



## Queens Politician Charged With Alleged Campaign Fraud

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

Submitted at 2:59 PM October 24, 2012

The Wall Street Journal on October 24, 2012 released the following:

“By Sean Gardiner

A Queens politician was charged Wednesday with fraud in connection with his unsuccessful run for the City Council two years ago and obstruction of justice for allegedly threatening people who cooperated with the investigation.

Albert Baldeo, 52 years old, is accused of using “straw donors” to funnel multiple illegal contributions into his campaign in the fall of 2010 for the City Council’s 28th District, which represents Richmond Hill, South Jamaica and South Ozone Park, according to a criminal complaint unsealed Wednesday by Manhattan United States Attorney Preet Bharara.

The purpose of the alleged scheme, Mr. Bharara said in a statement, was to “fraudulently increase the amount of matching funds provided by the New York City Campaign Finance Board” to Mr. Baldeo’s campaign.

Mr. Baldeo is a Democratic district leader in Queens who lost to Ruben Wills in a November 2010 special election to fill the seat vacated by the death of City Councilman Thomas White Jr.

Mr. Bharara said in a statement that Mr. Baldeo “was so focused on securing a position with the New York City Council that he was willing to break the law to increase his chances.”

Mr. Baldeo reported that he received a total of \$47,803 in campaign donations and sought matching funds on about \$15,000 which, under the city’s complicated calculation system, would have resulted in him receiving about \$90,000 in matching public funds. However, the Campaign Finance Board ruled that Mr. Baldeo was ineligible for those matching funds “due to serious, unresolved questions about the validity of various contributions to the campaign,” the complaint states.

The Federal Bureau of Investigation

subsequently pursued an investigation in which they discovered that Mr. Baldeo had “straw donors” fill out campaign contribution cards falsely purporting that they donated their personal money to Mr. Baldeo’s campaign.

“These (donations) were nothing more than funds drawn from his own bank account, disguised as donations from others,” Mary Galligan, FBI Acting Assistant Director-in-Charge of the New York Office, said in a statement.

In at least one instance, Mr. Baldeo’s office manager was provided \$1,375 in cash allegedly by Mr. Baldeo and told to get two money orders totaling that amount. People purporting to be legitimate donors then signed over the money orders to Mr. Baldeo’s campaign.

Mr. Baldeo is also alleged to have provided clients, whom he had provided legal services to in immigration matters, a money order equal to the money they paid him. He instructed them to fill out the money order to his campaign, the complaint states.

Mr. Bharara contends that after learning that the FBI was investigating his campaign donations, Mr. Baldeo instructed some of the straw donors not to cooperate or to lie to investigators, saying they could get in trouble if they told the agents the truth.

When one straw donor refused to lie, Mr. Baldeo is alleged to have faxed a threatening letter to the straw donor’s lawyer, the complaint states. And a person the complaint describes as “a co-conspirator of Baldeo’s not charged” made false allegations to the city’s Administration for Children’s Services that the man had abused his grandchild.

Mr. Baldeo was elected as Democratic Male District Leader in Queens’ District 38, Part B, in September 2010 and still holds that position. The official duties of the district leaders include electing the chair of the county political party, setting the party’s platform, appointing election workers at poll sites and helping to select nominees for civil court judgeships. It’s

an unpaid, two-year term.

Mr. Baldeo surrendered to FBI official Wednesday morning and was awaiting an appearance in Manhattan federal court. His lawyer, Henry Mazurek, released a statement saying that the government’s “crusade” against Mr. Baldeo was “vindictive and discriminatory.” “Albert Baldeo has devoted himself to public service in his Queens neighborhood as a district leader and has built a career as a lawyer representing the most needy in the Guyanese and other immigrant communities in which he serves,” he said.”

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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.

## Former Employee of Army Contractor Pleads Guilty to Bribery for Facilitating Theft by Trucking Contractor in Afghanistan

(USDOJ: Justice News)

Submitted at 4:54 PM October 24, 2012

Diyana Montes, 29, pleaded guilty before U.S. District Judge James E. Boasberg in

the District of Columbia to one count of bribery.



# Appeal in Insider Trading Case Centers on Wiretap

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

Submitted at 10:32 AM October 24, 2012

The New York Times on October 23, 2012 released the following:

“BY PETER LATTMAN

In March 2008, the Justice Department made an extraordinary request: It asked a judge for permission to record secretly the phone conversations of Raj Rajaratnam, a billionaire hedge fund manager.

The request, which was granted, was the first time the government had asked for a wiretap to investigate insider trading. Federal agents eavesdropped on Mr. Rajaratnam for nine months, leading to his indictment — along with charges against 22 others — and the biggest insider trading case in a generation.

On Thursday, lawyers for Mr. Rajaratnam, who is serving an 11-year prison term after being found guilty at trial, will ask a federal appeals court to reverse his conviction. They contend that the government improperly obtained a wiretap in violation of Mr. Rajaratnam’s constitutional privacy rights and federal laws governing electronic surveillance.

Such a ruling is considered a long shot, but a reversal would have broad implications. Not only would it upend Mr. Rajaratnam’s conviction but also affect the prosecution of Rajat K. Gupta, the former Goldman Sachs director who was convicted of leaking boardroom secrets to Mr. Rajaratnam. Mr. Gupta is scheduled to be sentenced on Wednesday.

A decision curbing the use of wiretaps would also affect the government’s ability to police Wall Street trading floors, as insider trading cases and other securities fraud crimes are notoriously difficult to build without direct evidence like incriminating telephone conversations. “Wiretaps traditionally have been used in narcotics and organized crime cases,” said Harlan J. Protass, a criminal defense lawyer in New York who is not involved in the Rajaratnam case. “Their use today in insider trading investigations indicates that the government thinks there may be no bounds to the types of white-collar cases in which they can be used.”

More broadly, Mr. Rajaratnam’s appeal is being closely watched for its effect on the privacy protections of defendants regarding wiretap use. Three parties have filed “friend-of-the-court” briefs siding with Mr. Rajaratnam. Eight former federal judges warned that allowing the court’s ruling to stand “would pose a grave threat to the integrity of the warrant process.” A group of defense lawyers said that

upholding the use of wiretaps in this case would “eviscerate the integrity of the criminal justice system.”

To safeguard privacy protections, federal law permits the government’s use of wiretaps only under narrowly prescribed conditions. Among the conditions are that a judge, before authorizing a wiretap, must find that conventional investigative techniques have been tried and failed. Mr. Rajaratnam’s lawyers said the government misled the judge who authorized the wiretap, Gerard E. Lynch, in this regard.

They say that the government omitted that the Securities and Exchange Commission had already been building its case against Mr. Rajaratnam for more than a year using typical investigative means like interviewing witnesses and reviewing trading records. Had the judge known about the S.E.C.’s investigation, he would not have allowed the government to use a wiretap, Mr. Rajaratnam’s lawyers argue.

Before Mr. Rajaratnam’s trial, the presiding judge, Richard J. Holwell, held a four-day hearing on the legality of the wiretaps. Judge Holwell criticized the government, calling its decision to leave out information about its more conventional investigation a “glaring omission” that demonstrated “a reckless disregard for the truth.”

Nevertheless, Judge Holwell refused to suppress the wiretaps, in part, he said, because they were necessary to uncover Mr. Rajaratnam’s insider trading scheme. “It appears that the S.E.C., and by inference the criminal authorities, had hit a wall of sorts,” Judge Holwell wrote.

On appeal, Mr. Rajaratnam lawyers argued that the government’s lack of candor should not be tolerated. They described the government’s wiretap application as full of “misleading assertions” and “outright falsity” that made it impossible for Judge Lynch to do his job.

“The government’s self-chosen reckless disregard of the truth and of the critical role of independent judicial review breached that trust and desolated the warrant’s basis,” wrote Mr. Rajaratnam’s lawyers at the law firm Akin Gump Strauss Hauer & Feld.

In their brief to the appeals court, federal prosecutors dispute that they acted with a “reckless disregard for the truth.” Instead, they argue that omitting details of the S.E.C.’s investigation was at most “an innocent mistake rising to the level of negligence.” In addition, they said that the S.E.C.’s inquiry failed to yield sufficient evidence for a criminal case, necessitating

the use of a wiretap.

Once Judge Lynch signed off on the wiretap application, the government’s investigation into Mr. Rajaratnam accelerated. The wiretapping of Mr. Rajaratnam’s phone, along with the subsequent recording of his supposed accomplices, yielded about 2,400 conversations. In many of them, Mr. Rajaratnam could be heard exchanging confidential information about technology stocks like Google and Advanced Micro Devices.

Three years ago this month, federal authorities arrested Mr. Rajaratnam and charged him with orchestrating a seven-year insider trading conspiracy. The sprawling case has produced 23 arrests of traders and tipsters, many of them caught swapping secrets with Mr. Rajaratnam about publicly traded companies.

Among the thousands of calls were four that implicated Mr. Gupta, a former head of the consulting firm McKinsey & Company who served as a director at Goldman Sachs and Procter & Gamble. On one call in July 2008, the only wiretapped conversation between the two men, Mr. Gupta freely shared Goldman’s confidential board discussions with Mr. Rajaratnam. On another, Mr. Rajaratnam told a colleague at his hedge fund, the Galleon Group, “I heard yesterday from somebody who’s on the board of Goldman Sachs that they are going to lose \$2 per share.”

Those conversations set off an investigation of Mr. Gupta. He was arrested in October 2011 and charged with leaking boardroom secrets about Goldman and P.& G. to Mr. Rajaratnam. A jury convicted him in May after a monthlong trial.

On Wednesday at Federal District Court in Manhattan, Judge Jed S. Rakoff will sentence Mr. Gupta. Federal prosecutors are seeking a prison term of up to 10 years. Mr. Gupta’s lawyers have asked Judge Rakoff for a nonprison sentence of probation and community service. One proposal by the defense would have Mr. Gupta living in Rwanda and working on global health issues.

Regardless of his sentence, Mr. Gupta plans to appeal. And because prosecutors used wiretap evidence in his trial, Mr. Gupta would benefit from a reversal of Mr. Rajaratnam’s conviction.

Yet a reversal would not affect the convictions of the defendants in the conspiracy who have pleaded guilty. As



## APPEAL

continued from page 2

part of their pleas, those defendants waived their rights to an appeal.”

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Douglas McNabb and other members of the U.S. law firm practice and write and/

## U.S. Postal Service Mail Carrier Indicted for Involvement with Stolen Identity Refund Fraud Conspiracy

(USDOJ: Justice News)

Submitted at 5:47 PM October 24, 2012

On Oct. 16, 2012, Vernon Harrison, of Montgomery, Ala., was indicted by a federal grand jury on charges of conspiring to file false claims, mail fraud, aggravated identity theft and embezzlement from the mail, the Justice Department, the Internal Revenue Service (IRS), and the U.S. Postal Service, Office of the Inspector General (OIG), announced today after the indictment was unsealed.

## Justice Department Reaches Settlement with Maryland Restaurant Over Accessibility Violations

(USDOJ: Justice News)

Submitted at 10:39 AM October 24, 2012

The Justice Department announced today that it reached a settlement with Mrs. K's Tollhouse Restaurant of Silver Spring, Md., to remedy alleged violations of the Americans with Disabilities Act (ADA). The agreement resolves allegations that the restaurant failed to remove architectural barriers that made parts of it inaccessible to people with disabilities, including those who use wheelchairs.

## U.S. v. Christopher J. Deans

(Antitrust Division: Upcoming Public Hearings)

Submitted at 9:41 AM October 24, 2012

Sentencing hearing has been rescheduled for January 8, 2013. Time TBD.

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.

## Former Supervisor at Georgia Prison Is the Third to Plead Guilty to Conspiring with Other Officers to Assault and Injure Inmates

(USDOJ: Justice News)

Submitted at 5:46 PM October 24, 2012

Emmett McKenzie, 31, from Montezuma, Ga., formerly a sergeant at Macon State Prison in Oglethorpe, Ga., pleaded guilty to conspiring with other correctional officers to violate the civil rights of an inmate in 2010, the Justice Department Announced today. McKenzie, who most recently served as a lieutenant at Dooly State Prison in Unadilla, Ga., is the third officer to plead guilty in the course of the ongoing federal investigation.

## Deputy Attorney General James M. Cole Speaks at the 2012 Red Ribbon Week Ceremony

(USDOJ: Justice News)

Submitted at 10:39 AM October 24, 2012

"Like Special Agent Kiki Camarena, one person can and does make a difference. By joining me in wearing a red ribbon and gathering here today, and by celebrating Red Ribbon Week, you are helping make that difference," said Deputy Attorney General Cole.

## U.S. v. Harold H. Buchman

(Antitrust Division: Upcoming Public Hearings)

Submitted at 9:40 AM October 24, 2012

Sentencing hearing has been rescheduled for May 14, 2013 at 1:00 p.m. Central

## U.S. v. Steven J. Cox

(Antitrust Division: Upcoming Public Hearings)

Submitted at 9:35 AM October 24, 2012

Sentencing hearing has been rescheduled for May 8, 2013 at 9:30 a.m. Central

## Alabama Man Indicted for Stolen Identity Refund Fraud

(USDOJ: Justice News)

Submitted at 4:37 PM October 24, 2012

A federal grand jury in Montgomery, Ala., returned an indictment charging Kenneth Jerome Blackmon Jr., with aggravated identity theft, wire fraud, access device fraud and misuse of a Social Security number, the Justice Department and the Internal Revenue Service (IRS) announced today.

## Justice Department Files Lawsuit in Mississippi to Protect the Constitutional Rights of Children

(USDOJ: Justice News)

Submitted at 10:22 AM October 24, 2012

The Justice Department filed a lawsuit today against the city of Meridian, Miss.; Lauderdale County, Miss.; judges of the Lauderdale County Youth Court; and the state of Mississippi alleging that the defendants systematically violate the due process rights of juveniles.

## Former San Juan County, New Mexico, Sheriff's Deputy Pleads Guilty to Violating Civil Rights of Man by Assaulting Him with a Flashlight

(USDOJ: Justice News)

Submitted at 5:15 PM October 24, 2012

R. Dale Frazier, 57, of Flora Vista, N.M., pleaded guilty today in U.S. District Court in Albuquerque, N.M., to a federal civil rights charge in connection with the unlawful assault and beating of Dovovan Tanner with a flashlight.

## U.S. v. Lawrence B. Stacy

(Antitrust Division: Upcoming Public Hearings)

Submitted at 9:38 AM October 24, 2012

Sentencing hearing has been rescheduled for May 13, 2013 at 1:00 p.m. Central

## U.S. v. Wayne E. Kepple

(Antitrust Division: Upcoming Public Hearings)

Submitted at 9:42 AM October 24, 2012

Sentencing hearing has been rescheduled for April 12, 2013 at 11:00 a.m. Eastern

## U.S. v. Bobby Threlkeld, Jr.

(Antitrust Division: Upcoming Public Hearings)

Submitted at 9:33 AM October 24, 2012

Sentencing hearing has been rescheduled for March 18, 2013 at 1:00 p.m. Central



## U.S. v. Allen French

*(Antitrust Division: Upcoming Public Hearings)*

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Submitted at 9:58 AM October 24, 2012

Sentencing hearing has been rescheduled  
for May 14, 2013 at 1:00 p.m. Central