



## Federal Indictment Alleges That Peregrine CEO, Russell Wasendorf Sr., Lied To Regulators Every Month Since Jan 2010

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

Submitted at 12:08 PM August 14, 2012

“Prosecutors say Wasendorf lied to regulators about the value of customer funds on a monthly basis in reports from January 2010 through May 2012.”

Forbes on August 14, 2012 released the following:

By: Halah Touryalai, Forbes Staff

“Russell Wasendorf Sr., the CEO of the now bankrupt Peregrine Financial Group, has been formally charged by a federal grand jury on 31 counts of misleading regulators.

Wasendorf lied to the U.S. Commodity Futures Trading Commission 31 times about the value of customer funds the firm held. Wasendorf, who’s been held in custody since being arrested in July, faces 155 years in prison and a fine of \$7.75 million if convicted on all counts.

According to the indictment Wasendorf submitted false information for his U.S. futures and currency brokerage firm in its 2010 and 2011 financial statements.

Wasendorf “overstated the value of PFG’s customer segregated funds by at least tens of millions of dollars, well knowing and believing the actual value of PFG’s customer segregate funds was at least tens of millions of dollars less than stated in the financial documents,” the indictment says. []

The CEO’s false statements didn’t stop there, according to prosecutors in the U.S. Attorney’s Office for the Northern District



of Iowa. Wasendorf lied to regulators about the value of customer funds on a monthly basis in reports from January 2010 through May 2012, prosecutors says.

Last month Wasendorf was arrested after regulators accused PFG of fraud, misusing of client money, violating customer fund segregation laws and making false statements about its finances. Peregrine file for bankruptcy and roughly \$215 million in client assets are missing amid the mess.

Wasendorf’s arrest came just days after he attempted to take his own life outside his Iowa-based office building. According to police reports, the CEO attempted suicide and left a note stating that he had been stealing from the firm.

According to reports, the CEO attempted the suicide after a regulator pushed him to allow its auditors to electronically verify

customer balances actually exist at its custodian bank—in this case, U.S. Bank.”

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 Criminal Defense 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 Defense, OFAC SDN Sanctions Removal, International Criminal Court Defense, and US Seizure of Non-Resident, Foreign-Owned Assets. Because we have experience dealing with INTERPOL, our firm understands the inter-relationship that INTERPOL’s “Red Notice” brings to this equation.

The author of this blog is Douglas C. McNabb. Please feel free to contact him directly at [mcnabb@mcnabbassociates.com](mailto:mcnabb@mcnabbassociates.com) or at one of the offices listed above.

## Residents of California and Utah Sentenced for Tax Fraud

(USDOJ: Justice News)

Submitted at 8:53 AM August 14, 2012

David L. Johnson and Michael L. Putnam were sentenced today following their convictions for tax crimes related to their involvement in the Genesis Fund, the Justice Department and Internal Revenue Service (IRS) announced. Both Johnson

and Putnam had previously pleaded guilty before U.S. District Judge Dale S. Fischer in the Central District of California. According to the original indictment filed in this case, the Genesis Fund was a private investment fund that was marketed as investing in foreign currency trading, but that operated as a Ponzi scheme.

## Gary Douglas Perdue Named Special Agent in Charge of Pittsburgh Division

fbi (Current)

Submitted at 2:00 AM August 14, 2012

— Washington, D.C.

## Acting Associate Attorney General Tony West Speaks at the Visit to the San Jose, Calif., National Forum on Youth Violence Prevention Site

(USDOJ: Justice News)

Submitted at 4:00 PM August 14, 2012

“By emphasizing collaborative partnerships, evidence-based and data-driven strategies and a balanced, holistic approach, we know we can help communities to curb violence and promote the health, safety and development of our young people,” said Acting Associate Attorney General West.



# Dozens of 'innocent' prisoners could be freed

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

Submitted at 11:35 AM August 14, 2012

USA Today on August 13, 2012 released the following:

“By Brad Heath

Dozens of federal prisoners who are locked up even though prosecutors concede they are “legally innocent” could soon be released under new orders from the U.S. Justice Department.

The department confirmed Monday that it had instructed its lawyers to abandon legal objections that could have blocked — or at least delayed — the inmates from being set free. In a court filing, the department said it had “reconsidered its position,” and that it would drop its legal arguments “in the interests of justice.”

The shift follows a USA TODAY investigation in June that identified more than 60 people who were imprisoned for something an appeals court later determined was not a federal crime. The investigation found that the Justice Department had done almost nothing to identify those prisoners — many of whom did not know they were innocent — and had argued in court that the men were innocent but should remain imprisoned anyway.

Neither Justice Department lawyers nor defense attorneys would speculate Monday how many innocent prisoners eventually might be released. Some who were convicted of other crimes might receive shorter sentences; others might be tried for different offenses.

Chris Brook, the legal director of the ACLU of North Carolina, called the move “an encouraging first step,” but said “much more has to be done for these wrongly incarcerated individuals.” He said the department still had not offered to identify prisoners who were sent to prison for something that turned out not to be a federal crime.

Federal law bans people from having a gun if they have previously been convicted of a crime that could have put them in prison for more than a year. In North Carolina, however, state law set the maximum punishment for a crime based in part on the criminal record of whoever committed it, meaning some people who committed crimes such as possessing cocaine faced sentences of more than a year, while those with shorter records face only a few months.

For years, federal courts there said that

didn’t matter. If someone with a long record could have gone to prison for more than a year, then all who had committed that crime are felons and cannot legally have a gun, the courts maintained. But last year, the 4th Circuit Court of Appeals said judges had been getting the law wrong: Only people who could have faced more than a year in prison for their crimes qualify as felons. Its decision meant thousands of low-level offenders are not committing a federal crime by having a gun.

In many cases, prosecutors did not dispute that prisoners convicted of gun possession before that decision were innocent, but argued that they should remain locked up because of strict laws that limit when and how inmates can challenge their convictions. The department’s new instructions directed prosecutors to drop those arguments.

Justice spokeswoman Adora Andy said the department had “decided to take a litigating position designed to accelerate relief for defendants in these cases who, by virtue of a subsequent court decision, are no longer guilty of a federal crime.” She declined to elaborate on the details of the department’s instruction. In at least one case on Monday, the government asked a court to set aside a defendant’s gun possession conviction.

The shift was met with cautious praise Monday from defense lawyers scrambling to file challenges based on the court’s ruling. Eric Placke, an assistant federal public defender in Greensboro, N.C., said it was “an appropriate response, a fair response, by allowing things to be handled on the merits rather than based just on procedural defenses.”

One of those prisoners, Travis Bowman, said in an e-mail that he was hoping for “another chance at life” if his gun possession conviction is overturned. Bowman was sentenced to 10 years in federal prison for being a felon in possession of a firearm; he was arrested after a high-speed police chase through rural Murphy, N.C. Under the appeals court’s ruling, his prior convictions weren’t serious enough to make having a gun a crime.

Bowman said he didn’t know he was innocent until USA TODAY contacted him earlier this year. He later asked a federal judge in North Carolina to release him. “If that happens, I got so much stuff I wanna do with my life,” he said.

Many of the practical effects of the Justice Department’s new instructions remained unclear on Monday.

The legal issue underlying the gun possession cases could also have implications for many other federal inmates. That’s because a person’s felony record plays a key role in deciding how long a prison sentence he will receive when he’s convicted of a federal crime. Hundreds of inmates have already gone to court arguing their prison sentences are too long because at least one of their prior convictions no longer qualifies as a felony under the appeals court’s decision.

The ACLU, which last week asked Justice officials to do more to help the inmates, estimated last week that as many as 3,000 people could be eligible to either be released or have their sentences reduced because of the 4th Circuit’s decision. The department did not say on Monday whether it would also drop its legal objections in those cases.”

---

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](#)

[Federal Mail Fraud Crimes](#)

[Federal Crimes – Appeal](#)

---

To find additional federal criminal news, please read [Federal Criminal Defense 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 Defense, OFAC SDN Sanctions Removal, International Criminal Court Defense, and US Seizure of Non-Resident, Foreign-Owned Assets. Because we have experience dealing with INTERPOL, our firm understands the inter-relationship that INTERPOL’s “Red Notice” brings to this equation.

The author of this blog is Douglas C. McNabb. Please feel free to contact him directly at [mcnabb@mcnabbassociates.com](mailto:mcnabb@mcnabbassociates.com) or at one of the offices listed above.



## Justice Department Settles Claims of Discrimination Against Philadelphia Employment Agency

(USDOJ: Justice News)

Submitted at 1:05 PM August 14, 2012

The Justice Department announced today that it reached a settlement agreement with Best Packing Services Employment Agency Inc., which is based in Philadelphia, resolving allegations that the company discriminated under the anti-discrimination provision of the Immigration and Nationality Act (INA), when it impermissibly delayed the start date of two refugees after requiring them to provide specific Form I-9 documentation.

## Justice Department Settles Lawsuit Against South Carolina Landlord for Discriminating Against Families with Children

(USDOJ: Justice News)

Submitted at 10:29 AM August 14, 2012

The Justice Department announced today that John Wingard Altman has agreed to pay \$25,000 to settle a lawsuit involving violations of the Fair Housing Act at Altman Apartments, a 16-unit apartment complex he owns in Summerville, S.C. In July 2012, the court, ruling on a motion filed by the government, found that the defendant had violated the Fair Housing Act by discriminating against families with children.

## U.S. Marshals Task Force Arrests Man Wanted for Brutal Assault on Four People

(U.S. Marshals Service News)

Submitted at 12:00 PM August 14, 2012

August 14, 2012 - The U.S. Marshals Northern Ohio Violent Fugitive Task Force, with the assistance of the Trumbull County Sheriff's Office, arrested Marco Correa in Newton Falls, OH. Correa was wanted by the Cleveland Division of Police for four counts of felonious assault.

## Acting Assistant Attorney General for the Office of Justice Programs Mary Lou Leary Speaks at the Visit to the San Jose, Calif., National Forum on Youth Violence Prevention Site

(USDOJ: Justice News)

Submitted at 3:57 PM August 14, 2012

"The message we're sending is that youth violence is not inevitable. When communities engage partners across disciplines and use a data-driven, balanced approach – one that emphasizes prevention, intervention, enforcement, and reentry – they can reduce violence and improve outcomes for our youth," said Acting Assistant Attorney General Leary.

## Owner of Miami Home Health Company Pleads Guilty in \$60 Million Health Care Fraud Scheme

(USDOJ: Justice News)

Submitted at 10:14 AM August 14, 2012

Rodolfo Nieto Jr., 40, of Miami, pleaded guilty before U.S. District Judge Cecilia M. Altonaga in the Southern District of Florida to one count of conspiracy to defraud the United States and to receive health care kickbacks.

It is alleged that Correa was one of five people that were involved in an unprovoked assault at Charlie's Place on Lorain Ave. in Cleveland that left two people unconscious, permanently blinded a waitress, and broke the jaw of an off-duty Cleveland police officer that stepped in to help the victims.