



US set to try soldier Pfc. Bradley Manning, over leaks, targets Assange

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

Submitted at 8:57 AM December 15, 2011

The Associated Press (AP) on December 15, 2011 released the following:

“By RAPHAEL G. SATTER

Associated Press

LONDON (AP) — As the suspected source for the biggest intelligence leak in American history faces his first hearing Friday, U.S. prosecutors have their eye on another prize: the man who disclosed the documents to the world.

When WikiLeaks’ spectacular disclosures of U.S. secrets exploded onto the scene last year, much of Washington’s anger coalesced around Julian Assange, the silver-haired globe-trotting figure whose outspoken defiance of the Pentagon and the State Department riled politicians on both sides of the aisle. Pfc. Bradley Manning, long under lock and key, hasn’t attracted the same level of ire.

The pair’s fates have been intertwined, however, even if the Australian-born computer hacker says he didn’t know the private’s name until after news of his arrest emerged in June 2010. Manning’s alleged disclosures put Assange at the epicenter of a diplomatic earthquake.

Assange in turn has worked energetically to drum up support for the imprisoned soldier – all while emphasizing that the way his anti-secrecy site was set up meant he could not be sure if Manning was his source.

U.S. investigators have been scrutinizing links between the two as they explore the possibility of charging the Australian with serious crimes under U.S. law. A Virginia grand jury is studying evidence that might link Assange to Manning, but no action has yet been taken.

In chat logs recorded by Adrian Lamo, the hacker who turned Manning in, the 23-year-old private allegedly poured his heart out, laying bare his disillusionment with the military and his decision to ship mountains of classified material to Assange. In the logs – which the military says are genuine – Manning tells Lamo that he’d “developed a relationship with Assange” and hinted at instant messages

swapped via a server maintained by the Germany-based Chaos Computer Club.

But even according to the logs, Manning and Assange do not seem to have learned very much about each other. “He won’t work with you if you reveal too much about yourself,” Manning is quoted as having said.

At least one media report suggested that prosecutors have struggled without success to flesh out the purported links between the pair. NBC News, citing unnamed military sources, said earlier this year that officials had turned up no evidence of direct contact between Assange and Manning.

In any case prosecutors face formidable obstacles. Experts say that a prosecution under the century-old Espionage Act would risk criminalizing practically any form of investigative journalism. A conspiracy charge, which some have floated as an alternative, would also be tough to prove.

“If Manning steals a bunch of information, and gives it to Julian Assange, I think that would be very difficult to show that that was a conspiracy,” said Benjamin Wittes, a senior fellow at the Brookings Institute. Even if it turns out that Assange had, hypothetically, pushed Manning to divulge the documents, Wittes said it would still be hard to distinguish that from a traditional reporter trying to work a source.

“Is that any different in principle from the relationship between Deep Throat and Bob Woodward?” he asked, referring to the source behind the Watergate scandal and one of the reporters, Woodward, who broke the story.

Inquiries into Assange and WikiLeaks are ongoing. The grand jury has been investigating for more than year and could continue for months or even years longer. Witnesses have been called, though the identities of most are unknown.

A Manning supporter, David House, refused to testify when he was called in June, citing his right against self-incrimination. House said nearly all the questions posed to him centered on

Manning. He said he was not asked about Assange.

There remains pressure to haul the Australian before an American judge.

Both Democratic Vice President Joe Biden and Republican presidential hopeful Newt Gingrich described Assange as an information-age terrorist, with Gingrich saying that Assange should be “treated as an enemy combatant.” Others have been even more explicit, with pundits including former vice presidential candidate Sarah Palin calling on American officials to hunt him down.

The bloodthirsty rhetoric may have receded since last year, but the otherwise deeply divided U.S. political establishment remains nearly unanimous in its hostility to Assange.

“At a time when the political parties are polarized, WikiLeaks succeeded in uniting them,” said Steven Aftergood, director of the Project on Government Secrecy at the Federation of American Scientists.

No matter what happens at Manning’s court martial, Assange faces a host of other legal and financial problems.

His WikiLeaks website operation is running out of money and could close by next month. The British Supreme Court could rule on whether to extradite him to Sweden, where he is wanted on sex crimes allegations, as early as next week.

He has spent the last year fighting extradition from a wealthy supporter’s country estate in southeastern England, where he lives under virtual house arrest.”

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.

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Alleged Fake Hedge Fund Managers Arrested by the FBI and Charged in Newark, New Jersey Federal Court with Wire Fraud Conspiracy

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

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The Federal Bureau of Investigation (FBI) on December 14, 2011 released the following:

"Fake Hedge Fund Managers Charged in New Jersey for Alleged \$3.5 Million Fraud Through Foreign Currency Investment Ponzi Scheme

NEWARK, NJ—Two men claiming to run New Jersey-based hedge funds using a secret computer program to invest in foreign currency are charged for allegedly defrauding victims out of more than \$3.5 million and spending the investments on high-end vehicles, luxury travel and five-figure bar tabs, U.S. Attorney for the New Jersey Paul J. Fishman announced.

George Sepero, 39, of Glen Rock, N.J., and Carmelo Provenzano, 29, of Garfield, N.J., were arrested today by FBI special agents on a criminal complaint charging them with wire fraud conspiracy. The defendants are scheduled for initial appearances and bail hearings this afternoon before U.S. Magistrate Judge Michael A. Shipp in Newark.

"According to the complaint, Sepero and Provenzano used fake companies and phony reports to steal millions in real money from trusting investors," said U.S. Attorney Fishman. "With other people's cash in their pockets, the defendants allegedly went on a spending spree involving luxury vehicles, international travel and extraordinary bar bills. Nobody asks to be defrauded, but those looking to invest should always be skeptical of rates of return that go so far beyond the norm." "I cannot stress enough the importance of investors exercising due diligence before trusting others with their money," said Michael B. Ward, special agent in charge of the Newark, N.J., Division of the FBI. "The old adage 'if it sounds too good to be true, it probably is' remains constant. In this case, Sepero and Provenzano claimed to own a secret computer algorithm which would achieve returns of 170 percent or more at a time when financial markets were in flux. Instead, it was another of the many Ponzi schemes that have been uncovered in New Jersey wherein subjects are diverting money to support lavish lifestyles."

According to the complaint unsealed today in Newark federal court:

Beginning in 2009, Sepero and Provenzano claimed to run a series of hedge funds in New Jersey, luring

investors with the prospect of extraordinary profits in foreign currency trading. The defendants made numerous misrepresentations and omissions to induce their victims to invest in "Pelt Capital," "Caxton Capital Management," "SP Investors Inc." and "CCP Pro Consulting Inc." Sepero and Provenzano claimed they owned and controlled a proprietary computer algorithm for trading foreign currencies; that they had used the algorithm to achieve returns of more than 170 percent in the prior two years; and that any investment funds would be highly liquid and could be withdrawn on days' notice.

Relying on these and other misrepresentations, investors sent the defendants a total of more than \$3.5 million. Sepero and Provenzano invested little or no money in foreign currency or any other investment vehicle, instead diverting the vast majority of victims' investments to pay prior victims in Ponzi-scheme style and to finance extravagant personal expenditures.

Sepero and Provenzano spent investor money on credit card bills averaging approximately \$25,000 per month; bar tabs of approximately \$18,241—including a \$4,000 tip—and approximately \$14,034 on separate nights at "Drai's Hollywood" nightclub in Los Angeles; luxury hotel rooms for tens of thousands of dollars, including suites costing more than \$4,000 at W Hotels in New York; and flights to Paris, Los Angeles, Chicago and elsewhere. Sepero also purchased a customized Ford F-350 "Harley-Davidson Edition" pickup truck costing more than \$80,000 and Provenzano bought a luxury Range Rover Sport SUV costing more than \$71,000, with a down payment of more than \$65,000. The pair also spent victims' money on other personal expenditures, including mortgage payments, home improvements, meals at high-end restaurants, jewelry and limousines.

The defendants furthered the scheme by e-mailing victims fake statements showing their principal had been invested in the foreign currency markets and was achieving substantial results. Many of these e-mails were purportedly sent by an individual named "Mel Tannenbaum," a fictional character of Provenzano's invention.

The defendants also e-mailed to several investors "screen shots" of a computer-based trading program, which they

claimed represented the investors' funds being traded in the currency markets. In reality, the shots reflected trading in fictional accounts set up by the coconspirators to dupe investors.

The wire fraud conspiracy count with which Sepero and Provenzano are charged carries a maximum potential penalty of 20 years in prison and a fine of \$250,000 or twice the gain or loss from the offense.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Ward in Newark, for the investigation. He also thanked the Commodity Futures Trading Commission's New York Regional Office, under the direction of David Meister.

The government is represented by Assistant U.S. Attorneys Christopher Kelly and Zach Intrater of the U.S. Attorney's Office Economic Crimes Unit and Evan Weitz of the office's Asset Forfeiture Unit in Newark.

The charge and allegations contained in the complaint are merely accusations, and the defendants are considered innocent unless and until proven guilty.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes."

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Federal Court Bars Operator of New Jersey Tax Firm from Preparing Federal Tax Returns

(USDOJ: Justice News)

Submitted at 9:56 AM December 15, 2011

A federal court has permanently barred Carmen Gonzalez from preparing federal tax returns for others.

Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

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