

The Federal Crimes Watch Daily

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Federal Criminal Defense Lawyers

Wednesday, December 21, 2011

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Hampstead Woman Indicted for Allegedly Embezzling Over \$275,000 From Her Employer and Filing False Tax Returns

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

Submitted at 7:52 AM December 21, 2011

The Federal Bureau of Investigation (FBI) on December 20, 2011 released the following:

"BALTIMORE, MD— A federal grand jury has returned a superseding indictment today against Sandra Iris Klaus, age 46, of Hampstead, Maryland, which adds aggravated identity theft and filing a false tax return to the mail fraud previously charged in connection with a scheme to steal \$275,456 from her employer. The superseding indictment was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Richard A. McFeely of the Federal

Bureau of Investigation; and Acting Special Agent in Charge Jeannine A. Hammett of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office.

According to the 17 count indictment, from March 2005 to March 2011 Klaus was employed by a roofing and sheet metal company located in Westminster, Maryland as an administrative assistant and bookkeeper. Klaus was responsible for preparing and submitting the employee weekly payroll and issuing checks to pay vendors. From January 2007 to March 23, 2011, Klaus allegedly diverted company funds to pay her personal credit card bills, and caused fraudulent payrolls checks to be issued to a fictitious employee, which Klaus then endorsed and cashed. Klaus allegedly used a rubber stamp with the name of an authorized company signatory printed on it to sign the company checks for her personal benefit. Klaus is also alleged to have inserted her name as payee

on checks that were signed by an authorized person and given to Klaus to make payments for the business.

In an effort to conceal the scheme, the indictment further alleges that Klaus made entries into the company's accounting software system to disguise checks she sent from the company's bank account to pay her credit card bills as payments to legitimate vendors. Klaus also is alleged to have secretly set up a connection from her personal home computer to the company computer server so that she could make fraudulent entries into the company's accounting system from home. Further, the indictment alleges that Klaus used the name of another person, and forged that person's signature on a letter that Klaus allegedly used to obtain a mortgage loan of \$266,055.49 on a home in Hampstead. In addition, the indictment alleges that Klaus filed false

tax returns for tax years 2007 through 2010. The indictment alleges that Klaus substantially underreported her income in those tax years because she did not include any of the funds stolen from her employer.

The indictment seeks forfeiture of \$275,456.43, at least \$132,905.88 of which is alleged to have been transferred to Klaus using fraudulently issued payroll checks; and at least \$142,550.55 which Klaus allegedly transferred directly from the company bank accounts to make payments on her behalf.

Klaus faces a maximum sentence of 20 years in prison for each of 12 counts of mail fraud; two years in prison, consecutive to any other sentence imposed, for aggravated identity theft; and three years in prison and a fine of \$250,000 for each of four counts of filing

a false tax return. Klaus is scheduled to have an initial appearance and arraignment on the new charges in U.S. District Court in Baltimore on Friday, December 23, 2011 at 10:00 a.m. and trial is scheduled for March 19, 2012. An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal

United States Attorney Rod J. Rosenstein praised the FBI and IRS-Criminal Investigation for their work in the investigation and thanked Assistant United States Attorney Gregory R. Bockin, who is prosecuting the case."

proceedings.

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

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Florida-Based Defense Contractor Pays US \$4.75 Million to Resolve Allegations Related to Defective **Bomb Fuzes**

(USDOJ: Justice News)

tted at 10:23 AM December 21, 2011

allegations that the company submitted false claims for non-conforming fuzes sold to the U.S. Army for use in "bunkerbuster" bombs.

Kaman Precision Products Inc., an Orlando, Fla., defense contractor, will pay the United States \$4.75 million to resolve



Company and Three Individuals Indicted in Ohio for Allegedly Illegally Exporting Military Technology to South Korea

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

Submitted at 8:02 AM December 21, 2011

The Federal Bureau of Investigation (FBI) on December 20, 2011 released the following:

"CLEVELAND— A federal grand jury sitting in Cleveland has returned an indictment charging EO System Company Ltd., Seok Hwan Lee, Tae Young Kim and Won Seung Lee with five counts of knowingly and willfully exporting; causing to be exported; and aiding and abetting the export of defense articles on the U.S. Munitions List without first obtaining an export license or written authorization from the U.S. Department of State.

The indictment was announced by Steven M. Dettelbach, U.S. Attorney for the Northern District of Ohio, and Stephen D. Anthony, Special Agent in Charge of the FBI Cleveland Field Office.

EO System Company Ltd. is a corporation located in Inchon, Republic of Korea (South Korea), while Lee, Kim and Lee are citizens and residents of South Korea.

"These defendants are charged with violating important regulations designed to protect national security," said U.S. Attorney Dettelbach.

"The FBI and Department of Justice are committed to the protection of U.S. defense technology, particularly that which is governed by the International Traffic in Arms Regulations," said FBI Special Agent in Charge Anthony.

The indictment charges that on or about Nov. 4, 2005, the defendants knowingly exported, caused to be exported, and aided and abetted the export from the United States to South Korea of five DRS PN: 42 -15-050-003, E3500 system 25.7 mm F/ 1.0 Telescopes, also described as Infra Red Focal Plane Array detectors and Infra Red camera engines, which were designated as defense articles on the U.S. Munitions List.

The indictment charges that the defendants did so without first obtaining an export license or written authorization for such export from the U.S. Department of State.

If convicted, the defendants' sentences will be determined by the court after review of factors unique to this case, including the defendant's prior criminal record, if any, the defendants' role(s) in the offense, and the characteristics of the violation. In all cases the sentence will not exceed the statutory maximum and in most cases it will be less than the maximum.

In a related case, Kue Sang Chun, 67, of Avon Lake, Ohio, pleaded guilty on Jan. 20, 2011 to one count of exporting defense articles on the U.S. Munitions List without first obtaining an export license of written authorization from the State Department, and one count of knowingly making and subscribing a false U.S. individual income tax return.

He was sentenced in November 2011 to 14 months in prison.

This case is being prosecuted by

Assistant U.S. Attorneys Robert W. Kern and Justin E. Herdman of the Cleveland U.S. Attorney's Office, following an investigation by the Cleveland Offices of the FBI.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt."

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

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Internet Poker Operator Admits Deceit

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

Submitted at 8:37 AM December 21, 2011

The New York Times on December 20, 2011 released the following: By REUTERS

"One of the owners of a large Internet poker company pleaded guilty on Tuesday to a criminal charge of deceiving United States banks about the processing of gambling proceeds.

Brent Beckley, 31, the co-owner of Absolute Poker, admitted in Manhattan federal court that he had conspired to break United States laws against Internet gambling. He also pleaded guilty to a charge of conspiracy to commit bank fraud and wire fraud.

Twelve people have been charged in the case, including 11 in April when the government seized the Internet domain names of the three largest Internet poker companies: Absolute Poker, Full Tilt Poker and PokerStars.

The owner of Full Tilt Poker, Raymond Bitar; the owner of PokerStars, Isai Scheinberg; and the other owner of Absolute Poker, Scott Tom, were also charged.

Mr. Beckley told United States Magistrate Judge Ronald Ellis that at Absolute Poker between 2006 and April 2011 he had accepted credit cards from players so they could bet on the Internet. He said he had disguised the purpose of the payments. Under a plea bargain, Mr. Beckley will most likely serve 12 to 18 months."

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Judge Weighs Competency of Alleged Ponzi Scheme Defendant

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

Submitted at 8:13 AM December 21, 2011

The New York Times on December 20, 2011 released the following: By REUTERS

"A prison psychologist who evaluated the financier R. Allen Stanford testified on Tuesday that it would be "incredibly rare" for a patient to suffer from the type of delayed memory loss that Mr. Stanford's lawyers say makes him incompetent to stand trial.

Lawyers for Mr. Stanford, who is accused of running a \$7 billion Ponzi scheme, have argued that he is incompetent because of an addiction to antianxiety medication and a brain injury suffered in a 2009 jailhouse fight with another inmate. Mr. Stanford claims he suffers from retrograde amnesia, which prevents him from recalling critical events from his life before the fight. His lawyers plan to call several medical experts to testify about his condition.

Prosecutors, on the other hand, say that Mr. Stanford may have faked memory loss and that there is no evidence to support his claims. They want his trial to proceed as scheduled on Jan. 23. The prison psychologist testified for the government at the start of a mental competency hearing in Houston that will decide if Mr. Stanford's criminal trial can go forward next month.

The amnesia that Mr. Stanford has described "is incredibly rare. There is hardly any documented medical research," Dr. Robert Cochrane, the staff psychologist at a federal prison in North Carolina who evaluated Mr. Stanford, testified at the start of a hearing on Tuesday in United States District Court in Houston.

The financier, who once owned luxury homes in the Caribbean, Houston and Miami, has been indicted on charges of fraud, conspiracy and money laundering. He has pleaded not guilty.

In November, Mr. Stanford completed

more than eight months of treatment at the Butner prison hospital in North Carolina. United States District Judge David Hittner, who is overseeing the competency hearing, ruled at the start of the proceedings that only medical and mental health professionals could testify."

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