



Federal Drug Charges Dropped Because of Too Much Evidence

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

Submitted at 12:30 PM August 16, 2012

CBS News on August 15, 2012 released the following:
"IOWA CITY, Iowa — A fugitive doctor charged in the nation's largest prosecution of Internet pharmacies is getting off in part because there's just too much evidence in his case: more than 400,000 documents and two terabytes of electronic data that federal authorities say is expensive to maintain.

Armando Angulo was indicted in 2007 in a multimillion dollar scheme that involved selling prescription drugs to patients who were never examined or even interviewed by a physician. A federal judge in Iowa dismissed the charge last week at the request of prosecutors, who want to throw out the many records collected over their nine-year investigation to free up more space.

The Miami doctor fled to his native Panama after coming under investigation in 2004, and Panamanian authorities say they do not extradite their own citizens. Given the unlikelihood of capturing Angulo and the inconvenience of maintaining so much evidence, prosecutors gave up the long pursuit. "Continued storage of these materials is difficult and expensive," wrote Stephanie Rose, the U.S. attorney for northern Iowa. She called the task "an economic and practical hardship" for the Drug Enforcement Administration.

The case started in 2003 with a raid of a small Iowa drugstore and eventually secured the conviction of 26 defendants, including 19 doctors. The investigation dismantled two Internet pharmacies that illegally sold 30 million pills to customers. Investigators also recovered \$7 million, most of which went to Iowa police agencies that helped with the case.

When a major drug suspect flees the country, federal authorities often leave the charges pending in case the fugitive tries to sneak back into the U.S. or a country with a friendly extradition process. But in Angulo's case, the volume of evidence posed a bigger burden.

The evidence took up 5 percent of the DEA's worldwide electronic storage. Agents had also kept several hundred

boxes of paper containing 440,000 documents, plus dozens of computers, servers and other bulky items.

Two terabytes is enough to store the text of 2 million novels, or roughly 625,000 copies of "War and Peace."

Two-terabyte memory drives are widely available for \$100, but the DEA's data server must be relatively small and may need replacement, a costly and risky proposition for an agency that must maintain the integrity of documents, said University of Iowa computer scientist Douglas Jones.

"A responsible organization doesn't upgrade every time new technology is available. That's all they would be doing," Jones said. "But the result is you end up in situations like this where the capacity they have is not quite up to the incredible volume of data involved."

Randy Stock, who runs the website whatsabyte.com, which explains electronic storage, said he doubted that storing the data would have been that problematic for the government.

"I'm thinking that excuse is just their easy way out," he wrote in an e-mail.

U.S. District Judge Linda Reade dismissed the case with prejudice, meaning it cannot be refiled.

Angulo, 59, was accused of improperly authorizing thousands of prescriptions for pain pills, diet medication and other drugs while working for Pharmacom International Corp., a Florida-based Internet company that operated from 2003 to 2004.

The company's doctors approved prescriptions without examining patients, communicating with them or verifying their identities, prosecutors said. Three Pharmacom officials and a person who recruited doctors were sentenced to prison. Eight physicians pleaded guilty to conspiracy to illegally distribute controlled substances and launder the proceeds.

The investigation began after agents raided the Union Family Pharmacy in Dubuque and found evidence that it had illegally dispensed medication over a six-month period for Pharmacom and another Internet company, Medical Web Services, which pleaded guilty. Eleven of its physicians were also prosecuted.

Angulo fled to Panama around the time Florida regulators suspended his medical license for prescribing controlled substances to Medicaid patients "in excessive quantities and without medical justification." An audit found his prescriptions cost Medicaid \$6.5 million over six years and caused addiction and dangerous health risks.

Investigators know Angulo's whereabouts in Panama, which has an extradition treaty with the U.S. to return fugitives. But a spokeswoman for the Panamanian Embassy in Washington said the country never received a formal extradition petition for Angulo and that the country's constitution bars the extradition of Panamanian citizens.

The dismissal of the charges does not mean Angulo is free to return to the U.S. He is still listed as one of Florida's most wanted criminals and is being sought for separate Medicaid fraud and narcotics charges in that state."

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

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Federal grand jury subpoenas Finance Committee

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

Submitted at 12:36 PM August 16, 2012

Chicago Tribune on August 15, 2012 released the following:
 “Seeks 6 years of records on disability payments

By John Byrne and Hal Dardick, Chicago Tribune reporters

A federal grand jury has demanded that a City Council committee led by a powerful alderman turn over records related to a program that last year alone paid out \$115 million to disabled city workers, according to documents obtained by the Tribune.

Prosecutors sent subpoenas to the Finance Committee long led by Ald. Edward Burke, 14th. The Aug. 3 request asks for access to a host of records related to the “duty disability” program.

The subpoenas were issued about one week after city Inspector General Joseph Ferguson, a former federal prosecutor, announced that Burke’s committee had rebuffed his attempts to obtain many of the same records.

The U.S. attorney’s office and the city inspector general’s office previously conducted joint investigations, most notably Operation Crooked Code, which led to the convictions of more than a dozen city workers and private contractors involved in a bribery scandal in the city’s Zoning and Building departments.

The Finance Committee runs the workers’ compensation program for the city’s workforce, excluding sworn police and fire personnel injured in the line of duty, committee spokesman Donal Quinlan said. The committee provided a copy of the subpoenas to the Tribune on Tuesday in response to a request made under the state’s open records law.

“The Committee on Finance acknowledges receiving the subpoenas and ... we are cooperating 100 percent with the U.S. attorney’s office,” Quinlan said in a written statement. “We will have no further comment.”

The subpoenas demand access to the duty disability program’s database and a host of other records, including injury records, medical assessments and claim

investigation records dating to January 2006. They also call on the committee to turn over records showing the duties of staff members who run the program.

Six years ago, the U.S. attorney’s office subpoenaed similar records, but that probe has not resulted in any charges.

Ferguson had spent months trying to get access to the database, but committee staff turned down the request, saying the records fell outside Ferguson’s jurisdiction. Instead, Quinlan said Tuesday that Burke had agreed to give the information to the council’s newly hired watchdog, Legislative Inspector General Faisal Khan.

But Khan runs a fledgling one-man office that has funding of \$260,000 this year, compared with Ferguson, who has an authorized staff of 67 and a budget of \$5.8 million. The powers of Khan’s office also are more limited.

Mayor Rahm Emanuel previously had declined to weigh in on the tussle between Burke and Ferguson over the records. On Tuesday, before the subpoenas were released, Emanuel said he supports strong oversight of the payments because cracking down on disability fraud could save the city millions of dollars each year. “As it relates specifically to workers’ comp, I was very clear when we introduced our budget that we can take \$15 million of cost out of that because of abuse that goes on, and waste,” Emanuel said.

But he did not directly address a question about whether Khan’s office has enough muscle to provide that. “There should be constant oversight of what happens in that system,” he said at an unrelated news conference. “And so I’m not particular about whether it’s that IG, meaning the legislative IG.”

Ferguson was unavailable Tuesday to comment on the Khan development, and his spokesman declined to comment on the federal subpoenas.

Aldermen created Khan’s office in 2010 as they sought to fend off a move by then-Mayor Richard Daley to give Ferguson the power to investigate the City Council. Several aldermen said then that the city inspector general, appointed by the mayor,

could not be truly independent.

Critics contend that Khan’s office is a sham because he must clear considerable hurdles before he can open an official investigation. Among them is approval from the city Board of Ethics, which has not issued a finding of aldermanic wrongdoing in more than 24 years.

Khan does not have his own investigators, instead relying on those who work for the Board of Ethics. Asked Tuesday whether he can handle an audit of the disability program, Khan said he hopes to get funding from the City Council to hire more people next year. “The discussion is always about whether I have enough resources or manpower to do it,” said Khan, who plans to begin his audit in September.”

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

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Justice Department Settles Race Discrimination Case Against Pennsylvania Country Club

(USDOJ: Justice News)

Submitted at 4:26 PM August 16, 2012

The Justice Department announced today that it has reached a settlement agreement with Valley Club, a former swimming facility located in Huntingdon Valley, Pa,

resolving allegations that the company discriminated against persons because of race. The Justice Department’s investigation was conducted under Title II of the Civil Rights Act of 1964, which prohibits discrimination on the basis of

race, color, national origin and religion in places of public accommodation, such as hotels, restaurants and places of entertainment.

Three Charged with Allegedly Making Threats Against University of Pittsburgh

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

Submitted at 12:57 PM August 16, 2012

The Federal Bureau of Investigation (FBI) on August 15, 2012 released the following:
 "PITTSBURGH— A federal grand jury in the Western District of Pennsylvania today returned two indictments charging a resident of Dublin, Ireland, with a series of crimes related to e-mailed threats targeting the University of Pittsburgh, three federal courthouses, and a federal officer. A third indictment charges two Ohio men for additional online threats against the university, announced U.S. Attorney David J. Hickton.

A 35-count indictment named Adam Stuart Busby, 64, of Dublin, as the sole defendant. According to the indictment, from March 30, 2012 until April 21, 2012, Busby sent more than 40 e-mails targeting the University of Pittsburgh campus. The e-mailed bomb threats resulted in more than 100 evacuations at the University of Pittsburgh, greatly disrupting the university community. The indictment charges Busby with 17 counts of wire fraud, 16 counts of maliciously conveying false information in the form of bomb threats, and two counts of international extortion.

A separate but related four-count indictment alleges that on June 20 and 21, 2012, Busby maliciously conveyed false information through the Internet claiming bombs had been placed at U.S. courthouses located in Pittsburgh, Erie, and Johnstown, Pennsylvania. In addition, Busby is charged with threatening David J. Hickton, a federal officer, while he was engaged in the performance of his official

Justice Department Requires Changes to Verizon-Cable Company Transactions to Protect Consumers, Allows Procompetitive Spectrum Acquisitions to Go Forward

(USDOJ: Justice News)

Submitted at 11:27 AM August 16, 2012

The Department of Justice announced today that it will require Verizon and four of the nation's largest cable companies—Comcast, Time Warner Cable, Bright House Networks and Cox Communications—to make changes to a series of agreements concerning both the

Alabama Man Indicted in a Stolen Identity Refund Fraud Conspiracy

(USDOJ: Justice News)

Submitted at 10:59 AM August 16, 2012

A federal grand jury in Montgomery, Ala., returned an indictment charging

duties.

A one-count indictment named Alexander Waterland, 24, of Loveland, Ohio; and Brett Hudson, 26, of Hillsboro, Ohio, as defendants. According to the indictment, between April 25, 2012 and May 23, 2012, Waterland and Hudson engaged in a conspiracy targeting the University of Pittsburgh with interstate threats claiming they were associates of the computer hacking group Anonymous. The threats—posted on YouTube by a user calling himself "AnonOperative13," sent via e-mail, and publicized via Twitter—attempted to extort the chancellor of the university into placing an apology on the university's website. The threats claimed that if the chancellor did not comply with their demands, confidential information stored on the computer servers of the University of Pittsburgh would be released.

The maximum penalty for wire fraud is 20 years in prison. The maximum penalty for maliciously conveying false information is 10 years in prison. The maximum penalty for extortionate threats is two years in prison. Because all counts charged are felonies, the maximum fine on each count is \$250,000. The law provides for a maximum sentence of five years in prison, a fine of \$250,000, or both for Waterland and Hudson. Under the federal sentencing guidelines, the actual sentence imposed would be based upon the seriousness of the offenses and the prior criminal history, if any, of the defendants.

Assistant U.S. Attorney James T. Kitchen is prosecuting these cases on behalf of the government.

The FBI, the Western Pennsylvania Joint

sale of bundled wireless and wireline services, and the formation of a technology research joint venture. The department said that, if left unaltered, the agreements would have harmed competition by diminishing the companies' incentive to compete, resulting in higher prices and lower quality for consumers.

Quentin Collick for conspiring to file false tax returns using stolen identities, theft of public funds, and aggravated identity theft, the Justice Department and the

Terrorism Task Force, and the University of Pittsburgh Police Department conducted the investigation leading to the indictment in these cases.

An indictment is an accusation. A defendant is presumed innocent unless and until proven guilty."

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Yazaki Executive Agrees to Plead Guilty to Price Fixing on Automobile Parts Installed in U.S. Cars

(USDOJ: Justice News)

Submitted at 12:02 PM August 16, 2012

An executive of Tokyo-based Yazaki Corporation has agreed to plead guilty for his role in a conspiracy to fix prices of instrument panel clusters, also known as meters, installed in cars sold in the United States and elsewhere.

Internal Revenue Service (IRS) announced today.



Court employee leaked classified documents, FBI alleges

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

Submitted at 12:42 PM August 16, 2012

Los Angeles Times on August 15, 2012 released the following:

“A federal court employee in Los Angeles was charged with leaking confidential court files, the FBI said Tuesday.

Nune Gevorkyan, 35, was accused of accessing sealed court documents and giving the information to defendants before they were arrested, officials said. Gevorkyan and her husband, Oganesh Koshkaryan, were arrested Tuesday. They are charged with conspiring to obstruct justice.

Officials allege that an individual “working in an undercover capacity approached Koshkaryan about getting leaked information from the court. “Following this conversation, on two separate occasions, the undercover provided Koshkaryan with the names of individuals who were actual defendants in a criminal case filed under seal in federal

court. On both occasions, Koshkaryan then delivered to the undercover confidential information that had been obtained from the sealed court records,” according to a statement by the FBI. “Checks of electronic court records confirmed that that Gevorkyan, who was employed as a clerk in the criminal Intake area of the district court’s clerk’s office, had accessed the sealed court records pertaining to the named individuals shortly after the undercover had delivered the names to Koshkaryan,” the statement added.

Details on the undercover operative were not provided in the statement.”

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