraudulent claims to Medicare.

The health care fraud scheme charged in the second indictment involves Luz M. Vega, president of Preferred Medical Equipment (PME), Doctor Francisco Garrastegui, Lissette Acevedo, Luisa Nieves and María Elisa Pérez. According to the 60-count indictment, from on or about April 2010, until on or about March 2011, PME submitted false claims to Medicare, seeking reimbursement for Durable Medical Equipment including: power wheelchairs, power pressure reducing air mattresses, wheelchair accessories, lumbar-sacral orthosis, knee orthosis and hospital beds. The co-conspirators submitted at least 95 fraudulent claims totaling approximately \$210,223.47, causing Medicare to disburse approximately \$107,876.73. Defendants Garrastegui, Acevedo and Nieves also participated in the first conspiracy charged in the previously mentioned indictment. The government seeks to forfeit \$107,876.73 and one bank

account.

“As part of the nation’s health care system, Medicare serves vulnerable populations,” said United States Attorney, Rosa Emilia Rodríguez-Vélez. “Today’s arrests by HHS-OIG agents and our law enforcement partners show that we will not tolerate criminals who engage in fraudulent schemes which deplete the Medicare program of funds which are destined for our elderly population, in order to enrich themselves.”

“HHS/OIG works diligently to investigate allegations of Medicare fraud. Today’s arrests involving durable medical equipment (DME) fraud demonstrate our resolve to bring these subjects to justice. Furthermore, as seen on the attached chart (DME data), our efforts, along with the U.S. Attorney’s Office and our law enforcement partners, have made a dramatic reduction on the total dollars billed and paid for DME in Puerto Rico.” “The U.S. Secret Service is committed to investigate any financial fraud crimes to include identity theft along with our partner agencies to safeguard our financial system,” said Pedro Gómez, Special Agent in Charge. We will continue to investigate these types of crimes to the fullest extent of the law and bring to justice these criminals that engage in identity theft to facilitate other criminal activities.”

HHS-OIG, USSS, and the FBI conducted the investigations. The agencies that conducted the arrests were HHS-OIG, USSS, FBI, and the U.S. Marshal Service.

The cases are being prosecuted by Assistant U.S. Attorneys Julia Díaz-Rex, health care fraud coordinator, and Héctor Ramírez-Carbó, and Special Assistant U.S. Attorney Wallace A. Bustelo.

If found guilty, the defendants could face a possible sentence of 10 years in prison for the health care fraud offense with a consecutive term of imprisonment of two years for the aggravated identity theft offense and a fine of up to \$250,000. Indictments contain only charges and are not evidence of guilt. Defendants are presumed to be innocent unless and until proven guilty.”

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

Federal Criminal Defense Attorneys
Videos:

TEN page 4



U.S.

continued from page 2

The case is U.S.A v. Todd Newman et al, U.S. District Court for the Southern District of New York, No. 12-0124.”

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,

TEN

continued from page 3

[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

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.

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.