



Leo Joshua Kennedy Indicted by a San Jose Federal Grand Jury for Allegedly Committing Wire Fraud in a \$17 Million Fraud Scheme

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

Submitted at 3:17 PM November 1, 2012

The Federal Bureau of Investigation (FBI) on October 31, 2012 released the following:

“Danville Man Charged in \$17 Million Fraud Scheme

SAN JOSE, CA— A federal grand jury in San Jose indicted Leo Joshua Kennedy, of Danville, California, today with 10 counts of wire fraud, United States Attorney Melinda Haag announced.

According to the indictment, Kennedy, 60, is alleged to have stolen \$17 million from various beneficiary trust accounts at Backhouse Fiduciary Services. While working as an accountant for Backhouse Fiduciary Services, a San Jose based administrator of beneficiary trust accounts, the defendant allegedly transferred funds from various trust accounts without the account-holders’ permission. Kennedy allegedly used those funds to pay for his personal investments and living expenses.

Kennedy is scheduled to make his initial appearance in federal court in San Jose on November 20, 2012, before Magistrate Judge Grewal.

The maximum statutory penalty for each count of wire fraud in violation of Title 18, United States Code, Section 1343 is 20 years in prison and a fine of \$250,000 or twice the gross gain or gross loss from the offense, plus restitution. However, any sentence following conviction would be imposed by the court after consideration

of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Jeff Schenk is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Kamille Singh. The prosecution is the result of an investigation by the Federal Bureau of Investigation.

Please note, an indictment contains only allegations against an individual and, as with all defendants, Kennedy must be presumed innocent unless and until proven guilty.

Today’s announcement is part of efforts underway by President Obama’s Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys’ offices and state and local partners, it is the broadest coalition of law enforcement, investigatory, and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state, and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions, and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud

cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.”

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

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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 or at one of the offices listed above.

British millionaire pleads guilty in Iran missile scheme

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

Submitted at 4:33 PM November 1, 2012

British millionaire pleads guilty in Iran missile scheme

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

Submitted at 4:29 PM November 1, 2012

Justice Department Officials Raise Awareness of Disaster Fraud Hotline

(USDOJ: Justice News)

Submitted at 6:29 PM November 1, 2012

The Department of Justice, the FBI and the National Center for Disaster Fraud

(NCDF) remind the public there is a potential for disaster fraud in the aftermath of a natural disaster. Suspected fraudulent activity pertaining to relief

efforts associated with Hurricane Sandy should be reported to the toll-free NCDF hotline at 866-720-5721.



[British millionaire pleads guilty in Iran missile scheme.](#)



[British millionaire pleads guilty in Iran missile scheme.](#)



U.S. District Court Judge Richard G. Stearns will rule “in two to three days” on James “Whitey” Bulger’s trial continuance request

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

Submitted at 3:30 PM November 1, 2012

Boston Herald on November 1, 2012 released the following:

“Judge makes no decision on Bulger trial delay

By Laurel J. Sweet

The federal judge who’ll preside over the murder trial of accused gangland serial killer James “Whitey” Bulger will announce “in two to three days” whether he’ll grant the defense team’s latest bid to postpone the March spectacle to November 2013.

U.S. District Court Judge Richard G. Stearns took the request under advisement this afternoon following a 15-minute hearing that marked his first appearance in the case since Bulger’s lead public defender J.W. Carney Jr. twice demanded he recuse himself because of his prior service as a federal prosecutor. Stearns has twice refused to step aside.

Carney has also threatened to put Stearns on the witness stand next to the very bench he’ll issue orders from. Carney told Stearns today he has no plans at this time to try and get the case dismissed based on Bulger’s claim that the late U.S. Attorney Jeremiah O’Sullivan gifted him a license to kill and immunity from prosecution for more than a quarter century.

Despite an overflow courtroom no doubt hoping for a shouting match between the two men, they kept their conversation civil.

“I’m very impressed with the attendance,”

Federal Court in Ohio Issues Preliminary Injunction Against Instant Tax Service Franchiser and Its CEO

(USDOJ: Justice News)

Submitted at 10:10 AM November 1, 2012

A federal court has preliminarily enjoined ITS Financial LLC, the parent company that owns the Instant Tax Service tax-preparation franchise operation, the Justice Department announced today. Dayton, Ohio-based ITS claims to be the fourth-largest tax-preparation firm in the

Washington, DC, Tax Return Preparer Sentenced to Two Years in Prison for Preparing False Tax Returns

(USDOJ: Justice News)

Submitted at 12:09 PM November 1, 2012

Enyinnaya Udo was sentenced to 24 months in prison today and ordered by U.S. District Judge Barbara J. Rothstein to

Stearns quipped.

Carney renewed his contention that he and co-counsel Hank Brennan are overwhelmed by more than 364,000 documents they need to read, take notes from and review with Bulger, 83, in addition to Department of Justice reports they still need to comb through, books about Bulger’s reign of terror they need to read and witnesses they need to interview — all to adequately defend a mobster. Carney said “has been demonized for decades.”

The former South Boston crimelord, who was captured in Santa Monica, Calif., in June 2011 after 16 years on the lam as the FBI’s Most Wanted domestic terrorist, is charged with the murders of 19 men and women — two of them former girlfriends of his partner in crime Stephen “The Rifleman” Flemmi.

“We have been working days, nights, weekends and I say sincerely we cannot possibly digest this discovery in time to be prepared for trial,” Carney said. “It is unprecedented in my experience trying hundreds of cases.”

“A fair trial before a fair judge does not begin with empanelment of a jury,” he said, “it begins with the defense counsel being allowed to be prepared to try the case.”

Assistant U.S. Attorney Brian Kelly patiently assured Stearns that Carney “can handle it.”

“The government is always in favor of a fair trial,” he said. “What we’re not in favor of is delaying trials unnecessarily.”

nation, according to the government complaint in the civil lawsuit. Judge Timothy Black of the U.S. District Court for the Southern District of Ohio signed the order, which also applies to the company’s CEO, Fesum Ogbazion. The defendants consented to the preliminary injunction.

pay more than \$262,966 in restitution to the Internal Revenue Service (IRS) as a condition of supervised release, the Justice Department and IRS announced.

This is a cross-examination case for him. This is basically murder and mayhem by our witnesses and his client. He (Carney) wants to litigate things, not resolve them.”

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

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Company to Pay \$101,500 Civil Penalty for Dumping Sensitive Consumer Documents in Publicly-Accessible Dumpsters

(USDOJ: Justice News)

Submitted at 3:25 PM November 1, 2012

A company that operates payday loan and check cashing stores in at least nine states has settled with the government over allegations that it violated federal regulations, the Justice Department announced today. In April 2010, law enforcement officers retrieved boxes of intact consumer documents, including credit reports, from trash cans and dumpsters near four PLS Financial Services stores in the Chicago area. The improper disposal of these documents led to an investigation by the Federal Trade Commission (FTC).



Northern California Real Estate Investor Agrees to Plead Guilty to Bid Rigging at Public Foreclosure Auctions

(USDOJ: Justice News)

Submitted at 1:33 PM November 1, 2012

A Northern California real estate investor has agreed to plead guilty for his role in conspiracies to rig bids and commit mail fraud at public real estate foreclosure auctions in Northern California.