

From: Sweeney, Laura (SMO)
To: Breuer, Lanny A.; Raman, Mythili; Pope, Amy
CC: Finelli, Alisa (SMO); Sweeney, Laura (SMO)
Sent: 3/4/2011 1:05:49 AM
Subject: CRM Wrap 3.3.11

Lanny,

I'm sorry we weren't able to connect before you took off earlier. I'm always available if you'd like to chat. My work cell is 202-353-5929 and my personal cell is [Privacy](#)

Separately, the AP has published a story today that the AG has asked the IG to take another at Gunrunner and gun trafficking efforts - see below for AP's story.

Unrelated

Best,
Laura and Alisa

TODAY'S RELEASES:

Unrelated

TODAY'S INTERVIEWS: None

TOMORROW'S INTERVIEWS: TBD

Justice IG to look into anti-gun efforts on border

(AP) - 1 hour ago

WASHINGTON (AP) ♦ Attorney General Eric Holder has asked the Justice Department inspector general to take another look at the efforts of U.S. agents who hunt gun traffickers along the U.S. border with Mexico.

Some on Capitol Hill have suggested the current strategy endangers law enforcement officers.

The ranking Republican on the Senate Judiciary Committee, Sen. Chuck Grassley of Iowa, says he has been told by some personnel at the Bureau of Alcohol, Tobacco, Firearms and Explosives that the agency has allowed assault rifles to be sold to suspected straw purchasers for an illegal trafficking ring. Grassley questions whether agents adequately tracked the weapons after that.

Two of those weapons were recovered at a firefight that killed U.S. Customs and Border Protection agent Brian Terry last December.

The Justice Department turned down a request from Grassley for copies of communications between ATF headquarters in Washington and the agency's Phoenix office after Terry's death in southeastern Arizona.

"We are not in a position to disclose documents relating to any ongoing investigation," the Justice Department responded in a letter to Grassley.

The work of ATF on the border reflects the tension between conducting short-term operations aimed at arresting low-level straw buyers and long-term operations designed to move up the chain to identify criminal higher-ups directing the gun purchases.

In the letter to Grassley, dated Wednesday, Assistant Attorney General Ronald Weich said the IG's office has been asked by Holder to evaluate the concerns raised about ATF investigative actions and determine whether further investigation by the IG is needed.

In November, the IG's office concluded that a federal campaign to stop the smuggling of high-powered guns to Mexico is too narrowly focused on small-time gun runners and not the larger organizations suspected of arming Mexico's increasingly violent drug cartels.

The IG's report said that ATF agents working on Project Gunrunner have focused most of their efforts on one- and two-person cases at the behest of supervisors who urge them to close cases quickly and move on.

In a separate case not connected to Terry's death, authorities say a weapon purchased in October in the Dallas-Fort Worth area was used in a Feb. 15 attack on two U.S. Immigration and Customs Enforcement agents as they drove on a highway near San Luis Potosi in Mexico, killing Jaime Zapata and wounding Victor Avila. The man who bought the gun, his brother and a neighbor were part of a suspected gun-trafficking ring for a Mexican drug cartel. All three face federal weapons charges, none linked to Zapata's death.

That case developed after investigators for ATF and the Drug Enforcement Administration allegedly met a confidential informant near Dallas in November and gave him 40 guns to take into Mexico. The pistols, rifles and a shotgun ♦ most without serial numbers ♦ were seized before they crossed the border as part of the undercover operation by ATF and the Drug Enforcement Administration.

But authorities later learned that another gun purchased in October by one of the three men, Otilio Osorio, was used in the Feb. 15 attack that killed Zapata. It's unclear how, when and by whom that weapon was moved into Mexico.

Birmingham Assistant U.S. Attorney James Ingram joins Kleptocracy Asset Recovery Initiative to track assets of foreign leaders

Published: Thursday, March 03, 2011, 6:45 AM

By **Kent Faulk -- The Birmingham News**

Foreign countries ousting their leaders seems to be a trend lately. Egypt and Tunisia are examples.

But if former leaders try to take some ill-gotten gains with them and hide it in the United States, then a new unit that includes a Birmingham federal prosecutor is set to snatch it back and return it to the rightful country.

James Ingram, an assistant U.S. Attorney in Birmingham, is one of five selected to work in a unit called the Kleptocracy Asset Recovery Initiative. It's a newly formed group within the U.S. Department of Justice's Asset Forfeiture and Money Laundering Section in Washington, D.C.

"I feel very honored to be asked to participate," Ingram said last week before he left for his new assignment.

Kleptocracy is a term used to describe a government where leaders steal money or property from their country for personal gain.

"Where illegal proceeds are being funneled through the U.S. financial system, then it's important to enforce the laws ... to prevent our own financial system from being abused for criminal activity," Ingram said. "We do not want to be seen as a safe haven for corrupt officials and a place to launder their money."

Ingram said he didn't have an idea of how much embezzled or stolen money from foreign countries may be in the United States. "There is just a staggering, mind-boggling, billions and billions of dollars that are lost every year through public corruption around the world," he said.

The U.S. Justice Department has been working in recent years to help other countries find and re-take money and other assets stolen by former officials, Ingram said. The new unit is a way to ramp up that effort, he said.

"We're just turning up the heat," Ingram said.

Some of the cases in recent years involving former leaders in foreign countries hiding assets in the United States:

- In July 2010, federal prosecutors announced civil forfeiture complaints against a condominium in New York and a house in Virginia that represent part of \$6 million in bribes paid to the former president of Taiwan and his wife, who had been convicted in their country the year before on bribery, embezzlement and money laundering.

- In January 2009, federal prosecutors filed a forfeiture action against accounts worth nearly \$3 million that were alleged to come from a conspiracy to bribe public officials and their families in Bangladesh. U.S. prosecutors were able to get involved because the bribes from two companies were made in U.S. dollars and the money flowed through U.S. financial institutions before it was deposited in Singapore banks.

Last month, the Wall Street Journal also reported that the new unit would be working with the FBI on an investigation into recently ousted Tunisian President Zine al-Abidine Ben Ali to see if he has any assets in the United States.

Ingram said he could not talk about any cases the unit is working on.

As a trial attorney in the unit, Ingram said he would be involved in filing civil forfeiture lawsuits against the property, such as houses, cars and boats, and bank accounts of foreign leaders. The actions would be taken at the request of the government where the former leader or his family had resided.

Any money collected, Ingram said, would then be returned to the rightful country.

A part of his work in the unit also may include going to other countries to help in training officials in those countries about how to go about tracking and collecting money and property, Ingram said.

Ingram has been working asset forfeiture cases for a couple of decades in the U.S. Attorney's Office in Birmingham. He said forfeitures -- trying to seize the money or property of criminals -- serves several purposes. It might remove a crack house from a neighborhood, help get money for victims of crimes, or in some cases provide money that can go back to law enforcement, he said.

"You are depriving criminals of the proceeds of their illegal activities ... Crime is not supposed to pay," Ingram said. "I enjoy my work very much,"

Couple to plead guilty to Medicare fraud

Accused of bilking Medicare of \$200 million, a Miami couple will plead guilty to defrauding the government, the couple's lawyers said

BY JAY WEAVER

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A Miami couple accused of masterminding a \$200 million mental healthcare racket plan to plead guilty to defrauding the taxpayer-funded Medicare program, their lawyers told a federal judge Thursday.

Lawrence Duran, 48, and Marianella Valera, 39, owners of a Miami-based chain of seven clinics called American Therapeutic Corp., were indicted in October with directing the largest mental healthcare scam in the country. A total of 22 others ♦ including company employees,

psychiatrists and patient recruiters ♦ have also been charged.

Among American Therapeutic's patients: Elderly people suffering from dementia and Alzheimer's disease who could not have benefited from the costly group therapy sessions, according to prosecutors.

The couple's lawyers told U.S. District Judge James Lawrence King that they will keep him posted on the ♦ guilty plea proceedings, ♦ which are expected later this month. Their trial was set for August.

Both Duran and Valera were poised to change their pleas Thursday, but a major dispute over how much the couple allegedly bilked from Medicare must still be resolved. Their lawyers, Lawrence Metsch and Arthur Tifford, have argued that the figure should be \$83 million, the actual amount the federal program paid their company since 2003.

Justice Department attorney Jennifer Saulino has argued that the figure should be \$200 million, the amount their company billed Medicare during that period.

If they plead guilty, the calculation of the loss to Medicare would have a significant influence on their ultimate prison sentences, which could range from 10 years to 20 years.

The two co-owners of American Therapeutic, both U.S. citizens, are expected to plead guilty to the indictment: conspiring to defraud Medicare by filing false claims for mental health services, paying kickbacks to patients, patient recruiters and operators of assisted-living facilities, and laundering money through a subsidiary company called MedLink. The feds have frozen the couple's personal and corporate bank accounts, Saulino said. They also possess about \$7 million in assets, such as luxury cars, real estate and jewelry, that authorities seized with a temporary restraining order.

Both Duran, who was born in New York, and Valera, a native of Peru, are being held at the Federal Detention Center in Miami because a judge found they were a flight risk.